

Memorandum



Date: April 21, 2015

To: Honorable Chairman Jean Monestime
and Members, Board of County Commissioners

From: Carlos A. Gimenez
Mayor 

Subject: Resolution Authorizing the Issuance of Miami-Dade County, Florida Water and Sewer System Revenue Refunding Bonds, Series 2015 in an Aggregate Principal Amount Not to Exceed \$550,000,000

Agenda Item No. 8(D)(3)

Recommendation

It is recommended that the Board of County Commissioners (Board) approve the accompanying resolution (Series 2015 Resolution), which authorizes the following:

- Issuance of Miami-Dade County, Florida Water and Sewer System Revenue Refunding Bonds, Series 2015 (the Series 2015 Bonds), in an aggregate principal amount not to exceed \$550,000,000;
- Funding the cost of issuance, underwriter's discount and a credit facility or reserve account credit facility, if any, and funding the reserve requirement, if any, with proceeds of the Series 2015 Bonds or through the purchase of a reserve fund surety;
- Finalizing the terms of the negotiated sale by the County Mayor or County Mayor's Designee including terms not set forth in the Series 2015 Resolution after consultation with the financial advisor, County Attorney and Bond Counsel, securing credit facilities or reserve account credit facilities if economically feasible, and selecting and appointing a registrar, paying agent, escrow agent and a verification agent; and
- Waives Resolution No. R-130-06 because the sale of the Series 2015 Bonds, which will set the final terms, will not occur until after the effective date of the Series 2015 Resolution.

The Series 2015 Bonds are being issued to advance refund through a negotiated sale all or a portion of the outstanding Miami-Dade County, Florida Water and Sewer Revenue Bonds, Series 2007, the Series 2008C and any other bonds currently outstanding under the Master Ordinance that meet the requirements of Resolution No. R-1313-09 (Refunded Bonds).

Scope

The scope of the refunding transaction is countywide.

Track Record/Monitoring

Annual debt service payments and continuing disclosure will be managed by Frank P. Hinton, Director of the Bond Administration Division in the Finance Department. Frances G. Morris, Assistant Director of Finance with the Water and Sewer Department, will manage funding of the debt service payments and debt compliance monitoring.

Fiscal Impact/Funding Source

The fiscal impact of the proposed transaction is positive. Based on market conditions as of March 11, 2015, the proposed refunding generates a nominal debt service savings of approximately \$37.8 million with an average annual debt service savings of \$3.4 million per year over the life of the Series 2015 Bonds. The nominal savings equates to a net present value savings of \$31.9 million or 6.37 percent of the outstanding par amount of the Refunded Bonds. Consistent with the County's refunding policy established by Resolution No. R-1313-09, the net present value savings to be achieved by issuing the Series 2015 Bonds exceeds the five (5) percent threshold requirement, and the final maturity of the Series 2015 Bonds does not exceed the final maturity of the Refunded Bonds.

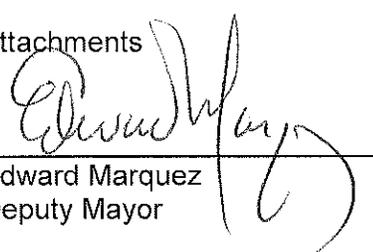
Attachment 1 includes a Sources and Uses of Proceeds statement which identifies the cost of issuance estimated at \$4 million, of which \$2.4 million represents the underwriter's discount. Attachment 1 also reflects the fixed rate structure (interest paid semi-annually) for the Series 2015 Bonds and includes a comparison of the current debt service on the Refunded Bonds with the estimated debt service of the proposed Series 2015 Bonds in order to demonstrate the savings. An update to Attachment 1 will be provided to the Board prior to its final consideration of this item and again after the Series 2015 Bonds are priced and awarded to the underwriters. The Series 2015 Bonds are expected to be issued in early June 2015.

Background

The Water and Sewer Department is commencing a significant multi-year capital improvement plan. Therefore, it is in the County's best interest to refund all or a portion of the Refunded Bonds in order to achieve debt service savings, which will help offset future debt service increases.

Resolution No. R-130-06 provides that any County contract with a third party be finalized and executed prior to its placement on a committee agenda. The sale of the Series 2015 Bonds, which will set their final terms, will not occur until after the effective date of the Series 2014 Resolution in order to provide the County maximum flexibility when in the market. Therefore, a waiver of Resolution R-130-06 is required.

Attachments



Edward Marquez
Deputy Mayor

SOURCES AND USES OF FUNDS

Miami-Dade County, Florida
Water and Sewer Refunding Revenue Bonds, Series 2015
Indicative Rates as of March 11, 2015

Dated Date 06/03/2015
Delivery Date 06/03/2015

Sources:

Bond Proceeds:	
Par Amount	479,375,000.00
Premium	83,522,549.55
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	562,897,549.55

Other Sources of Funds:	
Debt Service Fund Release (2 months)	4,326,173.92
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	567,223,723.47

Uses:

Refunding Escrow Deposits:	
Cash Deposit	0.09
SLGS Purchases	563,148,121.00
	<hr/>
	563,148,121.09

Delivery Date Expenses:	
Cost of Issuance	1,677,812.50
Underwriter's Discount	2,396,875.00
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	4,074,687.50

Other Uses of Funds:	
Miscellaneous	914.88
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	567,223,723.47

SUMMARY OF REFUNDING RESULTS

Miami-Dade County, Florida
Water and Sewer Refunding Revenue Bonds, Series 2015
Indicative Rates as of March 11, 2015

Dated Date	06/03/2015
Delivery Date	06/03/2015
Arbitrage yield	2.712145%
Escrow yield	1.025897%
Value of Negative Arbitrage	24,531,311.06
Bond Par Amount	479,375,000.00
True Interest Cost	2.810848%
Net Interest Cost	3.086563%
Average Coupon	4.989524%
Average Life	8.893
Par amount of refunded bonds	500,085,000.00
Average coupon of refunded bonds	5.185165%
Average life of refunded bonds	8.857
PV of prior debt to 06/03/2015 @ 2.712145%	600,752,466.54
Net PV Savings	31,858,802.94
Percentage savings of refunded bonds	6.370678%
Percentage savings of refunding bonds	6.645904%

SUMMARY OF BONDS REFUNDED

Miami-Dade County, Florida
Water and Sewer Refunding Revenue Bonds, Series 2015
Indicative Rates as of March 11, 2015

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
Revenue Refunding Bonds, Series 2007, 2007:					
SERA	10/01/2018	5.000%	14,935,000.00	10/01/2017	100.000
	10/01/2019	5.000%	15,685,000.00	10/01/2017	100.000
	10/01/2020	5.000%	16,465,000.00	10/01/2017	100.000
	10/01/2021	5.000%	16,885,000.00	10/01/2017	100.000
	10/01/2022	5.000%	10,000,000.00	10/01/2017	100.000
	10/01/2023	5.000%	19,015,000.00	10/01/2017	100.000
	10/01/2024	5.000%	19,965,000.00	10/01/2017	100.000
	10/01/2025	5.000%	20,665,000.00	10/01/2017	100.000
	10/01/2026	5.000%	101,885,000.00	10/01/2017	100.000
	SERB	10/01/2021	4.200%	400,000.00	10/01/2017
10/01/2022		4.500%	8,150,000.00	10/01/2017	100.000
10/01/2025		4.375%	305,000.00	10/01/2017	100.000
			244,355,000.00		
Revenue Refunding Bonds, Series 2008C, 2008C:					
SERA	10/01/2019	5.000%	8,490,000.00	10/01/2018	100.000
	10/01/2020	5.500%	3,000,000.00	10/01/2018	100.000
	10/01/2021	5.500%	9,515,000.00	10/01/2018	100.000
	10/01/2022	5.250%	10,065,000.00	10/01/2018	100.000
	10/01/2023	5.625%	1,185,000.00	10/01/2018	100.000
	10/01/2024	5.375%	25,000,000.00	10/01/2018	100.000
	10/01/2025	5.500%	23,000,000.00	10/01/2018	100.000
	SERB	10/01/2020	5.500%	5,980,000.00	10/01/2018
10/01/2023		6.000%	31,900,000.00	10/01/2018	100.000
10/01/2024		5.000%	42,895,000.00	10/01/2018	100.000
10/01/2025		5.125%	53,845,000.00	10/01/2018	100.000
SERC	10/01/2023	5.000%	10,000,000.00	10/01/2018	100.000
	10/01/2024	5.400%	5,000,000.00	10/01/2018	100.000
SERD	10/01/2023	6.000%	25,855,000.00	10/01/2018	100.000
			255,730,000.00		
			500,085,000.00		

SAVINGS

Miami-Dade County, Florida
 Water and Sewer Refunding Revenue Bonds, Series 2015
 Indicative Rates as of March 11, 2015

