# Memorandum

MIAMI-DADE COUNTY

| | |
|---|---|
| Date: | May 14, 2013 |
| To: | Honorable Chairwoman Rebeca Sosa and Members, Board of County Commissioners |
| From: | Carlos A. Gimenez County Mayor |
| Subject: | Resolution Authorizing the issuance of $350 million of Water and Sewer System Revenue Bonds and $170 million of Water and Sewer System Revenue Refunding Bonds. |

FC
Agenda Item No. 3A

**Recommendation**

It is recommended that the Board of County Commissioners (Board) adopt the accompanying Resolution (Series 2013 Resolution) which authorizes the issuance, in an aggregate principal amount not to exceed:

- $350 million for Water and Sewer System Revenue Bonds, Series 2013A (Series 2013A Bonds); and
- $170 million for Water and Sewer System Revenue Refunding Bonds, Series 2013B (Series 2013B Bonds and together with the Series 2013A Bonds, the Series 2013 Bonds).

The Series 2013 Resolution further authorizes: (i) the payment of the costs of constructing or acquiring certain improvements which are part of the Water and Sewer Department's (WASD's) Capital Improvement Plan (CIP) as described in Attachment 1 to this transmittal memorandum (Series 2013 Projects); (ii) the current refunding of all of the Water and Sewer System Revenue Bonds, Series 1999A Bonds (Series 1999A Bonds); (iii) the payment of capitalized interest on the Series 2013A Bonds; (iv) the deposit to the Reserve Account; and (v) the payment of the costs of issuance of the Series 2013 Bonds, including the procurement of a municipal bond insurance policy if warranted. The Series 2013B Bonds maturities will not exceed the maturities of the Series 1999A Bonds and savings will exceed five percent as required pursuant to Resolution R-1313-09.

**Scope**

The funding for all or a portion of the Series 2013 Projects will have a countywide impact as will the benefit from refunding the Series 1999A Bonds.

**Fiscal Impact/Funding Source**

The principal and interest on the Series 2013 Bonds will be payable from Water and Sewer Net Revenues. Net Revenues are equal to all Revenues of the Water and Sewer Department less Operating Expenses. All costs of issuing the Series 2013 Bonds will be paid from bond proceeds including the procurement of a municipal bond insurance policy if warranted, the funding of a debt service reserve, and the provision of capitalized interest.

Based on market conditions of March 20, 2013, the purchasers, as part of the purchase price of the Series 2013A Bonds, will most likely pay an estimated premium for the bonds in the amount of $30.5 million, therefore the aggregate principal amount of the Series 2013A Bonds is estimated to be $311.9 million and the County would pay interest in the amount of $413.1 million over the 30 year life of the Series 2013A Bonds.

Based on market conditions as of March 20, 2013, the estimated debt service savings over the 16 year life of the Series 2013B Bonds is approximately $26.5 million (net present value savings of $16.5 million). Net present value savings is 11.8 percent of the par amount of the Outstanding Series 1999A Bonds.

Pursuant to Resolution R-1313-09, Attachment 2 to this transmittal memorandum reflects the proposed structure for the Series 2013 Bonds based on the market as of March 20, 2013. Updates to Attachment 2 will be provided at the time the Series 2013 Resolution is considered by the Board's Finance Committee and then again when considered by the full Board. A final pricing report will be distributed to the Board after the Series 2013 Bonds are awarded to the Underwriters. The Water and Sewer Series 2013 Bonds are anticipated to be issued in July 2013.

**Track Record/Monitoring**

The Series 2013 Bonds and the WASD's CIP Projects shall be managed by the Water and Sewer Department.

**Background**

On November 16, 1993, the Board enacted the Master Ordinance authorizing the issuance of revenue bonds for WASD from time to time. Pursuant to the Master Ordinance's, the Board has enacted and approved the issuance of $225 billion, of which a total of $2.028 billion has been issued. A companion Ordinance, to be heard at this meeting, authorizes the issuance of up to $4.245 billion of additional Water and Sewer System Revenue Bonds. In addition to the revenue bonds authorization, the Board has authorized the implementation of a $400 million commercial paper program and the revenue bonds to take out the commercial paper.

The Series 2013 Resolution authorizes the County Mayor or the County Mayor's designee to effectuate issuance of the Series 2013 Bonds.

On this same agenda is a resolution authorizing a water and wastewater retail rate adjustment of eight percent, which amends Implementing Order 4-110: Schedule of Rates, Fees and Charges effective October 1, 2013. The eight percent rate increase is necessary in order to meet the additional bonds test mandated by the Master Ordinance.

Resolution R-130-06 provides that any County contract with a third party be finalized and executed prior to its placement on the committee agenda. In order to provide the County the maximum flexibility in the market place, the sale of the Series 2013 Bonds, which will set their final terms, will not occur until after the effective date of this Series 2013 Resolution. Therefore, a waiver of Resolution R-130-06 is necessary.

Attachments

Edward Marquez
Deputy Mayor

## SERIES 2013 PROJECTS

| | |
|---|---|
| **WASTEWATER PROJECTS** | **$176,500,000** |
| Ocean Outfall Mandates<br>Central District Upgrades - Wastewater Treatment Plant<br>Pump Station Transmission and Collection System Improvements<br>South District Upgrades - Wastewater Treatment Plant<br>North District Upgrades - Wastewater Treatment Plant Improvements | |
| **WATER PROJECTS** | **$123,500,000** |
| Water Treatment Plant Improvements<br>Water Distribution System Extension Enhancements<br>Safe Drinking Water Act Modifications - SWT Rule and D-DBP<br>South Miami Heights Water Treatment Plant and Wellfield<br>Water Pipes and Infrastructure Projects | |
| **Total Wastewater and Water Projects** | **$300,000,000** |

Projects within the general categories of the Water and Sewer Capital Improvement Plan listed in the table above may be determined by the County Mayor or the County Mayor's designee after consultation with the Director of the Water and Sewer Department, provided that each portion of the Series 2013 Project, as modified is a Water and Sewer Project, the Cost of which is eligible to paid from proceeds of the Series 2013 Bonds.

SOURCES AND USES OF FUNDS

Miami-Dade County, Florida Water and Sewer System
Series 2013
Indicative Rates as of March 20, 2013
Refunding Reserve Fund Released at Maturity

| | |
|---|---|
| Dated Date | 06/26/2013 |
| Delivery Date | 06/26/2013 |

| Sources: | Series 2013 (New Money) | Series 2013 (Refunding of Series 1999A) | Total |
|---|---|---|---|
| Bond Proceeds: | | | |
| Par Amount | 311,935,000.00 | 139,645,000.00 | 451,580,000.00 |
| Premium | 30,522,566.60 | 19,966,266.80 | 50,488,833.40 |
| | 342,457,566.60 | 159,611,266.80 | 502,068,833.40 |
| Other Sources of Funds: | | | |
| Debt Service Funds | | 1,770,833.33 | 1,770,833.33 |
| | 342,457,566.60 | 161,382,100.13 | 503,839,666.73 |

| Uses: | Series 2013 (New Money) | Series 2013 (Refunding of Series 1999A) | Total |
|---|---|---|---|
| Project Fund Deposits: | | | |
| Project Fund | 300,000,000.00 | | 300,000,000.00 |
| Refunding Escrow Deposits: | | | |
| Cash Deposit | | 151,770,833.33 | 151,770,833.33 |
| Other Fund Deposits: | | | |
| Debt Service Reserve Fund | 15,101,681.26 | 8,210,000.00 | 23,311,681.26 |
| Capitalized Interest Fund | 23,611,746.53 | | 23,611,746.53 |
| | 38,713,427.79 | 8,210,000.00 | 46,923,427.79 |
| Cost of Issuance: | | | |
| Other Cost of Issuance | 1,871,610.00 | 698,225.00 | 2,569,835.00 |
| Delivery Date Expenses: | | | |
| Underwriter's Discount | 1,871,610.00 | 698,225.00 | 2,569,835.00 |
| Other Uses of Funds: | | | |
| Additional Proceeds | 918.81 | 4,816.80 | 5,735.61 |
| | 342,457,566.60 | 161,382,100.13 | 503,839,666.73 |

BOND SUMMARY STATISTICS

Miami-Dade County, Florida Water and Sewer System
Series 2013
Indicative Rates as of March 20, 2013
Refunding Reserve Fund Released at Maturity

| | |
|---|---|
| Dated Date | 06/26/2013 |
| Delivery Date | 06/26/2013 |
| First Coupon | 10/01/2013 |
| Last Maturity | 10/01/2042 |
| Arbitrage Yield | 3.682671% |
| True Interest Cost (TIC) | 4.258498% |
| Net Interest Cost (NIC) | 4.539196% |
| All-In TIC | 4.295694% |
| Average Coupon | 5.000000% |
| Average Life (years) | 23.028 |
| Duration of Issue (years) | 14.178 |
| Par Amount | 451,580,000.00 |
| Bond Proceeds | 502,068,833.40 |
| Total Interest | 519,949,347.22 |
| Net Interest | 472,030,348.82 |
| Bond Years from Dated Date | 10,398,986,944.44 |
| Bond Years from Delivery Date | 10,398,986,944.44 |
| Total Debt Service | 971,529,347.22 |
| Maximum Annual Debt Service | 80,787,000.00 |
| Average Annual Debt Service | 33,198,914.57 |
| Underwriter's Fees (per $1000) | |
| Average Takedown | |
| Other Fee | 5.690764 |
| Total Underwriter's Discount | 5.690764 |
| Bid Price | 110.611408 |

| Bond Component | Par Value | Price | Average Coupon | Average Life | PV of 1 bp change |
|---|---|---|---|---|---|
| Refunding Serial Bonds | 139,645,000.00 | 114.298 | 5.000% | 15.296 | 130,312.80 |
| Serial Bonds | 31,505,000.00 | 112.467 | 5.000% | 18.825 | 28,819.40 |
| Term Bond Due 2037 | 38,295,000.00 | 110.562 | 5.000% | 22.825 | 34,465.50 |
| Term Bond Due 2042 | 242,135,000.00 | 109.313 | 5.000% | 28.066 | 213,078.80 |
| | 451,580,000.00 | | | 23.028 | 406,676.50 |

BOND SUMMARY STATISTICS

Miami-Dade County, Florida Water and Sewer System
Series 2013
Indicative Rates as of March 20, 2013
Refunding Reserve Fund Released at Maturity

| | TIC | All-In TIC | Arbitrage Yield |
|---|---|---|---|
| Par Value | 451,580,000.00 | 451,580,000.00 | 451,580,000.00 |
| + Accrued Interest | | | |
| + Premium (Discount) | 50,488,833.40 | 50,488,833.40 | 50,488,833.40 |
| - Underwriter's Discount | (2,569,835.00) | (2,569,835.00) | |
| - Cost of Issuance Expense | | (2,569,835.00) | |
| - Other Amounts | | | |
| Target Value | 499,498,998.40 | 496,929,163.40 | 502,068,833.40 |
| Target Date | 06/26/2013 | 06/26/2013 | 06/26/2013 |
| Yield | 4.258498% | 4.295694% | 3.682671% |

## BOND SUMMARY STATISTICS

Miami-Dade County, Florida Water and Sewer System
Series 2013 (New Money)

| | |
|---|---|
| Dated Date | 06/26/2013 |
| Delivery Date | 06/26/2013 |
| First Coupon | 10/01/2013 |
| Last Maturity | 10/01/2042 |
| Arbitrage Yield | 3.682671% |
| True Interest Cost (TIC) | 4.406440% |
| Net Interest Cost (NIC) | 4.653259% |
| All-In TIC | 4.443048% |
| Average Coupon | 5.000000% |
| Average Life (years) | 26.489 |
| Duration of Issue (years) | 15.401 |
| Par Amount | 311,935,000.00 |
| Bond Proceeds | 342,457,566.60 |
| Total Interest | 413,145,809.03 |
| Net Interest | 384,494,852.43 |
| Bond Years from Dated Date | 8,262,916,180.56 |
| Bond Years from Delivery Date | 8,262,916,180.56 |
| Total Debt Service | 725,080,809.03 |
| Maximum Annual Debt Service | 80,787,000.00 |
| Average Annual Debt Service | 24,777,322.38 |
| Underwriter's Fees (per $1000) | |
| Average Takedown | |
| Other Fee | 6.000000 |
| Total Underwriter's Discount | 6.000000 |
| Bid Price | 109.184912 |

| Bond Component | Par Value | Price | Average Coupon | Average Life | PV of 1 bp change |
|---|---|---|---|---|---|
| Serial Bonds | 31,505,000.00 | 112.467 | 5.000% | 18.825 | 28,819.40 |
| Term Bond Due 2037 | 38,295,000.00 | 110.562 | 5.000% | 22.825 | 34,465.50 |
| Term Bond Due 2042 | 242,135,000.00 | 109.313 | 5.000% | 28.066 | 213,078.80 |
| | 311,935,000.00 | | | 26.489 | 276,363.70 |

| | TIC | All-In TIC | Arbitrage Yield |
|---|---|---|---|
| Par Value | 311,935,000.00 | 311,935,000.00 | 311,935,000.00 |
| + Accrued Interest | | | |
| + Premium (Discount) | 30,522,566.60 | 30,522,566.60 | 30,522,566.60 |
| - Underwriter's Discount | (1,871,610.00) | (1,871,610.00) | |
| - Cost of Issuance Expense | | (1,871,610.00) | |
| - Other Amounts | | | |
| Target Value | 340,585,956.60 | 338,714,346.60 | 342,457,566.60 |
| Target Date | 06/26/2013 | 06/26/2013 | 06/26/2013 |
| Yield | 4.406440% | 4.443048% | 3.682671% |

BOND SUMMARY STATISTICS

Miami-Dade County, Florida Water and Sewer System
Series 2013 (Refunding of Series 1999A)
($8.21 mm DSRF Deposit)

| | |
|---|---|
| Dated Date | 06/26/2013 |
| Delivery Date | 06/26/2013 |
| First Coupon | 10/01/2013 |
| Last Maturity | 10/01/2029 |
| Arbitrage Yield | 3.682671% |
| True Interest Cost (TIC) | 3.801865% |
| Net Interest Cost (NIC) | 4.097968% |
| All-In TIC | 3.842035% |
| Average Coupon | 5.000000% |
| Average Life (years) | 15.296 |
| Duration of Issue (years) | 11.177 |
| Par Amount | 139,645,000.00 |
| Bond Proceeds | 159,611,266.80 |
| Total Interest | 106,803,538.19 |
| Net Interest | 87,535,496.39 |
| Bond Years from Dated Date | 2,136,070,763.89 |
| Bond Years from Delivery Date | 2,136,070,763.89 |
| Total Debt Service | 246,448,538.19 |
| Maximum Annual Debt Service | 51,282,000.00 |
| Average Annual Debt Service | 15,153,112.51 |
| Underwriter's Fees (per $1000) | |
| Average Takedown | |
| Other Fee | 5.000000 |
| Total Underwriter's Discount | 5.000000 |
| Bid Price | 113.797874 |

| Bond Component | Par Value | Price | Average Coupon | Average Life | PV of 1 bp change |
|---|---|---|---|---|---|
| Refunding Serial Bonds | 139,645,000.00 | 114.298 | 5.000% | 15.296 | 130,312.80 |
| | 139,645,000.00 | | | 15.296 | 130,312.80 |

| | TIC | All-In TIC | Arbitrage Yield |
|---|---|---|---|
| Par Value | 139,645,000.00 | 139,645,000.00 | 139,645,000.00 |
| + Accrued Interest | | | |
| + Premium (Discount) | 19,966,266.80 | 19,966,266.80 | 19,966,266.80 |
| - Underwriter's Discount | (698,225.00) | (698,225.00) | |
| - Cost of Issuance Expense | | (698,225.00) | |
| - Other Amounts | | | |
| Target Value | 158,913,041.80 | 158,214,816.80 | 159,611,266.80 |
| Target Date | 06/26/2013 | 06/26/2013 | 06/26/2013 |
| Yield | 3.801865% | 3.842035% | 3.682671% |

SUMMARY OF REFUNDING RESULTS

Miami-Dade County, Florida Water and Sewer System
Series 2013
Indicative Rates as of March 20, 2013
Refunding Reserve Fund Released at Maturity

| | |
|---|---|
| Dated Date | 06/26/2013 |
| Delivery Date | 06/26/2013 |
| Arbitrage yield | 3.682671% |
| Escrow yield | |
| | |
| Bond Par Amount | 139,645,000.00 |
| True Interest Cost | 3.801865% |
| Net Interest Cost | 4.097968% |
| Average Coupon | 5.000000% |
| Average Life | 15.296 |
| | |
| Par amount of refunded bonds | 150,000,000.00 |
| Average coupon of refunded bonds | 5.000000% |
| Average life of refunded bonds | 15.296 |
| | |
| PV of prior debt to 06/26/2013 @ 3.682671% | 174,700,704.28 |
| Net PV Savings | 16,462,064.51 |
| Percentage savings of refunded bonds | 10.974710% |
| Percentage savings of refunding bonds | 11.788510% |

SAVINGS

Miami-Dade County, Florida Water and Sewer System
Series 2013
Indicative Rates as of March 20, 2013
Refunding Reserve Fund Released at Maturity

| Date | Prior Debt Service | Prior Receipts | Prior Net Cash Flow | Refunding Debt Service | Refunding Receipts | Refunding Net Cash Flow | Savings | Present Value to 06/26/2013 @ 3.6826708% |
|---|---|---|---|---|---|---|---|---|
| 10/01/2013 | 3,750,000.00 | 1,770,833.33 | 1,979,166.67 | 1,842,538.19 | | 1,842,538.19 | 136,628.48 | 118,348.22 |
| 10/01/2014 | 7,500,000.00 | | 7,500,000.00 | 6,982,250.00 | | 6,982,250.00 | 517,750.00 | 498,964.79 |
| 10/01/2015 | 7,500,000.00 | | 7,500,000.00 | 6,982,250.00 | | 6,982,250.00 | 517,750.00 | 481,084.90 |
| 10/01/2016 | 7,500,000.00 | | 7,500,000.00 | 6,982,250.00 | | 6,982,250.00 | 517,750.00 | 463,845.72 |
| 10/01/2017 | 7,500,000.00 | | 7,500,000.00 | 6,982,250.00 | | 6,982,250.00 | 517,750.00 | 447,224.29 |
| 10/01/2018 | 7,500,000.00 | | 7,500,000.00 | 6,982,250.00 | | 6,982,250.00 | 517,750.00 | 431,198.47 |
| 10/01/2019 | 7,500,000.00 | | 7,500,000.00 | 6,982,250.00 | | 6,982,250.00 | 517,750.00 | 415,746.92 |
| 10/01/2020 | 7,500,000.00 | | 7,500,000.00 | 6,982,250.00 | | 6,982,250.00 | 517,750.00 | 400,849.06 |
| 10/01/2021 | 7,500,000.00 | | 7,500,000.00 | 6,982,250.00 | | 6,982,250.00 | 517,750.00 | 386,485.05 |
| 10/01/2022 | 7,500,000.00 | | 7,500,000.00 | 6,982,250.00 | | 6,982,250.00 | 517,750.00 | 372,635.76 |
| 10/01/2023 | 7,500,000.00 | | 7,500,000.00 | 6,982,250.00 | | 6,982,250.00 | 517,750.00 | 359,282.74 |
| 10/01/2024 | 7,500,000.00 | | 7,500,000.00 | 6,982,250.00 | | 6,982,250.00 | 517,750.00 | 346,408.22 |
| 10/01/2025 | 7,500,000.00 | | 7,500,000.00 | 6,982,250.00 | | 6,982,250.00 | 517,750.00 | 333,995.04 |
| 10/01/2026 | 7,500,000.00 | | 7,500,000.00 | 6,982,250.00 | | 6,982,250.00 | 517,750.00 | 322,026.67 |
| 10/01/2027 | 55,080,000.00 | | 55,080,000.00 | 51,277,250.00 | | 51,277,250.00 | 3,802,750.00 | 2,262,482.75 |
| 10/01/2028 | 55,081,000.00 | | 55,081,000.00 | 51,277,500.00 | | 51,277,500.00 | 3,803,500.00 | 2,180,972.35 |
| 10/01/2029 | 55,083,000.00 | | 55,083,000.00 | 51,282,000.00 | 8,210,000.00 | 43,072,000.00 | 12,011,000.00 | 6,635,696.74 |
| | 266,494,000.00 | 1,770,833.33 | 264,723,166.67 | 246,448,538.19 | 8,210,000.00 | 238,238,538.19 | 26,484,628.48 | 16,457,247.71 |

Savings Summary

| | |
|---|---|
| PV of savings from cash flow | 16,457,247.71 |
| Plus: Refunding funds on hand | 4,816.80 |
| Net PV Savings | 16,462,064.51 |

Attachment 2

AGGREGATE DEBT SERVICE

Miami-Dade County, Florida Water and Sewer System
Series 2013
Indicative Rates as of March 20, 2013
Refunding Reserve Fund Released at Maturity

| Period Ending | Series 2013 (New Money) | Series 2013 (Refunding of Series 1999A) | Series 2003 | Series 2007 | Series 2008AB | Series 2008C | Series 2010 | Aggregate Debt Service |
|---|---|---|---|---|---|---|---|---|
| 10/01/2013 | 4,115,809.03 | 1,842,538.19 | 26,723,087.50 | 19,631,171.88 | 20,838,943.75 | 14,211,537.50 | 17,132,062.50 | 104,495,150.35 |
| 10/01/2014 | 15,596,750.00 | 6,982,250.00 | | 27,108,493.76 | 59,214,737.50 | 22,197,475.00 | 31,571,875.00 | 162,671,581.26 |
| 10/01/2015 | 15,596,750.00 | 6,982,250.00 | | 27,109,043.76 | 59,305,237.50 | 22,214,725.00 | 31,570,300.00 | 162,778,306.26 |
| 10/01/2016 | 15,596,750.00 | 6,982,250.00 | | 27,110,543.76 | 59,401,487.50 | 22,234,725.00 | 31,573,050.00 | 162,898,806.26 |
| 10/01/2017 | 15,596,750.00 | 6,982,250.00 | | 27,112,443.76 | 59,484,600.00 | 22,240,812.50 | 31,569,400.00 | 162,986,256.26 |
| 10/01/2018 | 15,596,750.00 | 6,982,250.00 | | 27,106,893.76 | 59,617,537.50 | 22,265,812.50 | 31,573,200.00 | 163,142,443.76 |
| 10/01/2019 | 15,596,750.00 | 6,982,250.00 | | 27,110,143.76 | 59,715,037.50 | 22,275,150.00 | 31,571,312.50 | 163,250,643.76 |
| 10/01/2020 | 15,596,750.00 | 6,982,250.00 | | 27,105,893.76 | 59,789,587.50 | 22,340,650.00 | 31,573,087.50 | 163,388,218.76 |
| 10/01/2021 | 15,596,750.00 | 6,982,250.00 | | 27,102,643.76 | 59,893,050.00 | 22,381,750.00 | 31,574,087.50 | 163,530,531.26 |
| 10/01/2022 | 15,596,750.00 | 6,982,250.00 | | 27,106,593.76 | 59,937,125.00 | 22,408,425.00 | 31,570,537.50 | 163,601,681.26 |
| 10/01/2023 | 15,596,750.00 | 6,982,250.00 | | 27,104,843.76 | | 80,755,012.50 | 31,571,787.50 | 162,010,643.76 |
| 10/01/2024 | 15,596,750.00 | 6,982,250.00 | | 27,104,093.76 | | 80,678,056.26 | 31,573,587.50 | 161,934,737.52 |
| 10/01/2025 | 15,596,750.00 | 6,982,250.00 | | 27,110,843.76 | | 80,869,556.26 | 31,569,187.50 | 162,128,587.52 |
| 10/01/2026 | 15,596,750.00 | 6,982,250.00 | | 106,979,250.00 | | | 31,573,412.50 | 161,131,662.50 |
| 10/01/2027 | 15,596,750.00 | 51,277,250.00 | | | | | 57,880,025.00 | 124,754,025.00 |
| 10/01/2028 | 15,596,750.00 | 51,277,500.00 | | | | | 57,879,775.00 | 124,754,025.00 |
| 10/01/2029 | 15,596,750.00 | 51,282,000.00 | | | | | 57,882,525.00 | 124,761,275.00 |
| 10/01/2030 | 22,906,750.00 | | | | | | 57,879,275.00 | 80,786,025.00 |
| 10/01/2031 | 22,906,250.00 | | | | | | 57,880,000.00 | 80,786,250.00 |
| 10/01/2032 | 22,907,500.00 | | | | | | 57,879,500.00 | 80,787,000.00 |
| 10/01/2033 | 22,904,500.00 | | | | | | 57,880,750.00 | 80,785,250.00 |
| 10/01/2034 | 22,906,500.00 | | | | | | 57,879,000.00 | 80,785,500.00 |
| 10/01/2035 | 22,907,250.00 | | | | | | 57,879,500.00 | 80,786,750.00 |
| 10/01/2036 | 22,905,750.00 | | | | | | 57,882,000.00 | 80,787,750.00 |
| 10/01/2037 | 22,906,000.00 | | | | | | 57,881,000.00 | 80,787,000.00 |
| 10/01/2038 | 22,901,750.00 | | | | | | 57,881,000.00 | 80,782,750.00 |
| 10/01/2039 | 22,907,000.00 | | | | | | 57,876,000.00 | 80,783,000.00 |
| 10/01/2040 | 80,785,000.00 | | | | | | | 80,785,000.00 |
| 10/01/2041 | 80,785,750.00 | | | | | | | 80,785,750.00 |
| 10/01/2042 | 80,787,000.00 | | | | | | | 80,787,000.00 |
| | 725,080,809.03 | 246,448,538.19 | 26,723,087.50 | 451,902,897.00 | 557,197,343.75 | 457,073,687.52 | 1,180,007,237.50 | 3,644,433,600.49 |

Attachment 2

BOND PRICING

Miami-Dade County, Florida Water and Sewer System
Series 2013 (New Money)

| Bond Component | Maturity Date | Amount | Rate | Yield | Price | Yield to Maturity | Premium (-Discount) |
|---|---|---|---|---|---|---|---|
| Serial Bonds: | | | | | | | |
| | 10/01/2030 | 7,310,000 | 5.000% | 3.470% | 113.111 C | 3.945% | 958,414.10 |
| | 10/01/2031 | 7,675,000 | 5.000% | 3.520% | 112.651 C | 4.015% | 970,964.25 |
| | 10/01/2032 | 8,060,000 | 5.000% | 3.560% | 112.284 C | 4.073% | 990,090.40 |
| | 10/01/2033 | 8,460,000 | 5.000% | 3.600% | 111.919 C | 4.126% | 1,008,347.40 |
| | | 31,505,000 | | | | | 3,927,816.15 |
| Term Bond Due 2037: | | | | | | | |
| | 10/01/2034 | 8,885,000 | 5.000% | 3.750% | 110.562 C | 4.295% | 938,433.70 |
| | 10/01/2035 | 9,330,000 | 5.000% | 3.750% | 110.562 C | 4.295% | 985,434.60 |
| | 10/01/2036 | 9,795,000 | 5.000% | 3.750% | 110.562 C | 4.295% | 1,034,547.90 |
| | 10/01/2037 | 10,285,000 | 5.000% | 3.750% | 110.562 C | 4.295% | 1,086,301.70 |
| | | 38,295,000 | | | | | 4,044,717.90 |
| Term Bond Due 2042: | | | | | | | |
| | 10/01/2038 | 10,795,000 | 5.000% | 3.890% | 109.313 C | 4.429% | 1,005,338.35 |
| | 10/01/2039 | 11,340,000 | 5.000% | 3.890% | 109.313 C | 4.429% | 1,056,094.20 |
| | 10/01/2040 | 69,785,000 | 5.000% | 3.890% | 109.313 C | 4.429% | 6,499,077.05 |
| | 10/01/2041 | 73,275,000 | 5.000% | 3.890% | 109.313 C | 4.429% | 6,824,100.75 |
| | 10/01/2042 | 76,940,000 | 5.000% | 3.890% | 109.313 C | 4.429% | 7,165,422.20 |
| | | 242,135,000 | | | | | 22,550,032.55 |
| | | 311,935,000 | | | | | 30,522,566.60 |

| | | |
|---|---|---|
| Dated Date | 06/26/2013 | |
| Delivery Date | 06/26/2013 | |
| First Coupon | 10/01/2013 | |
| Par Amount | 311,935,000.00 | |
| Premium | 30,522,566.60 | |
| Production | 342,457,566.60 | 109.784912% |
| Underwriter's Discount | (1,871,610.00) | (0.600000%) |
| Purchase Price | 340,585,956.60 | 109.184912% |
| Accrued Interest | | |
| Net Proceeds | 340,585,956.60 | |

BOND PRICING

Miami-Dade County, Florida Water and Sewer System
Series 2013 (Refunding of Series 1999A)
($8.21 mm DSRF Deposit)

| Bond Component | Maturity Date | Amount | Rate | Yield | Price | Yield to Maturity | Premium (-Discount) |
|---|---|---|---|---|---|---|---|
| Refunding Serial Bonds: | | | | | | | |
| | 10/01/2027 | 44,295,000 | 5.000% | 3.260% | 115.070 C | 3.636% | 6,675,256.50 |
| | 10/01/2028 | 46,510,000 | 5.000% | 3.350% | 114.225 C | 3.766% | 6,616,047.50 |
| | 10/01/2029 | 48,840,000 | 5.000% | 3.410% | 113.667 C | 3.860% | 6,674,962.80 |
| | | 139,645,000 | | | | | 19,966,266.80 |

| | | |
|---|---|---|
| Dated Date | 06/26/2013 | |
| Delivery Date | 06/26/2013 | |
| First Coupon | 10/01/2013 | |
| Par Amount | 139,645,000.00 | |
| Premium | 19,966,266.80 | |
| Production | 159,611,266.80 | 114.297874% |
| Underwriter's Discount | (698,225.00) | (0.500000%) |
| Purchase Price | 158,913,041.80 | 113.797874% |
| Accrued Interest | | |
| Net Proceeds | 158,913,041.80 | |

NET DEBT SERVICE

Miami-Dade County, Florida Water and Sewer System
Series 2013 (New Money)

| Date | Principal | Interest | Total Debt Service | Debt Service Reserve Fund | Capitalized Interest Fund | Net Debt Service | Annual Net D/S |
|---|---|---|---|---|---|---|---|
| 10/01/2013 | | 4,115,809.03 | 4,115,809.03 | | 4,115,809.03 | | |
| 04/01/2014 | | 7,798,375.00 | 7,798,375.00 | | 7,798,375.00 | | |
| 10/01/2014 | | 7,798,375.00 | 7,798,375.00 | | 7,798,375.00 | | |
| 04/01/2015 | | 7,798,375.00 | 7,798,375.00 | | 3,899,187.50 | 3,899,187.50 | |
| 10/01/2015 | | 7,798,375.00 | 7,798,375.00 | | | 7,798,375.00 | 11,697,562.50 |
| 04/01/2016 | | 7,798,375.00 | 7,798,375.00 | | | 7,798,375.00 | |
| 10/01/2016 | | 7,798,375.00 | 7,798,375.00 | | | 7,798,375.00 | 15,596,750.00 |
| 04/01/2017 | | 7,798,375.00 | 7,798,375.00 | | | 7,798,375.00 | |
| 10/01/2017 | | 7,798,375.00 | 7,798,375.00 | | | 7,798,375.00 | 15,596,750.00 |
| 04/01/2018 | | 7,798,375.00 | 7,798,375.00 | | | 7,798,375.00 | |
| 10/01/2018 | | 7,798,375.00 | 7,798,375.00 | | | 7,798,375.00 | 15,596,750.00 |
| 04/01/2019 | | 7,798,375.00 | 7,798,375.00 | | | 7,798,375.00 | |
| 10/01/2019 | | 7,798,375.00 | 7,798,375.00 | | | 7,798,375.00 | 15,596,750.00 |
| 04/01/2020 | | 7,798,375.00 | 7,798,375.00 | | | 7,798,375.00 | |
| 10/01/2020 | | 7,798,375.00 | 7,798,375.00 | | | 7,798,375.00 | 15,596,750.00 |
| 04/01/2021 | | 7,798,375.00 | 7,798,375.00 | | | 7,798,375.00 | |
| 10/01/2021 | | 7,798,375.00 | 7,798,375.00 | | | 7,798,375.00 | 15,596,750.00 |
| 04/01/2022 | | 7,798,375.00 | 7,798,375.00 | | | 7,798,375.00 | |
| 10/01/2022 | | 7,798,375.00 | 7,798,375.00 | | | 7,798,375.00 | 15,596,750.00 |
| 04/01/2023 | | 7,798,375.00 | 7,798,375.00 | | | 7,798,375.00 | |
| 10/01/2023 | | 7,798,375.00 | 7,798,375.00 | | | 7,798,375.00 | 15,596,750.00 |
| 04/01/2024 | | 7,798,375.00 | 7,798,375.00 | | | 7,798,375.00 | |
| 10/01/2024 | | 7,798,375.00 | 7,798,375.00 | | | 7,798,375.00 | 15,596,750.00 |
| 04/01/2025 | | 7,798,375.00 | 7,798,375.00 | | | 7,798,375.00 | |
| 10/01/2025 | | 7,798,375.00 | 7,798,375.00 | | | 7,798,375.00 | 15,596,750.00 |
| 04/01/2026 | | 7,798,375.00 | 7,798,375.00 | | | 7,798,375.00 | |
| 10/01/2026 | | 7,798,375.00 | 7,798,375.00 | | | 7,798,375.00 | 15,596,750.00 |
| 04/01/2027 | | 7,798,375.00 | 7,798,375.00 | | | 7,798,375.00 | |
| 10/01/2027 | | 7,798,375.00 | 7,798,375.00 | | | 7,798,375.00 | 15,596,750.00 |
| 04/01/2028 | | 7,798,375.00 | 7,798,375.00 | | | 7,798,375.00 | |
| 10/01/2028 | | 7,798,375.00 | 7,798,375.00 | | | 7,798,375.00 | 15,596,750.00 |
| 04/01/2029 | | 7,798,375.00 | 7,798,375.00 | | | 7,798,375.00 | |
| 10/01/2029 | | 7,798,375.00 | 7,798,375.00 | | | 7,798,375.00 | 15,596,750.00 |
| 04/01/2030 | | 7,798,375.00 | 7,798,375.00 | | | 7,798,375.00 | |
| 10/01/2030 | 7,310,000 | 7,798,375.00 | 15,108,375.00 | | | 15,108,375.00 | 22,906,750.00 |
| 04/01/2031 | | 7,615,625.00 | 7,615,625.00 | | | 7,615,625.00 | |
| 10/01/2031 | 7,675,000 | 7,615,625.00 | 15,290,625.00 | | | 15,290,625.00 | 22,906,250.00 |
| 04/01/2032 | | 7,423,750.00 | 7,423,750.00 | | | 7,423,750.00 | |

14

Attachment 2

NET DEBT SERVICE

Miami-Dade County, Florida Water and Sewer System
Series 2013 (New Money)

| Date | Principal | Interest | Total Debt Service | Debt Service Reserve Fund | Capitalized Interest Fund | Net Debt Service | Annual Net D/S |
|---|---|---|---|---|---|---|---|
| 10/01/2032 | 8,060,000 | 7,423,750.00 | 15,483,750.00 | | | 15,483,750.00 | 22,907,500.00 |
| 04/01/2033 | | 7,222,250.00 | 7,222,250.00 | | | 7,222,250.00 | |
| 10/01/2033 | 8,460,000 | 7,222,250.00 | 15,682,250.00 | | | 15,682,250.00 | 22,904,500.00 |
| 04/01/2034 | | 7,010,750.00 | 7,010,750.00 | | | 7,010,750.00 | |
| 10/01/2034 | 8,885,000 | 7,010,750.00 | 15,895,750.00 | | | 15,895,750.00 | 22,906,500.00 |
| 04/01/2035 | | 6,788,625.00 | 6,788,625.00 | | | 6,788,625.00 | |
| 10/01/2035 | 9,330,000 | 6,788,625.00 | 16,118,625.00 | | | 16,118,625.00 | 22,907,250.00 |
| 04/01/2036 | | 6,555,375.00 | 6,555,375.00 | | | 6,555,375.00 | |
| 10/01/2036 | 9,795,000 | 6,555,375.00 | 16,350,375.00 | | | 16,350,375.00 | 22,905,750.00 |
| 04/01/2037 | | 6,310,500.00 | 6,310,500.00 | | | 6,310,500.00 | |
| 10/01/2037 | 10,285,000 | 6,310,500.00 | 16,595,500.00 | | | 16,595,500.00 | 22,906,000.00 |
| 04/01/2038 | | 6,053,375.00 | 6,053,375.00 | | | 6,053,375.00 | |
| 10/01/2038 | 10,795,000 | 6,053,375.00 | 16,848,375.00 | | | 16,848,375.00 | 22,901,750.00 |
| 04/01/2039 | | 5,783,500.00 | 5,783,500.00 | | | 5,783,500.00 | |
| 10/01/2039 | 11,340,000 | 5,783,500.00 | 17,123,500.00 | | | 17,123,500.00 | 22,907,000.00 |
| 04/01/2040 | | 5,500,000.00 | 5,500,000.00 | | | 5,500,000.00 | |
| 10/01/2040 | 69,785,000 | 5,500,000.00 | 75,285,000.00 | | | 75,285,000.00 | 80,785,000.00 |
| 04/01/2041 | | 3,755,375.00 | 3,755,375.00 | | | 3,755,375.00 | |
| 10/01/2041 | 73,275,000 | 3,755,375.00 | 77,030,375.00 | | | 77,030,375.00 | 80,785,750.00 |
| 04/01/2042 | | 1,923,500.00 | 1,923,500.00 | | | 1,923,500.00 | |
| 10/01/2042 | 76,940,000 | 1,923,500.00 | 78,863,500.00 | 15,101,681.26 | | 63,761,818.74 | 65,685,318.74 |
| | 311,935,000 | 413,145,809.03 | 725,080,809.03 | 15,101,681.26 | 23,611,746.53 | 686,367,381.24 | 686,367,381.24 |

Attachment 2

NET DEBT SERVICE

Miami-Dade County, Florida Water and Sewer System
Series 2013 (Refunding of Series 1999A)
($8.21 mm DSRF Deposit)

| Date | Principal | Interest | Total Debt Service | Debt Service Reserve Fund | Net Debt Service | Annual Net D/S |
|---|---|---|---|---|---|---|
| 10/01/2013 | | 1,842,538.19 | 1,842,538.19 | | 1,842,538.19 | 1,842,538.19 |
| 04/01/2014 | | 3,491,125.00 | 3,491,125.00 | | 3,491,125.00 | |
| 10/01/2014 | | 3,491,125.00 | 3,491,125.00 | | 3,491,125.00 | 6,982,250.00 |
| 04/01/2015 | | 3,491,125.00 | 3,491,125.00 | | 3,491,125.00 | |
| 10/01/2015 | | 3,491,125.00 | 3,491,125.00 | | 3,491,125.00 | 6,982,250.00 |
| 04/01/2016 | | 3,491,125.00 | 3,491,125.00 | | 3,491,125.00 | |
| 10/01/2016 | | 3,491,125.00 | 3,491,125.00 | | 3,491,125.00 | 6,982,250.00 |
| 04/01/2017 | | 3,491,125.00 | 3,491,125.00 | | 3,491,125.00 | |
| 10/01/2017 | | 3,491,125.00 | 3,491,125.00 | | 3,491,125.00 | 6,982,250.00 |
| 04/01/2018 | | 3,491,125.00 | 3,491,125.00 | | 3,491,125.00 | |
| 10/01/2018 | | 3,491,125.00 | 3,491,125.00 | | 3,491,125.00 | 6,982,250.00 |
| 04/01/2019 | | 3,491,125.00 | 3,491,125.00 | | 3,491,125.00 | |
| 10/01/2019 | | 3,491,125.00 | 3,491,125.00 | | 3,491,125.00 | 6,982,250.00 |
| 04/01/2020 | | 3,491,125.00 | 3,491,125.00 | | 3,491,125.00 | |
| 10/01/2020 | | 3,491,125.00 | 3,491,125.00 | | 3,491,125.00 | 6,982,250.00 |
| 04/01/2021 | | 3,491,125.00 | 3,491,125.00 | | 3,491,125.00 | |
| 10/01/2021 | | 3,491,125.00 | 3,491,125.00 | | 3,491,125.00 | 6,982,250.00 |
| 04/01/2022 | | 3,491,125.00 | 3,491,125.00 | | 3,491,125.00 | |
| 10/01/2022 | | 3,491,125.00 | 3,491,125.00 | | 3,491,125.00 | 6,982,250.00 |
| 04/01/2023 | | 3,491,125.00 | 3,491,125.00 | | 3,491,125.00 | |
| 10/01/2023 | | 3,491,125.00 | 3,491,125.00 | | 3,491,125.00 | 6,982,250.00 |
| 04/01/2024 | | 3,491,125.00 | 3,491,125.00 | | 3,491,125.00 | |
| 10/01/2024 | | 3,491,125.00 | 3,491,125.00 | | 3,491,125.00 | 6,982,250.00 |
| 04/01/2025 | | 3,491,125.00 | 3,491,125.00 | | 3,491,125.00 | |
| 10/01/2025 | | 3,491,125.00 | 3,491,125.00 | | 3,491,125.00 | 6,982,250.00 |
| 04/01/2026 | | 3,491,125.00 | 3,491,125.00 | | 3,491,125.00 | |
| 10/01/2026 | | 3,491,125.00 | 3,491,125.00 | | 3,491,125.00 | 6,982,250.00 |
| 04/01/2027 | | 3,491,125.00 | 3,491,125.00 | | 3,491,125.00 | |
| 10/01/2027 | 44,295,000 | 3,491,125.00 | 47,786,125.00 | | 47,786,125.00 | 51,277,250.00 |
| 04/01/2028 | | 2,383,750.00 | 2,383,750.00 | | 2,383,750.00 | |
| 10/01/2028 | 46,510,000 | 2,383,750.00 | 48,893,750.00 | | 48,893,750.00 | 51,277,500.00 |
| 04/01/2029 | | 1,221,000.00 | 1,221,000.00 | | 1,221,000.00 | |
| 10/01/2029 | 48,840,000 | 1,221,000.00 | 50,061,000.00 | 8,210,000 | 41,851,000.00 | 43,072,000.00 |
| | 139,645,000 | 106,803,538.19 | 246,448,538.19 | 8,210,000 | 238,238,538.19 | 238,238,538.19 |

# MEMORANDUM

**(Revised)**

**TO:** Honorable Chairwoman Rebeca Sosa
and Members, Board of County Commissioners

**DATE:** June 4, 2013

**FROM:** R. A. Cuevas, Jr.
County Attorney

**SUBJECT:** Agenda Item No.

**Please note any items checked.**

_____ **"3-Day Rule" for committees applicable if raised**

_____ **6 weeks required between first reading and public hearing**

_____ **4 weeks notification to municipal officials required prior to public hearing**

_____ **Decreases revenues or increases expenditures without balancing budget**

_____ **Budget required**

_____ **Statement of fiscal impact required**

_____ **Ordinance creating a new board requires detailed County Mayor's report for public hearing**

_____ **No committee review**

_____ **Applicable legislation requires more than a majority vote (i.e., 2/3's ____, 3/5's ____, unanimous _____ ) to approve**

_____ **Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required**

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No.
6-4-13

RESOLUTION NO. _____

RESOLUTION AUTHORIZING ISSUANCE OF NOT TO EXCEED $350,000,000.00 AGGREGATE PRINCIPAL AMOUNT OF MIAMI-DADE COUNTY, FLORIDA WATER AND SEWER SYSTEM REVENUE BONDS, IN ONE OR MORE SERIES, PURSUANT TO SECTION 208 OF ORDINANCE NO. 93-134, AS AMENDED, TO PAY COSTS OF CERTAIN IMPROVEMENTS; AUTHORIZING ISSUANCE OF NOT TO EXCEED $170,000,000.00 AGGREGATE PRINCIPAL AMOUNT OF MIAMI-DADE COUNTY, FLORIDA WATER AND SEWER SYSTEM REVENUE REFUNDING BONDS, IN ONE OR MORE SERIES, PURSUANT TO SECTION 209 OF ORDINANCE NO. 93-134, AS AMENDED, TO REFUND ALL OR A PORTION OF OUTSTANDING SERIES 1999A BONDS, WITH ESTIMATED NET PRESENT VALUE SAVINGS OF 17.93%, ESTIMATED COSTS OF ISSUANCE OF $1,700,000.00 AND ESTIMATED FINAL MATURITY OF OCTOBER 1, 2029; PROVIDING FOR CERTAIN DETAILS OF BONDS AND THEIR SALE BY NEGOTIATION; AUTHORIZING MAYOR OR MAYOR'S DESIGNEE, WITHIN CERTAIN LIMITATIONS AND RESTRICTIONS, TO FINALIZE DETAILS, TERMS AND OTHER PROVISIONS OF BONDS, THEIR NEGOTIATED SALE AND REFUNDING OF REFUNDED BONDS; APPROVING FORMS OF AND AUTHORIZING EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS; PROVIDING CERTAIN COVENANTS; AUTHORIZING COUNTY OFFICIALS TO DO ALL THINGS DEEMED NECESSARY IN CONNECTION WITH ISSUANCE, SALE, EXECUTION AND DELIVERY OF BONDS AND REFUNDING OF REFUNDED BONDS; AND PROVIDING SEVERABILITY

**WHEREAS**, the Board of County Commissioners (the "Board") of Miami-Dade County, Florida (the "County"), acting pursuant to the authority recited in Section 1(c) of this Resolution (the "Series 2013 Resolution"), owns and operates water and wastewater treatment plant facilities and a distribution and collection system and pursuant to such authority and Ordinance No. 93-134, enacted by the Board on November 16, 1993 (the "Original Ordinance" and as

amended by the 2013 Ordinance (defined below), the "Master Ordinance"), is authorized to issue revenue bonds from time to time; and

**WHEREAS**, Sections 208 and 209 of the Master Ordinance authorize the County to issue Additional Bonds and Refunding Bonds, respectively, payable from Pledged Revenues; and

**WHEREAS**, pursuant to Ordinance No. 09-67 enacted by the Board on July 23, 2009 (the "2009 Ordinance"), the Board authorized the issuance of not to exceed $800,000,000.00 in aggregate principal amount of Additional Bonds under the provisions of Section 208 of the Master Ordinance, of which the County has issued $594,330,000.00; and

**WHEREAS**, the Board has enacted on this day an ordinance (the "2013 Ordinance" and, together with the Master Ordinance, the 2009 Ordinance and this Series 2013 Resolution, the "Bond Ordinance") (i) authorizing the issuance of not to exceed $4,245,000,000.00 in aggregate principal amount of Additional Bonds under the provisions of Section 208 of the Master Ordinance (together with the Additional Bonds authorized but not yet issued under the 2009 Ordinance, the "New Money Bonds"), and (ii) amending the Original Ordinance to increase the rate covenant contained in Section 602 of the Original Ordinance; and

**WHEREAS**, pursuant to the 2009 Ordinance and the 2013 Ordinance, the New Money Bonds are authorized to be issued for the purpose of paying Costs of the CIP Projects (as such term is defined in the 2013 Ordinance), funding the Reserve Account established under the Master Ordinance, funding capitalized interest, if advisable, and paying the costs of issuance of the New Money Bonds; and

**WHEREAS**, the Board has determined at this time that it is in the best interests of the County and its citizens to provide for the issuance of (i) Additional Bonds under the provisions

of Section 208 of the Master Ordinance, for the purpose of paying Costs of the Improvements described in Exhibit A to this Series 2013 Resolution (the "Series 2013 Project"), which constitute a portion of the CIP Projects, and (ii) Refunding Bonds under the provisions of Section 209 of the Master Ordinance, for the purpose of refunding, together with any other available moneys, all or a portion of the $150,000,000.00 aggregate principal amount of Miami-Dade County, Florida Water and Sewer System Revenue Bonds, Series 1999A (the "Series 1999A Bonds"), all of which are currently outstanding (the Outstanding Series 1999A Bonds so refunded being referred to as the "Refunded Bonds"); and

**WHEREAS**, the Board desires to authorize the issuance of not to exceed $350,000,000.00 aggregate principal amount of Miami-Dade County, Florida Water and Sewer System Revenue Bonds, in one or more Series, which constitute a portion of the New Money Bonds (the "Series 2013 New Money Bonds"), as Additional Bonds under the provisions of Section 208 of the Master Ordinance, for the purpose of paying Costs of the Series 2013 Project, funding the Reserve Account established under the Master Ordinance (whether with proceeds of the Series 2013 New Money Bonds or by deposit of one or more Reserve Account Credit Facilities), funding capitalized interest, if advisable, and paying costs of issuance of the Series 2013 New Money Bonds, including the premiums on or fees for any Credit Facilities and/or Reserve Account Credit Facilities, if there is an economic benefit in accordance with Section 12 of this Series 2013 Resolution; and

**WHEREAS**, the Board desires to authorize the issuance of not to exceed $170,000,000.00 aggregate principal amount of Miami-Dade County, Florida Water and Sewer System Revenue Refunding Bonds, in one or more Series (the "Series 2013 Refunding Bonds" and, together with the Series 2013 New Money Bonds, the "Series 2013 Bonds"), as Refunding Bonds under the provisions of Section 209 of the Master Ordinance, for the purpose of refunding, together with any

other available moneys, the Refunded Bonds, funding the Reserve Account (whether with proceeds of the Series 2013 Refunding Bonds or by deposit of one or more Reserve Account Credit Facilities), if necessary, and paying costs of issuance of the Series 2013 Refunding Bonds, estimated to be $1,700,000.00, which costs shall be increased by the premiums on or fees for any Credit Facilities and/or Reserve Account Credit Facilities, if there is an economic benefit in accordance with Section 12 of this Series 2013 Resolution; and

**WHEREAS**, this Series 2013 Resolution constitutes a Series Resolution with respect to each Series of Series 2013 Bonds for all purposes of the Master Ordinance; and

**WHEREAS**, the Series 2013 Project constitutes Improvements and a Project for all purposes of the Master Ordinance; and

**WHEREAS**, based upon the findings set forth in Section 2 of this Series 2013 Resolution, the Board deems it in the best financial interest of the County that the Series 2013 Bonds be sold at a public offering by negotiated sale to the Underwriters named in the Bond Purchase Agreement in accordance with the Bond Purchase Agreement and to authorize the distribution, use and delivery of the Preliminary Official Statement and the Official Statement (as all such terms are hereinafter defined), all relating to the negotiated sale of the Series 2013 Bonds; and

**WHEREAS**, the Board deems it appropriate, subject to the limitations contained in this Series 2013 Resolution, to authorize the Mayor or Mayor's designee (the "County Mayor"), to (i) finalize the terms of the Series 2013 Bonds and the refunding of the Refunded Bonds to the extent not provided in the Master Ordinance, the 2009 Ordinance, the 2013 Ordinance or this Series 2013 Resolution, including whether to issue Series 2013 Refunding Bonds and the number of Series which will be issued; (ii) finalize the terms of the negotiated sale of the Series 2013

Bonds; (iii) secure one or more Credit Facilities and/or one or more Reserve Account Credit Facilities, if there is an economic benefit in accordance with Section 12 of this Series 2013 Resolution; (iv) determine whether it is advisable to fund capitalized interest on the Series 2013 New Money Bonds; and (v) select and appoint a Registrar (the "Registrar") and a Paying Agent (the "Paying Agent") for the Series 2013 Bonds; and

**WHEREAS**, the Board desires to provide for a Book-Entry-Only System with respect to the Series 2013 Bonds, and to approve, ratify and confirm the Blanket Issuer Letter of Representations previously executed and delivered by the County to The Depository Trust Company, New York, New York ("DTC") relating to such Book-Entry-Only System; and

**WHEREAS**, the Board desires to accomplish the purposes outlined in the accompanying memorandum (the "County Mayor's Memorandum"), a copy of which is incorporated in this Series 2013 Resolution by reference,

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA,** that:

Section 1. Recitals, Definitions, Authority and Construction.

(a) Recitals. The recitals contained in the foregoing "WHEREAS" clauses are incorporated as part of this Series 2013 Resolution.

(b) Definitions. Capitalized terms used in this Series 2013 Resolution which are not defined shall have the meanings assigned to such terms in the Master Ordinance or in the 2013 Ordinance, unless otherwise expressly provided or the context otherwise clearly requires. In addition, unless the context otherwise clearly requires, the following capitalized terms shall have the following meanings:

"Bond Purchase Agreement" means the Bond Purchase Agreement between the County and the Underwriters related to the purchase of the Series 2013 Bonds, as authorized pursuant to Section 10.

"Omnibus Certificate" means a certificate of the County executed by the County Mayor setting forth, among other things, the information and designations required by Section 3 of this Series 2013 Resolution.

"Regular Record Date" means the 15th day of the calendar month (whether or not a business day) next preceding each Interest Payment Date.

"Underwriters" mean the underwriters identified in and party to the Bond Purchase Agreement.

To the extent that the Series 2013 Bonds are issued in a calendar year other than calendar year 2013, all references to "2013" contained in any defined term in this Series 2013 Resolution shall, without further action of the Board, be replaced with the calendar year in which the Series 2013 Bonds are issued.

(c) Authority. This Series 2013 Resolution is adopted pursuant to the provisions of the Constitution of the State of Florida, the Home Rule Amendment and Charter of Miami-Dade County, Florida, as amended, Chapters 125 and 166, Florida Statutes, as amended, the Code of Miami-Dade County, Florida, as amended, and other applicable provisions of law (collectively, the "Act"), the Master Ordinance, the 2009 Ordinance and the 2013 Ordinance.

(d) Rules of Construction. Any reference to any Article, Section or provision of the Constitution or laws of the State, or of federal laws, or rules or regulations, shall include such provisions as amended, modified, revised, supplemented or superseded from time to time; provided that no such change shall be deemed applicable to any particular Series 2013 Bonds in

any way that would constitute an unlawful impairment of the rights of the County or any Bondholder.

Section 2. Findings. The Board finds, determines and declares as follows:

(a) The County is authorized under the Act and the Bond Ordinance to issue the Series 2013 Bonds to provide funds to pay Costs of the Series 2013 Project and to refund the Refunded Bonds.

(b) In accordance with Section 218.385, Florida Statutes, as amended, and based upon the advice of Public Resource Advisory Group, which is serving as financial advisor to the County in connection with the issuance of the Series 2013 Bonds (the "Financial Advisor"), the negotiated sale of the Series 2013 Bonds is in the best interest of the County because of the need (i) to address credit issues of the Department with investors, (ii) for a retail order period to generate retail orders, (iii) for significant premarketing activity, and (iv) for flexibility to enter the market at a time and adjust the structure in a manner most advantageous to the County.

(c) The sale and issuance of the Series 2013 Bonds and the use of the proceeds of the Series 2013 Bonds, as provided in this Series 2013 Resolution, serve a valid public and County purpose.

(d) The Board has determined that it is in the best interest of the County to appoint the Underwriters from the County's pool of underwriters and sell the Series 2013 Bonds to them through a negotiated sale but only upon the terms and conditions set forth in this Series 2013 Resolution and as may be determined by the County Mayor, after consultation with the Financial Advisor, in accordance with the terms of this Series 2013 Resolution and set forth in the Bond Purchase Agreement and the Omnibus Certificate.

(e) The Series 2013 Refunding Bonds shall only be issued if the final maturity of the Series 2013 Refunding Bonds is not later than the final maturity on the Refunded Bonds and there is a net present value savings of five percent (5%) or more resulting from the refunding of the Refunded Bonds.

(f) The authority granted to the County Mayor in this Series 2013 Resolution is necessary for the proper and efficient implementation of the financing program contemplated by this Series 2013 Resolution, and such authorization is in the best interests of the County.

Section 3. Authorization and Form of Series 2013 Bonds; Terms and Provisions of Series 2013 Bonds; Refunding of Refunded Bonds.

(a) Authorization and Form. The Series 2013 New Money Bonds, to be designated as "Miami-Dade County, Florida Water and Sewer System Revenue Bonds," are authorized to be issued in one or more Series, with such Series designations (including their year of issuance) as shall be set forth in the Omnibus Certificate, pursuant to Section 208 of the Master Ordinance, the 2009 Ordinance, the 2013 Ordinance and this Series 2013 Resolution. The aggregate principal amount of the Series 2013 New Money Bonds shall not exceed $350,000,000.00. The Series 2013 New Money Bonds shall be issued as fixed rate bonds to pay Costs of the Series 2013 Project, fund the Reserve Account (whether with proceeds of the Series 2013 New Money Bonds or by the deposit of one or more Reserve Account Credit Facilities), fund capitalized interest, if advisable, and pay the costs of issuance of the Series 2013 New Money Bonds, including the premiums on or fees for any Credit Facilities and/or Reserve Account Credit Facilities. Prior to the delivery of the Series 2013 New Money Bonds, there shall be filed with the County Clerk the documents, certificates and opinion required under Section 208 of the Master Ordinance.

The Series 2013 Refunding Bonds, to be designated as "Miami-Dade County, Florida Water and Sewer System Revenue Refunding Bonds," are authorized to be issued in one or more Series, with such Series designations (including their year of issuance) as shall be set forth in the Omnibus Certificate, pursuant to Section 209 of the Master Ordinance and this Series 2013 Resolution. The aggregate principal amount of the Series 2013 Refunding Bonds shall not exceed $170,000,000.00. The Series 2013 Refunding Bonds shall be issued as fixed rate bonds to refund, together with any other available moneys, the Refunded Bonds, fund the Reserve Account (whether with proceeds of the Series 2013 Refunding Bonds or by the deposit of one or more Reserve Account Credit Facilities), if necessary, and pay the costs of issuance of the Series 2013 Refunding Bonds, including the premiums on or fees for any Credit Facilities and/or Reserve Account Credit Facilities. Prior to the delivery of the Series 2013 Refunding Bonds, there shall be filed with the County Clerk the documents, certificate and opinion required under Section 209 of the Master Ordinance.

Each of the Series 2013 Bonds shall be in substantially the form attached as Exhibit B to this Series 2013 Resolution, which form of Series 2013 Bond is approved, with such variations, omissions and insertions and such filling in of blanks as may be necessary, and approved by the County Mayor, after consultation with the County Attorney and Squire Sanders (US) LLP and D. Seaton and Associates (collectively, "Bond Counsel"), and which are not inconsistent with the provisions of the Bond Ordinance.

(b) Terms and Provisions of the Series 2013 Bonds. The County Mayor is authorized, after consultation with the Financial Advisor, the County Attorney and Bond Counsel, to approve the terms of the Series 2013 Bonds not set forth in this Series 2013 Resolution, such approval to be evidenced by the terms and provisions set forth in the Omnibus

Certificate, including, without limitation, whether to issue Series 2013 Refunding Bonds, the aggregate principal amount of the Series 2013 New Money Bonds and, if being issued, the Series 2013 Refunding Bonds, the number of Series of Series 2013 Bonds to be issued and the Series designations, the dated date of the Series 2013 Bonds, the interest rates of the Series 2013 Bonds, the purchase price for the Series 2013 Bonds, the maturity dates of the Series 2013 Bonds, the optional and mandatory redemption terms of the Series 2013 Bonds, if any, whether the Series 2013 Bonds shall be Serial Bonds and/or Term Bonds, and the maturity amounts as to Serial Bonds and Amortization Requirements as to Term Bonds; provided, however, that in no event shall: (i) the Series 2013 Refunding Bonds be issued unless the net present value savings resulting from the refunding of the Refunded Bonds is less than 5%; (ii) the aggregate principal amounts of the Series 2013 New Money Bonds and the Series 2013 Refunding Bonds exceed $350,000,000.00 and $170,000,000.00, respectively; (iii) the purchase price (excluding original issue discount and original issue premium) be less than 99% of the aggregate principal amount of the Series 2013 Bonds (the "Minimum Purchase Price"); (iv) the true interest cost rate (the "TIC") on the Series 2013 New Money Bonds exceed 5.50% (the "Maximum TIC"); (v) the final maturity of the Series 2013 New Money Bonds be later than forty years from the dated date of the Series 2013 New Money Bonds; and (vi) the final maturity of the Series 2013 Refunding Bonds be later than the final maturity of the Refunded Bonds.

The Series 2013 Bonds shall be issuable only in fully registered form in denominations of $5,000.00 or any integral multiple of $5,000.00. Interest on Series 2013 Bonds shall be payable semiannually on April 1 and October 1 of each year (each an "Interest Payment Date"), commencing on the date determined by the County Mayor and set forth in the Omnibus Certificate.

Each Series of the Series 2013 Bonds shall be initially numbered consecutively from R-1 and upwards.

(c) Refunding of Refunded Bonds. The County Mayor, after consultation with the Financial Advisor, is authorized to determine (i) whether any Outstanding Series 1999A Bonds will be refunded, (ii) the Outstanding Series 1999A Bonds that will constitute the Refunded Bonds, and (iii) the date of redemption of the Refunded Bonds, all as shall be set forth in Omnibus Certificate. The execution and delivery of the Omnibus Certificate shall be conclusive evidence of the approval by the Board of such determinations. The County Mayor is authorized to mail or cause to be mailed a notice of redemption of the Refunded Bonds in accordance with the provisions of the Master Ordinance.

Section 4. Execution and Authentication of Series 2013 Bonds. The Series 2013 Bonds shall be executed as set forth in the Master Ordinance. A Certificate of Authentication of the Registrar shall appear on the Series 2013 Bonds, and no Series 2013 Bonds shall be valid or obligatory for any purpose or be entitled to any security or benefit under the Master Ordinance and this Series 2013 Resolution unless such certificate shall have been duly manually executed by the Registrar on such Series 2013 Bonds.

In case any one or more of the officers who shall have signed any of the Series 2013 Bonds shall cease to be such officer of the County before the Series 2013 Bonds so signed shall have been actually delivered, such Series 2013 Bonds may nevertheless be delivered as provided in this Series 2013 Resolution and may be issued as if the person who signed such Series 2013 Bonds had not ceased to hold such office. Any Series 2013 Bonds may be signed on behalf of the County by such person as at the actual time of the execution of such Series 2013 Bonds shall

hold the proper office, although at the date of such Series 2013 Bonds such person may not have held such office or may not have been so authorized.

Section 5. Special Obligations of County. The Series 2013 Bonds shall be special limited obligations of the County payable solely from and secured solely by Pledged Revenues. The Series 2013 Bonds do not constitute an indebtedness, liability, general or moral obligation, or a pledge of the faith, credit or power of the County, the State of Florida (the "State") or any political subdivision of the State, within the meaning of any constitutional, statutory or charter provision. Neither the State nor any political subdivision of the State nor the County shall be directly or indirectly or contingently obligated to levy any ad valorem taxes on any property to pay the principal of or the interest on the Series 2013 Bonds or other related costs, or to pay the same from any other funds of the County except from the Pledged Revenues. The acceptance of the Series 2013 Bonds by the registered owners from time to time of the Series 2013 Bonds shall be deemed an agreement between the County and such registered owners that the Series 2013 Bonds and the indebtedness evidenced by the Series 2013 Bonds shall not constitute a lien upon the Water and Sewer Utility, any part of the Water and Sewer Utility, or any other property of the County, but shall constitute a lien only on the Pledged Revenues.

Section 6. Payment and Ownership of Series 2013 Bonds. The principal of or any premium on any Series 2013 Bond shall be payable when due to a Bondholder upon presentation and surrender of such Series 2013 Bond at the designated corporate trust office of the Paying Agent and interest on each Series 2013 Bond shall be paid on each Interest Payment Date by check or draft, mailed by the Paying Agent on that Interest Payment Date to the registered owner of the Series 2013 Bond as of the close of business on the Regular Record Date applicable to that Interest Payment Date and at the Bondholder's address as it appears on the registration books of

the Registrar on that Regular Record Date, provided, however, that (i) so long as the ownership of such Series 2013 Bonds are maintained in a Book-Entry-Only-System by a securities depository, such payment shall be made by automatic funds transfer ("wire") to such securities depository or its nominee and (ii) if such Series 2013 Bonds are not maintained in a Book-Entry-Only-System by a securities depository, upon written request of the registered owner of $1,000,000.00 or more in principal amount of Series 2013 Bonds delivered 15 days prior to an Interest Payment Date, interest may be paid when due by wire in immediately available funds. If and to the extent, however, the County fails to make payment or provision for payment on any Interest Payment Date of interest on any Series 2013 Bond, interest shall be payable to the person in whose name such bond is registered at the close of business on a special record date for the payment of such defaulted interest as established by notice mailed by the Registrar to the registered owners of the Series 2013 Bonds not less than fifteen days preceding such special record date. Such notice shall be mailed to the persons in whose name the Series 2013 Bonds are registered at the close of business on the fifth (5th) day preceding the date of mailing.

The registered owner of any Series 2013 Bond shall be deemed and regarded as the absolute owner of the Series 2013 Bonds for all purposes of this Series 2013 Resolution. Payment of or on account of the debt service on any Series 2013 Bond shall be made only to or upon the order of that registered owner or such registered owner's attorney-in-fact duly authorized in writing in the manner permitted by law, and neither the County nor the Paying Agent shall be affected by notice to the contrary. All payments made as described in the Series 2013 Resolution shall be valid and effective to satisfy and discharge the liability upon that Series 2013 Bond, including without limitation, the interest on that Series 2013 Bond, to the extent of the amount or amounts so paid.

Section 7. Redemption Provisions.