Date	Prior Debt Service	Prior Receipts	Prior Net Cash Flow	Refunding Debt Service	Savings	Present Value to 06/03/2015 @ 2.7121451%
10/01/2015	12,978,521.88	4,326,173.92	8,652,347.96	7,812,435.83	839,912.13	794,496.03
10/01/2016	25,957,043.76		25,957,043.76	23,834,550.00	2,122,493.76	2,061,801.06
10/01/2017	25,957,043.76		25,957,043.76	23,834,550.00	2,122,493.76	2,006,999.26
10/01/2018	40,892,043.76		40,892,043.76	37,254,550.00	3,637,493.76	3,338,747.71
10/01/2019	49,385,293.76		49,385,293.76	45,747,750.00	3,637,543.76	3,248,782.82
10/01/2020	49,446,543.76		49,446,543.76	45,810,250.00	3,636,293.76	3,160,842.05
10/01/2021	49,484,393.76		49,484,393.76	45,848,500.00	3,635,893.76	3,075,716.71
10/01/2022	49,515,018.76		49,515,018.76	45,880,750.00	3,634,268.76	2,991,843.31
10/01/2023	107,859,856.26		107,859,856.26	104,224,250.00	3,635,606.26	2,912,909.74
10/01/2024	107,782,150.00		107,782,150.00	104,145,250.00	3,636,900.00	2,832,833.64
10/01/2025	107,980,400.00		107,980,400.00	104,345,750.00	3,634,650.00	2,754,513.95
10/01/2026	106,979,250.00		106,979,250.00	103,346,250.00	3,633,000.00	2,678,401.78
	734,217,559.46	4,326,173.92	729,891,385.54	692,084,835.83	37,806,549.71	31,857,888.06

Savings Summary

PV of savings from cash flow	31,857,888.06
Plus: Refunding funds on hand	914.88
Net PV Savings	31,858,802.94

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BOND SUMMARY STATISTICS

Miami-Dade County, Florida
 Water and Sewer Refunding Revenue Bonds, Series 2015
 Indicative Rates as of March 11, 2015

Dated Date	06/03/2015
Delivery Date	06/03/2015
Last Maturity	10/01/2026
Arbitrage Yield	2.712145%
True Interest Cost (TIC)	2.810848%
Net Interest Cost (NIC)	3.086563%
All-In TIC	2.851820%
Average Coupon	4.989524%
Average Life (years)	8.893
Duration of Issue (years)	7.423
Par Amount	479,375,000.00
Bond Proceeds	562,897,549.55
Total Interest	212,709,835.83
Net Interest	131,584,161.28
Total Debt Service	692,084,835.83
Maximum Annual Debt Service	104,345,750.00
Average Annual Debt Service	61,096,258.19
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	5.000000
Total Underwriter's Discount	5.000000
Bid Price	116.923218

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Bond Component	479,375,000.00	117.423	4.990%	8.893	404,092.50
	479,375,000.00			8.893	404,092.50

	TIC	All-In TIC	Arbitrage Yield
Par Value	479,375,000.00	479,375,000.00	479,375,000.00
+ Accrued Interest			
+ Premium (Discount)	83,522,549.55	83,522,549.55	83,522,549.55
- Underwriter's Discount	-2,396,875.00	-2,396,875.00	
- Cost of Issuance Expense		-1,677,812.50	
- Other Amounts			
Target Value	560,500,674.55	558,822,862.05	562,897,549.55
Target Date	06/03/2015	06/03/2015	06/03/2015
Yield	2.810848%	2.851820%	2.712145%

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MEMORANDUM
(Revised)

TO: Honorable Chairman Jean Monestime
and Members, Board of County Commissioners

DATE: April 21, 2015

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

SUBJECT: Agenda Item No. 8(D)(3)

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. 8(D)(3)
4-21-15

RESOLUTION NO. _____

RESOLUTION AUTHORIZING ISSUANCE OF NOT TO EXCEED \$550,000,000.00 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 CERTAIN WATER AND SEWER SYSTEM REVENUE BONDS, WITH ESTIMATED NET PRESENT VALUE SAVINGS OF 6.37%, ESTIMATED COSTS OF ISSUANCE OF \$4,074,688.00 AND ESTIMATED FINAL MATURITY OF OCTOBER 1, 2026; 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; WAIVING PROVISIONS OF RESOLUTION NO. R-130-06; 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 2015 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, as amended by Ordinance No. 13-47, enacted by the Board on June 14, 2013 (collectively, the "Master Ordinance"), is authorized to issue revenue bonds from time to time (the Master Ordinance and this Series 2015 Resolution being referred to as the "Bond Ordinance"); and

WHEREAS, Section 209 of the Master Ordinance authorizes the County to issue Refunding Bonds payable from Pledged Revenues; and

WHEREAS, the Board has determined at this time that it is in the best interest of the County and its citizens to provide for the issuance of 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 \$344,690,000.00 aggregate principal amount of Miami-Dade County, Florida Water and Sewer System Revenue Refunding Bonds, Series 2007 (the "Series 2007 Bonds"), of which \$285,660,000.00 are currently Outstanding, all or a portion of the \$306,845,000.00 aggregate principal amount of Miami-Dade County, Florida Water and Sewer System Revenue Refunding Bonds, Series 2008C (the "Series 2008C Bonds"), of which \$285,610,000.00 are currently Outstanding, and any other Bonds currently Outstanding under the Master Ordinance that meet the requirements of Resolution No. R-1313-09; and

WHEREAS, the Outstanding Series 2007 Bonds, Series 2008C Bonds and any other Bonds so refunded, as determined by the Mayor or Mayor's designee (the "County Mayor") and set forth in the Omnibus Certificate (as hereinafter defined), after consultation with the Financial Advisor, are referred to herein as the "Refunded Bonds"; and

WHEREAS, the Board desires to authorize the issuance of not to exceed \$550,000,000.00 aggregate principal amount of Miami-Dade County, Florida Water and Sewer System Revenue Refunding Bonds, in one or more Series (the "Series 2015 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 2015 Bonds or by deposit of one or more Reserve Account Credit Facilities), if necessary, and paying costs of issuance of the Series 2015 Bonds, estimated to be \$4,074,688.00,

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 2015 Resolution; and

WHEREAS, this Series 2015 Resolution constitutes a Series Resolution with respect to each Series of Series 2015 Bonds for all purposes of the Master Ordinance; and

WHEREAS, based upon the findings set forth in Section 2 of this Series 2015 Resolution, the Board deems it in the best financial interest of the County that the Series 2015 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 2015 Bonds; and

WHEREAS, the Board deems it appropriate, subject to the limitations contained in this Series 2015 Resolution, to authorize the County Mayor, to (i) finalize the terms of the Series 2015 Bonds and the refunding of the Refunded Bonds to the extent not provided in the Master Ordinance or this Series 2015 Resolution, including the number of Series which will be issued; (ii) finalize the terms of the negotiated sale of the Series 2015 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 2015 Resolution; and (iv) select and appoint a Registrar (the "Registrar"), a Paying Agent (the "Paying Agent"), an escrow agent (the "Escrow Agent") and a verification agent (the "Verification Agent"); and

WHEREAS, the Board desires to provide for a Book-Entry-Only-System with respect to the Series 2015 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 2015 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 2015 Resolution.

(b) **Definitions.** Capitalized terms used in this Series 2015 Resolution which are not defined shall have the meanings assigned to such terms in the Master 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 2015 Bonds, as authorized pursuant to Section 10 of this Series 2015 Resolution.

“Defeasance Obligations” means for purposes of the Series 2015 Bonds, Government Obligations as defined in the Master Ordinance.

“Escrow Deposit Agreement” means one or more Escrow Deposit Agreements between the County and the Escrow Agent as authorized pursuant to Section 16 of this Series 2015 Resolution.

“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 2015 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 2015 Bonds are issued in a calendar year other than calendar year 2015, all references to “2015” contained in any defined term in this Series 2015 Resolution shall, without further action of the Board, be replaced with the calendar year in which the Series 2015 Bonds are issued.

(c) Authority. This Series 2015 Resolution is adopted pursuant to the provisions of the Constitution of the State of Florida (the “State”), 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”) and the Master 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 2015 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 2015 Bonds to provide funds to refund the Refunded Bonds.

(b) In accordance with Section 218.385, Florida Statutes, as amended, and based upon the advice of Public Resources Advisory Group, which is serving as financial advisor to the County in connection with the issuance of the Series 2015 Bonds (the "Financial Advisor"), the negotiated sale of the Series 2015 Bonds is in the best interest of the County because of the need (i) for flexibility in size and structure, (ii) to update the market on credit and coverage, (iii) to premarket to investors, and (iv) to allow the County to enter the market at a time most advantageous to the County.

(c) The sale and issuance of the Series 2015 Bonds and the use of the proceeds of the Series 2015 Bonds, as provided in this Series 2015 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 2015 Bonds to them through a negotiated sale but only upon the terms and conditions set forth in this Series 2015 Resolution and as may be determined by the County Mayor, after consultation with the Financial Advisor, in accordance with the terms of this Series 2015 Resolution and as set forth in the Bond Purchase Agreement and the Omnibus Certificate.

(e) The Series 2015 Bonds shall only be issued if the final maturity of the Series 2015 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 2015 Resolution is necessary for the proper and efficient implementation of the financing program contemplated by this Series 2015 Resolution, and such authorization is in the best interest of the County.

SECTION 3. Authorization and Form of Series 2015 Bonds; Terms and Provisions of Series 2015 Bonds; Refunding of Refunded Bonds.

(a) Authorization and Form. The Series 2015 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 2015 Resolution. The aggregate principal amount of the Series 2015 Bonds shall not exceed \$550,000,000.00. The Series 2015 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 2015 Bonds or by the deposit of one or more Reserve Account Credit Facilities), if necessary, and pay the costs of issuance of the Series 2015 Bonds, including the premiums on or fees for any Credit Facilities and/or Reserve Account Credit Facilities. Prior to the delivery of the Series 2015 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 2015 Bonds shall be in substantially the form attached as Exhibit A to this Series 2015 Resolution, which form of Series 2015 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 Patton Boggs (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 2015 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 2015 Bonds not set forth in this Series 2015 Resolution, such approval to be evidenced by the terms and provisions set forth in the Omnibus Certificate, including, without limitation, the aggregate principal amount of the Series 2015 Bonds, the number of Series of Series 2015 Bonds to be issued and the Series designations, the dated date of the Series 2015 Bonds, the interest rates of the Series 2015 Bonds, the purchase price for the Series 2015 Bonds, the maturity dates of the Series 2015 Bonds, the optional and mandatory redemption terms of the Series 2015 Bonds, if any, whether the Series 2015 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 2015 Bonds be issued if the net present value savings resulting from the refunding of the Refunded Bonds is less than 5%; (ii) the aggregate principal amount of the Series 2015 Bonds exceed \$550,000,000.00; (iii) the purchase price (excluding original issue discount and original issue premium) be less than 99% of the aggregate principal amount of the Series 2015 Bonds (the "Minimum Purchase Price"); and (iv) the final maturity of the Series 2015 Bonds be later than the final maturity of the Refunded Bonds.

The Series 2015 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 2015 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 2015 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) the Outstanding Series 2007 Bonds, Series 2008C Bonds and/or other Bonds that will constitute the Refunded Bonds, and (ii) the date of redemption of the Refunded Bonds to be redeemed prior to maturity, 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.

SECTION 4. Execution and Authentication of Series 2015 Bonds. The Series 2015 Bonds shall be executed as set forth in the Master Ordinance. A Certificate of Authentication of the Registrar shall appear on the Series 2015 Bonds, and no Series 2015 Bonds shall be valid or obligatory for any purpose or be entitled to any security or benefit under the Master Ordinance and this Series 2015 Resolution unless such certificate shall have been duly manually executed by the Registrar on such Series 2015 Bonds.

In case any one or more of the officers who shall have signed any of the Series 2015 Bonds shall cease to be such officer of the County before the Series 2015 Bonds so signed shall have been actually delivered, such Series 2015 Bonds may nevertheless be delivered as provided in this Series 2015 Resolution and may be issued as if the person who signed such Series 2015 Bonds had not ceased to hold such office. Any Series 2015 Bonds may be signed on behalf of the County by such person as at the actual time of the execution of such Series 2015 Bonds shall

hold the proper office, although at the date of such Series 2015 Bonds such person may not have held such office or may not have been so authorized.

SECTION 5. Special Obligations of County. The Series 2015 Bonds shall be special limited obligations of the County payable solely from and secured solely by Pledged Revenues. The Series 2015 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 the principal of or the interest on the Series 2015 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 2015 Bonds by the registered owners from time to time of the Series 2015 Bonds shall be deemed an agreement between the County and such registered owners that the Series 2015 Bonds and the indebtedness evidenced by the Series 2015 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 2015 Bonds. The principal of or any premium on any Series 2015 Bond shall be payable when due to a Bondholder upon presentation and surrender of such Series 2015 Bond at the designated corporate trust office of the Paying Agent and interest on each Series 2015 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 2015 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 2015 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 2015 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 2015 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 2015 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 2015 Bonds not less than fifteen days preceding such special record date. Such notice shall be mailed to the persons in whose name the Series 2015 Bonds are registered at the close of business on the fifth (5th) day preceding the date of mailing.

The registered owner of any Series 2015 Bond shall be deemed and regarded as the absolute owner of such Series 2015 Bond for all purposes of this Series 2015 Resolution. Payment of or on account of the debt service on any Series 2015 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 this Series 2015 Resolution shall be valid and effective to satisfy and discharge the liability upon that Series 2015 Bond, including without limitation, the interest on that Series 2015 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 2015 Bonds. The Series 2015 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 2015 Bonds. The amount of Series 2015 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 2015 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 2015 Bond for redemption in part only, the County shall issue and the Registrar shall deliver to the registered owner of the Series 2015 Bond, without charge, a new Series 2015 Bond or Series 2015 Bonds of the same Series and maturity in authorized denominations in an 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 2015 Bonds so called for redemption shall become and be due and payable at the redemption price provided for redemption of such Series 2015 Bonds on such date, together with accrued interest, if any, to such date, and moneys for payment of the redemption price, together with accrued interest, if any, to such date, being held in separate accounts by the Paying Agent in trust for the registered owners of the Series 2015 Bonds to be redeemed, interest on the Series 2015 Bonds so called for redemption shall cease to accrue, such Series 2015 Bonds shall not be deemed to be Outstanding

for purposes of this Series 2015 Resolution and the Master Ordinance, and shall cease to be entitled to any lien, benefit or security under this Series 2015 Resolution or the Master Ordinance, and the registered owners of such Series 2015 Bonds shall have no rights in respect of the Series 2015 Bonds except to receive payment of the redemption price of the Series 2015 Bonds, together with accrued interest, if any, to such date.

(c) Conditional Notice of Redemption. If the Series 2015 Bonds or any portion thereof are to be optionally redeemed pursuant to the terms authorized in this Series 2015 Resolution, the County may provide a conditional notice of redemption of such Series 2015 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 2015 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 2015 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 2015 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 2015 Bonds as permitted by Chapter 279, Florida Statutes, as amended, pursuant to which both certificated and uncertificated registered Series 2015 Bonds may be issued. The system shall be as described in the Official Statement. The Series 2015 Bonds shall be initially issued as book-entry-only bonds through the Book-Entry-Only-System maintained by DTC which will act as initial securities depository for the Series 2015 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 for the Series 2015 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 2015 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 for the Series 2015 Bonds, in connection with the issuance of the Series 2015 Bonds through DTC's Book-Entry-Only-System.

SECTION 9. Appointment of Paying Agent, Registrar, Escrow Agent and Verification Agent. The County Mayor is authorized to appoint a Paying Agent, a Registrar, an Escrow Agent and a Verification Agent 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, the Registrar and the Escrow Agent.

SECTION 10. Approval of Bond Purchase Agreement and Authorization to Award the Sale of the Series 2015 Bonds. The Board approves the Bond Purchase Agreement in substantially the form on file with the Clerk's office as Exhibit B to this Series 2015 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 2015 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 2015 Bonds to the Underwriters upon the terms described in Section 3(b) of this Series 2015 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 2015 Bonds. The Board approves the negotiated sale of the Series 2015 Bonds to the Underwriters upon the final terms and conditions in this Series 2015 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 2015 Bonds in substantially the form attached as Exhibit C to this Series 2015 Resolution is approved, with such variations, additions, deletions and completions as may be necessary and approved by the County Mayor, after consultation with the Financial Advisor, the County Attorney, Bond Counsel and Locke Lord LLP and Rasco Klock Perez & Nieto, P.L. (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 2015 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 2015 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 2015 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 2015 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 2015 Bond Proceeds. (a) The proceeds received from the sale of the Series 2015 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 2015 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 2015 Bonds and any other available moneys necessary to defease, pay and redeem the Refunded Bonds shall be transferred to the Escrow Agent, which funds shall be held and applied to the acquisition of the Defeasance Obligations described in the Escrow Deposit Agreement and to the payment and redemption of the Refunded Bonds in accordance with the provisions of the Escrow Deposit Agreement.

(iii) The balance of the proceeds of the Series 2015 Bonds shall be deposited in a special account created by this Series 2015 Resolution for the Series 2015 Bonds and designated the "Miami-Dade County, Florida Water and Sewer System Revenue Refunding Bonds, Series 2015 Cost of Issuance Account" (inserting any additional Series designation) (the "Series 2015 Cost of Issuance Account" (inserting any additional Series

designation)), to be held by the County and applied to the costs of issuance of the Series 2015 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 2015 Bonds.

(b) If more than one Series of Series 2015 Bonds are issued, separate accounts under clause (c)(iii) shall be created and designated with respect to each Series of Series 2015 Bonds and the deposit under such clause (c)(iii) shall be made with respect to each Series of Series 2015 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 2015 Bonds in the Debt Service Fund created pursuant to Section 502 of the Master Ordinance, "Series 2015 Bond Service Subaccount" (the "Series 2015 Bond Service Subaccount") and "Series 2015 Redemption Subaccount" (the "Series 2015 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 2015 Bonds. Amounts held in any such subaccounts are to be held solely for the benefit of the Series 2015 Bonds.

SECTION 15. Tax Covenants. The County covenants to take the actions required of it for interest on the Series 2015 Bonds to be and to remain excluded from gross income of the holders of the Series 2015 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 2015 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 2015 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 2015 Bonds.

SECTION 16. Approval of Escrow Deposit Agreement. The Board approves the Escrow Deposit Agreement, in substantially the form on file with the Clerk's office as Exhibit D to this Series 2015 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 2015 Resolution, after consultation with the Financial Advisor, Bond Counsel and the County Attorney, with the execution and delivery of the Escrow Deposit Agreement being conclusive evidence of the Board's approval of any such additions, deletions and completions to such agreement and of the purchase of the Defeasance Obligations referred to in Section 13(a)(ii) of this Series 2015 Resolution.

SECTION 17. 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 2015 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 2015 Bonds, to confirm the annual debt service coverage required under the State Revolving Fund Loan Agreements.