(a) General. The Board authorizes the County Mayor to determine in the Omnibus Certificate the redemption provisions with respect to the Series 2013 Bonds. The Series 2013 Bonds shall be subject to mandatory redemption from moneys in the Redemption Account and/or at the option of the County, as provided in the Omnibus Certificate and in the Series 2013 Bonds. The amount of Series 2013 Bonds constituting Term Bonds required to be redeemed in each Bond Year as set forth in the Omnibus Certificate shall constitute the Amortization Requirements for the Series 2013 Bonds in the preceding Bond Year. The execution and delivery of such Omnibus Certificate by the County Mayor shall be conclusive evidence of the approval of such redemption provisions by the Board.

Upon surrender of any Series 2013 Bond for redemption in part only, the County shall issue and the Registrar shall deliver to the registered owner of the Series 2013 Bond, the costs of which shall be paid by the registered owner, a new Series 2013 Bond or Series 2013 Bonds of authorized denominations in aggregate principal amount equal to the unredeemed portion surrendered.

(b) Effect of Calling for Redemption. On the date so designated for redemption, notice having been mailed as provided in the Master Ordinance, the Series 2013 Bonds so called for redemption shall become and be due and payable at the redemption price provided for redemption of such Series 2013 Bonds on such date, and moneys for payment of the redemption price being held in separate accounts by the Paying Agent in trust for the registered owners of the Series 2013 Bonds to be redeemed, interest on the Series 2013 Bonds so called for redemption shall cease to accrue, such Series 2013 Bonds shall not be deemed to be Outstanding for purposes of this Series 2013 Resolution and the Master Ordinance, and shall cease to be

entitled to any lien, benefit or security under this Series 2013 Resolution or the Master Ordinance, and the registered owners of such Series 2013 Bonds shall have no rights in respect of the Series 2013 Bonds except to receive payment of the redemption price of the Series 2013 Bonds.

(c) Conditional Notice of Redemption. If the Series 2013 Bonds or any portion thereof are to be optionally redeemed pursuant to the terms authorized in this Series 2013 Resolution, the County may provide a conditional notice of redemption of such Series 2013 Bonds in accordance with the terms set forth below, and the County Mayor is authorized, in his discretion, to add to the form of Series 2013 Bonds a provision reflecting this right:

Conditional Notice of Redemption. In the case of an optional redemption, the notice of redemption may state that (1) it is conditioned upon the deposit of moneys with the Paying Agent or with an escrow agent under an escrow deposit agreement, in amounts necessary to effect the redemption, no later than the redemption date or (2) the County retains the right to rescind such notice on or prior to the scheduled redemption date (in either case, a "Conditional Redemption"), and such notice and optional redemption shall be of no effect if such moneys are not so deposited or if the notice is rescinded as described in this subsection. Any such notice of Conditional Redemption shall be captioned "Conditional Notice of Redemption." Any Conditional Redemption may be rescinded at any time prior to the redemption date if the County delivers a written direction to the Paying Agent directing the Paying Agent to rescind the redemption notice. The Paying Agent shall give prompt notice of such rescission to the affected Bondholders. Any Series 2013 Bonds subject to Conditional Redemption where redemption has been rescinded shall remain Outstanding, and neither the rescission nor

the failure by the County to make such moneys available shall constitute an Event of Default. The County shall give immediate notice to each MSIR (as hereinafter defined) and the affected Bondholders that the redemption did not occur and that the Series 2013 Bonds called for redemption and not so paid remain Outstanding.

Section 8. System of Certificated and Uncertificated Registration. There is established a system of registration with respect to the Series 2013 Bonds as permitted by Chapter 279, Florida Statutes, as amended, pursuant to which both certificated and uncertificated registered Series 2013 Bonds may be issued. The system shall be as described in the Official Statement. The Series 2013 Bonds shall be initially issued as book-entry-only bonds through the Book-Entry-Only System maintained by DTC which will act as securities depository for the Series 2013 Bonds. The Board reserves the right to amend, discontinue or reinstitute the Book-Entry-Only System from time to time, subject to the rights of Bondholders contained in the Bond Ordinance.

Neither the County, the Registrar nor the Paying Agent shall be liable for the failure of the securities depository of the Series 2013 Bonds to perform its obligations as described in the Official Statement, nor for the failure of any participant in the Book-Entry-Only System maintained by the securities depository to perform any obligation such participant may have to a beneficial owner of any Series 2013 Bonds.

The Board approves, ratifies and confirms the Blanket Issuer Letter of Representations previously executed and delivered by the County to DTC. The County Mayor is authorized to execute any additional documentation required by DTC, as securities depository of the Series 2013 Bonds, in connection with the issuance of the Series 2013 Bonds through DTC's Book-Entry-Only System.

Section 9. Appointment of Paying Agent and Registrar. The County Mayor is authorized to appoint a Paying Agent and a Registrar after a competitive process and consultation with the Financial Advisor and, after consultation with the County Attorney and Bond Counsel, to execute any necessary agreements with the Paying Agent and the Registrar.

Section 10. Approval of Bond Purchase Agreement and Authorization to Award the Sale of the Series 2013 Bonds. The Board approves the Bond Purchase Agreement in substantially the form on file with the Clerk's office as Exhibit C to this Series 2013 Resolution, with such additions, deletions and completions as may be necessary and approved by the County Mayor in accordance with the terms of this Series 2013 Resolution after consultation with the Financial Advisor, Bond Counsel and the County Attorney. Upon compliance by the Underwriters with the requirements of Section 218.385, Florida Statutes, as amended, the County Mayor, after consultation with the Financial Advisor, is authorized and directed to award the sale of the Series 2013 Bonds to the Underwriters upon the terms described in Section 3(b) of this Series 2013 Resolution and to finalize the terms of, and to execute the Bond Purchase Agreement between the County and the Underwriters and to deliver the Bond Purchase Agreement. The execution and delivery of the Bond Purchase Agreement by the County Mayor shall be conclusive evidence of the Board's approval of any such additions, deletions and completions and acceptance of the Underwriters' proposal to purchase the Series 2013 Bonds. The Board approves the negotiated sale of the Series 2013 Bonds to the Underwriters upon the final terms and conditions in this Series 2013 Resolution and as set forth in the Omnibus Certificate and the Bond Purchase Agreement.

Section 11. Approval of the Preliminary Official Statement and Final Official Statement. The use and distribution of the Preliminary Official Statement (the "Preliminary Official

Statement") in connection with the offering and sale of the Series 2013 Bonds in substantially the form attached as Exhibit D to this Series 2013 Resolution is approved, with such variations, omissions and insertions and such filling in of blanks as may be necessary and approved by the County Mayor, after consultation with the Financial Advisor, the County Attorney, Bond Counsel and Nabors, Giblin & Nickerson, P.A. and Liebler, Gonzalez & Portuondo, P.A. (collectively, "Disclosure Counsel"). The County Mayor is authorized to deem the Preliminary Official Statement "final" for the purposes of Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"). The County Mayor is authorized and directed to deliver the final Official Statement (the "Official Statement") in connection with the offering and sale of the Series 2013 Bonds. The Official Statement shall be in substantially the form of the Preliminary Official Statement, with such variations, omissions and insertions and such filling in of blanks as may be necessary and approved by the County Mayor, after consultation with the Financial Advisor, the County Attorney, Bond Counsel and Disclosure Counsel, with the delivery of the Official Statement by the County Mayor being conclusive evidence of the Board's approval of any such variations, omissions and insertions and such filling in of blanks.

Section 12. Credit Facilities and Reserve Account Credit Facilities. If the County Mayor demonstrates, after consultation with the Financial Advisor, that there is an economic benefit to the County to obtain and pay for one or more Credit Facilities and/or Reserve Account Credit Facilities with respect to all or a portion of the Series 2013 Bonds, the County Mayor is authorized to secure one or more Credit Facilities and/or Reserve Account Credit Facilities with respect to all or a portion of the Series 2013 Bonds. The County Mayor is authorized to provide for the payment of any premiums on or fees for such Credit Facilities and/or Reserve Account Credit Facilities from the proceeds of the issuance of the Series 2013 Bonds and, after

consultation with the County Attorney and Bond Counsel, to enter into, execute and deliver any agreements as may be necessary to secure such Credit Facilities and/or Reserve Account Credit Facilities, with the County Mayor's execution of any such agreements to be conclusive evidence of the Board's approval of such agreements. Any such agreements shall supplement and be in addition to the provisions of the Bond Ordinance.

Section 13. Application of Series 2013 Bond Proceeds. (a) The proceeds received from the sale of the Series 2013 New Money Bonds shall be deposited and applied as follows:

(i) To the extent not satisfied by the deposit of one or more Reserve Account Credit Facilities, proceeds of the Series 2013 New Money Bonds in such amount as shall be set forth in the Omnibus Certificate shall be deposited in the Reserve Account.

(ii) Proceeds of the Series 2013 New Money Bonds in an amount necessary to pay the costs of issuance of the Series 2013 New Money Bonds shall be deposited in a special account created in the Construction Fund and designated the "Miami-Dade County, Florida Water and Sewer System Revenue Bonds, Series 2013_ Cost of Issuance Account" (inserting the Series designation) (the "Series 2013_ Cost of Issuance Account" (inserting the Series designation)), to be held by the County and applied to such costs of issuance of the Series 2013 New Money Bonds; provided, however, that any premiums on or fees for Credit Facilities and/or a Reserve Account Credit Facilities payable by the County may be paid directly by the Underwriters from the proceeds of the Series 2013 New Money Bonds.

(iii) Subject to the last sentence of this clause (iii), the balance of the proceeds of the Series 2013 New Money Bonds and any amount remaining in the Cost of Issuance Account created under clause (ii) above six (6) months (or such shorter period as the

County Mayor shall determine) following the issuance of the Series 2013 New Money Bonds shall be deposited in a special account created in the Construction Fund with respect to the Series 2013 New Money Bonds and designated the "Series 2013_ Construction Account" (inserting the Series designation) (the "Series 2013_ Construction Account") (inserting the Series designation), to be held by the County and applied to the payment of the Costs of the Series 2013 Project (other than as described under clauses (i) and (ii) above and the next succeeding sentence). If the County Mayor determines that it is advisable to fund capitalized interest on the Series 2013 New Money Bonds, proceeds of the Series 2013 New Money Bonds in such amount as shall be set forth in the Omnibus Certificate shall be deposited in a special subaccount to be created in the Series 2013_ Construction Account and designated the "Series 2013_ Capitalized Interest Subaccount" (inserting the Series designation) (the "Series 2013_ Capitalized Interest Subaccount") (inserting the Series designation), to be held by the County and applied to the payment of capitalized interest on the Series 2013 New Money Bonds.

(b) The proceeds received from the sale of the Series 2013 Refunding Bonds shall be deposited and applied as follows:

(i) To the extent necessary and not satisfied by the deposit of one or more Reserve Account Credit Facilities, proceeds of the Series 2013 Refunding Bonds in such amount as shall be set forth in the Omnibus Certificate shall be deposited in the Reserve Account.

(ii) Proceeds of the Series 2013 Refunding Bonds and any other available moneys necessary to redeem the Refunded Bonds and pay accrued interest thereon shall

be transferred to the paying agent for the Refunded Bonds and applied to redeem the Refunded Bonds and pay accrued interest thereon.

(iii) The balance of the proceeds of the Series 2013 Refunding Bonds shall be deposited in a special account created by this Series 2013 Resolution for the Series 2013 Refunding Bonds and designated the "Miami-Dade County, Florida Water and Sewer System Revenue Refunding Bonds, Series 2013_ Cost of Issuance Account" (inserting the Series designation) (the "Series 2013_ Cost of Issuance Account" (inserting the Series designation)), to be held by the County and applied to the costs of issuance of the Series 2013 Refunding Bonds; provided, however, that any premiums on or fees for Credit Facilities and/or a Reserve Account Credit Facilities payable to the County may be paid directly by the Underwriters from the proceeds of the Series 2013 Refunding Bonds.

(c) To the extent the Series 2013 Bonds are issued in a year other than 2013, the designations of each of the Cost of Issuance Accounts and the Series 2013_ Construction Account created under (a)(ii), (a)(iii) and (b)(iii) above shall be modified accordingly as set forth in the Omnibus Certificate. In addition, if more than one Series of Series 2013 New Money Bonds and/or Series 2013 Refunding Bonds are issued, separate accounts shall be created and designated with respect to each Series of Series 2013 New Money Bonds and/or Series 2013 Refunding Bonds and the above deposits shall be made with respect to each Series of Series 2013 New Money Bonds and/or Series 2013 Refunding Bonds, all as set forth in the Omnibus Certificate.

Section 14. Creation of Subaccounts. The following two separate subaccounts are created and established for the benefit of the Series 2013 Bonds in the Debt Service Fund created pursuant to Section 502 of the Master Ordinance, "Series 2013 Bond Service Subaccount" (the

"Series 2013 Bond Service Subaccount") and "Series 2013 Redemption Subaccount" (the "Series 2013 Redemption Subaccount"). The County is authorized to create or cause to be created such additional subaccounts as shall be necessary or advisable in connection with the issuance of the Series 2013 Bonds. Amounts held in any such subaccounts are to be held solely for the benefit of the Series 2013 Bonds.

Section 15. Tax Covenants. The County covenants to take the actions required of it for interest on the Series 2013 Bonds to be and to remain excluded from gross income of the holders of the Series 2013 Bonds for federal income tax purposes, and not to take any actions that would affect that exclusion. In furtherance of the foregoing covenant, the County agrees that it will comply with the provisions of a tax compliance certificate to be prepared by Bond Counsel and executed and delivered on the date of issuance of the Series 2013 Bonds. The County Mayor is authorized to execute and deliver, and the Director is authorized to acknowledge, such tax compliance certificate.

Notwithstanding anything in this Series 2013 Resolution to the contrary, the requirement of the County to rebate any amounts due to the United States pursuant to Section 148 of the Code shall survive the payment or provision for payment of the principal, interest and redemption premium, if any, with respect to all or any of the Series 2013 Bonds.

Section 16. State Revolving Fund Obligations to Be Subordinate. The County's obligations to the State under the various State Revolving Fund Loan Agreements shall be subordinate to the Outstanding Bonds, the Series 2013 Bonds and any Additional Bonds and Refunding Bonds issued and delivered pursuant to the Master Ordinance. The County Mayor is authorized and directed to deliver a certificate, if necessary, upon the issuance and delivery of

the Series 2013 Bonds, to confirm the annual debt service coverage required under the State Revolving Fund Loan Agreements.

Section 17. Continuing Disclosure.

(a) The County agrees, in accordance with the provisions of, and to the degree necessary to comply with, the continuing disclosure requirements of the Rule to provide or cause to be provided for the benefit of the beneficial owners of the Series 2013 Bonds (the "Beneficial Owners") to the Municipal Securities Rulemaking Board ("MSRB") in an electronic format prescribed by the MSRB and such other municipal securities information repository as may be required by law or applicable legislation, from time to time (each such information repository, a "MSIR"), the following annual financial information (the "Annual Information"), commencing with the Fiscal Year ending after the issuance of the Series 2013 Bonds:

(i) Operating Revenues and Pledged Revenues in a form which is generally consistent with the presentation of such information in the Official Statement; and

(ii) The Department's Comprehensive Annual Financial Report utilizing generally accepted accounting principles applicable to local governments.

The information in clauses (i) and (ii) above is expected to be available on or before June 1 of each year for the preceding Fiscal Year. The Department's Comprehensive Annual Financial Report referred to in clause (ii) above is expected to be available separately from the information in clause (i) above and shall be provided by the County as soon as practical after acceptance of the audited financial statements from the auditors by the Department. If not available within eight (8) months from the end of the Fiscal Year, unaudited information will be provided in accordance with the time frame set forth above and audited financial statements will be provided as soon after such time as they become available.

(b) The County agrees to provide or cause to be provided to each MSIR in the appropriate format required by law or applicable regulation, in a timely manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of any of the following events with respect to the Series 2013 Bonds:

(i) principal and interest payment delinquencies;

(ii) non-payment related defaults, if material;

(iii) unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) unscheduled draws on credit enhancements reflecting financial difficulties;

(v) substitution of credit facility providers, or their failure to perform;

(vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Series 2013 Bonds, or other material events affecting the tax status of the Series 2013 Bonds;

(vii) modifications to rights of holders of the Series 2013 Bonds, if material;

(viii) bond calls, if material, and tender offers;

(ix) defeasances;

(x) release, substitution, or sale of any property securing repayment of the Series 2013 Bonds, if material;

(xi) rating changes;

(xii) bankruptcy, insolvency, receivership or similar event of the County (which is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the County 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 County, 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 County);

(xiii) the consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of the assets of the County, 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; and

(xiv) the appointment of a successor or additional trustee or the change of name of a trustee, if material.

(c) The County agrees to provide or cause to be provided, in a timely manner, to each MSIR, in the appropriate format required by law or applicable regulation, notice of its failure to provide the Annual Information with respect to itself on or prior to June 1 following the end of the preceding Fiscal Year.

(d) The obligations of the County under this Section 17 shall remain in effect only so long as the Series 2013 Bonds are Outstanding. The County reserves the right to terminate its

obligations to provide the Annual Information and notices of the occurrence of the events specified in subsection (b) above if and when the County no longer remains an "obligated person" with respect to the Series 2013 Bonds within the meaning of the Rule.

(e) The County agrees that its undertaking pursuant to the Rule set forth in this Section 17 is intended to be for the benefit of the Beneficial Owners of the Series 2013 Bonds and shall be enforceable by the Beneficial Owners if the County fails to cure a breach within a reasonable time after receipt of written notice from a Beneficial Owner that a breach exists; provided, however, that any Beneficial Owner's right to enforce the provisions of this undertaking shall be on behalf of all Beneficial Owners and shall be limited to a right to obtain specific performance of the County's obligations under this Section 16 in a federal or state court located within the County and any failure by the County to comply with the provisions of this undertaking shall not be a default with respect to the Series 2013 Bonds.

(f) Notwithstanding the foregoing, each MSIR to which information shall be provided shall include each MSIR approved by the Securities and Exchange Commission prior to the issuance of the Series 2013 Bonds. In the event that the Securities and Exchange Commission approves any additional MSIRs after the date of issuance of the Series 2013 Bonds, the County shall, if the County is notified of such additional MSIRs, provide such information to the additional MSIRs. Failure to provide information to any new MSIR whose status as a MSIR is unknown to the County shall not constitute a breach of this covenant.

(g) The requirements of subsection (a) above do not necessitate the preparation of any separate annual report addressing only the Series 2013 Bonds. The requirements of subsection (a) may be met by the filing of an annual information statement or the County's Comprehensive Annual Financial Report, provided such report includes all of the required Annual Information

and is available by June 1 of each year for the preceding Fiscal Year. Additionally, the County may incorporate any information in any prior filing with each MSIR or included in any final official statement of the County, provided such final official statement is filed with the MSRB.

(h) The County reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the County, provided that the County agrees that any such modification will be done in a manner consistent with the Rule.

(i) Except to cure any ambiguity, inconsistency or formal defect or omission in the provisions of this Section 17, the County's covenants as to continuing disclosure (the "Covenants") may only be amended if:

(i) the amendment is made in connection with a change in circumstances that arises from a change in legal requirements, a change in law or a change in the identity, nature or status of the County or type of business conducted; the Covenants, as amended, would have complied with the requirements of the Rule at the time of award of the Series 2013 Bonds, after taking into account any amendments or change in circumstances; and the amendment does not materially impair the interests of the Beneficial Owners, as determined by Disclosure Counsel or other independent counsel knowledgeable in the area of federal securities laws and regulations; or

(ii) all or any part of the Rule, as interpreted by the staff of the Securities and Exchange Commission at the date of adoption of this Series 2013 Resolution, ceases to be in effect for any reason, and the County elects that the Covenants shall be deemed amended accordingly.

(j) Any assertion of beneficial ownership must be filed with the County, along with full documentary support as part of the written request described above.

(k) The Board further authorizes and directs the County Mayor to cause all other agreements to be made or action to be taken as required in connection with meeting the County's obligations as to the Covenants. The County Mayor shall further be authorized to make such additions, deletions and modifications to the Covenants as he shall deem necessary or desirable in consultation with the County Attorney, Bond Counsel and Disclosure Counsel.

Section 18. Hedge Agreement Amendments. The County Mayor is authorized to enter into any amendments to that certain Hedge Agreement relating to the Series 1999A Bonds by and between the County and The Bank of New York Mellon (the "Hedge Agreement Amendments"), as may be necessary or desirable in connection with the refunding of the Refunded Bonds, after consultation with the Financial Advisor, Bond Counsel and the County Attorney, with the execution and delivery of any such Hedge Agreement Amendments being conclusive evidence of the Board's approval of such Hedge Agreement Amendments.

Section 19. Modification or Amendment. This Series 2013 Resolution shall constitute a contract between the County and the Bondholders of the Series 2013 Bonds. Except as provided in this Series 2013 Resolution, no material amendment or modification of this Series 2013 Resolution or of any amendatory or supplemental resolution may be made without the consent of the registered owners of fifty-one percent (51%) or more in principal amount of the Series 2013 Bonds then Outstanding.

Notwithstanding anything in this Series 2013 Resolution to the contrary, (i) this Series 2013 Resolution may be amended without the consent of the Bondholders to provide clarification, correct omissions, make technical changes, comply with state laws, make such

additions, deletions or modifications as may be necessary to assure compliance with Section 148 of the Code, as amended or otherwise as may be necessary to assure the exclusion of interest on the Series 2013 Bonds from gross income of the holders of the Series 2013 Bonds for federal income tax purposes, and such other amendments that do not materially adversely affect the interest of registered owners of the Series 2013 Bonds then Outstanding; and (ii) if a Credit Facility has been issued with respect to the Series 2013 Bonds, the Credit Facility Provider may give consents, on behalf of the registered owners of the Series 2013 Bonds insured or secured by it, to any of the foregoing amendments in accordance with the provisions of Section 803 of the Master Ordinance.

Section 20. Authorization of Further Actions. The County Mayor, the County Manager, the Finance Director, the County Attorney, the Clerk and other officers, employees and agents of the County are hereby authorized and directed to do all acts and things and to execute and deliver any and all documents and certificates which they deem necessary or advisable in order to consummate the issuance of the Series 2013 Bonds and otherwise to carry out, give effect to and comply with the terms and intent of this Series 2013 Resolution, the Series 2013 Bonds and the related documents. In the event that the County Mayor, the County Manager, the Finance Director, the Clerk or the County Attorney is unable to execute and deliver the contemplated documents, such documents shall be executed and delivered by the respective designee of such officer or official or any other duly authorized officer or official of the County.

Section 21. Severability; Resolution Controlling. In case any one or more of the provisions of this Series 2013 Resolution or any approved document shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Series 2013 Resolution or such document, as the case may be, and such other provisions shall be

construed and enforced as if such illegal or invalid provisions had not been contained. All or any part of resolutions or proceedings in conflict with the provisions of this Series 2013 Resolution are to the extent of such conflict repealed or amended to the extent of such inconsistency.

Section 22. Governing Law; Venue. The Series 2013 Bonds are to be issued and this Series 2013 Resolution is adopted and such other documents necessary for the issuance of the Series 2013 Bonds shall be executed and delivered with the intent that, except to the extent otherwise specifically provided in such documents, the laws of the State shall govern their construction. Except as otherwise specifically provided in any such documents, venue shall lie in Miami-Dade County, Florida.

Section 23. No Recourse Against County's Officers. No covenant, agreement or obligation contained in this Series 2013 Resolution shall be deemed to be a covenant, agreement or obligation of any present or future official, officer, employee or agent of the County in the individual capacity of such person, and no official, officer, employee or agent of the County executing the Series 2013 Bonds shall be liable personally on the Series 2013 Bonds or be subject to any personal liability or accountability by reason of the issuance of the Series 2013 Bonds. No official, officer, employee, agent or advisor of the County shall incur any personal liability with respect to any other action taken by such person pursuant to this Series 2013 Resolution, provided the official, officer, employee, agent or advisor acts in good faith, but this Section 21 shall not relieve any official, officer, employee, agent or advisor of the County from the performance of any official duty provided by law or this Series 2013 Resolution.

Section 24. Waivers. The provisions of Resolution No. R-130-06, as amended, requiring that any contracts of the County with third parties be executed and finalized prior to their

placement on the committee agenda are waived at the request of the County Manager for the reasons set forth in the County Mayor's Memorandum.

The foregoing resolution was offered by Commissioner , who moved its adoption. The motion was seconded by Commissioner and upon being put to a vote, the vote was as follows:

Rebeca Sosa, Chairwoman
Lynda Bell, Vice Chair

| | |
|---|---|
| Bruno A. Barreiro | Esteban L. Bovo, Jr. |
| Jose "Pepe" Diaz | Audrey M. Edmonson |
| Sally A. Heyman | Barbara J. Jordan |
| Jean Monestime | Dennis C. Moss |
| Sen. Javier D. Souto | Xavier L. Suarez |
| Juan C. Zapata | |

The Chairperson thereupon declared the resolution duly passed and adopted this 4th day of June, 2013. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF COUNTY
COMMISSIONERS
HARVEY RUVIN, CLERK

By: _____
Deputy Clerk

Approved by County Attorney as to
form and legal sufficiency: _____

Gerald T. Heffernan

Prepared by Bond Counsel: Squire Sanders (US) LLP
D. Seaton and Associates

## EXHIBIT A

## SERIES 2013 PROJECT

| | |
|---|---|
| **WASTEWATER PROJECTS** | **$176,500,000** |
| Ocean Outfall Mandates | |
| Central District Upgrades - Wastewater Treatment Plant | |
| Pump Station Transmission and Collection System Improvements | |
| South District Upgrades - Wastewater Treatment Plant | |
| North District Upgrades - Wastewater Treatment Plant Improvements | |
| **WATER PROJECTS** | **$123,500,000** |
| Water Treatment Plant Improvements | |
| Water Distribution System Extension Enhancements | |
| Safe Drinking Water Act Modifications - SWT Rule and D-DBP | |
| South Miami Heights Water Treatment Plant and Wellfield | |
| Water Pipes and Infrastructure Projects | |
| **Total Wastewater and Water Projects** | **$300,000,000** |

Projects within the general categories of the Water and Sewer Capital Improvement Plan listed in the table above may be determined by the County Mayor or the County Mayor's designee after consultation with the Director of the Water and Sewer Department, provided that each portion of the Series 2013 Project, as modified is a Water and Sewer Project, the Cost of which is eligible to paid from proceeds of the Series 2013 Bonds.

EXHIBIT B

FORM OF SERIES 2013 BOND

No. R- $

UNITED STATES OF AMERICA
STATE OF FLORIDA
MIAMI-DADE COUNTY, FLORIDA
WATER AND SEWER SYSTEM REVENUE [REFUNDING] BOND, SERIES ____

| INTEREST RATE | MATURITY | DATED DATE | CUSIP |
|---|---|---|---|

REGISTERED OWNER:

PRINCIPAL AMOUNT:

Miami-Dade County, Florida, a political subdivision of the State of Florida (the "County"), for value received, hereby promises to pay, but only from the special funds described in this Bond, to the Registered Owner of this Bond specified above on the date shown above, upon surrender of this Bond, the principal of this Bond and to pay to the Registered Owner of this Bond at the close of business on the Regular Record Date (defined below), but only from said special funds, interest on this Bond from the interest payment date next preceding the date on which this Bond is authenticated unless it is authenticated on an interest payment date, in which event it shall bear interest from such date or if it is authenticated prior to the first interest payment date, in which event it shall bear interest from the Dated Date specified above, until payment of said principal amount has been made or provided for, at the interest rate shown above, computed on the basis of a 360-day year of twelve 30-day months on the first day of April and October of each year, commencing _____, 2013. Regular Record Date for the purposes of this Bond shall mean the fifteenth day of the calendar month (whether or not a business day) next preceding the interest payment date. The interest on this Bond is payable by check or draft drawn on the Paying Agent hereinafter mentioned and the principal is payable at the designated corporate trust office of _____, _____, _____, or at the duly designated office of any duly appointed alternate or successor paying agent (the "Paying Agent"), provided that for any Registered Owner of one million dollars ($1,000,000.00) or more in principal amount of Bonds, such payment shall, upon the express written request of such Registered Owner delivered 15 days prior to an interest payment date, be made by wire transfer. If and to the extent, however, the County fails to make payment or provision for payment on any interest payment date of interest on this Bond, interest shall be payable to the Registered Owner of this Bond on a special record date for the payment of such defaulted interest (the "Special Record Date") as established by notice mailed by the Registrar to the Registered Owner of this Bond not less than fifteen days preceding such Special Record Date. Such notice shall be mailed to the Person who is the

Registered Owner of this Bond at the close of business on the fifth (5th) day preceding the date of mailing. The principal of and interest on this Bond shall be paid in any coin or currency of the United States of America which, at the time of payment, is legal tender for the payment of public and private debts.

This Bond is one of a duly authorized series of revenue bonds of the County designated as "Miami-Dade County, Florida Water and Sewer System Revenue [Refunding] Bonds, Series ____" (the "Series ____ Bonds"), issued for the principal purpose of [paying Costs of the Series 2013 Project][refunding the Refunded Bonds], pursuant to Ordinance No. 93-134, duly enacted by the Board of County Commissioners of Miami-Dade County, Florida (the "Board") on November 16, 1993 (as amended, the "Master Ordinance")[, Ordinance No. 09-67, duly enacted by the Board on July 23, 2009 (the "2009 Ordinance"), Ordinance No. 13-__, duly enacted by the Board on _____, 2013 (the "2013 Ordinance"),] and Resolution No. R-___-13, duly adopted by the Board on _____, 2013 (the "Series 2013 Resolution" and, together with the Master Ordinance, [the 2009 Ordinance and the 2013 Ordinance,] the "Bond Ordinance"), reference to which Bond Ordinance is hereby made for the provisions, among others, with respect to the custody and application of the proceeds of the Series ____ Bonds, the funds charged with and pledged to the payment of the principal of and the interest on the Series ____ Bonds, the nature and extent of the security, the terms and conditions on which obligations on a parity with the Series ____ Bonds may be issued under the Master Ordinance, the rights, duties and obligations of the County under the Bond Ordinance and the rights of the owners of the Series ____ Bonds; and, by the acceptance of this Bond, the owner of this Bond assents to all the provisions of the Bond Ordinance. This Bond is issued, the Master Ordinance[, the 2009 Ordinance and the 2013 Ordinance] [were][was] enacted and the Series 2013 Resolution was adopted under the authority of the Constitution and laws of the State of Florida, including, but not limited to, the Home Rule Amendment and Charter of Miami-Dade County, Florida, as amended, Chapters 125 and 166, Florida Statutes, as amended, the Code of Miami-Dade County, Florida, as amended, and all other applicable laws. Terms used in capitalized form in this Bond and not defined shall have the meanings assigned to such terms in the Bond Ordinance.

This Bond and the interest thereon is a special and limited obligation of the County, payable from and secured by a lien on and a pledge of certain income and earnings derived from the ownership and operation of the water and sewer utility (the "Utility") of the County, subject to the prior payment of expenses of operation and maintenance of the Utility (the "Pledged Revenues"), all in the manner provided in the Master Ordinance.

The Outstanding Bonds, the Series ____ Bonds and any additional bonds (collectively, the "Bonds") issued under the Master Ordinance are and will be equally and ratably secured, to the extent provided in the Master Ordinance, by the pledge of the Pledged Revenues.

This Bond shall be a special limited obligation of the County payable solely from and secured solely by Pledged Revenues. This Bond does not constitute an indebtedness, liability, general or moral obligation, or a pledge of the faith, credit or power of the County, the State or any political subdivision of the State, within the meaning of any constitutional, statutory or charter provision. Neither the State nor any political subdivision of the State nor the County shall be directly or indirectly or contingently obligated to levy any ad valorem taxes on any property to pay the principal of or the interest on this Bond or other related costs, or to pay the

same from any other funds of the County except from the Pledged Revenues. The acceptance of this Bond by the Registered Owner from time to time of this Bond shall be deemed an agreement between the County and such Registered Owner that this Bond and the indebtedness evidenced by this Bond shall not constitute a lien upon the Utility, any part of the Utility, or any other property of the County, but shall constitute a lien only on the Pledged Revenues.

The Series ____ Bonds maturing on October 1, _____ are subject to mandatory sinking fund redemption in part prior to maturity by lot, at a redemption price equal to 100% of the principal amount of the Series ____ Bonds to be redeemed, plus accrued interest to the date of redemption, commencing on October 1, _____ and on each October 1 thereafter, in the years and principal amounts set forth below:

| Year | Principal Amount |
|---|---|

*Final Maturity

The Series ____ Bonds maturing on or before October 1, _____ shall not be subject to optional redemption prior to maturity. The Series ____ Bonds maturing on or after October 1, _____ are subject to optional redemption prior to maturity, at the option of the County, in whole or in part at any time, on or after October 1, ____, and if in part, in maturities determined by the County and by lot within a maturity, at a redemption price equal to 100% of the principal amount of the Series ____ Bonds or portion of such Series ____ Bonds to be redeemed, plus accrued interest to the date of redemption.