SECTION 18. 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 2015 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 2015 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 2015 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 or liquidity 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 2015 Bonds, or other material events affecting the tax status of the Series 2015 Bonds;
- (vii) modifications to rights of holders of the Series 2015 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 2015 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 18 shall remain in effect only so long as the Series 2015 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 2015 Bonds within the meaning of the Rule.

(e) The County agrees that its undertaking pursuant to the Rule set forth in this Section 18 is intended to be for the benefit of the Beneficial Owners of the Series 2015 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 18 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 2015 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 2015 Bonds. In the event that the Securities and Exchange Commission approves any additional MSIRs after the date of issuance of the Series 2015 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 2015 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 18, 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 2015 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 2015 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 19. Hedge Agreement Amendments. The County Mayor is authorized to enter into any amendments to that certain Hedge Agreement relating to the Series 2007 Bonds by and between the County and The Bank of New York Mellon, including associating such Hedge Agreement to any other Bonds (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 20. Modification or Amendment. This Series 2015 Resolution shall constitute a contract between the County and the Bondholders of the Series 2015 Bonds. Except as provided in this Series 2015 Resolution, no material amendment or modification of this Series 2015 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 2015 Bonds then Outstanding.

Notwithstanding anything in this Series 2015 Resolution to the contrary, (i) this Series 2015 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 2015 Bonds from gross income of the holders of the Series 2015 Bonds for federal

income tax purposes, and such other amendments that do not materially adversely affect the interest of registered owners of the Series 2015 Bonds then Outstanding; and (ii) if a Credit Facility has been issued with respect to the Series 2015 Bonds, the Credit Facility Provider may give consents, on behalf of the registered owners of the Series 2015 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 21. Authorization of Further Actions. The County Mayor, 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 2015 Bonds and otherwise to carry out, give effect to and comply with the terms and intent of this Series 2015 Resolution, the Series 2015 Bonds and the related documents. In the event that the County Mayor, 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 22. Severability; Resolution Controlling. In case any one or more of the provisions of this Series 2015 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 2015 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 2015 Resolution are to the extent of such conflict repealed or amended to the extent of such inconsistency.

SECTION 23. Governing Law; Venue. The Series 2015 Bonds are to be issued and this Series 2015 Resolution is adopted and such other documents necessary for the issuance of the Series 2015 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 24. No Recourse Against County's Officers. No covenant, agreement or obligation contained in this Series 2015 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 2015 Bonds shall be liable personally on the Series 2015 Bonds or be subject to any personal liability or accountability by reason of the issuance of the Series 2015 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 2015 Resolution, provided the official, officer, employee, agent or advisor acts in good faith, but this Section 24 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 2015 Resolution.

SECTION 25. Waivers. The provisions of Resolution No. R-130-06 requiring that any contracts of the County with third parties be executed and finalized prior to their placement on the Board agenda are waived at the request of the County Mayor 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:

Jean Monestime, Chairman	
Esteban L. Bovo, Jr., Vice Chairman	
Bruno A. Barreiro	Daniella Levine Cava
Jose "Pepe" Diaz	Audrey M. Edmonson
Sally A. Heyman	Barbara J. Jordan
Dennis C. Moss	Rebeca Sosa
Sen. Javier D. Souto	Xavier L. Suarez
Juan C. Zapata	

The Chairperson thereupon declared the resolution duly passed and adopted this 21st day of April, 2015. This resolution shall become effective upon the earlier of (1) 10 days after the date of its adoption unless vetoed by the County Mayor, and if vetoed, shall become effective only upon an override by this Board, or (2) approval by the County Mayor of this Resolution and the filing of this approval with the Clerk of the 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.

JRA

Juliette R. Antoine

EXHIBIT A

FORM OF SERIES 2015 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 _____, 20___. 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 at the close of business 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 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") and Resolution No. R-____-15, duly adopted by the Board on _____, 2015 (the "Series 2015 Resolution" and, together with the Master 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 was enacted and the Series 2015 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:

<u>Year</u>	<u>Principal Amount</u>
-------------	-------------------------

*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, together with accrued interest, if any, to the redemption date, 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, together with accrued interest, if any, to the redemption 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, together with accrued interest, if any, to the redemption date. If less than all of one Series ____ Bond is selected for redemption, the Registered Owner of such Series ____ Bond or his legal representative shall present and surrender such Series ____ Bond to the Paying Agent for payment of the principal amount of the Series ____ Bond called for redemption, together with accrued interest, if any, to the redemption date, 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 ____ Bond, a new Series ____ 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 ____ 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 ____ Bond (a) during the period beginning on a Regular Record Date and ending on the next 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 ____ 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 and the adoption of the Series 2015 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 upon the books kept by the Registrar 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 upon 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 B

BOND PURCHASE AGREEMENT

On file with the Clerk's office

EXHIBIT C

PRELIMINARY OFFICIAL STATEMENT

C-1

45

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2015

NEW ISSUE- BOOK-ENTRY ONLY

RATINGS: (See "RATINGS" herein)

In the opinion of Squire Patton Boggs (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 2015 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 2015 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 2015 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" herein.

\$ _____ *

MIAMI-DADE COUNTY, FLORIDA
Water and Sewer System Revenue Refunding Bonds,
Series 2015

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 Refunding Bonds, Series 2015 (the "Series 2015 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 initial securities depository for the Series 2015 Bonds. Since purchases of beneficial interests in the Series 2015 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 2015 Bonds will be payable semi-annually on April 1 and October 1 of each year, commencing _____ 1, 20___. Principal of the Series 2015 Bonds will be payable at the designated office of [U.S. Bank National Association, Fort Lauderdale, Florida], as Paying Agent and Registrar for the Series 2015 Bonds. So long as DTC or its nominee is the registered owner of the Series 2015 Bonds, payments of the principal of and interest on the Series 2015 Bonds will be made directly to DTC or its nominee. See "APPENDIX G – THE DTC BOOK-ENTRY ONLY SYSTEM."

Payment of the principal of and interest on the Series 2015 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 in this Official Statement) of the County's Water and Sewer Utility.

* Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of any offer to buy, nor shall there be any sale of the Series 2015 Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, qualification or exemption under the securities laws of any such jurisdiction.

The Series 2015 Bonds are subject to optional redemption and mandatory sinking fund redemption prior to maturity under the terms and conditions as more fully described in this Official Statement.

The proceeds of the Series 2015 Bonds, together with other available moneys of the Miami-Dade Water and Sewer Department (the "Department"), will be used to: (i) advance refund all or a portion of the \$344,690,000 aggregate principal amount of Miami-Dade County, Florida Water and Sewer System Revenue Refunding Bonds, Series 2007, of which \$285,660,000 are currently outstanding, and all or a portion of the \$306,845,000 aggregate principal amount of Miami-Dade County, Florida Water and Sewer System Revenue Refunding Bonds, Series 2008C, of which \$285,610,000 are currently outstanding; (ii) fund the Reserve Account, if necessary; and (iii) pay the costs of issuance of the Series 2015 Bonds, including the payment of the premiums on or fees for any Credit Facilities and/or Reserve Account Credit Facilities.

THE SERIES 2015 BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE COUNTY PAYABLE SOLELY FROM AND SECURED SOLELY BY PLEDGED REVENUES. THE SERIES 2015 BONDS DO NOT CONSTITUTE AN INDEBTEDNESS, LIABILITY, GENERAL OR MORAL OBLIGATION, OR A PLEDGE OF THE FULL 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 2015 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 2015 BONDS BY THE REGISTERED OWNERS FROM TIME TO TIME OF THE SERIES 2015 BONDS SHALL BE DEEMED AN AGREEMENT BETWEEN THE COUNTY AND SUCH REGISTERED OWNERS THAT THE SERIES 2015 BONDS AND THE INDEBTEDNESS EVIDENCED BY THE SERIES 2015 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.

One or more of the maturities of the Series 2015 Bonds may be further secured with bond insurance, and the decision whether to purchase bond insurance on any, all or a portion of one or more maturities of the Series 2015 Bonds will be subject to market conditions at the time of pricing of the Series 2015 Bonds.

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

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 the Series 2015 Bonds.

The Series 2015 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 Patton Boggs (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 Locke Lord LLP (successor by merger to Edwards Wildman Palmer LLP), West Palm Beach, Florida, and Rasco Klock Perez & Nieto, P.L., Coral Gables, Florida, Disclosure Counsel. Certain legal matters will be passed upon for the Underwriters by their counsel, Moskowitz, Mandell, Salim & Simowitz, P.A., Fort Lauderdale, 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 2015 Bonds. It is expected that the Series 2015 Bonds will be available for delivery through DTC in New York, New York, on or about _____, 2015.

Jefferies

Citigroup

Drexel Hamilton, LLC

Loop Capital Markets

Rice Financial Products Company

Barclays

Blaylock Beal Van, LLC

Cabrera Capital Markets, LLC

Estrada Hinojosa & Company, Inc.

Goldman, Sachs & Co.