Any such redemption shall be made upon written notice not less than thirty (30) days prior to the redemption date to the Registered Owners of the Series ____ Bonds to be redeemed, in the manner and under the terms and conditions provided in the Bond Ordinance. On the date designated for redemption, notice having been given and moneys for payment of the redemption price being held by the Paying Agent, all as provided in the Bond Ordinance, the Series ____ Bonds so called for redemption shall become and be due and payable at the redemption price provided for redemption of such Series ____ Bonds on such date, interest on the Series ____ Bonds so called for redemption shall cease to accrue, such Series ____ Bonds shall cease to be entitled to any benefit or security under the Bond Ordinance, and the Registered Owners of such Series ____ Bonds shall have no rights in respect of such Series ____ Bonds except to receive payment of the redemption price. If less than all of one Series 2013 Bond is selected for redemption, the Registered Owner of such Series 2013 Bond or his legal representative shall present and surrender such Series 2013 Bond to the Paying Agent for payment of the principal amount of the Series 2013 Bond called for redemption, and the County shall execute and the Registrar shall authenticate and deliver to or upon the order of such Registered Owner or his legal representative, without charge, for the unredeemed portion of the principal amount of the old Series 2013 Bond, a new Series 2013 Bond of the same maturity, bearing interest at the same rate and of any denomination or denominations authorized by the Bond Ordinance.

The Registered Owner of this Bond shall have no right to enforce the provisions of the Bond Ordinance, or to institute action to enforce the covenants contained in the Bond Ordinance, or to take any action with respect to any event of default under the Bond Ordinance, or to institute, appear in or defend any suit or other proceeding, except as provided in the Bond Ordinance.

Modifications or alterations of the Bond Ordinance or of any amendatory or supplemental ordinance or resolution may be made only to the extent and in the circumstances permitted by the Bond Ordinance.

This Bond is transferable by the Registered Owner in person or by his attorney duly authorized in writing at the designated corporate trust office of the Registrar, but only in the manner, subject to the limitations and upon payment of the charges provided in the Bond Ordinance, and upon surrender and cancellation of this Bond. Upon such transfer a new registered Series 2013 Bond or Series ____ Bonds of the same maturity and interest rate and of authorized denomination or denominations for the same aggregate principal amount will be issued in exchange to the transferee.

The Registrar shall not be required to transfer or exchange any Series 2013 Bond (a) during the period beginning on a Regular Record Date and ending on the succeeding interest payment date, (b) during the period 15 days next preceding any selection of Series ____ Bonds to be redeemed or thereafter until after the mailing of any notice of redemption, or (c) called for redemption.

Each Series 2013 Bond delivered pursuant to any provision of the Bond Ordinance in exchange or substitution for, or upon the transfer of the whole or any part of one or more other Series ____ Bonds, shall carry all of the rights to interest accrued and unpaid and to accrue that were carried by the whole or such part, as the case may be, of such one or more other Series ____ Bonds, and notwithstanding anything contained in the Bond Ordinance, such Series ____ Bonds shall be so dated or bear such notation, that neither gain nor loss in interest shall result from any such exchange, substitution or transfer.

No recourse shall be had for the payment of the principal of or interest on this Bond, or for any claim based on this Bond or on the Bond Ordinance, against any member, officer or employee, past, present or future, of the County or of any successor body, as such, either directly or through the County or any such successor body, under any constitutional provision, statute or rule of law, or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise, all such liability of such members, officers or employees being released as a condition of and as consideration for the enactment of the Master Ordinance[, the 2009 Ordinance and the 2013 Ordinance] and the adoption of the Series 2013 Resolution by the County and the issuance of this Bond.

The County, the Registrar and the Paying Agent may deem and treat the person in whose name this Bond is registered as the absolute owner for the purpose of receiving payment of, or on account of, the principal of and the interest due on this Bond and for all other purposes; and neither the County, the Registrar nor the Paying Agent shall be affected by notice to the contrary

except the due execution and delivery to the Registrar of the Certificate of Transfer set forth at the end of this Bond.

All acts, conditions and things required by the Constitution and laws of the State of Florida and the Bond Ordinance to exist, to have happened and to have been performed precedent to and in the issuance of this Bond, do exist, have happened and have been performed.

This Bond is not valid unless the Registrar's Certificate of Authentication endorsed on this Bond is duly executed.

IN WITNESS WHEREOF, Miami-Dade County, Florida has caused this Bond to be executed in its name and on its behalf by the facsimile signature of its Mayor and a facsimile of the seal to be printed hereon and attested by the facsimile signature of its Clerk and has caused this Bond to be dated as of _____.

MIAMI-DADE COUNTY, FLORIDA

[SEAL]

By: _____
Mayor

Attest: _____
Clerk of the Board of
County Commissioners

REGISTRAR'S CERTIFICATE OF AUTHENTICATION

This Bond is one of the bonds of the Series designated herein, described in the within-mentioned Bond Ordinance.

_____,
as Registrar

By: _____
Authorized Signatory

Date of Authentication: _____

## CERTIFICATE OF TRANSFER

FOR VALUE RECEIVED, _____, the undersigned, hereby sells, assigns and transfers unto _____ (Tax Identification or Social Security No. _____) the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever.

## ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of the within Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM -- as tenants in common
TEN ENT -- as tenants by the entireties
JT TEN -- as joint tenants with rights of survivorship and not as tenants in common

UNIFORM GIFT MIN ACT - _____ Custodian _____
(Cust) (Minor)

Under Uniform Gifts to Minors Act

_____
(State)

Additional abbreviations may also be used though not in the above list.

EXHIBIT C

BOND PURCHASE AGREEMENT

On file with the Clerk's office

EXHIBIT D

PRELIMINARY OFFICIAL STATEMENT

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2012

**NEW ISSUE- BOOK-ENTRY ONLY** **RATINGS: (See "RATINGS" herein)**

In the opinion of Squire Sanders (US) LLP and D. Seaton and Associates, Bond Counsel, under existing law (i) assuming continuing compliance with certain covenants and the accuracy of certain representations, interest on the Series 2013 Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, and (ii) the Series 2013 Bonds and the income thereon are exempt from taxation under the laws of the State of Florida, except estate taxes imposed by Chapter 198, Florida Statutes, as amended, and net income and franchise taxes imposed by Chapter 220, Florida Statutes, as amended. Interest on the Series 2013 Bonds may be subject to certain federal taxes imposed only on certain corporations, including the corporate alternative minimum tax on a portion of that interest. For a more complete discussion of the tax aspects, see "TAX MATTERS" in this Official Statement.

**$_____***
**MIAMI-DADE COUNTY, FLORIDA**

**$_____***
**Water and Sewer System Revenue Bonds, Series 2013A**

**$_____***
**Water and Sewer System Revenue Refunding Bonds, Series 2013B**

**Dated: Date of Delivery**

**Due: October 1, as shown on the inside front cover**

Miami-Dade County, Florida (the "County") is issuing its Water and Sewer System Revenue Bonds, Series 2013A (the "Series 2013A Bonds") and its Water and Sewer System Revenue Refunding Bonds, Series 2013B (the "Series 2013B Bonds", and together with the Series 2013A Bonds, the "Series 2013 Bonds") as fully-registered bonds in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Series 2013 Bonds. Since purchases of beneficial interests in the Series 2013 Bonds will be made in book-entry only form in denominations of $5,000 or any integral multiple of $5,000, beneficial owners will not receive physical delivery of bond certificates. Interest on the Series 2013 Bonds will be payable semi-annually on April 1 and October 1 of each year, commencing [October] 1, 2013. Principal of the Series 2013 Bonds will be payable at the designated office of _____, _____, _____, as Paying Agent and Registrar for the Series 2013 Bonds. As long as DTC or its nominee is the registered owner of the Series 2013 Bonds, payments of the principal of and interest on the Series 2013 Bonds will be made directly to DTC or its nominee. *See* "DESCRIPTION OF THE SERIES 2013 BONDS – Book-Entry Only System" in this Official Statement.

Payment of the principal of and interest on the Series 2013 Bonds is secured, on a parity basis with certain other outstanding Bonds as described herein, by a pledge of and a lien on the Pledged Revenues, which consist of the Net Operating Revenues (as such terms are defined herein) of the County's Water and Sewer Utility System.

The Series 2013 Bonds are subject to optional redemption and mandatory sinking fund redemption prior to maturity under the terms and conditions as more fully described herein.

The proceeds of the Series 2013A Bonds, together with other available funds of the Miami-Dade Water and Sewer Department (the "Department"), will be used to: (i) pay costs of constructing or acquiring certain improvements under the Department's Multi-Year Capital Plan (the "MYCP") as described in this Official Statement; (ii) pay capitalized interest on the Series 2013A Bonds; (iii) make a deposit to the Reserve Account; and (iv) pay the costs of issuance of the Series 2013A Bonds [, including the payment of the premium for a municipal bond insurance policy securing the Series 2013A Bonds.]

The proceeds of the Series 2013B Bonds, together with other available funds of the Department, will be used to: (i) currently refund all of the County's outstanding Water and Sewer System Revenue Bonds, Series 1999A; [(ii) make a deposit to the Reserve Account]; and (iii) pay the costs of issuance of the Series 2013B Bonds [, including the payment of the premium for a municipal bond issuance policy securing the Series 2013B Bonds.]

THE SERIES 2013 BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE COUNTY PAYABLE SOLELY FROM AND SECURED BY THE PLEDGED REVENUES. THE SERIES 2013 BONDS DO NOT CONSTITUTE AN INDEBTEDNESS, LIABILITY, GENERAL OR MORAL OBLIGATION, OR A PLEDGE OF THE FAITH, CREDIT OR POWER OF THE COUNTY, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION OF THE STATE OF FLORIDA, WITHIN THE MEANING OF ANY CONSTITUTIONAL, STATUTORY OR CHARTER PROVISION. NEITHER THE STATE OF FLORIDA NOR ANY POLITICAL SUBDIVISION OF THE STATE OF FLORIDA NOR THE COUNTY SHALL BE DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATED TO LEVY ANY AD VALOREM TAXES ON ANY PROPERTY TO PAY PRINCIPAL OF, OR THE INTEREST ON, THE SERIES 2013 BONDS OR OTHER RELATED COSTS, OR TO PAY THE SAME FROM ANY OTHER FUNDS OF THE COUNTY EXCEPT FROM THE PLEDGED REVENUES. THE ACCEPTANCE OF THE SERIES 2013 BONDS BY THE REGISTERED OWNERS FROM TIME TO TIME OF THE SERIES 2013 BONDS WILL BE DEEMED AN AGREEMENT BETWEEN THE COUNTY AND SUCH REGISTERED OWNERS THAT THE SERIES 2013 BONDS AND THE INDEBTEDNESS EVIDENCED BY THE SERIES 2013 BONDS SHALL NOT CONSTITUTE A LIEN UPON THE WATER AND SEWER UTILITY, ANY PART OF SUCH WATER AND SEWER UTILITY, OR ANY OTHER PROPERTY OF THE COUNTY, BUT WILL CONSTITUTE A LIEN ONLY ON THE PLEDGED REVENUES.

[The scheduled payment of principal of and interest on the Series 2013 Bonds maturing when due will be guaranteed under [an insurance policy] [separate insurance policies] to be issued concurrently with the delivery of the Series 2013 Bonds by [_____] (the "Bond Insurer") as described in this Official Statement. For a description of the Bond Insurer, *see* "BOND INSURANCE – Bond Insurer" in this Official Statement.]

[Insurer Logo]

See the inside cover page for maturities, principal amounts, initial CUSIP numbers, interest rates, and prices and yields.

This cover page contains information for quick reference only. It is *not* a complete summary of the information in this Official Statement. Investors must read this entire Official Statement, including the Appendices, to obtain information essential in making an informed investment decision with respect to the purchase of these securities.

The Series 2013 Bonds are offered when, as and if issued by the County and accepted by the Underwriters, subject to the opinions on certain legal matters relating to their issuance of Squire Sanders (US) LLP, Miami, Florida, and D. Seaton and Associates, Miami, Florida, Bond Counsel for the County.. Certain legal matters will be passed upon for the County by the Office of the Miami-Dade County Attorney. Certain legal matters relating to disclosure will be passed upon for the County by Nabors, Giblin & Nickerson, P.A., Tampa, Florida, and Liebler, Gonzalez & Portuondo, P.A., Miami Florida, Disclosure Counsel. Certain legal matters will be passed upon for the Underwriters by their counsel, GrayRobinson, P.A., Tampa, Florida. Public Resources Advisory Group, St. Petersburg, Florida, has served as Financial Advisor to the County and the Department in connection with the issuance of the Series 2013 Bonds. It is expected that the Series 2013 Bonds will be available for delivery through DTC in New York, New York, on or about March ___, 2013.

**MORGAN STANLEY**

**M.R. BEAL & COMPANY** **RICE SECURITIES, LLC** **BARCLAYS CAPITAL, INC.** **GOLDMAN SACHS & CO.**

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| ESTRADA HINOJOSA & CO. | RAMIREZ & CO., INC. | BLAYLOCK ROBERT VAN, LLC | CABRERA CAPITAL MARKETS | WELLS FARGO SECURITIES, LLC | RBC CAPITAL MARKETS LLC | SIEBERT BRANDFORD SHANK & CO., LLC | SOUTHWEST SECURITIES, INC. | JEFFERIES & COMPANY |

Dated: _____

*Preliminary, subject to change.

**MATURITY SCHEDULE, PRINCIPAL AMOUNTS, INITIAL CUSIP NUMBERS[1], INTEREST RATES, AND YIELDS**

**$_____***

**MIAMI-DADE COUNTY, FLORIDA**
**WATER AND SEWER SYSTEM REVENUE BONDS**
**SERIES 2013A**

| Maturity Date (October 1) | Principal Amount | Uninsured/ Insured | Initial CUSIP No.[1] | Interest Rate | Price | Yield |
|---|---|---|---|---|---|---|

$_____ ___% Series 2013A Term Bonds due October 1, 20__, Price ___%; Yield ___%, Initial CUSIP No.[1] _____

$_____ ___% Series 2013A Term Bonds due October 1, 20__, Price ___%; Yield ___%, Initial CUSIP No.[1] _____

**$_____***

**MIAMI-DADE COUNTY, FLORIDA**
**WATER AND SEWER SYSTEM REVENUE REFUNDING BONDS**
**SERIES 2013B**

| Maturity Date (October 1) | Principal Amount | Uninsured/ Insured | Initial CUSIP No.[1] | Interest Rate | Price | Yield |
|---|---|---|---|---|---|---|

$_____ ___% Series 2013B Term Bonds due October 1, 20__, Price ___%; Yield ___%, Initial CUSIP No.[1] _____

$_____ ___% Series 2013B Term Bonds due October 1, 20__, Price ___%; Yield ___%, Initial CUSIP No.[1] _____

* Preliminary, subject to change.

[1] CUSIP data is provided by Standard & Poor's CUSIP Service Bureau, a division of The McGraw Hill Companies Inc. The CUSIP numbers listed above are being provided solely for the convenience of the Bondholders only at the time of issuance of the Series 2013 Bonds and neither the County nor the Underwriters make any representation with respect to such CUSIP numbers, nor undertake any responsibility for their accuracy now or at any time in the future. The CUSIP numbers are subject to being changed after the issuance of the Series 2013 Bonds as a result of various subsequent actions, including, but not limited to, a refunding in whole or in part of the Series 2013 Bonds.

**MIAMI-DADE COUNTY, FLORIDA**
Carlos A. Gimenez, Mayor

**MEMBERS OF THE BOARD OF COUNTY COMMISSIONERS**
Rebeca Sosa, Chairman
Lynda Bell, Vice Chairman

| | | | |
|---|---|---|---|
| Barbara J. Jordan | District 1 | Lynda Bell | District 8 |
| Jean Monestime | District 2 | Dennis C. Moss | District 9 |
| Audrey M. Edmonson | District 3 | Senator Javier D. Souto | District 10 |
| Sally A. Heyman | District 4 | Juan C. Zapata | District 11 |
| Bruno A. Barreiro | District 5 | José "Pepe" Diaz | District 12 |
| Rebeca Sosa | District 6 | Esteban Bovo, Jr. | District 13 |
| Xavier L. Suarez | District 7 | | |

**COUNTY CLERK**
Harvey Ruin

**COUNTY ATTORNEY**
R.A. Cuevas, Jr., Esq.

**DEPUTY MAYOR/FINANCE DIRECTOR**
Edward Marquez

**WATER AND SEWER DEPARTMENT**
John W. Renfrew, P.E., Director
Joseph A. Ruiz, Jr., Deputy Director – Operations
L. Douglas Yoder, DPA, Deputy Director – Regulatory Compliance and Capital Improvement
Frances G. Morris, Assistant Director – Finance

**BOND COUNSEL**

Squire Sanders (US) LLP
Miami, Florida

D. Seaton and Associates
Miami, Florida

**DISCLOSURE COUNSEL**

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

Liebler, Gonzalez & Portuondo, P.A.
Miami, Florida

**FINANCIAL ADVISOR**
Public Resources Advisory Group
St. Petersburg, Florida

**CONSULTING ENGINEER**

Black & Veatch Corporation
Miami, Florida

Planning and Economics Group, Inc.
Miami, Florida

**INDEPENDENT PUBLIC ACCOUNTANTS**
Marcum, LLP
Miami, Florida

No dealer, broker, salesman or other person has been authorized by the County, the Department or the Underwriters to give any information or to make any representations, other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the County, the Department or the Underwriters. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Series 2013 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The order and placement of materials in this Official Statement, including the Appendices, are not to be deemed a determination of relevance, materiality or importance, and this Official Statement, including the Appendices, must be considered in its entirety. The captions and headings in this Official Statement are for convenience only and in no way define, limit or describe the scope or intent, or affect the meaning or construction, of any provisions or sections in this Official Statement. The offering of the Series 2013 Bonds is made only by means of this entire Official Statement.

This Official Statement contains statements, which to the extent they are not recitations of historical fact, constitute "forward-looking statements." In this respect, the words "estimate," "project," "anticipate," "expect," "intend," "belief," and similar expressions are intended to identify forward looking statements. Such statements may be subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward looking statements.

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.

THE UNDERWRITERS HAVE PROVIDED THE FOLLOWING SENTENCE FOR INCLUSION IN THIS OFFICIAL STATEMENT. *THE UNDERWRITERS HAVE REVIEWED THE INFORMATION IN THIS OFFICIAL STATEMENT IN ACCORDANCE WITH, AND AS PART OF, THEIR RESPECTIVE RESPONSIBILITIES TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITERS DO NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.*

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2013 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITERS MAY OFFER AND SELL THE SERIES 2013 BONDS TO CERTAIN DEALERS AND OTHERS AT YIELDS HIGHER THAN THE YIELDS STATED ON THE INSIDE COVER PAGE OF THIS OFFICIAL STATEMENT, AND SUCH PUBLIC OFFERING YIELDS MAY BE CHANGED

FROM TIME TO TIME, AFTER THE INITIAL OFFERING TO THE PUBLIC, BY THE UNDERWRITERS.

THE SERIES 2013 BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAW, NOR HAS THE BOND ORDINANCE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE PLEDGED REVENUES AND THE TERMS OF THIS OFFERING, INCLUDING THE MERITS AND INVESTMENT RISKS INVOLVED. NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY OTHER FEDERAL, STATE OR GOVERNMENTAL ENTITY OR AGENCY WILL HAVE PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT OR APPROVED OR RECOMMENDED THE SERIES 2013 BONDS FOR SALE. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

[_____ (THE "BOND INSURER") MAKES NO REPRESENTATION REGARDING THE SERIES 2013 BONDS OR THE ADVISABILITY OF INVESTING IN THE SERIES 2013 BONDS. IN ADDITION, THE BOND INSURER HAS NOT INDEPENDENTLY VERIFIED, MAKES NO REPRESENTATION REGARDING, AND DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT OR ANY INFORMATION OR DISCLOSURE CONTAINED HEREIN, OR OMITTED HEREFROM, OTHER THAN WITH RESPECT TO THE ACCURACY OF THE INFORMATION REGARDING THE BOND INSURER SUPPLIED BY THE BOND INSURER AND PRESENTED UNDER THE HEADING "BOND INSURANCE" AND "APPENDIX H – SPECIMEN MUNICIPAL BOND INSURANCE POLICY."]

THIS PRELIMINARY OFFICIAL STATEMENT IS IN A FORM DEEMED FINAL BY THE COUNTY FOR PURPOSES OF RULE 15c2-12 PROMULGATED UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, EXCEPT FOR CERTAIN INFORMATION PERMITTED TO BE OMITTED PURSUANT TO RULE 15c2-12(b)(1).

## TABLE OF CONTENTS


INTRODUCTION ..... 1
PLAN OF FINANCE ..... 3
The Series 2013A Bonds ..... 3
The Series 2013B Bond; Refunded Bonds ..... 3
DESCRIPTION OF THE SERIES 2013 BONDS ..... 3
General ..... 3
Redemption of Series 2013 Bonds ..... 4
Book-Entry Only System ..... 7
Discontinuance of Book-Entry Only System ..... 9
SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2013 BONDS ..... 10
Pledged Revenues ..... 10
Flow of Funds ..... 11
Limited Obligations ..... 14
Rate Covenant ..... 14
[Municipal Bond Insurance ..... 15
Reserve Account ..... 15
Additional Bonds ..... 17
Refunding Bonds ..... 18
Completion Bonds ..... 18
Defeasance ..... 18
Additional Covenants of the County ..... 18
Other Obligations ..... 19
Remedies ..... 19
Modifications or Supplements to Master Ordinance ..... 19
BOND INSURANCE [To come; if applicable] ..... 20
SUBORDINATE OBLIGATIONS ..... 20
State Revolving Fund Loan Program ..... 20
INTEREST RATE SWAP AGREEMENTS ..... 20
General ..... 20
Outstanding Swaps ..... 21
SERIES 2013 BONDS ESTIMATED SOURCES AND USES OF FUNDS ..... 22
DEBT SERVICE REQUIREMENTS ON THE SERIES 2013 BONDS, OUTSTANDING BONDS AND SUBORDINATE OBLIGATIONS ..... 23
THE DEPARTMENT ..... 24
History ..... 24
Organization and Administration ..... 24
Management ..... 24
WATER AND SEWER SYSTEM ..... 25
General ..... 25
Service Area ..... 25
Water System ..... 26
Sewer System ..... 29
Environmental Quality Management ..... 32
Elimination of the Use of Ocean Outfalls ..... 32
Regulations ..... 33

Everglades Remedial Program ..... 33
Security ..... 33
Insurance ..... 34
WATER AND SEWER CUSTOMERS AND REVENUES ..... 34
Accounts ..... 34
Rates ..... 36
Rate Comparison ..... 36
Billing and Collection ..... 37
..... 38
Efficiency Program ..... 38
FINANCIAL OPERATIONS ..... 39
Historical Results of Operations and Debt Service Coverage ..... 39
Management's Discussion ..... 40
MULTI-YEAR CAPITAL PLAN ..... 41
THE SERIES 2013 PROJECT ..... 44
REGULATORY MATTERS ..... 45
Water System ..... 45
Sewer System ..... 47
REPORT OF CONSULTING ENGINEER ..... 50
LITIGATION ..... 51
ENFORCEABILITY OF REMEDIES ..... 51
TAX MATTERS ..... 51
General ..... 51
Original Issue Discount and Original Issue Premium ..... 53
DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS ..... 54
CONTINUING DISCLOSURE ..... 55
RATINGS ..... 55
INDEPENDENT ACCOUNTANTS ..... 56
FINANCIAL ADVISOR ..... 56
UNDERWRITING ..... 56
EXPERTS ..... 57
LEGAL MATTERS ..... 57
CERTIFICATE CONCERNING THE OFFICIAL STATEMENT ..... 58
MISCELLANEOUS ..... 58

APPENDIX A - Consulting Engineer's Report
APPENDIX B - General Information Relative to Miami-Dade County, Florida
APPENDIX C - Audited Financial Report of the Miami-Dade Water and Sewer Department for Fiscal Year Ended September 30, 2012
APPENDIX D - The Bond Ordinance
APPENDIX E - Schedule of Water and Sewer Rates
APPENDIX F - Proposed Form of Opinion of Bond Counsel
APPENDIX G - Proposed Form of Opinion of Disclosure Counsel
[APPENDIX H - Specimen of Municipal Bond Insurance Policy]

**OFFICIAL STATEMENT**

**relating to**

**$_____***
**MIAMI-DADE COUNTY, FLORIDA**

**$_____***
**Water and Sewer System Revenue Bonds**
**Series 2013A**

**$_____***
**Water and Sewer System Revenue**
**Refunding Bonds**
**Series 2013B**

## INTRODUCTION

The purpose of this Official Statement of Miami-Dade County, Florida (the "County"), which includes the inside cover page and Appendices, is to furnish certain information in connection with the issuance and sale by the County of $_____* aggregate principal amount of Miami-Dade County, Florida Water and Sewer System Revenue Bonds, Series 2013A (the "Series 2013A Bonds") and $_____* aggregate principal amount of Miami-Dade County, Florida Water and Sewer System Revenue Refunding Bonds, Series 2013B (the "Series 2013B Bonds," and together with the Series 2013A Bonds, the "Series 2013 Bonds"). The Series 2013 Bonds are being issued pursuant to the authority of, and in compliance with, the Constitution and Laws of the State of Florida (the "State"), including without limitation, (i) Chapter 125 and Chapter 166, Florida Statutes, each as amended; (ii) the Home Rule Amendment and Charter of the County, as amended; (iii) the Code of the County, as amended; and (iv) Ordinance No. 93-134 enacted by the Board of County Commissioners of the County (the "Board") on November 16, 1993 (the "Master Ordinance"), Ordinance No. 09-67 enacted by the Board on July 23, 2009, with respect to a portion of the Series 2013A Bonds (the "2009 Ordinance"), Ordinance No. _____ enacted by the Board on _____, 2013, with respect to the remainder of the Series 2013A Bonds (the "2013 Ordinance") and Resolution No. R-____-____ adopted by the Board on _____, 2013, with respect to all of the Series 2013 Bonds (the "Series 2013 Resolution," and together with the Master Ordinance, the 2009 Ordinance and the 2013 Ordinance, the "Bond Ordinance"). The full text of the Bond Ordinance is appended to this Official Statement as "APPENDIX D – BOND ORDINANCE."

The Series 2013A Bonds are being issued, together with any other available funds of the Miami-Dade Water and Sewer Department (the "Department"), to: (i) pay costs of constructing or acquiring certain improvements under the Department's approximately $4 billion Multi-Year Capital Plan (the "MYCP") as described in this Official Statement; (ii) pay capitalized interest on the Series 2013A Bonds; (iii) make a deposit to the Reserve Account; and (iv) pay the costs of issuance of the Series 2013 Bonds, [including the payment of the premium for a municipal bond insurance policy securing the Series 2013A Bonds.] The Series 2013A Bonds are part of a series of Water and Sewer Revenue Bond new money issues heretofore issued and expected to be

*Preliminary, subject to change.

issued in the future by the County to fund the costs of the MYCP. See "MULTI-YEAR CAPITAL PLAN."

The proceeds of the Series 2013B Bonds, together with other available funds of the Department, will be used to: (i) currently refund all of the County's outstanding Water and Sewer System Revenue Bonds, Series 1999A (the "Refunded Bonds"); [(ii) make a deposit to the Reserve Account;] and (iii) pay the costs of issuance of the Series 2013B Bonds [, including the payment of the premium for a municipal bond issuance policy securing the Series 2013B Bonds.]

Payment of principal of and interest on the Series 2013 Bonds is secured, on a parity basis as described below, by a pledge of and lien on the Pledged Revenues, which consist of the Net Operating Revenues (as such terms are defined herein) of the County's water and sewer utility system (the "Utility"). *See* "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2013 BONDS."

The Series 2013 Bonds are being issued on a parity as to the source and security for payment with (i) the $248,890,000 original aggregate principal amount of Miami-Dade County, Florida Water and Sewer System Revenue Refunding Bonds, Series 2003, currently outstanding in the principal amount of $26,120,000 (the "Series 2003 Bonds"); (ii) the $344,690,000 original aggregate principal amount of Miami-Dade County, Florida Water and Sewer System Revenue Refunding Bonds, Series 2007, currently outstanding in the principal amount of $310,510,000 (the "Series 2007 Bonds"); (iii) the $68,300,000 original aggregate principal amount of Miami-Dade County, Florida Water and Sewer System Revenue Bonds, Series 2008A, currently outstanding in the principal amount of $56,160,000 (the "Series 2008A Bonds"); (iv) the $374,555,000 original aggregate principal amount of Miami-Dade County, Florida Water and Sewer System Revenue Refunding Bonds, Series 2008B (the "Series 2008B Bonds"), all of which are currently outstanding; (v) the $306,845,000 original aggregate principal amount of Miami-Dade County, Florida Water and Sewer System Revenue Refunding Bonds, Series 2008C, currently outstanding in the principal amount of $298,430,000 (the "Series 2008C Bonds"); and (vi) the $594,330,000 original aggregate principal amount of Miami-Dade County, Florida Water and Sewer System Revenue Bonds, Series 2010, currently outstanding in the principal amount of $591,595,000 (the "Series 2010 Bonds," and collectively with the Series 2003 Bonds, the Series 2007 Bonds, the Series 2008A Bonds, the Series 2008B Bonds and the Series 2010 Bonds, the "Outstanding Bonds") and with certain Hedge Obligations as hereinafter described and any future Additional Bonds, Completion Bonds and Refunding Bonds. Any bonds issued under the provisions of the Master Ordinance shall hereinafter be referred to as the "Bonds."

This Official Statement contains descriptions of, among other things, the Series 2013 Bonds, the Bond Ordinance, the Department and the County. Such descriptions and information do not purport to be comprehensive or definitive. Certain information in this Official Statement has been provided by The Depository Trust Company, New York, New York ("DTC"). The County and the Department have not provided information in this Official Statement with respect to DTC and do not certify as to the accuracy or sufficiency of the disclosure policies of or content provided by DTC and are not responsible for the information provided by DTC. [In addition, the County and the Department have not provided or verified information in this Official Statement with respect to the Bond Insurer, which was provided by the Bond Insurer.]

All references in this Official Statement to the Bond Ordinance and related documents are qualified by reference to such documents, and references to the Series 2013 Bonds are qualified in their entirety by reference to the form of such bonds included in the Bond Ordinance. *All capitalized terms in this Official Statement shall have the meanings assigned to such terms in the Bond Ordinance unless another meaning is ascribed to any of such terms in this Official Statement.*

## PLAN OF FINANCE

### The Series 2013A Bonds

The proceeds of the Series 2013A Bonds, together with other available funds of the Department, will be used to: (i) pay costs of constructing or acquiring certain improvements under the MYCP as described in this Official Statement; (ii) pay capitalized interest on the Series 2013A Bonds; (iii) make a deposit to the Reserve Account; and (iv) pay the costs of issuance of the Series 2013 Bonds, [including the payment of the premium for a municipal bond insurance policy securing the Series 2013A Bonds.] *See* "ESTIMATED SOURCES AND USES OF FUNDS" and "THE SERIES 2013 PROJECT."

### The Series 2013B Bond; Refunded Bonds

The proceeds of the Series 2013B Bonds, together with other available funds of the Department, will be used to: (i) currently refund all of the Refunded Bonds; (ii) make a deposit to the Reserve Account; and (iii) pay the costs of issuance of the Series 2013B Bonds [, including the payment of the premium for a municipal bond issuance policy securing the Series 2013B Bonds.] *See* "ESTIMATED SOURCES AND USES OF FUNDS".

The Refunded Bonds will be redeemed in full on the date of delivery of the Series 2013B Bonds, at a redemption price equal to 100% of the principal amount of the Refunded Bonds, plus interest accrued to the date of redemption.

## DESCRIPTION OF THE SERIES 2013 BONDS

### General

The Series 2013 Bonds shall bear interest at such rates and will mature on the dates and in the principal amounts set forth on the inside cover page of this Official Statement. _____, _____, _____, will act as Registrar and Paying Agent for the Series 2013 Bonds (the "Paying Agent" or "Registrar").

The Series 2013 Bonds will be issued initially as fully registered bonds in the name of Cede & Co., as nominee of DTC, which will act as securities depository for the Series 2013 Bonds. Purchases of the Series 2013 Bonds will be made through a book-entry only system maintained by DTC, in denominations of $5,000 or any integral multiple of $5,000, and purchasers of the Series 2013 Bonds (the "Beneficial Owners") will not receive physical delivery of bond certificates. As long as DTC or its nominee is the registered owner of the Series 2013

Bonds, the principal and interest payments will be made to DTC or its nominee, which will in turn remit such principal and interest payments to DTC's Participants (as defined below under "Book-Entry Only System") for subsequent disbursement to the Beneficial Owners. *See* "Book-Entry Only System" below.

**Redemption of Series 2013 Bonds**

*Optional Redemption of Series 2013A Bonds*. The Series 2013A Bonds maturing on or before October 1, ____ shall not be subject to optional redemption prior to maturity. The Series 2013A Bonds maturing on or after October 1, ____ shall be subject to optional redemption prior to maturity, at the option of the County, in whole or in part at any time, on or after October 1, ____, and if in part, in maturities determined by the County and by lot within a maturity, at a redemption price equal to 100% of the principal amount of the Series 2013A Bonds to be redeemed, plus accrued interest to the date of redemption and without premium.

*Mandatory Redemption of Series 2013A Bonds.* The Series 2013A Bonds maturing on October 1, ____ are subject to mandatory sinking fund redemption in part, prior to maturity, by lot, at a redemption price equal to the principal amount of the Series 2013A Bonds to be redeemed, commencing on October 1, ____ and on each October 1 thereafter, in the years and principal amounts set forth below:

| Year (October 1) | Amount |
|---|---|
| * | |

* Final Maturity

The Series 2013A Bonds maturing on October 1, ____ are subject to mandatory sinking fund redemption in part, prior to maturity, by lot, at a redemption price equal to the principal amount of the Series 2013A Bonds to be redeemed, commencing on October 1, ____, and on each October 1 thereafter, in the years and principal amounts set forth below:

| Year (October 1) | Amount |
|---|---|
| * | |

* Final Maturity

*Optional Redemption of Series 2013B Bonds*. The Series 2013B Bonds maturing on or before October 1, ____ shall not be subject to optional redemption prior to maturity. The Series

2013B Bonds maturing on or after October 1, ____ shall be subject to optional redemption prior to maturity, at the option of the County, in whole or in part at any time, on or after October 1, ____, and if in part, in maturities determined by the County and by lot within a maturity, at a redemption price equal to 100% of the principal amount of the Series 2013B Bonds to be redeemed, plus accrued interest to the date of redemption and without premium.

*Mandatory Redemption of Series 2013B Bonds.* The Series 2013B Bonds maturing on October 1, ____ are subject to mandatory sinking fund redemption in part, prior to maturity, by lot, at a redemption price equal to the principal amount of the Series 2013B Bonds to be redeemed, commencing on October 1, ____ and on each October 1 thereafter, in the years and principal amounts set forth below:

| Year (October 1) | Amount |
|---|---|
| * | |

* Final Maturity

The Series 2013B Bonds maturing on October 1, ____ are subject to mandatory sinking fund redemption in part, prior to maturity, by lot, at a redemption price equal to the principal amount of the Series 2013B Bonds to be redeemed, commencing on October 1, ____, and on each October 1 thereafter, in the years and principal amounts set forth below:

| Year (October 1) | Amount |
|---|---|
| * | |

* Final Maturity

*Notice of Redemption.* In the event any Series 2013 Bonds are called for redemption, the Paying Agent shall give notice in the name of the County, of the redemption of such Series 2013 Bonds, which notice shall (i) specify the Series 2013 Bonds to be redeemed, the CUSIP numbers, certificate numbers, the date of issue, interest rate, maturity date of the Series 2013 Bonds to be redeemed, the redemption date, the date of notice, the redemption price and the place or places where amounts due upon such redemption will be payable (which shall be the designated principal corporate trust office of the Paying Agent or of its agent) and, if less than all of the Series 2013 Bonds are to be redeemed, the numbers of the Series 2013 Bonds and the portion of Series 2013 Bonds so to be redeemed and (ii) state that on the redemption date, the Series 2013 Bonds to be redeemed shall cease to bear interest.

Notice of redemption shall be given by the Paying Agent in the name of the County by mailing a copy of the redemption notice to Cede & Co., as nominee of DTC, as registered owner

of the Series 2013 Bonds, or, if DTC is no longer the registered owner of the Series 2013 Bonds, then to the then registered owners of the Series 2013 Bonds at least thirty (30) days prior to the date fixed for redemption, by first class mail and postage prepaid at their addresses appearing on the bond registration books of the County maintained by the Registrar, and if applicable, to the securities depository.

A second notice of redemption shall be given (within 60 days after the redemption date) in the manner required above, to the registered Holders of redeemed Series 2013 Bonds which have not been presented for payment within 30 days after the redemption date. However, failure to give such notice shall not affect the validity of the redemption of the Series 2013 Bonds.

*Effect of Calling for Redemption.* On the date so designated for redemption, notice having been mailed as provided in the Master Ordinance, the Series 2013 Bonds so called for redemption shall become and be due and payable at the redemption price provided for redemption of such Series 2013 Bonds on such date, and moneys for payment of the redemption price being held in separate accounts by the Paying Agent in trust for the registered owners of the Series 2013 Bonds to be redeemed, interest on the Series 2013 Bonds so called for redemption shall cease to accrue, such Series 2013 Bonds shall not be deemed to be Outstanding for purposes of the Bond Ordinance, and shall cease to be entitled to any lien, benefit or security under the Bond Ordinance, and the registered owners of such Series 2013 Bonds shall have no rights in respect of the Series 2013 Bonds except to receive payment of the redemption price of the Series 2013 Bonds.

Whenever any Series 2013 Bonds shall be delivered to the Paying Agent for cancellation, upon payment of the principal amount of the Series 2013 Bonds, or for replacement, transfer or exchange, such Series 2013 Bonds shall be canceled and destroyed by the Paying Agent, and counterparts of the certificate of destruction evidencing any such destruction shall be furnished to the County.

*Conditional Notice of Redemption.* In the case of an optional redemption of any Series 2013 Bonds, the notice of redemption may state that (1) it is conditioned upon the deposit of moneys with the Paying Agent or with an escrow agent under an escrow deposit agreement, in amounts necessary to effect the redemption, no later than the redemption date or (2) the County retains the right to rescind such notice on or prior to the scheduled redemption date (in either case, a "Conditional Redemption"), and such notice and optional redemption shall be of no effect if such moneys are not so deposited or if the notice is rescinded. Any such notice of Conditional Redemption shall be captioned "Conditional Notice of Redemption." Any Conditional Redemption may be rescinded at any time prior to the redemption date if the County delivers a written direction to the Paying Agent directing the Paying Agent to rescind the redemption notice. The Paying Agent shall give prompt notice of such rescission to the affected Bondholders. Any Series 2013 Bonds subject to Conditional Redemption where redemption has been rescinded shall remain Outstanding, and neither the rescission nor the failure by the County to make such funds available shall constitute an Event of Default under the Bond Ordinance. The County shall give immediate notice to DTC and the affected Bondholders that the redemption did not occur and that the Series 2013 Bonds called for redemption and not so paid remain outstanding under the Bond Ordinance.

**Book-Entry Only System**

*The following description of the procedures and record keeping with respect to beneficial ownership interests in the Series 2013 Bonds, payment of interest and principal on the Series 2013 Bonds to Participants or Beneficial Owners of the Series 2013 Bonds, confirmation and transfer of beneficial ownership interest in the Series 2013 Bonds and other related transactions by and between DTC, the Participants and the Beneficial Owners of the Series 2013 Bonds is based solely on information furnished by DTC on its website for inclusion in this Official Statement. Accordingly, neither the County, the Department, nor the Underwriters can make any representations concerning these matters or take any responsibility for the accuracy or completeness of such information.*

DTC will act as securities depository for the Series 2013 Bonds. The Series 2013 Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of each of the Series 2013 Bonds 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 (the "Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (the "Indirect Participants"). DTC has a Standard and 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 the Series 2013 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for such Series 2013 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2013 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 2013 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of the Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2013 Bonds, except in the event that use of the book-entry system for the Series 2013 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2013 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 Series 2013 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2013 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2013 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping an account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements made among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2013 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2013 Bonds, such as defaults, and proposed amendments to the documents. For example, Beneficial Owners of Series 2013 Bonds may wish to ascertain that the nominee holding the Series 2013 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 Bond 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 2013 Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such Bonds, as the case may be, to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2013 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 2013 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments, redemption proceeds and other distributions on the Series 2013 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 Bond Registrar on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of

customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Bond Registrar or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest payments, redemption proceeds and other distributions 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 for the Series 2013 Bonds. Disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of the Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2013 Bonds at any time by giving reasonable notice to the City. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2013 Bond certificates are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, Series 2013 Bond certificates will be printed and delivered to DTC.

NEITHER THE COUNTY, THE DEPARTMENT, THE UNDERWRITERS NOR THE PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO ANY DIRECT OR INDIRECT PARTICIPANT OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE SERIES 2013 BONDS IN RESPECT OF THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT OR INDIRECT PARTICIPANT, THE PAYMENT BY DTC OR ANY DIRECT OR INDIRECT PARTICIPANT OF ANY AMOUNT IN RESPECT OF THE PRINCIPAL OR INTEREST ON THE SERIES 2013 BONDS, ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO BONDHOLDERS UNDER THE BOND ORDINANCE OR ANY CONSENT GIVEN OR ACTION TAKEN BY DTC AS BONDHOLDER. SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF SUCH BONDS, AS NOMINEE OF DTC, THE BENEFICIAL OWNERS WILL NOT RECEIVE PHYSICAL CERTIFICATES REPRESENTING THEIR INTERESTS IN THE SERIES 2010 BONDS, AND REFERENCES HEREIN TO BONDHOLDERS OR REGISTERED HOLDERS OF SUCH SERIES 2013 BONDS SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF SUCH SERIES 2013 BONDS.

**Discontinuance of Book-Entry Only System**

In the event the County determines that it is in the best interest of the Beneficial Owners to obtain Series 2013 Bond certificates, the County may notify DTC and the Registrar, whereupon DTC will notify the Participants, of the availability through DTC of Series 2013 Bond certificates. In such event, the County shall prepare and execute and the Registrar shall authenticate, transfer and exchange Series 2013 Bond certificates as requested by DTC in appropriate amounts within the guidelines set forth in the Bond Ordinance. DTC may determine to discontinue providing its services with respect to the Series 2013 Bonds at any time by giving written notice to the County and the Registrar and discharging its responsibilities with respect thereto under applicable law. Under such circumstances (if there is no successor securities depository), the County and the Registrar shall be obligated to deliver Series 2013 Bond

certificates as described in this Official Statement. In the event Series 2013 Bond certificates are issued, the provisions of the Bond Ordinance shall apply to, among other things, the transfer and exchange of such certificates and the method of payment of principal of and interest on such certificates. Whenever DTC requests the County and the Registrar to do so, the County will direct the Registrar to cooperate with DTC in taking appropriate action after reasonable notice (i) to make available one or more separate certificates evidencing the Series 2013 Bonds to any DTC Participant having such Series 2013 Bonds credited to its DTC account; or (ii) to arrange for another securities depository to maintain custody of certificates evidencing the Series 2013 Bonds.

## SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2013 BONDS

### Pledged Revenues

The payment of principal of and interest on the Series 2013 Bonds is secured by a pledge of and lien on the Net Operating Revenues of the Utility (the "Pledged Revenues"). For a description of the application and use of the Pledged Revenues, see "Flow of Funds" below. The Series 2013 Bonds are on parity as to source and security for payment with the Outstanding Bonds, any future Bonds and with certain Hedge Obligations as hereinafter described in this Official Statement. *See* "INTEREST RATE SWAP AGREEMENTS."

The term "Net Operating Revenues" is defined in the Master Ordinance as Operating Revenues reduced by Operating Expenses. The term "Operating Revenues" is defined in the Master Ordinance as all operating income or earnings received or accrued by the County from the ownership, operation or use of the Utility, or any part of the Utility, including, but not limited to, user charges for the provision of water service and sewer service, meter installation fees, and the like, delinquent charges and investment earnings, but shall exclude any income from the investment of the Construction Fund, proceeds from insurance (except business interruption insurance), condemnation or the disposition of property not in the ordinary course of business, Capital Facilities Charges, grants and proceeds from the sale of any obligations of the County (exclusive of short-term obligations for Utility working capital) and payments on special assessments for water and sewer improvements.

The term "Capital Facilities Charges" is defined in the Master Ordinance as all payments received by the County or the Department which are related to acquiring, constructing, expanding or equipping capacity and facilities of the Utility, for the purpose of reserving capacity in either the Water System or the Sewer System, connecting to either System, or paying or reimbursing any capital cost relating to such acquisition, construction, expansion or equipping of excess and unused capacity of either System or any expansion thereof, including connection charges and impact fees relative to the Utility, but shall not include (i) amounts received for the acceptance, treatment or disposal of sewage, (ii) amounts received from the sale of water, (iii) meter installation fees and (iv) other revenues constituting Operating Revenues.

The term "Operating Expenses" is defined in the Master Ordinance as all current expenses, paid or accrued, and any Operating Expense reserve described in Section 503 of the Master Ordinance, for the operation, maintenance and ordinary current repairs of the Utility and

its components, as calculated in accordance with generally accepted accounting principles for municipal utilities ("GAAP"), including, without limitation, insurance premiums (or comparable payments under a self-insurance or risk management program), labor, cost of materials and supplies used for current operation, charges for the accumulation of appropriate reserves for current expenses not annually recurrent but which are such as may reasonably be expected to be incurred in accordance with GAAP and Credit Facility Charges, administrative expenses and professional fees and expenses, before depreciation, amortization and interest expense determined in accordance with GAAP, provided, however, there will not be taken into account:

(a) any gain or loss resulting from either the extinguishment or refinancing of indebtedness;

(b) loss from the sale, exchange or other disposition of capital assets not made in the ordinary course of business; and

(c) any capital expenditures for renewal, replacement, expansion or acquisition of capital assets of the Utility (including any deposit to reserves therefor).

The Master Ordinance would permit the County to acquire a water and/or sewer system and specifically designate such system to be a "Separate System" for purposes of the Master Ordinance. Any Separate System so designated would not constitute a part of the Utility, and revenues generated by such Separate System would not constitute Operating Revenues subject to the lien of the Master Ordinance and costs allocable thereto would not be taken into account for purposes of determining Operating Expenses and Net Operating Revenues. There are currently no Separate Systems.

**Flow of Funds**

Section 502 of the Master Ordinance creates the following funds and accounts (all of which are to be held by the County) for the security of the Outstanding Bonds, the Series 2013 Bonds, and any future Bonds:

(a) the Revenue Fund;

(b) the Debt Service Fund, and therein a Bond Service Account, a Redemption Account and a Reserve Account;

(c) the Renewal and Replacement Fund;

(d) the Rate Stabilization Fund; and

(e) the General Reserve Fund.

In addition, the Series 2013 Resolution creates the "Series 2013 Bond Service Subaccount" and the "Series 2013 Redemption Subaccount" in the Debt Service Fund.

Section 503 of the Master Ordinance requires that the County deposit all Operating Revenues of the Utility in the Revenue Fund as received, and that all moneys in the Revenue Fund be applied in the order of priority described below:

(1) The County must make withdrawals from the Revenue Fund in amounts necessary to pay Operating Expenses and to establish an Operating Expense reserve in an amount determined by the County (which may not exceed 1/6th of the budgeted Operating Expenses for the then-current Fiscal Year).

(2) Subject only to the payments and set asides described in (1) above, the remaining moneys in the Revenue Fund are required to be applied on or before the 20th day of each month in the following order:

(i) to the credit of the Bond Service Account, an amount equal to one-sixth (1/6th) of the amount of the interest payable on the Bonds of each Series on the interest payment date next succeeding (less any amount received as capitalized or accrued interest from the proceeds of any Bonds which is available for such interest payment) and an amount equal to one-twelfth (1/12th) of the next maturing installment of principal (or Accreted Value, as applicable) on all Serial Bonds then outstanding; provided, however, that:

(a) in each month intervening between the date of delivery of a Series of Bonds, and the next succeeding interest payment date and the next succeeding principal payment date, respectively, the amount specified in this subparagraph (i) shall be that amount which when multiplied by the number of deposits to the credit of the Bond Service Account required to be made during such respective periods will equal the amounts required (in addition to any amounts received as accrued interest or capitalized interest from the proceeds of such Bonds) for such next succeeding interest payment and next maturing installment of principal, respectively;

(b) the amount specified in this subparagraph (i) shall be reduced to take into account Hedge Receipts to be received on or before the succeeding interest payment date and shall be increased to provide for the payment of any Hedge Obligations to be paid on or before the succeeding interest payment date; and

(c) with respect to any Bonds (or any Hedge Agreement) bearing interest at a Variable Rate and/or payable other than semiannually, the amount specified in this subparagraph (i) for the payment of interest (or Hedge Obligation) shall be that amount necessary to provide substantially equal monthly payments for the payment of such interest (or Hedge Obligation) on the payment dates therefor;

(ii) to the credit of the Redemption Account, an amount equal to one-twelfth (1/12th) of the principal amount (or Accreted Value, as applicable) of Term Bonds of each Series then Outstanding required to be retired in satisfaction

of the Amortization Requirements for such Bond Year, plus the redemption premiums, if any, which would be payable in such Bond Year if such Term Bonds were to be redeemed prior to their respective maturities from moneys held for the credit for the Debt Service Fund;

(iii) to the credit of the Reserve Account, the Reserve Account deposit requirement established by the Master Ordinance for such month; provided, however, no deposit shall be required in any month in which the amount on deposit in the Reserve Account is at least equal to the Reserve Account Requirement. If a Reserve Account Credit Facility is utilized and the Provider of the Reserve Account Credit Facility is required to advance any sums to meet Principal and Interest Requirements or other sums required to be funded from the Reserve Account, the County shall reimburse the Provider within 12 months from the date the County receives written notice of such advance by the Provider;

(iv) to the payment of principal (including amortization installment, if any) of, and premiums and interest on, and other required payments with respect to Subordinate Obligations;

(v) to the credit of the Renewal and Replacement Fund, an amount equal to one-twelfth ($1/12^{th}$) of the amount to be deposited from Revenues, if any, recommended by the Consultant pursuant to the provisions of Section 607 of the Master Ordinance, to be deposited to the credit of said fund during such Fiscal Year;

(vi) in the discretion of the County, to the credit of the Rate Stabilization Fund in such sums as are determined by the County; and

(vii) to the credit of the General Reserve Fund, the balance, if any, remaining thereafter. At the election of the County, amounts credited to the General Reserve Fund may be applied to any other lawful purpose of the Utility and, to the extent legally permitted, to make contributions to other funds of the County in the amounts determined by the Board; provided, however that in the event of any deficiencies in any Accounts or Funds created by the Master Ordinance, the moneys in the General Reserve Fund will be applied to make up all such deficiencies prior to applying any moneys in the Reserve Account or the Renewal and Replacement Fund for such purpose.

If an amount deposited in any month to the credit of any of the Accounts or Funds shall be less than the amount required to be deposited under the provisions of the Master 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 deposited in each month thereafter until such time as all deficiencies have been made up.

Pursuant to subparagraph (i) above, Hedge Obligations are payable on parity as to source and security with Bonds issued and Outstanding under the Bond Ordinance. The term "Hedge Obligations" is defined in the Master Ordinance as net payments required to be made by the

County under a Hedge Agreement from time to time as a result of fluctuation in hedged interest rates or in the value of any index of payment and, under certain conditions set forth in the Master Ordinance, termination charges with respect to a Hedge Agreement. A "Hedge Agreement" includes, but is not limited to, an interest rate swap agreement meeting the criteria set forth in the Master Ordinance and entered into by the County as a hedging device with respect to its obligation to pay debt service on the Bonds. *See* "INTEREST RATE SWAP AGREEMENTS" for a description of Hedge Agreements currently in effect that have been entered into by the County.

**Limited Obligations**

THE SERIES 2013 BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE COUNTY PAYABLE SOLELY FROM AND SECURED SOLELY BY THE PLEDGED REVENUES. THE SERIES 2013 BONDS DO NOT CONSTITUTE AN INDEBTEDNESS, LIABILITY, GENERAL OR MORAL OBLIGATION, OR A PLEDGE OF THE FAITH, CREDIT OR POWER OF THE COUNTY, THE STATE OR ANY POLITICAL SUBDIVISION OF THE STATE, WITHIN THE MEANING OF ANY CONSTITUTIONAL, STATUTORY OR CHARTER PROVISION. NEITHER THE STATE NOR ANY POLITICAL SUBDIVISION OF THE STATE NOR THE COUNTY SHALL BE DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATED TO LEVY ANY AD VALOREM TAXES ON ANY PROPERTY TO PAY PRINCIPAL OF, OR INTEREST ON, THE SERIES 2013 BONDS OR OTHER RELATED COSTS, OR TO PAY THE SAME FROM ANY OTHER FUNDS OF THE COUNTY EXCEPT FROM THE PLEDGED REVENUES. THE ACCEPTANCE OF THE SERIES 2013 BONDS BY THE REGISTERED OWNERS FROM TIME TO TIME OF THE SERIES 2013 BONDS WILL BE DEEMED AN AGREEMENT BETWEEN THE COUNTY AND SUCH REGISTERED OWNERS THAT THE SERIES 2013 BONDS AND THE INDEBTEDNESS EVIDENCED BY THE SERIES 2013 BONDS WILL NOT CONSTITUTE A LIEN UPON THE UTILITY, ANY PART OF THE UTILITY, OR ANY OTHER PROPERTY OF THE COUNTY, BUT WILL CONSTITUTE A LIEN ONLY ON THE PLEDGED REVENUES.

**Rate Covenant**

The County has covenanted in Section 602 of the Master Ordinance to fix, charge and collect rates and charges for the use of the services and facilities furnished by the Utility and, from time to time and as often as it shall be necessary, to adjust such rates and charges by increasing or decreasing the same or any selected categories of such rates and charges so as to provide Net Operating Revenues in each Fiscal Year equal to (a) one hundred ten percent (110%) of the Principal and Interest Requirements on the Bonds for such Fiscal Year, plus (b) one hundred percent (100%) of the required deposits into the Reserve Account (less any portion of such deposits to be deposited from proceeds of Bonds) together with any Reserve Account Credit Facility costs payable in such Fiscal Year.

The term "Principal and Interest Requirements" is defined in the Master Ordinance as the respective amounts which are required in each Fiscal Year to pay (a) principal and interest on all Bonds then Outstanding and (b) the Amortization Requirements, if any, for all Term Bonds then Outstanding for such Fiscal Year; provided, however, that: (i) the amount of such Principal and

Interest Requirements for any Fiscal Year may be reduced by the amount of any capitalized interest to be used to pay interest in such Fiscal Year and by the anticipated earnings on money in the applicable Bond Service Account, and such earnings will be deposited to the credit of the applicable Bond Service Account; and (ii) the Principal and Interest Requirements for any Bonds bearing interest at a Variable Rate shall be determined as provided in the Definition of "Variable Rate" in the Master Ordinance. "Maximum Principal Interest Requirements" is defined in the Master Ordinance, as of any particular date of calculation, as the greatest amount of Principal and Interest Requirements for the then current or any future Fiscal Year.

The Master Ordinance defines "Reserve Account Credit Facility" as a surety bond, a policy of insurance, a letter of credit or other financial product obtained by the County with respect to any Bonds, from an entity meeting the criteria set forth in the Master Ordinance, which provides for payment of Principal and Interest on such Bonds in amounts not greater than the Reserve Account Requirement for such Bonds in the event of an insufficiency of available moneys to pay when due principal of, premium, if any, and interest on such Bonds.

In case the County has made deposits of Net Operating Revenues to or withdrawals from the Rate Stabilization Fund during such Fiscal Year, Net Operating Revenues shall be adjusted by subtracting the amount of any such deposits and by adding the amount of any such withdrawal.

**[Municipal Bond Insurance**

The scheduled payment of principal of and interest on the Series 2013 Bonds when due will be guaranteed under [a municipal bond insurance policy] [separate insurance policies for each Series of Series 2013 Bonds] (the "Bond Insurance Policy") to be issued concurrently with the delivery of the Series 2013 Bonds by _____ (the "Bond Insurer") as described in this Official Statement. For a discussion of the Bond Insurer, *see* "BOND INSURANCE – Bond Insurer."

The Bond Insurer shall be authorized, among other things, to provide (or withhold), in lieu of the registered owners of the Series 2013 Bonds, any direction or consent required of the registered owners of the Series 2013 Bonds.]

**Reserve Account**

The Master Ordinance provides for the creation of a Reserve Account and provides, except as described below, upon the issuance of each Series of Bonds, the County shall deposit or provide for the deposit to the Reserve Account, an amount, which together with amounts on deposit therein, shall equal the Reserve Account Requirement; provided, however, the County may fund up to fifty percent (50%) of the Reserve Account Requirement applicable to a Series of Bonds over 36 months if it will not cause any rating then assigned the Outstanding Bonds to be withdrawn or reduced. The "Reserve Account Requirement" is defined in the Master Ordinance as the Maximum Principal and Interest Requirements in the then current or any subsequent Fiscal Year on all Outstanding Bonds or such lesser amount which is the greatest allowable under the Internal Revenue Code of 1986, as amended (the "Code").

In lieu of depositing cash to the Reserve Account in an amount equal to the Reserve Account Requirement, the County may elect to provide a Reserve Account Credit Facility. A "Reserve Account Credit Facility" is defined in the Master Ordinance as a surety bond, a policy of insurance, a letter of credit or other financial product obtained by the County with respect to any Bonds, from an entity that is rated in one of the two highest ratings categories by Moody's and S&P (each as defined under the caption "RATINGS" below) and which financial product provides for payment of Principal and Interest on such Bonds in amounts not greater than the Reserve Account Requirement for such Bonds in the event of an insufficiency of available moneys to pay when due principal of, premium, if any, and interest on, such Bonds.

Upon the issuance of the Series 2013 Bonds, there shall be on deposit in the Reserve Account an amount equal to the Reserve Account Requirement for all Bonds Outstanding, including the Series 2013 Bonds, consisting of $_____ in cash and $_____ in reserve insurance policies constituting Reserve Account Credit Facilities. The Reserve Account Credit Facilities are provided by Financial Security Assurance Inc. ($43,823,316 in the aggregate), Financial Guaranty Insurance Company ($36,514,334 in the aggregate) and Berkshire Hathaway Assurance Corporation ($30,500,000 in the aggregate). Approximately $49.6 million and $53.1 million of the Reserve Account Credit Facilities will terminate October 1, 2025 and October 1, 2026, respectively. In order to ensure that the Reserve Account is adequately funded following the termination of such Reserve Account Credit Facilities, the Department intends to take the appropriate actions authorized under the Bond Ordinance to satisfy the Reserve Account Requirement.

Moneys held for the credit of the Reserve Account shall first be used for the purpose of paying the interest on and the principal of the Bonds whenever and to the extent that the available moneys held for such purpose for the credit of the Bond Service Account and the General Reserve Fund shall be insufficient for such purpose, and thereafter for the purpose of making deposits to the credit of the Redemption Account of the Debt Service Fund pursuant to the requirements of the Master Ordinance whenever and to the extent that withdrawals from the Revenue Fund and the amount on deposit in the General Reserve Fund are insufficient for such purposes, and shall next be used to pay Payment Obligations with respect to the applicable Reserve Account Credit Facility, if any. Amounts withdrawn from the Reserve Account for the purpose of payment of debt service on any Bonds shall be replenished by substantially equal monthly deposits into the Reserve Account over a period not to exceed 60 months. If at any time the moneys held for the credit of any subaccount in the Reserve Account shall exceed the Reserve Account Requirement for those Bonds that are secured by such subaccounts, such excess shall be withdrawn by the Finance Director and deposited to the credit of the Revenue Fund.

The County may create subaccounts in the Reserve Account for any Series of Bonds. In such event, moneys in such subaccount shall be held specifically for the benefit of the respective Series of Bonds for which such subaccounts were created. In this regard, the remaining amounts on deposit would be available for payment of debt service of all Bonds, including such Series of Bonds for which a separate subaccount has been created. No such separate subaccount is currently in existence and the County is not creating a separate subaccount for the benefit of the Series 2013 Bonds.

**Additional Bonds**

Upon satisfying certain conditions contained in Section 208 of the Master Ordinance, the County may issue additional bonds (the "Additional Bonds") and other obligations that are payable on a parity with the Series 2013 Bonds and the Outstanding Bonds. Additional Bonds may be issued (a) for the purpose of paying all or any part of the cost of constructing or acquiring any Improvements, (b) to refund any obligations of the County which financed or refinanced any Improvements, or (c) to finance termination payments relating to Hedge Agreements.

Except in the case of Refunding Bonds and Completion Bonds as described in "Refunding Bonds" and "Completion Bonds" below, the County, after satisfaction of all other conditions in the Master Ordinance, may issue Additional Bonds and any other obligations that are First Lien Obligations (which, for purposes of meeting these conditions, are deemed to be Additional Bonds) if there has been filed a certificate of the Finance Director (i) setting forth the amount of the Net Operating Revenues for any four consecutive quarters (the "Computation Period") in the six preceding quarters, subject to certain adjustments permitted under the Master Ordinance, (ii) setting forth the respective amounts of the Principal and Interest Requirements for each Fiscal Year thereafter including the Additional Bonds to be issued, (iii) certifying that the Net Operating Revenues, as adjusted in accordance with Section 208(c) of the Master Ordinance, for the Computation Period shall have equaled at least the sum of one hundred ten percent (110%) of the Maximum Principal and Interest Requirements on all Bonds to be Outstanding as of the date of such issuance, plus one hundred percent (100%) of all required deposits to the Reserve Account during the Computation Period and (iv) certifying that the Net Operating Revenues (as adjusted in accordance with Section 208(c) of the Master Ordinance) remaining after deduction of Maximum Principal and Interest Requirements on all Bonds shall be at least equal to one hundred percent (100%) of all debt service and reserve requirements on all Subordinate Obligations.

In addition to the certificate of the Finance Director described above, there shall be filed with the Finance Director a certificate signed by a Consultant meeting the criteria set forth in the Master Ordinance setting forth (x) the estimated date on which the Improvements being financed or refinanced with the Additional Bonds will be placed in operation, (y) the Consultant's estimate of the Net Operating Revenues for each of the three Fiscal Years following the Fiscal Year in which the Improvements will be placed in operation as estimated in item (x) of said certificate, taking into account the rates and charges in effect on the date of delivery of such Additional Bonds and any revised rates and charges that shall become effective prior to or during such Fiscal Year, and (z) that after taking into account (x) and (y) above, the Net Operating Revenues (as adjusted in accordance with Section 208(c) of the Master Ordinance) will satisfy the ratio set forth in (iii) of the preceding paragraph, and that the adjusted Net Operating Revenues remaining after deduction of the Maximum Principal and Interest Requirements on all Bonds shall be at least equal to one hundred percent (100%) of all debt service and reserve requirements on Subordinate Obligations.

The Series 2013A Bonds are being issued as Additional Bonds.

**Refunding Bonds**

The Master Ordinance provides for the issuance of "Refunding Bonds" for the purpose of providing funds for paying principal of, redemption premium and interest on all or any part of the outstanding Bonds at maturity or prior redemption date. Refunding Bonds so issued will be secured and payable from Pledged Revenues on a parity with all Bonds issued and Outstanding under the Master Ordinance. The coverage tests applicable to Additional Bonds (*see* "Additional Bonds" above) do not apply to Refunding Bonds provided that the Finance Director certifies that the Principal and Interest Requirements for each Fiscal Year thereafter (except for years subsequent to the final maturity of all the Outstanding Bonds) on account of all Bonds to be Outstanding after issuance of such Refunding Bonds and the payment and redemption of the Bonds to be paid and redeemed shall not exceed the Principal and Interest Requirements for each such Fiscal Year on account of all Bonds Outstanding immediately prior to the issuance of such Refunding Bonds. However, Refunding Bonds may also be issued by meeting the historical coverage test for Additional Bonds – *see* "Additional Bonds" herein.

The Series 2013B Bonds are being issued as Refunding Bonds.

**Completion Bonds**

The Master Ordinance provides for the issuance of "Completion Bonds" for the purpose of providing funds for paying the cost of completion of any Project for which one or more Series of Bonds have theretofore been issued, in a principal amount not greater than ten percent (10%) of the estimated cost of such Project. Completion Bonds so issued will be secured and payable from Pledged Revenues on parity with all Bonds issued under the Master Ordinance. The coverage tests applicable to Additional Bonds (and described above) are not applicable to Completion Bonds.

*See* APPENDIX D – "THE BOND ORDINANCE" for a more complete discussion on the issuance of Additional Bonds, Refunding Bonds and Completion Bonds.

**Defeasance**

The Master Ordinance provides that in the event Bonds are defeased in the manner described in the Master Ordinance, the right, title and interest of the Holders of such Bonds in the Bond Ordinance will cease, determine and become void. *See* APPENDIX D – "THE BOND ORDINANCE."

**Additional Covenants of the County**

The County has covenanted in the Master Ordinance that it will neither furnish free service nor provide service otherwise than in accordance with the established rate schedule for the Utility. The County has also agreed to certain restrictions on the sale or disposal of assets comprising the Utility. The County has covenanted to cause the Department to adopt an annual operating budget which may be amended from time to time, to operate the Utility in an efficient and economic manner, to maintain the Utility in good repair, and to timely pay all principal and interest payments, when due, on the Bonds, and that it will diligently enforce and collect payment of all fees and charges for the use of the Utility.

The County has further covenanted to maintain a practical insurance program for the Utility, to maintain separate records and accounts for the Utility, to keep accurate accounts of revenues, costs and expenditures, to issue annual audited financial reports of the Utility, to require, to the extent permitted by law, all lands, buildings and structures within the service area of the Utility fronting or abutting on the distribution lines to connect with and/or use the Utility, and to retain qualified Consultants and Accountants as required by the Master Ordinance. *See* APPENDIX D – "THE BOND ORDINANCE."