J.P. Morgan

Morgan Stanley

Raymond James

Siebert Brandford Shank & Co., LLC

Dated: _____, 2015

**MATURITY SCHEDULE, PRINCIPAL AMOUNTS, INTEREST RATES,
PRICES, YIELDS AND INITIAL CUSIP NUMBERS⁽¹⁾**

\$ _____^{*}
MIAMI-DADE COUNTY, FLORIDA
WATER AND SEWER SYSTEM REFUNDING REVENUE BONDS
SERIES 2015

<u>Maturity Date</u> <u>(October 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest Rate</u>	<u>Price</u>	<u>Yield</u>	<u>Initial</u> <u>CUSIP No.⁽¹⁾</u>
	\$	%	%	%	

[\$ _____ % Series 2015 Term Bond due October 1, 20__ , Price ___ %; Yield ___ % , Initial CUSIP No.⁽¹⁾ _____]
 [\$ _____ % Series 2015 Term Bond 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 2015 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 2015 Bonds as a result of various subsequent actions, including, but not limited to, a refunding in whole or in part of the Series 2015 Bonds.

MIAMI-DADE COUNTY, FLORIDA

Carlos A. Gimenez, Mayor

MEMBERS OF THE BOARD OF COUNTY COMMISSIONERS

Jean Monestime, Chairman

Esteban L. Bovo, Jr., Vice Chairman

Barbara J. Jordan, District 1	Daniella Levine Cava, 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 L. Bovo, Jr., District 13
Xavier L. Suarez, District 7	

COUNTY CLERK

Harvey Ruvin

COUNTY ATTORNEY

R.A. Cuevas, Jr., Esq.

DEPUTY MAYOR/FINANCE DIRECTOR

Edward Marquez

WATER AND SEWER DEPARTMENT

Lester Sola, Director

Juan Carlos Arteaga, AIA, NCARB, Deputy Director - Regulatory Compliance and Capital Improvements

L. Douglas Yoder, DPA, Deputy Director – Operations

Frances G. Morris, Assistant Director – Finance

BOND COUNSEL

Squire Patton Boggs (US) LLP
Miami, Florida

D. Seaton and Associates
Miami, Florida

DISCLOSURE COUNSEL

Locke Lord LLP
West Palm Beach, Florida

Rasco Klock Perez & Nieto, P.L.
Coral Gables, Florida

FINANCIAL ADVISOR

Public Resources Advisory Group

St. Petersburg, 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 2015 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 2015 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 [_____]. 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 2015 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 2015 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 2015 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 2015 BONDS FOR SALE. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

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).

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OFFICIAL STATEMENT

relating to

\$ _____ *

**MIAMI-DADE COUNTY, FLORIDA
Water and Sewer System Revenue Refunding Bonds,
Series 2015**

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 Refunding Bonds, Series 2015 (the "Series 2015 Bonds"). The Series 2015 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, as amended by Ordinance No. 13-47 enacted by the Board on June 14, 2013 (collectively, the "Master Ordinance"), and Resolution No. R-15-__ adopted by the Board on _____, 2015 (the "Series 2015 Resolution," and together with the Master Ordinance, the "Bond Ordinance"). The full text of the Bond Ordinance is appended to this Official Statement as "APPENDIX C – BOND-ORDINANCE."

The Series 2015 Bonds are being issued, together with other available moneys of the Miami-Dade Water and Sewer Department (the "Department"), to: (i) advance refund all or a portion of the \$344,690,000 aggregate principal amount of Miami-Dade County, Florida Water and Sewer System Revenue Refunding Bonds, Series 2007, of which \$285,660,000 are currently outstanding (the "Series 2007 Bonds"), and all or a portion of the \$306,845,000 aggregate principal amount of Miami-Dade County, Florida Water and Sewer System Revenue Refunding Bonds, Series 2008C, of which \$285,610,000 are currently outstanding (the "Series 2008C Bonds," and the Series 2007 Bonds and Series 2008C Bonds to be refunded are herein collectively referred to as the "Refunded Bonds"); (ii) fund the Reserve Account, if necessary; and (iii) pay the costs of issuance of the Series 2015 Bonds, including the payment of the premiums on or fees for any Credit Facilities and/or Reserve Account Credit Facilities. See "REFUNDING PLAN" and "SERIES 2015 BONDS ESTIMATED SOURCES AND USES OF FUNDS."

Payment of principal of and interest on the Series 2015 Bonds is secured, on a parity basis as described below, by a pledge of and lien on the Pledged Revenues, which consist of the

* Preliminary, subject to change.

Net Operating Revenues (as such terms are defined herein) of the County's water and wastewater utility system (the "Utility"). See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2015 BONDS."

The Series 2015 Bonds are being issued on a parity as to the source and security for payment with (i) the \$344,690,000 original aggregate principal amount of the Series 2007 Bonds, \$ _____ principal amount of which are expected to remain outstanding after the issuance of the Series 2015 Bonds; (ii) 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 \$46,800,000 (the "Series 2008A Bonds"); (iii) 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"), currently outstanding in the principal amount of \$336,290,000; (iv) the \$306,845,000 original aggregate principal amount of the Series 2008C Bonds, \$ _____ principal amount of which are expected to remain outstanding after the issuance of the Series 2015 Bonds; (v) 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 \$586,150,000 (the "Series 2010 Bonds"); (vi) the \$340,265,000 original aggregate principal amount of Miami-Dade County, Florida Water and Sewer System Revenue Bonds, Series 2013A, currently outstanding in the principal amount of \$340,265,000 (the "Series 2013A Bonds"); and (vii) the \$152,400,000 original aggregate principal amount of Miami-Dade County, Florida Water and Sewer System Revenue Refunding Bonds, Series 2013B, currently outstanding in the principal amount of \$152,400,000 (the "Series 2013B Bonds," and collectively with the Series 2007 Bonds that remain outstanding after the issuance of the Series 2015 Bonds, the Series 2008A Bonds, the Series 2008B Bonds, the Series 2008C Bonds that remain outstanding after the issuance of the Series 2015 Bonds, the Series 2010 Bonds and the Series 2013A Bonds, the "Outstanding Bonds") and with certain Hedge Obligations as described in this Official Statement and any future Additional Bonds, Completion Bonds and Refunding Bonds. Any bonds issued under the provisions of the Master Ordinance shall be referred to as the "Bonds."

This Official Statement contains descriptions of, among other things, the Series 2015 Bonds, the Bond Ordinance, the Department, the Utility 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"). Neither the County nor the Department has 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. All references in this Official Statement to the Bond Ordinance and related documents are qualified in their entirety by reference to such documents, and references to the Series 2015 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.*

REFUNDING PLAN

The proceeds of the Series 2015 Bonds will be used, together with other available moneys of the Department, to: (i) advance refund the Refunded Bonds; (ii) fund the Reserve Account, if necessary; and (iii) pay the costs of issuance of the Series 2015 Bonds, including the payment of the premiums on or fees for any Credit Facilities and/or Reserve Account Credit Facilities. See "SERIES 2015 BONDS ESTIMATED SOURCES AND USES OF FUNDS."

To effect the refunding of the Refunded Bonds, the County will enter into two (2) escrow deposit agreements in connection with the delivery of the Series 2015 Bonds with respect to the Refunded Bonds, respectively (collectively, the "Escrow Agreements"), each with _____, as escrow agent (the "Escrow Agent"). Pursuant to the terms of the Escrow Agreements, the County will deposit a portion of the proceeds of the Series 2015 Bonds, together with other available moneys of the Department, in separate escrow funds for the Refunded Bonds, respectively (collectively, the "Escrow Funds") held by the Escrow Agent. A portion of the proceeds of the Series 2015 Bonds and other available moneys of the Department deposited in the Escrow Funds will be applied on the date of delivery of the Series 2015 Bonds to the purchase of non-callable, direct obligations of the United States of America (the "Government Obligations"), the principal of and interest on which, together with cash balances on deposit in the Escrow Funds, will be sufficient to pay all principal of and interest on the Refunded Bonds through and including their respective redemption dates. See "VERIFICATION OF MATHEMATICAL COMPUTATIONS." The Series 2007 Bonds to be refunded will be redeemed on October 1, 2017 at a redemption price of 100% of the principal amount thereof, together with accrued interest to the redemption date, and the Series 2008C Bonds to be refunded will be redeemed on October 1, 2018 at a redemption price of 100% of the principal amount thereof.

By deposit of the Government Obligations and other uninvested cash with the Escrow Agent pursuant to the Escrow Agreements and the giving of certain instructions as provided in the Escrow Agreements, the County will have effected the defeasance of the lien of the Refunded Bonds. As a result of such defeasance, it is the opinion of Bond Counsel (based on certain assumptions and rendered in reliance upon the report described under "VERIFICATION OF MATHEMATICAL COMPUTATIONS"), that the right, title and interest of the holders of the Refunded Bonds in the Master Ordinance will cease, determine and become void.

DESCRIPTION OF THE SERIES 2015 BONDS

General

The Series 2015 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. [U.S. Bank, National Association, Fort Lauderdale, Florida], will act as Registrar and Paying Agent for the Series 2015 Bonds (the "Paying Agent" or "Registrar").

The Series 2015 Bonds will be issued initially as fully registered bonds in the name of Cede & Co., as nominee of DTC, which will act as initial securities depository for the Series

2015 Bonds. Purchases of the Series 2015 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 2015 Bonds (the "Beneficial Owners") will not receive physical delivery of bond certificates. So long as DTC or its nominee is the registered owner of the Series 2015 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 in Appendix G) for subsequent disbursement to the Beneficial Owners. See "APPENDIX G – THE DTC BOOK-ENTRY ONLY SYSTEM."