**Other Obligations**

The County has incurred certain obligations, which are secured by a subordinate pledge of and lien on the Pledged Revenues. *See* "SUBORDINATE OBLIGATIONS." In addition, the County's obligation to pay a termination payment, if any, upon the termination of the swaps described in "INTEREST RATE SWAP AGREEMENTS," is subordinate to the pledge and lien on the Pledged Revenues which secures the Outstanding Bonds. The County may also issue additional Subordinate Obligations payable subordinate to the Outstanding Bonds pursuant to the Master Ordinance.

**Remedies**

Upon an Event of Default as described in Section 701 of the Master Ordinance, the Series 2013 Bonds will not be subject to acceleration. Rather, a trustee or Bondholder acting for the Holders of all Bonds may by suit, action, mandamus or other judicial proceedings, protect and enforce any and all rights, including the right to the appointment of a receiver, existing under and to the extent permitted by the laws of the State of Florida, or granted and contained in the Master Ordinance, and may enforce and compel the performance of all duties required in the Master Ordinance or by any applicable statutes to be performed by the County or by any officer thereof. However, nothing in the Master Ordinance shall be construed to grant to any Bondholder any lien of any property of or within the corporate boundaries of the County, and no Bondholder shall have any right to affect, disturb or prejudice the security of the Master Ordinance. *See* "ENFORCEABILITY OF REMEDIES."

[As long as the Bond Insurance Policy remains in full force and effect and the Bond Insurer is not in default under the Bond Insurance Policy or insolvent, the Bond Insurer shall have the power and authority to give any consents and exercise all rights or remedies, which the Series 2013 Bondholders would otherwise have the power and authority to give, make or exercise under the Master Ordinance.]

**Modifications or Supplements to Master Ordinance**

The Master Ordinance can be supplemented as set forth in Section 801 of the Master Ordinance, which relates to supplemental ordinances without consent of the Holders, and Section 802 of the Master Ordinance, which relates to supplemental ordinances with consent of the Holders. *See* APPENDIX D – "THE BOND ORDINANCE."

## BOND INSURANCE
**[To come; if applicable]**

## SUBORDINATE OBLIGATIONS

The County has incurred the obligations described below which are secured by a subordinate pledge of and lien on Pledged Revenues ("Subordinate Obligations").

### State Revolving Fund Loan Program

Under the State Revolving Fund Loan Program, the Department has received various loan commitments in the aggregate amount of $251,744,381 for the construction of wastewater treatment facilities. Draws against wastewater treatment loan commitments totaled $247,090,678 as of September 30, 2012. The Department has also received loan commitments in the aggregate amount of $45,453,741 for drinking water construction projects. Draws against drinking water loan commitments totaled $44,500,619 as of September 30, 2012.

Default in payment of principal and interest on any of the loans described above or any future loans could cause an acceleration of the entire amount of such loans.

## INTEREST RATE SWAP AGREEMENTS

### General

The County has entered into interest rate swaps with respect to the Refunded Bonds and the Series 2007 Bonds and may enter into additional interest rate swaps or other synthetic financial instruments in the future for the purpose of hedging risk or otherwise managing the interest cost of its Utility debt. The interest rate swap associated with the Refunded Bonds will remain in effect after the issuance of the Series 2013B Bonds and the refunding of the Refunded Bonds and will be recognized by the County as associated with the Series 2013B Bonds. Such interest rate swaps and other synthetic financial instruments involve risks that could result in an economic loss to the County. The County's obligations to make periodic net payments as a result of a fluctuation in hedged interest rates or a fluctuation in the value of any interest rate index (i.e., Hedge Obligations) are payable from Pledged Revenues on a parity with the Bonds. Any termination payments or Hedge Charges that may be due from the County are payable from Pledged Revenues on a subordinate basis to the Bonds pursuant to the Master Agreement (defined below) relating to the outstanding interest rate swaps. In any future interest rate swap agreement that the County may enter into, the termination payments may be considered as Hedge Obligations and, therefore, be payable from Pledged Revenues on a parity with the Bonds if on or before the date of entering into the related agreement, the County has obtained written evidence from each Rating Agency that such agreement will not, in and of itself, result in the withdrawal or reduction of the ratings then applicable to the Bonds. The County may elect to finance such termination payments or Hedge Charges through the issuance of Additional Bonds under Section 208 of the Master Ordinance. As of September 30, 2012, the termination value of both swaps are in favor of the County with an aggregate termination value of $_____. *See* "SECURITY FOR THE SERIES 2013 BONDS – Flow of Funds" and " – Additional Bonds."

The County includes in its annual budget for the Department the Hedge Receipts received from the swap counterparty for the outstanding interest rate swaps described below.

**Outstanding Swaps**

The following table describes the interest rate swaps related to the Series 2013B Bonds (assuming the issuance of the Series 2013B Bonds and the refunding of the Refunded Bonds as described above) and the Series 2007 Bonds. The interest rate swaps were entered into pursuant to an ISDA Master Agreement, dated October 2, 2009, as amended and supplemented (the "Master Agreement"), between the County and The Bank of New York Mellon, as counterparty ("BNY Mellon").

**WATER AND SEWER DEPARTMENT**
**SWAP PORTFOLIO**

| Associated Series of Bonds | Notional Amount as of 09/30/12 | Counterparty | Counterparty Ratings as of _____ (Moody's, S&P, Fitch) | Start Date | Termination Date | Counterparty Payment | County Payment |
|---|---|---|---|---|---|---|---|
| Series 2013B | _____ | BNY Mellon [1] | [Aaa, AA, AA-] | 03/06/2006 (assigned October 2, 2009) | 10/01/2029 | Variable – USD-ISDA-Swap Rate multiplied by 90.15%, plus 1.580% | Variable – USD-SIFMA Municipal Swap Index divided by 0.604 |
| Series 2007 | _____ | BNY Mellon [1] | [Aaa, AA, AA-] | 07/18/2002 (novated and assigned October 2, 2009) | 10/01/2026 | Variable – USD-LIBOR-BBA, plus 1.465% | Variable – USD-SIFMA Municipal Swap Index divided by 0.604 |

[1] Swaps formerly held by RFPC Capital Services, LLC and RFPC, LLC, respectively, subsidiaries of Rice Financial Products Company, New York, New York. Both swaps are now held by The Bank of New York Mellon pursuant to an ISDA Master Agreement dated October 2, 2009.

[Remainder of Page Intentionally Left Blank]

## SERIES 2013 BONDS ESTIMATED SOURCES AND USES OF FUNDS

The following table sets forth the estimated sources and uses of the proceeds of the Series 2013 Bonds:

| **Sources of Funds** | **Series 2013A Bonds** | **Series 2013B Bonds** |
|---|---|---|
| Par Amount | $_____.__ | $_____.__ |
| Plus/Less: Net Original Issue Premium/Discount | _____.__ | _____.__ |
| Plus: Other Available County Funds[1] | _____.__ | _____.__ |
| Total Sources | $_____.__ | $_____.__ |
| **Uses of Funds** | | |
| Deposit to Series 2013A Construction Account | $_____.__ | |
| Refund Refunded Bonds | | $_____.__ |
| Capitalized Interest[2] | _____.__ | |
| Deposit to Reserve Account | _____.__ | _____.__ |
| Underwriters' Discount | _____.__ | _____.__ |
| Costs of Issuance[3] | _____.__ | _____.__ |
| Total Uses | $_____.__ | $_____.__ |

(1) Represents amounts set aside in the debt service fund for the Refunded Bonds.
(2) Consists of capitalized interest on the Series 2013A Bonds.
(3) Includes legal fees, financial advisory fees, printing costs, [the premium for the Bond Insurance Policy] and other costs associated with the Series 2013 Bonds.

[Remainder of Page Intentionally Left Blank]

## DEBT SERVICE REQUIREMENTS ON THE SERIES 2013 BONDS, OUTSTANDING BONDS AND SUBORDINATE OBLIGATIONS

The following table sets forth the debt service requirements, *on a cash basis*, on the Series 2013 Bonds, all Outstanding Bonds and all Subordinate Obligations, exclusive of the Refunded Bonds.

| Fiscal Year Ending Sept. 30 | Debt Service on Outstanding Bonds[1] | Series 2013A Bonds | | | Series 2013B Bonds | | | Debt Service on Subordinate Obligations[2][3] | Total Debt Service[3] |
|---|---|---|---|---|---|---|---|---|---|
| | | Principal | Interest | Total[3] | Principal | Interest | Total[3] | | |
| 2013 | | | | | | | | | |
| 2014 | | | | | | | | | |
| 2015 | | | | | | | | | |
| 2016 | | | | | | | | | |
| 2017 | | | | | | | | | |
| 2018 | | | | | | | | | |
| 2019 | | | | | | | | | |
| 2020 | | | | | | | | | |
| 2021 | | | | | | | | | |
| 2022 | | | | | | | | | |
| 2023 | | | | | | | | | |
| 2024 | | | | | | | | | |
| 2025 | | | | | | | | | |
| 2026 | | | | | | | | | |
| 2027 | | | | | | | | | |
| 2028 | | | | | | | | | |
| 2029 | | | | | | | | | |
| 2030 | | | | | | | | | |
| 2031 | | | | | | | | | |
| 2032 | | | | | | | | | |
| 2033 | | | | | | | | | |
| 2034 | | | | | | | | | |
| 2035 | | | | | | | | | |
| 2036 | | | | | | | | | |
| 2037 | | | | | | | | | |
| 2038 | | | | | | | | | |
| 2039 | | | | | | | | | |
| 2040 | | | | | | | | | |
| 2041 | | | | | | | | | |
| 2042 | | | | | | | | | |
| 2043 | | | | | | | | | |
| | | | | | | | | | |
| Total[3] | $ | $ | $ | $ | $ | $ | $ | $ | $ |

(1) Inclusive of the Series 2003 Bonds, the Series 2007 Bonds, the Series 2008A Bonds, the Series 2008B Bonds, the Series 2008C Bonds, and the Series 2010 Bonds. The interest on the Outstanding Bonds has been calculated at their respective fixed rate of interest, and the effect of the swap agreements on the Series 2013B Bonds and the Series 2007 Bonds has not been taken into account. *See* "INTEREST RATE SWAP AGREEMENTS."

(2) For a more complete description of such Subordinate Obligations, *see* "SUBORDINATE OBLIGATIONS" and APPENDIX C – "AUDITED FINANCIAL REPORT OF THE MIAMI-DADE WATER AND SEWER DEPARTMENT FOR FISCAL YEAR ENDED SEPTEMBER 30, 2012."

(3) Totals may not add up due to rounding.

## THE DEPARTMENT

### History

On October 3, 1972, the electorate of the County approved the formation of a new County-wide water and sewer agency by expanding the then-existing Department of Water and Sewer of the City of Miami. Subsequently, the Board established the Miami-Dade Water and Sewer Authority (the "Authority") which began operating on April 1, 1973. On March 13, 1975, the City, the County and the Authority agreed to the transfer of all water and sewer properties, facilities and funds of the Department of Water and Sewer of the City of Miami to the Authority with the condition that certain property donated by the City of Miami would be returned to the City of Miami in the future if such property was not needed for water or sewer utility purposes.

On October 4, 1983, the Board enacted Ordinance No. 83-92, which abolished the Authority effective November 1, 1983 and established the Miami-Dade Water and Sewer Authority Department as a department within the Miami-Dade County government. On October 19, 1993, the Department changed its name to the Miami-Dade Water and Sewer Department.

### Organization and Administration

The Department is responsible for the everyday operation and maintenance of the Utility. The Utility is administered by the Board under the supervision of the County Mayor. John W. Renfrow, P.E., has been the Director of the Department (the "Director") since January 2006.

The Department is divided into two major groups, each under the supervision of a Deputy Director, with eight Assistant Directors, each responsible for a number of specific divisions.

### Management

The following are brief resumes of the Director, the two Deputy Directors, and the Assistant Director – Finance:

*John Renfrow, P.E., Director*, was appointed Director of the Department in January 2006. He has responsibility for the overall direction and management of the Department.

Mr. Renfrow is a Professional Engineer and a Certified Hazardous Materials Manager. An active member of many committees and organizations that make important decisions regarding the County's water and environmental health, he received his Bachelor of Science in Civil Engineering from the University of Miami in 1971. He began his career with the County in 1977, as an Engineer with the Department of Environmental Resources Management ("DERM"). Prior to being named Director, Mr. Renfrow had been serving as the Director of DERM since 1988. Under his direction, DERM grew into a nationally respected local environmental regulator and educator.

*Joseph A. Ruiz, Jr., Deputy Director – Operations*, was appointed to this newly created position in 2006. Prior to his appointment as Deputy Director, Mr. Ruiz served as Assistant County Manager since June 2004.

Mr. Ruiz received his Bachelor's degree in Economics and History from the University of Miami in 1970. He has more than 30 years of management experience in both the public and private sectors. He has served in a variety of progressively responsible positions with the County, including Chief of the Administrative Division of the former Department of Traffic and Transportation, Chief of Motor Vehicle Safety Inspection, Assistant Director of the Public Works Department and Deputy Director of the Department of Solid Waste Management. In the private sector, he most recently served as Region Vice President of Waste Management de Puerto Rico and Division Vice President for Waste Management of Florida, Inc.

*L. Douglas Yoder, DPA, Deputy Director – Regulatory Compliance and Capital Improvements*, was appointed to this newly created position in 2006. He is responsible for regulatory compliance and capital improvements.

Dr. Yoder graduated from Cornell University in 1969 with an undergraduate degree in government. He began his public service career with the County in 1971 working in the County Manager's Office. He earned masters and doctoral degrees in public administration from Nova Southeastern University, returning to full time employment with the County as a program manager with DERM in 1977. He was promoted to Assistant Director in 1981 and held that position until his transfer to the Department in January 2006.

*Frances G. Morris, Assistant Director – Finance*, was appointed to this position November, 2010. Prior to her appointment, Ms. Morris served as the Department's Assistant Controller since 2006.

Ms. Morris received her bachelor's degree in Business Administration with an emphasis in Accounting from Barry University in 1992. She was hired by the County in 1994 and spent four years at the County's Department of Solid Waste Management and eight years at the County's Seaport Department where she served in a variety of progressively responsible positions up to the level of Chief Accountant.

## WATER AND SEWER SYSTEM

### General

The Utility is divided into the Water System and the Sewer System. The Department administers each system on a unified basis for purposes of billing but separates the two for rates, capital improvements and accounting.

### Service Area

The Utility currently provides water and wastewater treatment to substantially all of the County either directly to retail customers or indirectly through wholesale contracts between the Department and various municipalities. The County is the largest county in the Southeastern United States with a land area of 2,209 square miles. In 2011, the population of the County was estimated by the County's Planning and Zoning Department at approximately 2,516,515. *See* APPENDIX B – "GENERAL INFORMATION REGARDING MIAMI-DADE COUNTY, FLORIDA.".

The Department's long-term objective of expansion to Countywide operation has been achieved by the acquisition of all privately-owned utilities in the County. Since 1973, the Department has acquired twenty-six (26) independent systems.

The Department supplies treated water on a wholesale basis to 14 municipally-owned water utilities in the County. In addition, the County supplies treated water to approximately 424,000 retail water customers. The only municipalities in the County which operate water treatment facilities for customers located primarily within their municipal boundaries are the Cities of Homestead, Florida City, North Miami Beach and North Miami. The Department also provides wastewater transmission treatment and disposal service on a wholesale basis to 11 municipally-owned wastewater utilities and Homestead Air Reserve Base. In addition, the County supplies wastewater transmission treatment and disposal services to approximately 342,000 retail sewer customers as of September 30, 2012. The City of Homestead is the only municipality in the County which owns and operates its own wastewater treatment plant. *See* "WATER AND SEWER SYSTEM – Sewer System" below.

With the exception of two retail customers, the Department's wholesale customers are also its largest water and wastewater customers. The two exceptions are the County's Aviation Department and Florida Power & Light Company. The Aviation Department, which operates Miami International Airport and five general aviation airports, is the Department's third largest water and wastewater customer. Florida Power & Light Company, which operates a large electric power plant in the County, is by revenue the Department's sixth largest water customer. Also, with the exception of one wholesale customer (the City of Hialeah), the Department has entered into long-term agreements with its wholesale customers. The majority of the wholesale water agreements expire in 2027, with one such agreement expiring in 2031. The Department's wholesale wastewater agreements, which are shorter in duration than the wholesale water agreements, have terms expiring between 2011 and 2031. Several of the wholesale wastewater agreements that have expired are currently in negotiation.

**Water System**

General. The principal components of the Water System include 15 wellfields, with a total of 94 active permitted wells in the Biscayne Aquifer and five installed aquifer storage and recovery wells in the Floridan Aquifer, three major water treatment plants, five smaller water treatment plants, two lime recalcining plants, and an extensive transmission and distribution system composed of storage reservoirs, pump stations and an interconnected network of transmission and distribution mains.

Sources. The Department draws its raw water primarily from the surficial Biscayne Aquifer, a non-artesian (or near surface) aquifer which underlies an area of about 3,200 square miles in Miami-Dade, Broward and Palm Beach counties. The Upper Floridan Aquifer, which underlies most of the State and ranges from a subsurface depth of 200 feet to 1,700 feet, is also an artesian water source. However, because water from the Upper Floridan Aquifer has a higher content of salt, its water is much more expensive to process. Therefore, the Upper Floridan Aquifer is a less desirable water source.

The South Florida Water Management District (the "District") governs the use of the State's water resources in Southeast Florida through the water use permitting process. On November 15, 2007, the District issued a consolidated 20-year Water Use Permit, which sets limits on the use of the Biscayne Aquifer and Floridan Aquifer. In addition, the permit includes a schedule for the construction of the alternative water supply projects needed to meet demands, which have been incorporated into the capital plan. The Water Use Permit has been amended twice, in 2010 and 2011, to reflect declines in consumption resulting from an effective water conservation program, lower than expected population growth, and the economic recession. Alternative water supply projects in the original plan have been delayed or eliminated, thereby reducing capital needs in the near term. An additional water use permit amendment is contemplated within the next 2 years to further adjust demand forecasts utilizing the 2010 census data and current per capita water consumption trends. It is expected that additional future alternative water supply projects can be deferred or eliminated as a result of the new demand forecast.

Collection and Production. The Department collects its raw water from 15 existing wellfields which use the Biscayne Aquifer as the source water supply. In order to process and prepare raw water for consumption, the Department operates three major water treatment plants, five smaller water treatment plants, two lime recalcining plants and an extensive transmission and distribution system composed of storage reservoirs, pump stations and a network of transmission and distribution water mains. The five smaller treatment plants, which have a combined treatment capacity of 12.0 mgd, serve the extreme southern part of the County.

Water Treatment Plants. The following chart reflects the allocations, rated capacities and actual flows for the County's water treatment plants.

| Component | Hialeah/Preston | Orr | South Dade Water System[1] |
|---|---|---|---|
| Plant Rated Capacity | 225.0 mgd[2] | 248.0 mgd[3] | 14.2 mgd[4] |
| Actual Flows[5] | | | |
| Average Daily | 134.7 mgd | 163.4 mgd | 7.3 mgd |
| Peak Day | 172.6 mgd | 184.0 mgd | 8.8 mgd |

(1) Represents five smaller water treatment plants in southern Miami-Dade County.
(2) Hialeah Plant rated capacity is 60 mgd and Preston Plant is 165 mgd for a total of 225 mgd.
(3) Treatment facility rated capacity is 248 mgd but is permit limited to 214.74 mgd until treatment capacity is demonstrated.
(4) Sum of Individual Treatment Facilities Permitted Capacity is 14.19 mgd, including the permitted capacity increase to 2.88 mgd for Everglades Labor Camp.
(5) For the 12 months ending September 30, 2012.

*Source*: The Department

The Board has approved a Joint Participation Agreement between the County and the City of Hialeah to jointly fund a reverse osmosis water treatment plant (the "Plant") at a cost of approximately $160 million, which will initially produce 10 mgd, with a maximum capacity of 17.5 mgd if and when buildout is completed. The County and Hialeah will share equally in the construction, operations and maintenance costs (the "Plant Costs") and will benefit equally from the water produced. The Plant Costs are not anticipated to have a material adverse impact on the

rates, revenues and operations of the Department. The Plant is a project included in the MYCP. It is approximately 82% complete and is expected to become operational in April 2013.

Transmission. High service pumping facilities located at each of the three major water treatment plants and a low pressure system deliver water directly to the Department's four high service pump stations. From there, the water is distributed through 7,559 miles of water mains, ranging in size from 2 to 72 inches in diameter, to the ultimate users.

Water Conservation. To ensure a sustainable water supply for future use and to ensure the most efficient use of existing water supplies, the Department has implemented a variety of water use efficiency measures. These measures include aggressive public education campaigns, a tiered rate structure, an extensive water loss reduction program, water conservation incentives, legislative measurers for water conservation, system operational measures, and alternative water supplies. The Department's conservation efforts have resulted in the extension of the County's Water Use Permit, cancellation of alternative water supply projection and deferral of several other expensive infrastructure water supply projects, making conservation the least expensive form of alternative water supply.

The Department's ongoing water conservation/water use efficiency programs include:

- Water Loss Reduction including leak detection and repair; water system pressure management, and AMR/AMI Pilot Projects;
- Recycling of water used to backwash filters at treatment plants;
- Use of reclaimed water at the wastewater treatment plants for process water, cleanup and landscape irrigation;
- Use of reclaimed water from the North District Wastewater Treatment Plant for landscape irrigation at nearby Florida International University's Bay Vista Campus;
- New ordinances for new construction for water-efficiency fixtures, and landscape standards, and permanent landscape irrigation restrictions limiting irrigation to two days a week;
- Aquifer storage and recovery;
- A tiered water rate structure which includes a surcharge for high water use to encourage water conservation;
- Public information and education efforts, including:
  - direct customer outreach at events and workshops
  - advertising via radio, television, print, transit bus benches, internet and movie theatres
  - educational publications
  - a Children's Water Conservation Campaign
  - maintenance of an internet portal
- Water Conservation Incentives including:
  - Landscape Irrigation Evaluations and Rebates
  - Residential High Efficiency Toilet (HET), Showerhead and Faucet Rebates

- Audits and Retrofits of County facilities
- Showerhead Exchange Project
- Multifamily Showerhead Retrofit Project
- Lodging HET Rebates & Showerhead Retrofits
- Green Lodging and Restaurant Projects

Water Quality. The Safe Drinking Water Act (the "Water Act") and the related drinking water standards in the Florida Administrative Code have established quality standards designed to reduce the allowable concentration of a variety of substances. The Water Act also requires local water utilities to issue "consumer confidence reports" describing the source and quality of the water they provide. The Department's "Water Quality Report" provides the required information, verifying the Department's continuing compliance with water quality standards.

*See* "REGULATORY MATTERS" for a detailed description of certain regulatory matters with respect to the Water System.

**Sewer System**

General. The Department's Sewer System consists of collection sewers, manholes, lift stations, force mains, interceptors, pump stations and three regional wastewater treatment plants: the North District Wastewater Treatment Plant at Interama (the "North District Plant"), the Central District Wastewater Treatment Plant at Virginia Key (the "Central District Plant") and the South District Wastewater Treatment Plant at Blackpoint (the "South District Plant").

Collection. There has been steady growth in the wastewater service provided by the Department due to an increase in total population in the County, the acquisition of small utilities and the extension of sewers to areas served by septic tank systems. The amount of wastewater treated annually, however, may vary significantly depending upon the amount of annual rainfall.

Wastewater is brought to the Department's treatment facilities through local collection facilities which include gravity sewers, manholes, lift stations and force mains. The Department has divided the County into three districts in which wastewater is collected and transmitted to a wastewater treatment plant located in each of the three districts. The districts are interconnected to allow for limited redirection of flows.

The maintenance and improvement of the Utility's 1,049 sewage pump stations is one of the requirements of the terms of the Second and Final Partial Consent Decree (as defined under "REGULATORY MATTERS"). The Department's program to upgrade its sewage pump stations is continuing. A typical station upgrade includes improvements to the electric service, controls and alarm systems, the replacement of motors, the addition of pumps or a complete replacement pump station.

Groundwater, stormwater or other water not requiring treatment introduced into the Sewer System overloads pump stations and treatment plants. The cost of pumping and providing treatment for this excess water is substantial. Consequently, the Department has established an

Infiltration/Inflow Reduction Program to conduct Sewer System evaluations and to rehabilitate the system by repairing pipes where feasible, replacing pipes damaged beyond repair, installing leakproof manhole covers and repairing manholes. Since 1995 under this program more than 32,000 repairs have been made to the gravity collection system, reducing an estimated 127 MGD of flows that would otherwise require management in the collection system and at the treatment plants. The avoided cost of constructing treatment capacity to handle this volume of wastewater would be on the order of $1 billion. Many of the program activities will be perpetually required to maintain the Sewer System's integrity and to continually reduce infiltration and inflow amounts. The Department has re-focused the program on service laterals which exhibit "leakage" during storms. The Department conducted a Comprehensive Lateral Pilot Program to determine the feasibility and cost-effectiveness of repairing service laterals for the reduction of wet weather inflow and rain-induced infiltration. This program has enabled the Department to reduce costs associated with groundwater, stormwater or other water not requiring treatment introduced into the Sewer System which overloads pump stations and treatment plants.

The Department has an on-going program of inspection and correction to address the corrosive effects of hydrogen sulfide (a by-product of raw sewage) on its concrete force mains. The Department periodically inspects mains and implements corrective action with respect to any affected main.

Wastewater Treatment Plants. The Department operates three regional wastewater treatment plants located in various sections of the County as described above. The three plants have a combined installed treatment capacity of 375.5 mgd of wastewater and are currently permitted at 368 mgd. The following table summarizes the treatment permit parameters and the actual flows of each of the County's wastewater treatment plants.

| | North District | Central District | South District | Total |
|---|---|---|---|---|
| Installed Treatment Capacity | 120.0 | 143.0 | 112.5 | 375.5 |
| Permit Parameters | 112.5 | 143.0 | 112.5 | 368.0 |
| Average Daily Flow, mgd | | | | |
| Effluent $CBOD_5$, mg/L[1] | 30/20[3] | 30 | 20 | - |
| Effluent Suspended Solids, mg/L | 30/20[3] | 30 | 20 | - |
| Actual Flows 12-Month Average for Fiscal Year 2012 | | | | |
| Average Daily Flow, mgd[2] | 101.4 | 123.0 | 114.9 | 339.29 |
| Effluent $CBOD_5$, mg/L[2] | 8.4 | 23.2 | 4.6 | - |
| Effluent Suspended Solids, mg/L[2] | 22.7 | 27.2 | 7.3 | - |

(1) "$CBOD_5$" means Chemical Biological Oxygen Demand; "mg/L" means milligrams per liter.
(2) For the 12 months ending September 30, 2012.
(3) 30mg/L in secondary effluent going to the outfall; 20mg/L in effluent going to the wells.

*Source*: The Department

Disposal of Sludge and Treated Wastewater. The disposal of the by-products of the treatment process (sludge and effluent or treated wastewater) is an important part of the

Department's plans to improve and expand its Sewer System. Steps taken by the Department in accordance with this plan are discussed in the following paragraphs.

Sludge is stabilized in anaerobic digesters at the Central District and South District Plants, with sludge from the North District Plant being transmitted via pipeline to the Central District Plant for treatment. After stabilization, sludge is dewatered in centrifuges to form a cake, a material that is dry enough to be loaded and hauled in a dump truck. Stabilized sludge cake can be disposed of in Class I Solid Waste Landfills. The stabilized cake can also be used as an agricultural soil supplement because it meets the requirements for Class B material, but only with State approved permits which require a substantial amount of documentation, monitoring and record keeping. After dewatering, the sludge cake can be further dried on paved drying beds and then composted to produce Class AA residuals, which can be sold as a soil supplement with relatively few restrictions. At the South District Plant, sludge cake is further dried on paved beds and a portion is composted to Class AA standards and sold as a soil supplement. The Department has discontinued the use of the sludge drying beds and composting facilities at the Central District Plant in order to reduce odors, which had caused complaints at a neighboring residential community. To this end, the Department has negotiated agreements to dispose of sludge cake; in accordance with these agreements, the sludge cake is disposed of by hauling and placing it in landfills or utilized as Class B agricultural soil supplement. The Department has developed a twenty year biosolids master plan.

Disposal of treated wastewater at the North District Plant, which currently has a permitted treatment capacity of 112.5 mgd, is accomplished by discharge into the Atlantic Ocean. The installed treatment capacity at the North District Plant was expanded to 120 mgd pursuant to the Settlement Agreements with the FDEP and the plant is currently conducting operational testing for two of the four deep injection wells prior to FDEP operational approval for all four wells. The Central District Plant also disposes of effluent by discharge into the Atlantic Ocean. As noted below, state law now requires the Department to design and construct an alternative to the use of ocean outfalls by the end of 2025.

The South District Plant disposes of its effluent through deep injection wells to the Lower Floridan Aquifer at a depth below 2,400 feet. The South District Plant has a permitted treatment capacity of 112.5 mgd and actual treatment capacity of 112.5 mgd. During the past 15 years, the Department constructed five additional deep-injection wells as part of its 112 mgd plant expansion project, but only one of these wells had received an operational permit. On April 29, 2004, the Department entered into a Consent Order with the FDEP to address the operation of the injection wells. The Consent Order approved operational testing of the remaining four injection wells, and required the upgrade of the treatment process, *see* "REGULATORY MATTERS" for a more detailed description of the Consent Order. With five additional wells operational, the actual treatment capacity at the South District Plant is sufficient to handle the average day effluent disposal requirements of the South District Plant.

The Department continues to explore different ways to reuse effluent. The practicality of reuse is affected by the cost of the added treatment, the cost of transmission and distribution systems, the possibility of contaminating the drinking water system through inadvertent cross connections, public attitudes about using treated wastewater and the quality of the water available for reuse. The Department has constructed a 5.5 mgd filtering system. The

Department has also constructed a transmission main to provide 100,000 gallons per day of treated effluent from the North District Plant to Florida International University's Bay Vista Campus for use in land irrigation. Finally, in order to meet the requirements of the in-kind reuse projects required by the Settlement Agreements and the EPA Second and Final Partial Consent Decree (which requires the expenditure of $5,855,000 in public access reuse), the Department has constructed and is using a public access project to provide irrigation water at two wastewater treatment plants and potable water replacement for processes at the three wastewater treatment plants. In April 2007, the Department completed an updated Reuse Feasibility Study. Some of the projects recommended in the Study were incorporated in the 20-year Water Use Permit and have been incorporated into the Capital Plan. *See* "REGULATORY MATTERS – Sewer System Settlement Agreements and Consent Decrees" herein.

**Environmental Quality Management**

The public's concern for environmental quality is reflected in many of the Department's activities, from meeting the effluent discharge quality limits and the changing water quality standards to providing facilities that are unobtrusive and have minimum adverse impact on the environment. Federal, state and local regulations regarding preservation of wetlands impact nearly all land development activities in South Florida, including those of the Department and private developers. The necessity of protecting wetlands has required revisions to the Department's construction plans in the past, and will continue to do so with such requirements possibly increasing the cost of future Department projects. If a project is essential for the welfare of the community, and damage to valuable ecologic systems is unavoidable, the permits may be issued with provisions for mitigating the losses by constructing or upgrading wetlands, planting mangroves or some similar program at a different location.

Since few sites remain for future plant locations which are not wetlands or near existing residential neighborhoods, it is anticipated that future water and sewage treatment plant expansions will require special design features such as multistory construction to minimize land requirements, special architectural and acoustical treatments, and odor control systems to make them unobtrusive.

**Elimination of the Use of Ocean Outfalls**

On June 30, 2008, the Florida Governor signed a bill into law that prohibits the construction of new ocean outfalls and the use of existing ones for disposal of average flows by 2025. The new law, which became effective July 1, 2008, requires the Department to (i) submit a plan by July 1, 2013 to meet the requirements of the legislation; and (ii) meet the provisions of the advance wastewater treatment and management requirements by December 31, 2018, either by (a) provision of advanced wastewater treatment to all ocean outfall flows, or (b) reducing the volume of wastewater effluent disposed through ocean outfall flows between December 31, 2008 and December 31, 2025 so that the reduction in nutrients discharged would be the same as with advanced wastewater treatment, or (c) use of a combination of advanced wastewater treatment and diversion of ocean outfall flows to meet the nutrient reduction level required on December 31, 2018. By December 31, 2025, a fully functioning reclaimed water system must be installed using a minimum of 60% of the ocean outfall flows for irrigation, groundwater replenishment, industrial cooling or other acceptable forms of reclaimed water.