Redemption of Series 2015 Bonds

Optional Redemption of Series 2015 Bonds. The Series 2015 Bonds maturing on or before October 1, 20__ shall not be subject to optional redemption prior to maturity. The Series 2015 Bonds maturing on or after October 1, 20__ 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, 20__, 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 2015 Bonds to be redeemed, plus accrued interest to the date of redemption and without premium.

[Mandatory Redemption of Series 2015 Bonds. The Series 2015 Bonds maturing on October 1, 20__ 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 2015 Bonds to be redeemed, commencing on October 1, 20__ and on each October 1 thereafter, in the years and principal amounts set forth below:

Year (October 1)	\$	<u>Amount</u>
20__		
20__		
20__		
20__*		

* Final Maturity

The Series 2015 Bonds maturing on October 1, 20__ 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 2015 Bonds to be redeemed, commencing on October 1, 20__, and on each October 1 thereafter, in the years and principal amounts set forth below:

Year (October 1)	\$	<u>Amount</u>
20__		
20__		
20__		
20__*		

* Final Maturity]

Notice of Redemption. In the event any Series 2015 Bonds are called for redemption, the Paying Agent shall give notice in the name of the County, of the redemption of such Series 2015 Bonds, which notice shall (i) specify the Series 2015 Bonds to be redeemed, the CUSIP numbers, certificate numbers, the date of issue, interest rate, maturity date of the Series 2015 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 2015 Bonds are to be redeemed, the numbers of the Series 2015 Bonds and the portion of Series 2015 Bonds so to be redeemed and (ii) state that on the redemption date, the Series 2015 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 2015 Bonds, or, if DTC is no longer the registered owner of the Series 2015 Bonds, then to the then registered owners of the Series 2015 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 2015 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 2015 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 2015 Bonds so called for redemption shall become and be due and payable at the redemption price provided for redemption of such Series 2015 Bonds on such date, together with accrued interest, if any, to such date, and moneys for payment of the redemption price, together with accrued interest, if any, to such date, being held in separate accounts by the Paying Agent in trust for the registered owners of the Series 2015 Bonds to be redeemed, interest on the Series 2015 Bonds so called for redemption shall cease to accrue, such Series 2015 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 2015 Bonds shall have no rights in respect of the Series 2015 Bonds except to receive payment of the redemption price of the Series 2015 Bonds, together with accrued interest, if any, to such date.

Whenever any Series 2015 Bonds shall be delivered to the Paying Agent for cancellation, upon payment of the principal amount of the Series 2015 Bonds, or for replacement, transfer or exchange, such Series 2015 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 2015 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 2015 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 each MSIR (as hereinafter defined) and the affected Bondholders that the redemption did not occur and that the Series 2015 Bonds called for redemption and not so paid remain Outstanding under the Bond Ordinance.

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2015 BONDS

Pledged Revenues

The payment of principal of and interest on the Series 2015 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 2015 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 2015 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 Plant Expansion Fund;
- (e) the Rate Stabilization Fund; and

(f) the General Reserve Fund.

In addition, the Series 2015 Resolution creates the "Series 2015 Bond Service Subaccount" and the "Series 2015 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 $1/6^{\text{th}}$ 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 ($1/6^{\text{th}}$) 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 ($1/12^{\text{th}}$) 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 (1/12th) 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 any of 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 2015 BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE COUNTY PAYABLE SOLELY FROM AND SECURED SOLELY BY PLEDGED REVENUES. THE SERIES 2015 BONDS DO NOT CONSTITUTE AN INDEBTEDNESS, LIABILITY, GENERAL OR MORAL OBLIGATION, OR A PLEDGE OF THE FULL 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 2015 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 2015 BONDS BY THE REGISTERED OWNERS FROM TIME TO TIME OF THE SERIES 2015 BONDS SHALL BE DEEMED AN AGREEMENT BETWEEN THE COUNTY AND SUCH REGISTERED OWNERS THAT THE SERIES 2015 BONDS AND THE INDEBTEDNESS EVIDENCED BY THE SERIES 2015 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.

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) (i) commencing with the Fiscal Year beginning October 1, 1993, equal to one hundred ten percent (110%) of the Principal and Interest Requirements on the Bonds for such Fiscal Year, and (ii) commencing with the Fiscal Year beginning October 1, 2012, equal to one hundred twenty five percent (125%) of the Principal and Interest Requirements on the Bonds for such Fiscal Year, plus (b) in each case, 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. In addition to satisfying the debt service coverage requirements set forth above, 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 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 and 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.

Reserve Account

The Master Ordinance provides for the creation of a Reserve Account and provides that, 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 2015 Bonds, there shall be on deposit in the Reserve Account an amount at least equal to the Reserve Account Requirement for all Bonds Outstanding, including the Series 2015 Bonds, consisting of \$ _____ in cash and \$110,837,650.47 in reserve insurance policies constituting Reserve Account Credit Facilities for a total of \$ _____, which amount is \$ _____ over the Reserve Account Requirement. The Reserve Account Credit Facilities are provided by Financial Security Assurance Inc. ("FSA") (\$43,823,316 in the aggregate), Financial Guaranty Insurance Company ("FGIC") (\$36,514,334 in the aggregate) and Berkshire Hathaway Assurance Corporation ("Berkshire") (\$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 including the additional amounts deposited therein from the proceeds of the Series 2015 Bonds.

The following table lists the Reserve Account Credit Facilities held in the Reserve Account as security for the Outstanding Bonds and the Series 2015 Bonds:

**MIAMI-DADE WATER AND SEWER DEPARTMENT
RESERVE ACCOUNT CREDIT FACILITIES
(ROUNDED, IN SMILLIONS)**

SURETY POLICIES	AMOUNT	MATURES
FSA	\$19.07	10/1/2025
FGIC	8.21	10/1/2029
FGIC	28.31	10/1/2026
FSA	24.75	10/1/2026
Berkshire	30.50	10/1/2025
	\$110.84	

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

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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 2015 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 2015 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.

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 tests for Additional Bonds – *see* "Additional Bonds" herein.

The Series 2015 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 a 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 C – "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 C – "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 C – “THE BOND ORDINANCE.”

Other Obligations

The County has incurred certain obligations that 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 2015 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, 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 on 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.”

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 the consent of the Holders, and

Section 802 of the Master Ordinance, which relates to supplemental ordinances with the consent of the Holders. See APPENDIX C – “THE BOND ORDINANCE.”

BOND INSURANCE

One of more of the maturities of the Series 2015 Bonds may be further secured with bond insurance, and the decision whether to purchase bond insurance on any, all or a portion of one or more maturities of the Series 2015 Bonds will be subject to market conditions at the time of pricing of the Series 2015 Bonds.

SUBORDINATE OBLIGATIONS

The County has incurred the obligations described below which are secured by a subordinate pledge of and lien on the 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 \$304,315,866 for the construction of wastewater treatment facilities. Draws against wastewater treatment loan commitments totaled \$299,511,649 as of September 30, 2014. The Department has also received loan commitments in the aggregate amount of \$45,503,686 for drinking water construction projects. Draws against drinking water loan commitments totaled \$44,577,969 as of September 30, 2014.

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 relating to the Series 2007 Bonds and the Series 2013B 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 Series 2007 Bonds will remain in effect after the issuance of the Series 2015 Bonds and the refunding of the Series 2007 Bonds, and will be recognized by the County as associated with the Series 2015 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, 2014, the termination value of both swaps are in favor of the County with an aggregate termination value of \$_____.] See "SECURITY FOR THE SERIES 2015 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 2015 Bonds [(assuming the issuance of the Series 2015 Bonds and the refunding of the Series 2007 Bonds as described above)] and the Series 2013B 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 09/30/14	Counterparty	Counterparty Current Ratings (Moody's, S&P, Fitch)	Start Date	Termination Date	Counterparty Payment	County Payment
Series 2013B	\$205,070,000	BNY Mellon	Aa1, 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 2015	\$200,000,000	BNY Mellon	Aa1, 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

SERIES 2015 BONDS ESTIMATED SOURCES AND USES OF FUNDS

The following table sets forth the estimated sources and uses of the proceeds of the Series 2015 Bonds and other available moneys of the Department:

Sources of Funds

Par Amount.....	\$
[Plus/Less]: [Net] Original Issue [Discount/Premium]	
Plus: Other Available County Moneys ⁽¹⁾	_____
Total Sources	\$ <u> </u>

Uses of Funds

Deposit to Escrow Funds.....	\$
[Deposit to Reserve Account.....]	
Underwriters' Discount	
Costs of Issuance ⁽²⁾	_____
Total Uses	\$ <u> </u>

⁽¹⁾ Represents amounts set aside in the debt service fund for the Refunded Bonds.

⁽²⁾ Includes legal fees, financial advisory fees, printing costs, the premium for the bond insurance policy, if any, and other costs associated with the Series 2015 Bonds.

**DEBT SERVICE REQUIREMENTS ON OUTSTANDING BONDS, THE SERIES 2015 BONDS,
AND SUBORDINATE OBLIGATIONS**

The following table sets forth the debt service requirements, *on a cash basis*, on all Outstanding Bonds, the Series 2015 Bonds, and all Subordinate Obligations, [exclusive of the Refunded Bonds].