The Department's plans to meet the advance wastewater treatment and management requirements includes revising its Wastewater Facilities Master Plan to incorporate such requirements and, in doing so, analyzing and evaluating the existing budgeted projects in light of the new requirements. While the cost of eliminating the two large ocean outfalls that the Department currently uses (North District and Central District) is estimated at between $2 billion and $3 billion, it is clear that some planned projects currently budgeted will be affected by the new regulations and the impact or potential capital savings will not be available until such time as the revisions to the Wastewater Facilities Master Plan are well under way. The Department is working with other affected utilities and the Florida Department of Environmental Protection to seek amendments to the outfall statute that can substantially increase the cost-effectiveness of compliance.

**Regulations**

Other than the matters described in "REGULATORY MATTERS" the Department is in compliance with all other material federal, state and local rules and regulations.

**Everglades Remedial Program**

The federal Water Resources Development Act of 2000 approved the Comprehensive Everglades Restoration Plan ("CERP"), which was developed by a multi-agency study team led by the U.S. Army Corps of Engineers. The CERP provides a framework and guide to restore, protect and preserve the water resources of central and southern Florida, including the Everglades. The CERP includes more than 60 projects, will take more than 30 years to construct, and will cost an estimated $10.9 billion. Pursuant to conditions of the water use permit, the Department has investigated the feasibility of utilizing reclaimed water to rehydrate the coastal wetlands in proximity to the South District Wastewater Treatment Plant. No final determination has been made at this time with respect to a CERP project to rehydrate the coastal wetlands, and the Department has no formal obligations to sponsor such a project.

**Security**

Security at the Department's facilities has remained high since the September 11, 2001 attacks, and in 2002 the Board enacted an ordinance addressing long-term security at the Department's facilities, including wellfields and treatment plants. The ordinance specifically authorized the Department's Director to take any actions deemed necessary in an emergency, to secure the Department's facilities. The Director has already determined that a need exists to maintain increased security at the Department's facilities. The Department has established an identification badging office in order comply with Ordinance 2-68. As part of the process for issuing identification badges, criminal background checks are conducted on employees, contractors and visitors requiring access to sensitive plant areas.

The Department has implemented a number of proactive measures to enhance the security of its water facilities as well as its response capabilities. Ten staff members have been licensed in the Risk Assessment Methodology Method for Water (RAM-W) for conducting vulnerability assessments. The vulnerability assessment of the water system was completed in March 2003 and submitted to the EPA as mandated. The Department has prepared its

Emergency Response Plan (ERP) in accordance with the EPA regulations. This was submitted to the EPA prior to September 30, 2003. In accordance with federal requirements, the Department continues to assess, identify and implement feasible opportunities to minimize the vulnerability of the Department's facilities. This program is anticipated to cost in excess of $4 million when fully implemented. All major water plants are completed.

The EPA has not yet mandated performing vulnerability assessments of wastewater systems. The Department will perform a vulnerability assessment of its sewer system, which will encompass an assessment of its wastewater treatment facilities, the collection system, and the pumping and transmission system. The Department has implemented a security program consisting of security audits, physical security assessments, vulnerability assessments and security force integrity checks.

The Department has also expanded security by adding additional security supervisors to manage and coordinate all security operations at the Department's plants and facilities. Currently the Department is addressing hardening of all facilities by installing a state of the art CCTV surveillance system and improving and streamlining the command and control of security operations by establishing a security operations center.

**Insurance**

The Department is insured against loss to facilities through a blanket property insurance program covering real and personal property, including boiler and machinery. Scheduled properties include various wastewater treatment plants, regional water treatment plants, pump stations, water storage facilities, maintenance facilities, ocean outfalls, headquarters building, and leased properties. The current schedule of values is approximately $2.1 billion.

The current program has a limit of $200 million with a deductible of $1 million for most perils. The program has a 5% named windstorm deductible with a $250,000 minimum and $30,000,000 maximum. Terrorism coverage is provided for both certified and non-certified acts.

The Department is covered under the County's self insurance program administered by the Risk Management Division of the General Services Department in accordance with Section 768.28, Florida Statutes as amended. F.S. §768.28 provides that tort claims against municipal governments are limited to $100,000 per claim and $200,000 in aggregate for any event or occurrence without a specific act of the Florida Legislature. This limitation applies to most of the liability claims that arise against the County or any local government in Florida, although certain liability claims such as claims under civil rights statutes, are not subject to these limitations.

## WATER AND SEWER CUSTOMERS AND REVENUES

**Accounts**

The Department receives revenues for the sale of its water and sewer services from retail as well as wholesale customers.

The numbers of retail customers for the past five years are as follows:

**Active Retail Customers**

| | For Fiscal Year Ended September 30, | | | | |
|---|---|---|---|---|---|
| | 2008* | 2009 | 2010 | 2011 | 2012 |
| Water | 418,258 | 417,983 | 420,367 | 422,016 | 424,764 |
| Sewer | 336,290 | 336,272 | 338,368 | 339,927 | 342,539 |
| Percent ratio sewer customers to water customers | 80.4% | 80.5% | 80.5% | 80.6% | 80.6% |

*Source*: The Department

*During September 2008, the Department acquired the water and sewer system of a former wholesale customer, the City of Miami Springs. This acquisition added approximately 4,200 water and sewer customers to the Department's retail customer base. Had this acquisition not occurred, the Department's retail water and sewer customers for Fiscal Year 2008 would have been 414,015 and 331,983, respectively.

The ten largest customers for the Utility for Fiscal Year ended September 30, 2012 were:

**Water System**

| Name | Dollar Amount (in thousands) | Percent of Utility Gross Revenues |
|---|---|---|
| City of Hialeah | $15,404 | 6.13% |
| City of Miami Beach | 13,573 | 5.40 |
| Miami-Dade County Aviation Department | 4,539 | 1.81 |
| City of North Miami | 2,355 | 0.94 |
| City of Opa-Locka | 1,502 | 0.60 |
| Florida Power & Light Company | 1,318 | 0.52 |
| Hialeah Gardens | 1,013 | 0.40 |
| Medley | 821 | 0.33 |
| Bal Harbour | 738 | 0.29 |
| North Bay Village | 669 | 0.27 |

*Source*: The Department

**Wastewater System**

| Name | Dollar Amount (in thousands) | Percent of Utility Gross Revenues |
|---|---|---|
| City of Miami Beach | $16,129 | 5.66% |
| City of Hialeah | 15,197 | 5.33 |
| City of North Miami | 8,017 | 2.81 |
| Miami-Dade County Aviation Department | 2,697 | 0.95 |
| City of Coral Gables | 2,489 | 0.87 |
| City of Homestead | 2,031 | 0.71 |
| Hialeah Gardens | 2,018 | 0.71 |
| City of North Miami Beach | 1,579 | 0.55 |
| Medley | 1,523 | 0.53 |
| City of Opa-Locka | 1,485 | 0.52 |

*Source*: The Department

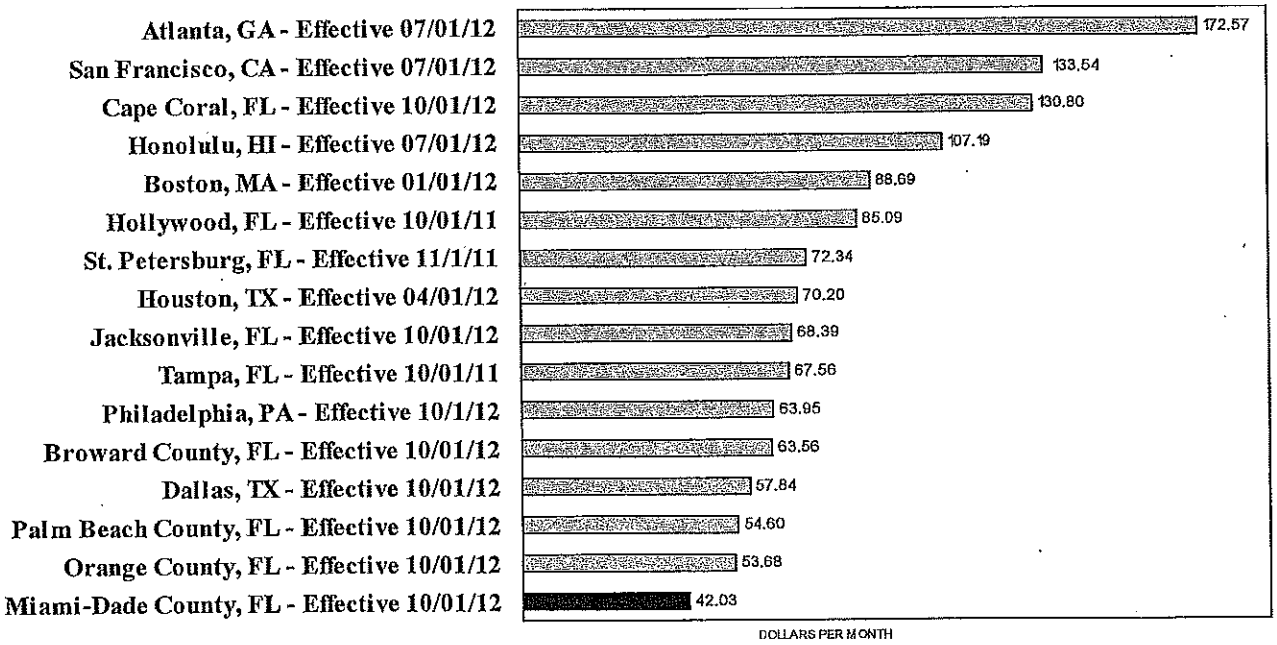
## Rates

The Department's current schedule of water and sewer rates is attached as APPENDIX E hereto.

## Rate Comparison

The combined residential water and sewer bills of the Department are generally lower than those of comparable water and sewer utilities in other parts of the U.S. as shown in the following table:

**COMBINED WATER AND SEWER BILLS**
**FLORIDA MUNICIPALITIES AND MAJOR U.S. CITIES**
**FOR THE AVERAGE RESIDENTIAL CUSTOMER***




* Average residential customer using 6,750 gallons per month.

*Source*: The Department

**Billing and Collection**

The Department is responsible for all billing and collections. Of its approximately 424,000 customers, 409,000 are billed quarterly and 15,000 are billed monthly. Whether a customer is billed monthly or quarterly depends upon consumption. Once a customer's average monthly usage, established over a one-year period, exceeds 100,000 gallons, then the customer is billed monthly. All system-produced bills are normally mailed 2 to 3 days after meter readings are obtained. The past due date on all bills is 21 days after the billing date. A 10% late charge is assessed on any portion of the water and/or sewer charge, which remains unpaid after the past due date and a delinquent bill is mailed. Forty-two days after billed, unpaid accounts with a balance greater than $100 are included on a potential disconnect list. Accounts from this list are processed for disconnection of service. If an account remains unpaid 10 days after service has been discontinued, the customer is sent a final bill. A special assessment lien is filed against any owner-occupied real property, which has received services and has charges that are more than 60 days past due and unpaid. The Department may proceed against lessees to collect delinquent water and sewer charges. In the event a variance or discrepancy in a customer's usage is discovered, the Department will investigate to determine the cause. Supplemented bills will be sent to the customer with adjustments and such bills are subject to the same deadlines and penalties as regularly prepared bills. The Department issues adjusted and corrected bills for various reasons such as leaks, misreadings, coding errors, administrative rulings, back billings and stopped or inaccurate meters.

Annually, the Department analyzes and records a bad debt reserve for accounts that may be written off. Additionally, the Department performs an annual write-off of retail accounts if the balance due is under $500 and the final bill is more than two years old. The Department writes off accounts where the balance due is $500 or more, is more than two years old, has been referred to a collection agency for at least one year and the Department determines that the amount is uncollectible. The write-off is for accounting purposes only. The Department continues to legally pursue payment from the delinquent customer.

[Remainder of Page Intentionally Left Blank]

The following table sets forth the Department's collection rates for the 2003-2010 Fiscal Years:

**Miami-Dade Water and Sewer Department**

| Year | Retail Billing | Total Annual Aggregate Write-Off's to date: Amount | Total Annual Aggregate Write-Off's to date: % of Annual Billings | Collection Rate in % |
|---|---|---|---|---|
| 2003 | 273,710,000 | $ 730,241.50 | 0.26679% | 99.73321% |
| 2004 | 295,176,000 | $ 618,093.61 | 0.20940% | 99.79060% |
| 2005 | 297,374,000 | $ 521,460.84 | 0.17536% | 99.82464% |
| 2006 | 341,555,000 | $ 1,099,611.21 | 0.32194% | 99.67806% |
| 2007 | 330,475,000 | $ 1,771,072.53 | 0.53592% | 99.46408% |
| 2008 | 342,303,000 | $ 1,909,839.82 | 0.55794% | 99.44206% |
| 2009 | 372,265,000 | $ 1,897,451.48 | 0.50970% | 99.49030% |
| 2010 | 393,420,000 | $ 1,224,486.59 | 0.31124% | 99.68876% |
| Total | $ 2,646,278,000 | $ 9,772,257.58 | 0.36928% | 99.63072% |

| Other (Non-Retail) Year | Billed | Total Annual Aggregate Write-Off's to date: Amount | Total Annual Aggregate Write-Off's to date: % of Annual Billings | Collection Rate in % |
|---|---|---|---|---|
| 2003 | $ 18,827,000 | $ 729,404.46 | 3.87425% | 96.12575% |
| 2004 | 18,896,000 | $ 211,963.28 | 1.12174% | 98.87826% |
| 2005 | 19,573,000 | $ 205,850.82 | 1.05171% | 98.94829% |
| 2006 | 20,450,000 | $ 177,559.11 | 0.86826% | 99.13174% |
| 2007 | 22,455,000 | $ 71,990.97 | 0.32060% | 99.67940% |
| 2008 | 22,927,000 | $ 183,867.34 | 0.80197% | 99.19803% |
| 2009 | 38,293,000 | $ 249,263.09 | 0.65094% | 99.34906% |
| 2010 | 40,486,000 | $ 214,080.05 | 0.52878% | 99.47122% |
| Total | $ 201,907,000 | $ 2,043,979.12 | 1.01234% | 98.98766% |

| Other (Connection Charges) Year | Billed | Total Annual Aggregate Write-Off's to date: Amount | Total Annual Aggregate Write-Off's to date: % of Annual Billings | Collection Rate in % |
|---|---|---|---|---|
| 2003 | 31,084,101 | $ 255,414.60 | 0.82169% | 99.17831% |
| 2004 | 35,947,443 | $ - | 0.00000% | 100.00000% |
| 2005 | 44,725,767 | $ - | 0.00000% | 100.00000% |
| 2006 | 45,338,621 | $ - | 0.00000% | 100.00000% |
| 2007 | 33,017,052 | $ - | 0.00000% | 100.00000% |
| 2008 | 32,326,506 | $ 120,752.25 | 0.37354% | 99.62646% |
| 2009 | 30,573,496 | $ 468,608.57 | 1.53273% | 98.46727% |
| 2010 | 15,978,088 | $ - | 0.00000% | 100.00000% |
| Total | $ 268,991,074 | $ 844,775.42 | 0.31405% | 99.68595% |

## Efficiency Program

In March 1998, the Department initiated "POWER," a Partnership Optimizing WASD's (the Department) Efficiency and Reengineering. The POWER program was implemented as a

collaborative agreement with AFSCME Local 121 and the Government Supervisors Association of Florida to identify and implement operational efficiency projects.

Since the inception of the POWER program, the Department has documented efficiency savings of more than $36.9 Million (as of September 30, 2012), and provided gainsharing to employees as incentives for continuous improvements. The POWER program accomplishments include: efficiency savings; improvements to customer service; and complying with federal and State regulations. The POWER program has been such a success that the National Association of Counties selected the program for an Achievement Award "in recognition of an innovative program which contributes to and enhances county government in the United States." In addition, the Department received the prestigious "Gold Award for Competitiveness Achievement" and the "Platinum Award for Sustained Competitiveness" from the Association of Metropolitan Water Agencies.

A new memorandum of understanding is currently under development to further formalize the gainsharing program and ensure that operational efficiencies continue.

## FINANCIAL OPERATIONS

Utility Revenues, Operation and Maintenance Expenses, as well as certain assumptions and opinions pertaining to such financial data are described in the Audited Financial Report of the Miami-Dade Water and Sewer Department for Fiscal Year Ended September 30, 2012. *See* 4APPENDIX C – AUDITED FINANCIAL REPORT OF THE MIAMI-DADE WATER AND SEWER DEPARTMENT FOR FISCAL YEAR ENDED SEPTEMBER 30, 2012.

### Historical Results of Operations and Debt Service Coverage

The following table summarizes audited historical operating results for the Utility for Fiscal Years ended September 30, 2008 through 2012. The historical results have been prepared based on information provided in the Department's audited financial statements for Fiscal Years 2008 through 2012. The table also reflects the historical debt service coverage based on historical Pledged Revenues and debt service requirements.

## HISTORICAL OPERATING RESULTS AND DEBT SERVICE COVERAGE
**($ in thousands)**
**(Fiscal Year Ended September 30)**

| | 2008 | 2009[6] | 2010 | 2011 | 2012 |
|---|---|---|---|---|---|
| *OPERATING REVENUES:* | | | | | |
| Retail | $342,304 | 372,265 | 393,420 | 428,832 | |
| Wholesale | 72,246 | 68,178 | 84,489 | 90,671 | |
| Other | 22,926 | 38,293 | 40,486 | 26,157 | |
| Total operating revenues | $437,476 | 478,736 | 518,395 | 545,660 | |
| *OPERATING AND MAINTENANCE EXPENSES:* | | | | | |
| Source of supply | $ 12,247 | 14,208 | 12,354 | 13,558 | |
| Collection system | 19,358 | 15,987 | 21,523 | 20,385 | |
| Pumping | 32,885 | 32,611 | 31,919 | 32,892 | |
| Treatment | 128,220 | 134,454 | 130,010 | 134,650 | |
| Transmission and distribution | 26,564 | 25,428 | 28,459 | 27,929 | |
| Customer accounting and service | 24,447 | 27,572 | 28,003 | 24,231 | |
| General and administrative | 75,636 | 78,669 | 97,364 | 79,165 | |
| Total operating and maintenance expenses | $321,964 | 328,929 | 349,632 | 332,810 | |
| Operating income before depreciation | $115,512 | 149,807 | 168,763 | 212,850 | |
| | | | | | |
| *PRIMARY DEBT SERVICE COVERAGE:* | | | | | |
| Net Operating Revenues | $115,512 | 149,807 | 168,763 | 212,850 | |
| Investment Earnings[1] | 29,390 | 12,596 | 2,550 | 2,111 | |
| Net Transfers from (to) Rate Stabilization Fund | - | - | - | - | |
| Net revenues available for debt service | $144,902 | 162,403 | 171,313 | 214,961 | |
| Debt service requirements[2] | 113,758 | 103,627 | 114,653 | 115,198 | |
| Actual coverage | 1.27x | 1.57x | 1.49x | 1.87x | |
| Required coverage | 1.10x | 1.10x | 1.10x | 1.10x | |
| | | | | | |
| *SUBORDINATED DEBT SERVICE COVERAGE:* | | | | | |
| Net revenues available for debt service | $144,902 | 162,403 | 171,313 | 214,961 | |
| Less: Maximum principal and interest | 114,031 | 115,198 | 146,270 | 146,270 | |
| Adjusted net revenues | $30,871 | 47,205 | 25,043 | 68,691 | |
| Debt service and reserve requirements[4] | 13,434 | 13,470 | 13,479 | 13,501 | |
| Actual coverage | 2.30x | 3.50x | 1.86x | 5.09x | |
| Required coverage | 1.00x | 1.00x | 1.00x | 1.00x | |
| | | | | | |
| *STATE REVOLVING FUND LOANS DEBT SERVICE:* | | | | | |
| Net revenues available for debt service | $144,902 | 162,403 | 171,313 | 214,961 | |
| Less: revenue required for primary debt service coverage[3] | 114,031 | 115,198 | 146,270 | 146,270 | |
| Adjusted net revenues | $30,871 | 47,205 | 25,043 | 68,691 | |
| Debt service requirements[5] | 13,434 | 13,470 | 13,479 | 13,501 | |
| | | | | | |
| Actual coverage | 2.30x | 3.50x | 1.86x | 5.09x | |
| Required coverage | 1.15x | 1.15x | 1.15x | 1.15x | |

(1) Excludes interest income from Construction Fund
(2) Represents debt service requirements on outstanding bonds for such Fiscal Year.
(3) Maximum principal and interest requirements on the Bonds.
(4) Represents debt service and reserve requirements on subordinate obligations.
(5) Represents debt service requirements on outstanding State Revolving Fund Loans for such Fiscal Year.
(6) Revenues reflect the impact of permanent water restrictions during Fiscal Year 2009, augmented by a water restriction surcharge.

*Source*: Water and Sewer Department's Comprehensive Annual Financial Report For The Fiscal Year Ended September 30, 2012.

## Management's Discussion

During Fiscal Years 2008 through 2012 the Board included reasonable annual rate increases to address the operating and maintenance cost increases that occur as a normal part of business each year. For Fiscal Years 2008, 2009, 2010 and 2011 the Board approved a series of

rate increases for average retail customers of 4.8%, 5.2%, 6% and 5%, respectively, all effective October 1st of such years. These retail rate increases were based upon the U.S. Department of Labor, Bureau of Labor Statistics, Consumer Price Index for "All Urban Consumers Water and Sewerage Maintenance – U.S. City Average and are commonly referred to as "maintenance index" adjustments. For Fiscal Year 2010, the Board approved an additional 6% increase effective April 1, 2010 based on the capital program funding requirements. The Board's actions have resulted in a 25% increase in revenues, from $437 million to $546 million in four years. Fiscal Year 2012 retail rates were maintained at the same rate as Fiscal Year 2011. Although Fiscal Year 2012 retail revenues grew slightly, total revenues of $536 million reflect a decrease of $10 million due to credits owed to wholesale customers as a result of the "cost of service adjustments", referred to as "True-Up" of Fiscal Year 2010 actual costs. The main driver of revenues has been rate increases. Consumption levels for both water and sewer were stable during this period.

The Department maintains both a General Reserve Fund and a Rate Stabilization Fund to provide for contingencies and to mitigate rate increases. As of the end of Fiscal Year 2012 the Department's General Reserve Fund and Rate Stabilization Fund totaled over $57.5 million. The Department is also required to maintain an operations and maintenance reserve equal to two months of budgeted operations and maintenance expenses. The Department is holding $55.7 million in the operations and maintenance reserve for Fiscal Year 2012.

## MULTI-YEAR CAPITAL PLAN

The Department has for many years used a formal capital program and budgeting process. Under this process, capital programs are projected forward over a six year period and beyond and a detailed budget is adopted for the first year of each multi-year. Both program and budget commitments are reviewed each year and modified as necessary.

Set forth on the following page is a summary of the Department's funding sources for the MYCP for Fiscal Years 2012 through 2022. The funding of the MYCP includes proceeds of the Outstanding Bonds, the Series 2013 Bonds, Additional Bonds and Subordinate Obligations, as well as certain annual revenue sources of the Department. These MYCP capital expenditures consist of the design, construction and construction management expenses associated with capital improvements related to the expansion of the wastewater treatment and collection facilities, the expansion and improvements to the water treatment plants and facilities including the pumping stations, water main rehabilitation, and other similar projects. The capital improvement projects are necessary to: (i) provide additional capacity to serve additional customers; (ii) meet the requirements of the regulatory actions imposed by FDEP and the EPA; (iii) provide back up reserve capacity in the water and wastewater transmission systems; (iv) comply with level service requirements contained in the Comprehensive Development Master Plan; and (v) improve operating efficiencies of the Utility.

The Department's MYCP provides that the Department intends to finance such plan with additional bond issues as needed to minimize the impact on rates in any individual year.

The Department's projects in the MYCP for Fiscal Years 2012 through 2018 have been found to be consistent with the improvements identified in the Water and Wastewater Facilities Master Plans, the Consent Decrees and the Interim Peak Flow Management Plan.

[Remainder of Page Intentionally Left Blank]

## Miami-Dade Water and Sewer Department
## 2012 - 2018 MULTI-YEAR CAPITAL PLAN[1]
## (Data in 000's)

| Wastewater | Total Prior | FY12-13 | FY13-14 | FY14-15 | FY15-16 | FY16-17 | FY17-18 | Future[2] | Total |
|---|---|---|---|---|---|---|---|---|---|
| WASD Revenue Bonds Solds | $114,578 | $49,840 | $1,804 | $0 | $0 | $0 | $0 | $0 | $166,222 |
| Assumed Additional Bonds | $0 | $0 | $83,541 | $161,434 | $161,057 | $308,773 | $555,742 | $4,560,326 | $5,830,873 |
| State Revolving Loans | $52,965 | $2,277 | $0 | $0 | $0 | $0 | $0 | $0 | $55,242 |
| Commercial Paper | $15,212 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $15,212 |
| Plant Expansion Fund | $31,796 | $25,453 | $11,319 | $4,203 | $0 | $0 | $0 | $0 | $72,771 |
| Renewal and Replacement Fund | $111,266 | $52,628 | $28,500 | $31,000 | $31,994 | $30,000 | $30,000 | $217,500 | $532,889 |
| Special Construction Fund | $760 | $300 | $400 | $500 | $550 | $600 | $674 | $0 | $3,784 |
| Bond Construction Fund | $2,716 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $2,716 |
| General Obligations Bonds | $13,608 | $3,825 | $2,541 | $2,629 | $258 | $0 | $0 | $75,992 | $98,853 |
| HLD- Special Construction Fund | $143,485 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $143,485 |
| Miami Springs Construction Fund | $193 | $100 | $100 | $100 | $300 | $254 | $153 | $0 | $1,200 |
| **Wastewater Total** | **$486,580** | **$134,424** | **$128,204** | **$199,866** | **$194,158** | **$339,627** | **$586,569** | **$4,853,819** | **$6,923,247** |

| Water | Total Prior | FY12-13 | FY13-14 | FY14-15 | FY15-16 | FY16-17 | FY17-18 | Future | Total |
|---|---|---|---|---|---|---|---|---|---|
| WASD Revenue Bonds Sold | $47,936 | $31,136 | $0 | $0 | $0 | $0 | $0 | $0 | $79,072 |
| Assumed Additional Bonds | $0 | $0 | $88,064 | $237,506 | $187,003 | $113,884 | $249,548 | $811,162 | $1,687,167 |
| State Revolving Loans | $77 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $77 |
| Commercial Paper | $7,517 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $7,517 |
| Plant Expansion Fund | $25,719 | $24,141 | $4,776 | $0 | $0 | $0 | $0 | $0 | $54,636 |
| Renewal and Replacement Fund | $88,894 | $31,996 | $28,500 | $31,000 | $31,994 | $30,000 | $30,000 | $1,692,500 | $1,964,885 |
| Fire Hydrant Fund | $12,687 | $5,009 | $5,000 | $5,000 | $5,000 | $5,000 | $5,000 | $0 | $42,696 |
| Special Construction Fund | $2,276 | $1,000 | $1,000 | $1,000 | $1,000 | $2,000 | $1,570 | $0 | $9,846 |
| Bond Construction Contributions | $2,244 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $2,244 |
| General Obligations Bonds | $27,197 | $2,860 | $5,095 | $4,824 | $1,031 | $0 | $0 | $66,910 | $107,917 |
| Hialeah R/O Plant Construction | $9,500 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $9,500 |
| Miami Springs Construction Fund | $453 | $50 | $50 | $50 | $50 | $34 | $0 | $0 | $687 |
| Water Construction Fund | $3,344 | $200 | $0 | $0 | $0 | $0 | $0 | $0 | $3,544 |
| Rock Mining Mitigation Fees | $14,249 | $5,003 | $1,132 | $0 | $0 | $0 | $0 | $0 | $20,384 |
| **Water Total** | **$242,092** | **$101,396** | **$133,616** | **$279,381** | **$226,078** | **$150,918** | **$286,118** | **$2,570,573** | **$3,990,171** |
| **Total MYCIP FY12-18 Expenditures** | **$728,672** | **$235,820** | **$261,820** | **$479,247** | **$420,236** | **$490,545** | **$872,687** | **$7,424,392** | **$10,913,418** |

(1) This Table sets forth the funding sources for the Multi-Year Capital Plan. Table 6-1 of the Consulting Engineer's Report sets forth the projects to be funded under the Multi-Year Capital Plan. *See* "APPENDIX A – CONSULTING ENGINEER'S REPORT."

(2) Future is defined as Fiscal Years 2019 through 2022.

*Source*: The Department

## THE SERIES 2013 PROJECT

Pursuant to the Bond Ordinance, the Department is authorized to construct or acquire certain improvements under the MYCP. The projects being constructed or improved with the net proceeds of the Series 2013A Bonds are as follows (collectively, the "Series 2013 Project"):

| WATER SYSTEM PROJECTS | ESTIMATED ALLOCATION[1] |
|---|---|
| Water Treatment Plant Improvements | $ 30,643,561 |
| Water Transmission System Extension Enhancements | 40,974,941 |
| Safe Drinking Water Act Modifications - SWT Rule and D-DBP | 1,111,548 |
| South Miami Heights Water Treatment Plant and Wellfield | 46,199,645 |
| Water Pipes and Infrastructure Projects | 4,570,000 |
| **TOTAL WATER PROJECTS** | **$123,499,695** |
| **SEWER SYSTEM PROJECTS** | |
| Ocean Outfall Mandates | $ 24,909,097 |
| Central District Upgrades - Wastewater Treatment Plant | 9,272,500 |
| Pump Station Transmission and Collection System Improvements | 122,784,056 |
| South District Upgrades - Wastewater Treatment Plant | 7,407,500 |
| North District Upgrades - Wastewater Treatment Plan Improvements | 12,127,152 |
| **TOTAL WASTEWATER PROJECTS** | **$176,500,305** |
| **TOTAL ANTICIPATED FUNDING** | **$300,000,000** |

[1] Amounts set forth are net of costs related to the issuance of the Series 2013 Bonds and deposits to the Reserve Account.

[Remainder of page intentionally left blank]

## REGULATORY MATTERS

### Water System

Ground Water Under Direct Influence of Surface Water. On January 5, 2006, the EPA published the Final Long Term Enhanced Surface Water Rule (the "Surface Water Rule"), which does not apply to the Department because the Department does not use surface water and the groundwater used by the Department has not been determined to be under the direct influence of surface water. However, the Northwest Wellfield is located in an area designated by the Florida Legislature as the Miami-Dade County Lake Belt Area. In order to maximize the efficient recovery of limestone in such area, the Florida Legislature has approved a plan that will allow rock mining in the vicinity of the Northwest Wellfield. As excavations get closer to the Northwest Wellfield, there is an increased risk of the wells coming under the influence of surface water, which may result in the Surface Water Rule applying to such wells.

In January 2006, the Florida Legislature recognized the risk to the Northwest Wellfield and imposed a "water treatment plant upgrade fee" equal to $0.15 per ton of limerock and sand sold within the Miami-Dade County Lake Belt Area. The fee became effective January 1, 2007 and was supposed to remain in effect until the total proceeds collected reach the actual amount necessary to design and construct the necessary water treatment plant upgrades. Such amount is to be determined in an open, public solicitation. The water treatment plant upgrade will consist of upgrading the filtration and disinfection processes to meet the requirements of the Surface Water Rule. The Department has hired a consultant to design the necessary upgrades to the water treatment plant. In 2011, the Florida Legislature authorized the temporary diversion of the water treatment plant upgrade fee to be used to pay for seepage mitigation projects, including groundwater or surface water management structures designed to improve wetland habitat. This diversion will continue until a total of $20 million has been diverted or until the State makes an actual determination of groundwater being under the direct influence of surface water, at which point the funds will be re-directed to the Department to advance the surface water treatment project.

Stage 1 and Stage 2 DBP Rules. The Disinfectants and Disinfection Byproducts Rule (the "DBPR") regulates disinfection byproducts ("DBPs"), which are formed when chlorine reacts with naturally occurring organic constituents in drinking water. The Stage 1 DBPR was promulgated by the EPA in December 1998, and became effective in January 2004.

The Department determined that the John E. Preston Water Treatment Plant is the only plant requiring modifications in order to consistently produce a system-wide water supply that complies with the Stage 1 DBPR. The Department identified the required process upgrades (high pH ferric enhanced softening) and has completed construction of the upgrades.

Construction of the plant modifications to comply with the Stage 1 DBPR began in December 2000 with an original target completion date of December 1, 2002. The Department utilized the available remedies allowed by the contract to ensure that the contractor expedited completion of the work; however, construction was delayed past the expedited completion date.

Recognizing that delays in construction would extend completion of the work beyond the effective date of the Stage 1 DBPR, the Department developed alternate measures to achieve regulatory compliance. The Department successfully implemented an alternate pretreatment approach at the John E. Preston Water Treatment Plant prior to January 2004, the effective date of the Stage 1 DBPR.