Fiscal Year Ending Sept. 30	Debt Service on Outstanding Bonds ⁽¹⁾	Series 2015 Bonds			Debt Service on Subordinate Obligations ⁽²⁾⁽³⁾	Total Debt Service ⁽³⁾
		Principal	Interest	Total ⁽³⁾		
2015	\$ 148,884,483	\$	\$	\$	\$ 18,080,673	\$
2016	163,123,063				16,819,399	
2017	163,147,038				15,982,285	
2018	163,148,856				15,145,170	
2019	163,161,050				14,333,332	
2020	163,166,438				13,521,495	
2021	163,176,381				13,497,163	
2022	163,173,113				12,954,105	
2023	163,180,669				9,852,758	
2024	161,274,697				9,567,271	
2025	161,308,669				9,159,125	
2026	161,339,631				9,159,125	
2027	160,324,850				9,159,125	
2028	128,725,531				9,159,125	
2029	128,738,997				9,159,125	
2030	128,527,744				9,152,032	
2031	82,755,138				9,132,517	
2032	82,636,125				9,130,743	
2033	82,579,500				9,130,743	
2034	82,513,375				5,152,731	
2035	82,451,750				1,174,718	
2036	82,383,250				1,174,718	
2037	82,311,375				1,174,718	
2038	82,239,125					
2039	82,159,250					
2040	82,079,125					
2041	81,990,750					
2042	81,900,750					
2043	81,805,250					
2044	-					
Total ⁽³⁾	\$3,554,205,971	\$	\$	\$	\$230,772,196	\$

⁽¹⁾ [Inclusive of the Outstanding Bonds, [but not the Refunded 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 B -- AUDITED FINANCIAL REPORT OF THE MIAMI-DADE WATER AND SEWER DEPARTMENT FOR FISCAL YEAR ENDED SEPTEMBER 30, 2014."

⁽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 (the "City"). 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 to the Authority with the condition that certain property donated by the City would be returned to the City 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. Lester Sola, has been the Director of the Department (the "Director") since March 2015.

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:

Lester Sola, Director, was appointed Director of the Department in March 2015. He has responsibility for the overall direction and management of the Department.

Prior to his appointment to the Department, Mr. Sola had been the Director of the Internal Services Department since October of 2011. The Internal Services Department is responsible for the procurement of goods and services, small business development, architectural and engineering selection services, capital improvement program, design and construction services, facilities and fleet management, risk management, parking operations, printing and graphics services, surplus asset disposal, and County-wide capital inventory oversight. Mr. Sola managed an operating budget of \$370 million, capital projects totaling over \$400 million, and over 850 employees.

Mr. Sola began his career with the County in 1992 as a member of the County Manager Management Training Program. He has held several high-level positions including: Contract Coordination Officer in the County Executive Manager's Office, Architectural and Engineering Consultant Coordinator for the County Executive Manager's Office, Assistant to the County

Manager, Associate Director for the Aviation Department, Deputy Director for the Department of Business Development and Supervisor of Elections.

Mr. Sola has a Master's Degree and Bachelor's Degree in Public Administration with a minor in organizational psychology from Florida International University.

Juan Carlos Arteaga, AIA, NCARB, Deputy Director – Regulatory Compliance and Capital Improvements, was appointed to this position in 2013. Prior to his appointment as Deputy Director, Mr. Arteaga served as Program Director at the Aviation Department. Mr. Arteaga has over 30 years of experience in planning, designing and managing large, complex projects and programs throughout the world in urban developments, airports, transportation, infrastructure, religious, institutional and educational facilities, as well as in commercial, residential and industrial fields. Mr. Arteaga served as the Program Director for the design and construction of the \$3.1 billion North Terminal Development Program at Miami International Airport and upon its successful completion, he was asked to join the Department to manage and direct its large \$13.5 billion Capital Improvement Program (CIP). He is responsible for regulatory compliance and capital improvement programs.

L. Douglas Yoder, DPA, Deputy Director – Operations, was formerly the Deputy Director of Regulatory Compliance and Capital Improvements. He is responsible for overseeing all operating and maintenance of the Utility.

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. She is responsible for the financial operations of the Department.

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.

WATER AND SEWER SYSTEM

General

The Utility is divided into the Water System and the Sewer System. The Sewer System is also referred to as the "Wastewater 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 2014, the population of the County was estimated by the County's Planning and Zoning Department at approximately 2,586,290. See APPENDIX A – "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 15 municipally-owned water utilities in the County. In addition, the County supplies treated water to approximately 432,315 retail water customers, as of September 30, 2014. 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 12 municipally-owned wastewater utilities and Homestead Air Reserve Base. In addition, the County supplies wastewater transmission treatment and disposal services to approximately 349,778 retail wastewater customers as of September 30, 2014. 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 by revenues. 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 customer. Florida Power & Light Company, which operates a large electric power plant in the County, is by revenue the Department's fifth 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 and such wholesale and wastewater customers are adhering to the terms of the expired contracts.

Water System

General. The principal components of the Water System include 15 wellfields, with a total of 95 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 underlies most of the State. In Southeast Florida, it ranges from a subsurface depth of 950 feet to 1,250 feet, and it is 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 (the "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 Department's capital plan. The Water Use Permit has been amended three times, in 2010, 2012 and 2015, 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.

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 14.2 million gallons per day ("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⁾	214.7 mgd ⁽³⁾	14.2 mgd ⁽⁴⁾
Actual Flows ⁽⁵⁾			
Average Daily	127.0 mgd	164.9 mgd	7.2 mgd
Peak Day	160.7 mgd	187.0 mgd	8.4 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, 2014.

Source: The Department

The Board has approved a Joint Participation Agreement between the County and the City of Hialeah (“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 construction was substantially complete in October 2013. During 2014, the Plant was undergoing operational and acceptability testing.

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 7,940 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 requirements 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 projects, 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;
- 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, Energy and Learning and Behavior (WE-LAB) Workshops
- 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 (Wastewater) System

General. The Department's Sewer (Wastewater) 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 6,292 miles of 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 1,047 sewage pump stations owned (1,028) and operated (19) by the Department was one of the requirements of the terms of the Prior Consent Decrees (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 (SSEs) 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 and treatment capacity of 375.5 mgd. The following table summarizes

the treatment permit parameters and the actual flows of each of the County's wastewater treatment plants.

	<u>North District</u>	<u>Central District</u>	<u>South District</u>	<u>Total</u>
<u>Permit Parameters</u>				
Average Daily Flow, mgd	120.0	143.0	112.5	375.5
Effluent CBOD ₅ , mg/L ⁽¹⁾	25/20 ⁽³⁾	25	20	-
Effluent Suspended Solids, mg/L	30/20 ⁽³⁾	30	5 ⁽⁴⁾	-
<u>Actual Flows 12-Month Average for Fiscal Year 2014</u>				
Average Daily Flow, mgd ⁽²⁾	92.5	120.7	102.3	315.5
Effluent CBOD ₅ , mg/L ⁽²⁾	9.5	10.7	4.3	-
Effluent Suspended Solids, mg/L (TSS) ⁽²⁾	21.5	13.9	2.5	-

(1) "CBOD₅" means Chemical Biological Oxygen Demand; "mg/L" means milligrams per liter.

(2) For the 12 months ending September 30, 2014.

(3) 25mg/L TSS in secondary effluent going to the outfall; 20mg/L in effluent going to the wells.

(4) 5mg/L max in High Level Disinfection 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 120.0 mgd, is accomplished by discharge into the Atlantic Ocean and deep injection 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 17 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. In January 2015, the Department received operation permits for all injection wells, from the Florida Department of Environmental Protection (FDEP).

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 at the North District Plant and a transmission main to provide 100,000 gallons per day of treated effluent from the plant to Florida International University's Bay Vista Campus for use in land irrigation. 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 into the Capital Plan; however, as a result of water demand reductions through the Water Conservation Program, reuse is no longer required by the Water Use Permit. 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 (which the Department has submitted); and (ii) meet the provisions of the advanced 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 submitted the Ocean Outfall Legislation (OOL) Compliance Plan to the Secretary of Florida Department of Environmental Protection ("FDEP") on June 28, 2013. This is a comprehensive plan which also includes the wastewater facilities needed to meet future demands to the year 2035. The Plan proposes to reduce average day capacity at the North and Central District Plants, expand the South District Plant, and constructing a new wastewater treatment plant in the western part of the County. The estimated cost of the overall Plan is \$5.5 billion of which \$3.32 billion is directly attributed to the OOL compliance. Additionally, in Fiscal Year 2013, Senate Bill 444 Modifying the State of Florida Ocean Outfall Statute was signed into law by Governor Rick Scott, providing additional flexibility for the affected utilities to manage peak flows and to fulfill the wastewater reuse requirements in the statute.