On January 4, 2006, the EPA published the final Stage 2 DBPR to provide increased protection from the potential health risks associated with DBPs. The Stage 2 compliance schedule is based on population served. The Stage 2 DBPR builds on the Stage 1 DBPR and includes the following additional requirements:

- Initial distribution system evaluations ("IDSE") to identify compliance monitoring locations with the high disinfection DBPs. The purpose of the IDSE is to determine locations of high total trihalomethanes and haloacetic acids. The results are used in conjunction with the Stage 1 DBPR compliance monitoring to identify and select Stage 2 DBPR compliance monitoring locations.
- Compliance is based on Locational Running Annual Averages, which averages the sample analytical results for water samples taken at a particular monitoring location during the previous calendar quarters.
- Requirements are specified for consecutive systems, which will apply to the Department's wholesale customers.

The Department has submitted a Standard Monitoring Plan ("SMP") for the main system, in accordance with the IDSE requirements. The EPA approved the SMP for the main system on March 14, 2007. The SMP for the South Dade System was submitted August 27, 2007 and the EPA approved it on August 13, 2008. The Department is in compliance with this rule.

Ground Water Rule. On November 8, 2006, the EPA published the Ground Water Rule ("GWR"). The purpose of this rule is to provide for increased protection against microbial pathogens in public water systems that use ground water sources. The compliance date for triggered monitoring or alternately 4-log virus treatment and associated compliance monitoring is December 1, 2009. If the Department did not have approval from the State for 4-log treatment of viruses and an approved compliance plan to show the effectiveness of such treatment, triggered monitoring of source water (wells) would be required, if there is a positive total coliform indicator in the water distribution system. On November 30, 2009, the Florida Department of Health determined that all of the Department's water treatment plans meet the 4-log virus treatment requirement and approved the monitoring plans.

Aquifer Storage and Recovery Permit Violation. On March 15, 2002, FDEP issued a Notice of Non-compliance to the Department alleging that at the time of an underground injection control inspection, the ASR system at the Southwest Wellfield was in recharge mode of operation without FDEP approval. In accordance with the construction permit, the Department was required to obtain a written authorization prior to operating the wells. The Department was operating the ASR wells to troubleshoot the injection equipment. Following the inspection, the Department provided data to FDEP demonstrating that the water that was injected into the ASR system met primary drinking water standards as required by the permit operational testing

conditions. On June 20, 2006, the Board approved a Consent Order with FDEP imposing civil penalties in the amount of $247,100 and $35,000 for costs and expenses incurred by FDEP. The Board also approved the option of implementing an in-kind project in the amount of $370,650 in lieu of making a full cash payment for the civil penalties. An in-kind project was approved by FDEP and has been completed by the Department. The final report on the in-kind project was submitted by the Department to FDEP on June 5, 2009.

**Sewer System**

South District Wastewater Treatment Plant Consent Orders. In July 1994, the Department detected the presence of ammonia and total Kjeldahl nitrogen ("TKN") in monitoring wells at the South District Wastewater Treatment Plant. The presence of those chemicals could indicate movement of effluent from the injection zone due to lack of geologic confinement, or it could be the result of injection well or monitoring well failure or other factors. Ammonia and TKN can be attributed to sewage effluent or other causes. Nevertheless, the presence of the chemicals detected by the Department does not create a health or environmental risk.

Following extensive negotiations and mediation, on March 5, 2003, the Department and FDEP reached an agreement on a Consent Order, which was approved by the Board on July 22, 2003. The Consent Order became effective on April 29, 2004 and allows an increase in the capacity of the South District Wastewater Treatment Plant from 97 million gallons per day ("mgd") to 112.5 mgd and the use of four existing wells.

The Consent Order requires the County to treat sewage effluent to meet the FDEP High Level Disinfection ("HLD") criteria prior to injection. The FDEP-approved HLD treatment process consists of filtration and chlorination. On the effective date of the Consent Order, the County commenced the process of procuring, permitting, designing, funding and constructing a HLD treatment upgrade for 112.5 mgd with a peaking factor of 2.53, or 285 MGD. The current estimated costs for these projects are $600 million. Construction of the required facilities is now well underway, and the consent order has been amended to extend the completion deadline to April 1, 2014. Actual completion of the entire project is now forecast for 2013.

In addition to the Consent Order requirements, on December 6, 2005, the EPA promulgated revisions to the Federal Underground Injection Control ("UIC") Requirements for Class I Municipal Disposal Wells in Florida. The UIC rule provides a regulatory alternative for the operators of Class I municipal disposal wells in specific areas of Florida that have caused or may cause movement of fluid into underground sources of drinking water. The HLD project now under construction will enable the Department to fully comply with these requirements.

South District Wastewater Treatment Plant Administrative Order. On March 8, 2007, FDEP issued an operating permit for the South District Wastewater Treatment Plant along with an Administrative Order to establish a compliance schedule for submittal of an updated Reuse Feasibility Study; design and construction of the HLD facilities and septage/grease receiving facilities; conduct studies for odor control; and develop a protocol to obtain proportionate composite sampling for the injection wells. The Department is in compliance with the Administrative Order.

Sewer System Settlement Agreements and Consent Decrees.

*Systemwide Settlement Agreement.* In 1993, the County and the FDEP entered into a settlement agreement (the "Systemwide Settlement Agreement"), which requires the County to: (1) make improvements to the Central District Plant to reduce odors; (2) make improvements to its wastewater treatment plants so as to increase capacity according to a schedule set forth in the Systemwide Settlement Agreement; (3) improve its collection and transmission system according to a schedule set forth in the Systemwide Settlement Agreement; (4) conduct studies regarding inflow/infiltration/exfiltration rehabilitation and pump station capacity according to a schedule set forth in the Systemwide Settlement Agreement; (5) implement procedures for taking corrective action with respect to spills, and (6) make certain short-term capacity improvements. The System-wide Settlement Agreement was closed on September 1, 2011.

*First Partial Consent Decree.* In 1993, the County executed a First Partial Consent Decree (the "First Partial Consent Decree") with the U.S. to resolve an EPA action, which included allegations involving the use of a 72-inch force main that traverses Biscayne Bay from downtown Miami to the Central District Plant on Virginia Key (the "Original Cross-Bay Line") and the unpermitted discharge of untreated wastewater from the Department's Sewer System. The First Partial Consent Decree was approved by the District Court on January 13, 1994. Under the terms of the First Partial Consent Decree, the County was required to (i) construct a new force main (the "New Cross-Bay Line") to replace the Original Cross-Bay Line, (ii) cease the flow of untreated wastewater through the Original Cross-Bay Line no later than thirty (30) days after completion of the New Cross-Bay Line and (iii) construct a new force main from the 9th Street Pump Station to the 4th Street Pump Station. The County completed construction of the two new force mains and stopped using the Original Cross-Bay Line to carry untreated wastewater, all within the deadlines established under the First Partial Consent Decree.

The First Partial Consent Decree, which remains in effect, also requires that prior to any new sewer service connection, the County must certify that adequate transmission and treatment capacity exists at the time the treatment plant receives the new flow. Where capacity does not exist, the County will be required to either provide adequate capacity or restrict connections. At the present time, the County remains in compliance with the First Partial Consent Decree.

*Second and Final Partial Consent Decree.* In 1995, the County executed a Second and Final Partial Consent Decree (the "Second and Final Partial Consent Decree") with respect to the Sewer System. Under the terms of the Second and Final Partial Consent Decree, the County is required to: (1) implement an infiltration and inflow inspection and rehabilitation program to reduce infiltration/inflow within the County's Sewer System; (2) minimize unauthorized storm water sewer connections; (3) implement a program to inspect and rehabilitate the County's sewage pump stations; (4) institute a remote monitoring system for the County's pump stations; (5) implement interim and long-term sewage collection system operating plans; (6) modify the County's maintenance program; (7) create an inventory of critical spare parts; (8) install and maintain a computerized collection and transmission system model; (9) develop and implement a treatment plant optimization program; (10) undertake a pump station upgrade and collection system improvement program (Peak Flow Management Plan); and (11) notify the EPA within twenty-four hours of any unauthorized discharge of wastewater into any surface water body. Pursuant to the Second and Final Partial Consent Decree, the Board enacted an ordinance

requiring the County's wholesale sewer customers to implement collection and transmission remedial programs similar to those agreed to by the County in the Second and Final Partial Consent Decree.

The Department has met all deliverable submission deadlines under the Second and Final Partial Consent Decrees (numbering more than one thousand to date). During the life of these Consent Decrees, more than $1.8 billion have been invested in improving the capacity and reliability of the wastewater collection and treatment systems.

Currently, the Department is negotiating a new consent decree with EPA and DEP that is planned to replace the existing consent decrees and shift the focus of the Department's efforts to addressing aging infrastructure at its plants and within the collection system. Under the existing consent decree, substantial progress has been made to improve system capacity to virtually eliminate capacity-related sanitary sewer system overflows. However, a number of pipeline failures and plant component failures have resulted in system overflows. It is anticipated that a new consent decree will be in place by the first or second quarter of 2013 and that a schedule of infrastructure upgrades and replacements will be a central feature of that consent agreement.

On November 13, 2012, a suit was filed in federal court on behalf of The Biscayne Bay Waterkeeper and a resident of the Village of Key Biscayne seeking to intervene in the First Partial and Second and Final Partial Consent Decrees and alleging that the County has failed to comply with the Consent Decrees. This litigation is pending at this time and could be carried over to the new consent decree if and when the Department of Justice files the complaint that would be addressed by the new consent decree.

Sewer System Overflow Violations. Any unpermitted discharge from wastewater collection and treatment systems constitutes a violation of the Clean Water Act and can be subject to both federal and state enforcement action. Overflows may occur as the result of inadequate capacity, line blockages, construction and vandalism, pipeline failures due to age or corrosion, and equipment failures at pump stations and treatment plants. Enforcement actions can take the form of financial penalties, administrative order to correct conditions, or litigation leading either to consent decrees or judicial orders. Enforcement agencies use discretion in determining an appropriate remedy that may take into account the nature, volume, cause and environmental or public health impact of overflows. In 2001, the State of Florida enacted the Environmental Litigation Reform Act ("ELRA"), which allowed FDEP to address environmental cases with penalties of less than $10,000 through administrative proceedings. ELRA also established a mechanism for mediation at no cost to respondents. FDEP began implementation of ELRA in 2003. During the past five years the Department has paid approximately $45,000 in overflow penalties pursuant to this program. The consent decree currently being negotiated will include a civil penalty to account for overflows not previously included in the FDEP penalty program. During the five years between 2007 and 2011, the Department experienced annual overflow events ranging from 126 overflows result from line blockages. During the same period, the total estimated volume of overflows ranged from 1.8 million gallons in 2007 to 24.9 million gallons in 2010 (which included a single 72 inch force main failure that accounted for 20 million gallons of wastewater). Pipeline failures have accounted for the largest volume of sewer system overflows, confirming the need for infrastructure replacement.

## REPORT OF CONSULTING ENGINEER

The County has retained Black & Veatch, Miami, Florida, as its consulting engineer to develop reports relating to the Utility, the MYCP and certain financial matters. Planning and Economics Group, Inc., Miami, Florida, serves as a sub-consultant to Black & Veatch. Black & Veatch, along with Planning and Economics Group, Inc. (collectively, the "Consulting Engineer"), have prepared the Consulting Engineer's Report included as APPENDIX A to this Official Statement, which is included in this Official Statement in reliance upon the authority of such firm as experts in engineering and related financial matters. The Consulting Engineer's Report should be read in its entirety for a complete discussion of asset condition, operating revenues, expenses of operation and maintenance and the assumptions and rationale underlying its forecast. To the extent that actual conditions differ from those assumed in preparing such forecasted amounts, the actual results will vary from those shown therein.

The Consulting Engineer has formed certain opinions and reached certain conclusions as a result of the analyses performed and described in the Consulting Engineer's Report. These conclusions and opinions include, but are not limited to, the following:

- Based on the assumptions applied in developing the financial projections and described in the Consulting Engineer's Report, the Department is expected to yield projected Pledged Revenues to meet the payment or deposit requirements of:
  - all expenses of the Department related to operation, maintenance, repair and replacement;
  - all reserve funds required to be established out of such Pledged Revenues;
  - the principal and interest on all Outstanding Bonds and Subordinate Obligations issued under the Master Ordinance, including the Series 2013 Bonds, for which such Pledged Revenues are pledged, as the same become due and payable; and
  - the rate covenant set forth in Section 602 of the Master Ordinance.
- Based on physical inspections and investigations described in the Consulting Engineer's Report, the water and sewer systems are in adequate to good operating condition, with steps being taken to address the Department's renewal and replacement needs to return such systems to good operating condition.
- The water and sewer infrastructure, together with planned system improvements, will provide the Department with adequate water and sewer capacity to meet current and near term demands in the service area through Fiscal Year 2018.
- The Department is in compliance with the milestones and other restrictions imposed under the Consent Order, the Systemwide Settlement Agreement, the First Partial Consent Decree and the Second and Final Partial Consent Decree.

## LITIGATION

The County is a defendant from time to time in various lawsuits. No litigation questioning the corporate existence of the County or the right of its officials to their respective offices, or questioning or affecting the validity of the Series 2013 Bonds or the Bond Ordinance is pending. Furthermore, to the knowledge of the Office of the County Attorney, no litigation that would materially or adversely affect the ability of the County to consummate its obligations under the Bond Ordinance, including its payment obligations thereunder, is threatened.

## ENFORCEABILITY OF REMEDIES

The remedies available to the owners of the Series 2013 Bonds upon an Event of Default under the Bond Ordinance are in many respects dependent upon regulatory and judicial actions that are often subject to discretion and delay. Under existing laws and judicial decisions, the remedies provided for under the Bond Ordinance may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2013 Bonds will be qualified to the extent that the enforceability of certain legal rights related to the Series 2013 Bonds is subject to various limitations including those imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the enforcement of creditors' rights generally and by equitable remedies and proceedings generally.

## TAX MATTERS

### General

In the opinion of Squire Sanders (US) LLP and D. Seaton and Associates, Bond Counsel, under existing law: (i) interest on the Series 2013 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; and (ii) the Series 2013 Bonds and the income thereon are exempt from taxation under the laws of the State of Florida, except estate taxes imposed by Chapter 198, Florida Statutes, as amended, and net income and franchise taxes imposed by Chapter 220, Florida Statutes, as amended. Bond Counsel expresses no opinion as to any other tax consequences regarding the Series 2013 Bonds.

The opinion on tax matters will be based on and will assume the accuracy of certain representations and certifications, and continuing compliance with certain covenants, of the County contained in the transcript of proceedings and that are intended to evidence and assure the foregoing, including that the Series 2013 Bonds are and will remain obligations the interest on which is excluded from gross income for federal income tax purposes. Bond Counsel will not independently verify the accuracy of the County's representations and certifications or the continuing compliance with the County's covenants.

The opinion of Bond Counsel is based on current legal authority and covers certain matters not directly addressed by such authority. It represents Bond Counsel's legal judgment as to exclusion of interest on the Series 2013 Bonds from gross income for federal income tax

purposes but is not a guaranty of that conclusion. The opinion is not binding on the Internal Revenue Service ("IRS") or any court. Bond Counsel expresses no opinion about (i) the effect of future changes in the Code and the applicable regulations under the Code or (ii) the interpretation and the enforcement of the Code or those regulations by the IRS.

The Code prescribes a number of qualifications and conditions for the interest on state and local government obligations to be and to remain excluded from gross income for federal income tax purposes, some of which require future or continued compliance after issuance of the obligations. Noncompliance with these requirements by the County may cause loss of such status and result in the interest on the Series 2013 Bonds being included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2013 Bonds. The County has covenanted to take the actions required of it for the interest on the Series 2013 Bonds to be and to remain excluded from gross income for federal income tax purposes, and not to take any actions that would adversely affect that exclusion. After the date of issuance of the Series 2013 Bonds, Bond Counsel will not undertake to determine (or to so inform any person) whether any actions taken or not taken, or any events occurring or not occurring, or any other matters coming to Bond Counsel's attention, may adversely affect the exclusion from gross income for federal income tax purposes of interest on the Series 2013 Bonds or the market value of the Series 2013 Bonds.

A portion of the interest on the Series 2013 Bonds earned by certain corporations may be subject to a federal corporate alternative minimum tax. In addition, interest on the Series 2013 Bonds may be subject to a federal branch profits tax imposed on certain foreign corporations doing business in the United States and to a federal tax imposed on excess net passive income of certain S corporations. Under the Code, the exclusion of interest from gross income for federal income tax purposes may have certain adverse federal income tax consequences on items of income, deduction or credit for certain taxpayers, including financial institutions, certain insurance companies, recipients of Social Security and Railroad Retirement benefits, those that are deemed to incur or continue indebtedness to acquire or carry tax-exempt obligations, and individuals otherwise eligible for the earned income tax credit. The applicability and extent of these and other tax consequences will depend upon the particular tax status or other tax items of the owner of the Series 2013 Bonds. Bond Counsel will express no opinion regarding those consequences.

Payments of interest on tax-exempt obligations, including the Series 2013 Bonds, are generally subject to IRS Form 1099-INT information reporting requirements. If a Series 2013 Bond owner is subject to backup withholding under those requirements, then payments of interest will also be subject to backup withholding. Those requirements do not affect the exclusion of such interest from gross income for federal income tax purposes.

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the State legislature. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Series 2013 Bonds. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Series 2013 Bonds will not have an adverse effect on the tax status of interest on the Series 2013 Bonds or the market value or marketability of the Series 2013 Bonds. These adverse effects could result, for example, from changes to federal or state

income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction in the benefit) of the exclusion of interest on the Series 2013 Bonds from gross income for federal or state income tax purposes for all or certain taxpayers.

For example, both the American Jobs Act of 2011 proposed by President Obama on September 12, 2011, and introduced into the Senate on September 13, 2011, and the federal budget for fiscal year 2013 as proposed by President Obama on February 13, 2012, contain provisions that could, among other things, result in additional federal income tax for tax years beginning after 2012 on taxpayers that own tax-exempt obligations, including the Series 2013 Bonds, if they have incomes above certain thresholds.

Prospective purchasers of the Series 2013 Bonds should consult their own tax advisers regarding pending or proposed federal and state tax legislation and court proceedings, and prospective purchasers of the Series 2013 Bonds at other than their original issuance at the respective prices indicated on the inside cover of this Official Statement should also consult their own tax advisers regarding other tax considerations such as the consequences of market discount, as to all of which Bond Counsel expresses no opinion.

Bond Counsel's engagement with respect to the Series 2013 Bonds ends with the issuance of the Series 2013 Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the County or the owners of the Series 2013 Bonds regarding the tax status of interest thereon in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the Series 2013 Bonds, under current IRS procedures, the IRS will treat the County as the taxpayer and the beneficial owners of the Series 2013 Bonds will have only limited rights, if any, to obtain and participate in judicial review of such audit. Any action of the IRS, including but not limited to selection of the Series 2013 Bonds for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the market value of the Series 2013 Bonds.

**Original Issue Discount and Original Issue Premium**

Certain of the Series 2013 Bonds ("Discount Series 2013 Bonds") as indicated on the inside cover of this Official Statement were offered and sold to the public at an original issue discount ("OID"). OID is the excess of the stated redemption price at maturity (the principal amount) over the "issue price" of a Discount Series 2013 Bond. The issue price of a Discount Series 2013 Bond is the initial offering price to the public (other than to bond houses, brokers or similar persons acting in the capacity of underwriters or wholesalers) at which a substantial amount of the Discount Series 2013 Bonds of the same maturity is sold pursuant to that offering. For federal income tax purposes, OID accrues to the owner of a Discount Series 2013 Bond over the period to maturity based on the constant yield method, compounded semiannually (or over a shorter permitted compounding interval selected by the owner). The portion of OID that accrues during the period of ownership of a Discount Series 2013 Bond (i) is interest excluded from the owner's gross income for federal income tax purposes to the same extent, and subject to the same considerations discussed above, as other interest on the Series 2013 Bonds, and (ii) is added to the owner's tax basis for purposes of determining gain or loss on the maturity,

redemption, prior sale or other disposition of that Discount Series 2013 Bond. The amount of OID that accrues each year to a corporate owner of a Discount Series 2013 Bond is taken into account in computing the corporation's liability for federal alternative minimum tax. A purchaser of a Discount Series 2013 Bond in the initial public offering at the price for that Discount Series 2013 Bond stated on the inside cover of this Official Statement who holds that Discount Series 2013 Bond to maturity will realize no gain or loss upon the retirement of that Discount Series 2013 Bond.

Certain of the Series 2013 Bonds ("Premium Series 2013 Bonds") as indicated on the inside cover of this Official Statement were offered and sold to the public at a price in excess of their stated redemption price at maturity (the principal amount). That excess constitutes bond premium. For federal income tax purposes, bond premium is amortized over the period to maturity of a Premium Series 2013 Bond, based on the yield to maturity of that Premium Series 2013 Bond (or, in the case of a Premium Series 2013 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 Series 2013 Bond), compounded semiannually. No portion of that bond premium is deductible by the owner of a Premium Series 2013 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 Series 2013 Bond, the owner's tax basis in the Premium Series 2013 Bond is reduced by the amount of bond premium that is amortized 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 Series 2013 Bond for an amount equal to or less than the amount paid by the owner for that Premium Series 2013 Bond. A purchaser of a Premium Series 2013 Bond in the initial public offering at the price for that Premium Series 2013 Bond stated on the inside cover of this Official Statement who holds that Premium Series 2013 Bond to maturity (or, in the case of a callable Premium Series 2013 Bond, to its earlier call date that results in the lowest yield on that Premium Series 2013 Bond) will realize no gain or loss upon the retirement of that Premium Series 2013 Bond.

***Owners of Discount Series 2013 Bonds and Premium Series 2013 Bonds should consult their own tax advisers as to the determination for federal income tax purposes of the amount of OID or bond premium properly accruable or amortizable in any period with respect to the Discount Series 2013 Bonds or Premium Series 2013 Bonds and as to other federal tax consequences and the treatment of OID and bond premium for purposes of state and local taxes on, or based on, income.***

## DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS

Florida law requires the County to make a full and fair disclosure of any bonds or other debt obligations which it has issued or guaranteed and which are or have been in default as to principal or interest at any time after December 31, 1975 (including bonds or other debt obligations for which it has served as a conduit issuer). Florida law further provides, however, that if the County in good faith believes that such disclosures would not be considered material by a reasonable investor, such disclosures may be omitted. The County is not and has not been in default as to principal and interest on bonds or other debt obligations which it has issued as the principal obligor or guarantor.

There are several special purpose governmental authorities of the County that serve as conduit issuers of private activity bonds for purposes such as housing, industrial development and health care. Defaults have occurred in connection with some of those private activity bonds; however, such defaults affect only the defaulted issues and have no effect on the payment of the Series 2013 Bonds. The County has no obligation to pay such bonds and the conduit issuers had only a limited obligation to pay such bonds from the payments made by the underlying obligors with respect to such issues. Therefore, the County in good faith believes that defaults relating to conduit issuers are not material with regard to the Series 2013 Bonds and any disclosure concerning any defaults of conduit financings is not necessary.

## CONTINUING DISCLOSURE

The County has covenanted in the Series 2013 Resolution, in accordance with the provisions of, and to the degree necessary to comply with, the secondary disclosure requirements of Rule 15c2-12 (the "Rule") of the Securities and Exchange Commission ("SEC"), to provide or cause to be provided for the benefit of the beneficial owners of the Series 2013 Bonds to the Municipal Securities Rulemaking Board (the "MSRB") in an electronic format prescribed by the MSRB and such other municipal securities information repository as may be required by law or applicable regulation, from time to time, the information set forth in the Series 2013 Resolution (the "Annual Information"), commencing with the Fiscal Year ending September 30, 2013. *See* "APPENDIX D – THE BOND ORDINANCE."

The County has selected Digital Assurance Certification, L.L.C. ("DAC") to serve as the County's disclosure dissemination agent for purposes of filing the Annual Information as required by Rule 15c2-12 with the MSRB in an electronic format prescribed by the MSRB. During any period that DAC or any other party is acting as disclosure dissemination agent for the County with respect to the County's continuing disclosure obligations, the County will comply with the provisions of any agreement by and between the County and any such disclosure dissemination agent.

The County has reserved the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the County; provided that the County has agreed that any modification will be done in a manner consistent with the Rule. During the past five years, the County has not failed to comply with any prior agreements to provide continuing disclosure pursuant to Rule 15c2-12.

## RATINGS

[S&P and Moody's have assigned long term ratings of "_____"and "_____", respectively, to the Series 2013 Bonds, with the understanding that, upon delivery of the Series 2013 Bonds, the Bond Insurance Policy will be issued by the Bond Insurer. *See* "BOND INSURANCE."]

The [uninsured] Series 2013 Bonds have been assigned long-term ratings, and the Insured Bonds have been assigned underlying long-term ratings, of _____, _____ and _____ by S&P, Moody's and Fitch, respectively, [without regard to the Bond Insurance Policy to be issued by

the Bond Insurer]. Such ratings, including any related outlook with respect to potential changes in such rating, reflect only the views of such organizations and are not a recommendation to buy, sell or hold the Series 2013 Bonds. An explanation of the procedures and methodology used by each rating agency and the significance of such ratings should be obtained from the rating agency furnishing the same, at the following addresses: Standard & Poor's Ratings Service, 55 Water Street, New York, New York 10041; Moody's Investors Service, Inc., 7 World Trade Center, 250 Greenwich Street, 23rd Floor, New York, New York 10007; and Fitch Ratings, One State Street Plaza, New York, New York 10004. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that any such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the rating agencies concerned, if in the judgment of such rating agencies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Series 2013 Bonds.

## INDEPENDENT ACCOUNTANTS

The financial statements of the Department for the Fiscal Year ended September 30, 2012, included in APPENDIX C were audited by Marcum, LLP, independent certified public accountants. Marcum, LLP (1) has not been engaged to perform, and has not performed since the date of its report on such financial statements, any procedures with respect to such financial statements and (2) has not performed any procedures relating to this Official Statement. The consent of Marcum, LLP for the use of the financial statements herein has not been sought. *See* "APPENDIX C – Audited Financial Report of the Miami-Dade Water and Sewer Department for Fiscal Year Ended September 30, 2012."

## FINANCIAL ADVISOR

Public Resources Advisory Group, St. Petersburg, Florida, is the Financial Advisor to the County with respect to the issuance and sale of the Series 2013 Bonds. The Financial Advisor has assisted the County in the preparation of this Official Statement and has advised the County as to other matters relating to the planning, structuring and issuance of the Series 2013 Bonds. The Financial Advisor is not obligated to undertake and has not undertaken to make an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement.

Public Resources Advisory Group is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal or other public securities.

## UNDERWRITING

Morgan Stanley & Co. LLC, as representative, and the other underwriters listed on the cover page (collectively, the "Underwriters"), have agreed pursuant to a bond purchase agreement between the County and the Underwriters with respect to the Series 2013 Bonds, subject to certain conditions, to purchase the Series 2013A Bonds from the County a purchase

price equal to the par amount of the Series 2013A Bonds less an underwriters' discount of $_____ plus/minus net original issue premium/discount of $_____. The Underwriters have agreed pursuant to a bond purchase agreement between the County and the Underwriters with respect to the Series 2013 Bonds, subject to certain conditions, to purchase the Series 2013B Bonds from the County a purchase price equal to the par amount of the Series 2013B Bonds less an underwriters' discount of $_____ plus/minus net original issue premium/discount of $_____. The initial public offering prices and yields set forth on the inside cover of this Official Statement may be changed by the Underwriters and the Series 2013 Bonds may be offered and sold to certain dealers (including dealers depositing such Series 2013 Bonds into investment trusts) and others at the prices lower than or yields higher than such public offering yields. The Underwriters reserve the right to over allot or effect transactions that stabilize or maintain the market prices of the Series 2013 Bonds at levels above that which might otherwise prevail in the open market and to discontinue such stabilizing, if commenced, at any time.

Morgan Stanley, the parent company of Morgan Stanley & Co. LLC, the Underwriter of the Series 2013 Bonds has entered into a retail brokerage joint venture with Citigroup Inc. As part of the joint venture Morgan Stanley & Co. LLC will distribute municipal securities to retail investors through the financial advisor network of a new broker-dealer, Morgan Stanley Smith Barney LLC. This distribution arrangement became effective on June 1, 2009. As part of this arrangement, Morgan Stanley & Co. LLC will compensate Morgan Stanley Smith Barney LLC for its selling efforts in connection with its allocations of the Series 2013 Bonds.

## EXPERTS

The report of the Consulting Engineer to the Department included in APPENDIX A to this Official Statement was prepared by Black & Veatch, Miami, Florida, and Planning and Economics Group, Inc., Miami, Florida in connection with the Series 2013 Bonds.

## LEGAL MATTERS

Certain legal matters incident to the issuance of the Series 2013 Bonds, and with regard to the tax-exempt status of the interest on the Series 2013 Bonds (see "TAX MATTERS") are subject to the legal opinions of Squire Sanders (US) LLP, Miami, Florida, and D. Seaton and Associates, Miami, Florida, Bond Counsel to the County, copies of whose legal opinions will be delivered with the Series 2013 Bonds. Certain other legal matters will be passed upon for the County by the Office of the Miami-Dade County Attorney. Certain legal matters relating to disclosure will be passed upon for the County by Nabors, Giblin & Nickerson, P.A., Tampa, Florida and Liebler, Gonzalez & Portuondo, P.A., Miami, Florida, Disclosure Counsel. GrayRobinson, P.A., Tampa, Florida, is acting as counsel to the Underwriters solely for the purposes of preparing the bond purchase agreement and any agreements among the Underwriters and rendering an opinion that the Series 2013 Bonds are exempt from registration pursuant to the Securities Act of 1933, as amended, and the Series 2013 Resolution is not required to be qualified under the Trust Indenture Act of 1939, as amended; and they have not been asked to and are not passing on the accuracy or completeness of this Official Statement.

The proposed text of the legal opinions of Bond Counsel is set forth as APPENDIX F to this Official Statement. The proposed text of the legal opinion to be delivered to the County by Disclosure Counsel is set forth as APPENDIX G to this Official Statement. The actual legal opinions to be delivered may vary from the text of APPENDIX F or APPENDIX G, as the case may be, if necessary, to reflect facts and law on the date of delivery of the Series 2013 Bonds.

While Bond Counsel has participated in the preparation of certain portions of this Official Statement, it has not been engaged by the County to confirm or verify, and except as may be set forth in the opinions of Bond Counsel delivered to the Underwriters, expresses and will express no opinion as to the accuracy, completeness or fairness of any statements in this Official Statement, or in any other reports, financial information, offering or disclosure documents or other information pertaining to the County or the Series 2013 Bonds that may be prepared or made available by the County, the Underwriters or others to the Holders of the Series 2013 Bonds or other parties.

The legal opinions of Bond Counsel, Disclosure Counsel and the Office of the Miami-Dade County Attorney are based on existing law, which is subject to change. Such legal opinions are further based on factual representations made to Bond Counsel, Disclosure Counsel and the Office of the Miami-Dade County Attorney as of the date thereof. Bond Counsel, Disclosure Counsel and the Office of the Miami-Dade County Attorney 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.

The legal opinions to be delivered concurrently with the delivery of the Series 2013 Bonds express the professional judgment of the attorneys rendering the opinions regarding the legal issues expressly addressed therein. 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.

## CERTIFICATE CONCERNING THE OFFICIAL STATEMENT

Concurrently with the delivery of the Series 2013 Bonds, the County will furnish its certificate, executed by the County's Finance Director and the Department's Director to the effect that, to the best of their knowledge, this Official Statement, as of its date and as of the date of delivery of the Series 2013 Bonds, does not contain any untrue statement of material fact and does not omit any material fact that should be included herein for the purpose for which the Official Statement is to be used, or which is necessary to make the statements contained herein, in light of the circumstances under which they were made, not misleading.

## MISCELLANEOUS

References to the Bond Ordinance and certain other contracts, agreements and other materials not purporting to be quoted in full are brief outlines of certain provisions and do not purport to summarize or describe all the provisions of such documents. Reference is hereby

made to such documents and other materials for the complete provisions, copies of which will be furnished by the County upon written request.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. Statements in this Official Statement, while not guaranteed, are based upon information which the County believes to be reliable.

The delivery of this Official Statement by the County has been duly authorized by the Board.

[Remainder of Page Intentionally Left Blank]

# APPENDIX A

# CONSULTING ENGINEER'S REPORT

# APPENDIX B

## GENERAL INFORMATION RELATIVE TO MIAMI-DADE COUNTY, FLORIDA

# APPENDIX C

## AUDITED FINANCIAL REPORT OF THE MIAMI-DADE WATER AND SEWER DEPARTMENT FOR FISCAL YEAR ENDED SEPTEMBER 30, 2012

# APPENDIX D

# THE BOND ORDINANCE

# APPENDIX E

## SCHEDULE OF WATER AND SEWER RATES
## MIAMI-DADE WATER AND SEWER DEPARTMENT
## SCHEDULE OF RATES

# APPENDIX F

# PROPOSED FORM OF OPINION OF BOND COUNSEL

# APPENDIX G

## PROPOSED FORM OF OPINION OF DISCLOSURE COUNSEL

[APPENDIX H

SPECIMEN OF MUNICIPAL BOND INSURANCE POLICY]