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 to comply with Ordinance 02-68. 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 and updated on _____. 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 wastewater 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 \$2.3 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 \$40,000,000 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 \$200,000 per claim and \$300,000 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 (WASTEWATER) CUSTOMERS AND REVENUES

Accounts

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

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

	Active Retail Customers				
	For Fiscal Year Ended September 30,				
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Water	420,367	422,016	424,764	428,631	432,315
Wastewater	338,368	339,927	342,539	346,285	349,778
Percent ratio wastewater customers to water customers	80.5%	80.6%	80.6%	80.8%	80.9%

Source: The Department

The ten largest customers for the Utility for the Fiscal Year ended September 30, 2014 were:

Water System

<u>Name</u>	<u>Dollar Amount</u> <u>(in thousands)</u>	<u>Percent of</u> <u>Utility Gross</u> <u>Revenues</u>
City of Miami Beach	\$13,054	5.00%
City of Hialeah	12,488	4.70
Miami-Dade County Aviation Department	5,784	2.20
City of North Miami	2,901	1.10
Florida-Power & Light Company	1,726	0.70
City of Opa-Locka	1,535	0.60
Hialeah Gardens	1,094	0.40
Medley	806	0.33
Bal Harbour	697	0.29
North Bay Village	694	0.29

Source: The Department

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Wastewater System

<u>Name</u>	Dollar Amount (in thousands)	Percent of Utility Gross Revenues
City of Miami Beach	\$20,317	6.40%
City of Hialeah	17,486	5.50
City of North Miami	8,904	2.80
City of Homestead	3,365	1.10
Miami-Dade County Aviation Department	3,073	1.00
City of Opa-Locka	2,874	0.90
City of Coral Gables	2,563	0.80
Hialeah Gardens	2,155	0.71
Medley	1,585	0.53
City of North Miami Beach	1,220	0.4

Source: The Department

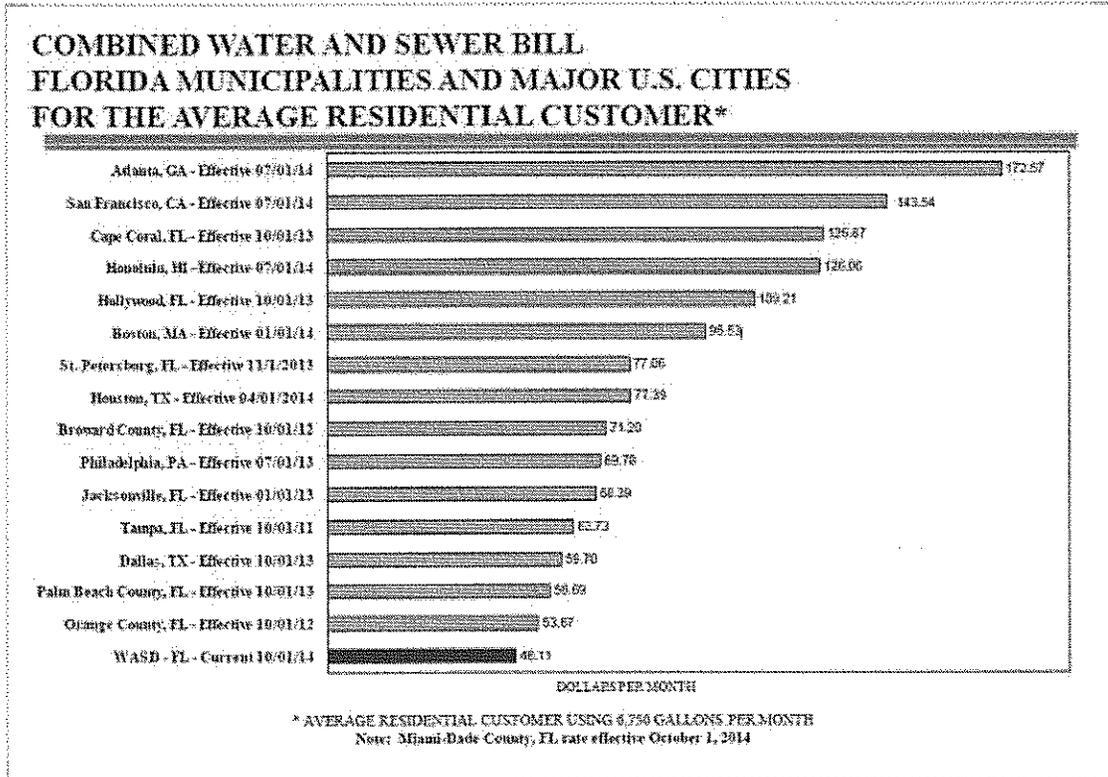
Rates

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

Rate Comparison

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

**Miami-Dade Water & Sewer Department
 Combined Water & Sewer Bills Florida Municipalities/Counties and US Cities
 For the Average Residential Customer**



*Increased from \$45.39 to \$48.11 by County ordinance enacted September 18, 2014 and effective October 1, 2014.

Source: The Department

Billing and Collection

The Department is responsible for all billing and collections. Of its approximately 432,000 customers, 418,000 are billed quarterly and 14,000 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 wastewater 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 wastewater 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 \$25 and the final bill is more than two years old. The Department writes off accounts where the balance due is \$25 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.

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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		Collection Rate in %
		Amount	% of Annual Billings	
2003	273,710,000	\$ 730,241.50	0.27%	99.73%
2004	295,176,000	\$ 618,093.61	0.21%	99.79%
2005	297,374,000	\$ 521,460.84	0.18%	99.82%
2006	341,555,000	\$ 1,099,611.21	0.32%	99.68%
2007	330,475,000	\$ 1,771,072.53	0.54%	99.46%
2008	342,303,000	\$ 1,909,839.82	0.56%	99.44%
2009	372,265,000	\$ 1,897,451.48	0.51%	99.49%
2010	393,420,000	\$ 1,224,486.59	0.31%	99.69%
Total	\$ 2,646,278,000	\$ 9,772,257.58	0.37%	99.63%

Other (Non-Retail)		Total Annual Aggregate Write-Off's to date		Collection Rate in %
Year	Billed	Amount	% of Annual Billings	
2003	\$ 18,827,000	\$ 729,404.46	3.87%	96.13%
2004	18,896,000	\$ 211,963.28	1.12%	98.88%
2005	19,573,000	\$ 205,850.82	1.05%	98.95%
2006	20,450,000	\$ 177,559.11	0.87%	99.13%
2007	22,455,000	\$ 71,990.97	0.32%	99.68%
2008	22,927,000	\$ 183,867.34	0.80%	99.20%
2009	38,293,000	\$ 249,263.09	0.65%	99.35%
2010	40,486,000	\$ 214,080.05	0.53%	99.47%
Total	\$ 201,907,000	\$ 2,043,979.12	1.01%	98.99%

Other (Connection Charges)		Total Annual Aggregate Write-Off's to date		Collection Rate in %
Year	Billed	Amount	% of Annual Billings	
2003	31,084,101	\$ 255,414.60	0.82%	99.18%
2004	35,947,443	\$ -	0.00%	100.00%
2005	44,725,767	\$ -	0.00%	100.00%
2006	45,338,621	\$ -	0.00%	100.00%
2007	33,017,052	\$ -	0.00%	100.00%
2008	32,326,506	\$ 120,752.25	0.37%	99.63%
2009	30,573,496	\$ 468,608.57	1.53%	98.47%
2010	15,978,088	\$ -	0.00%	100.00%
Total	\$ 268,991,074	\$ 844,775.42	0.31%	99.69%

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 \$38.2 Million (as of September 30, 2014), 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, 2014. See "APPENDIX B – AUDITED FINANCIAL REPORT OF THE MIAMI-DADE WATER AND SEWER DEPARTMENT FOR FISCAL YEAR ENDED SEPTEMBER 30, 2014."

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, 2010 through 2014. The historical results have been prepared based on information provided in the Department's audited financial statements for Fiscal Years 2010 through 2014. 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)

	2010	2011	2012	2013	2014
<i>OPERATING REVENUES:</i>					
Retail	\$393,420	\$428,832	\$429,003	\$437,778	\$465,057
Wholesale	84,489	90,671	82,710	88,754	85,771
Other	40,486	26,157	24,589	21,876	28,022
Total operating revenues	\$518,395	\$545,660	\$536,302	\$548,408	\$578,850
<i>OPERATING AND MAINTENANCE EXPENSES:</i>					
Source of supply	\$ 12,354	\$ 13,558	\$ 10,705	\$ 10,874	\$ 10,788
Collection system	21,523	20,385	20,150	21,638	22,500
Pumping	31,919	32,892	35,883	36,508	37,355
Treatment	130,010	134,650	134,178	139,555	145,513
Transmission and distribution	28,459	27,929	27,423	27,882	28,844
Customer accounting and service	28,003	24,231	23,574	25,155	23,180
General and administrative	97,364	79,165	73,164	78,552	81,662
Total operating and maintenance expenses	\$349,632	\$332,810	\$325,077	\$340,164	\$349,842
Operating income before depreciation	168,763	212,850	211,225	208,244	229,008
<i>PRIMARY DEBT SERVICE COVERAGE:</i>					
Net Operating Revenues	\$168,763	\$212,850	\$211,225	\$208,244	\$229,008
Investment Earnings ⁽¹⁾	2,550	2,111	1,336	1,479	1,166
Net Transfers from (to) Rate Stabilization Fund	-	-	-	-	-
Net revenues available for debt service	\$171,313	\$214,961	\$212,561	\$209,723	\$230,173
Debt service requirements ⁽²⁾	114,653	115,198	137,625	138,711	143,622
Actual coverage	1.49x	1.87x	1.54x	1.51x	1.60x
Required coverage	1.10x	1.10x	1.10x	1.25x	1.25x
<i>SUBORDINATED DEBT SERVICE COVERAGE:</i>					
Net revenues available for debt service	\$171,313	\$214,961	\$212,561	\$209,723	\$230,173
Less: Maximum principal and interest	146,270	146,270	146,270	163,181	163,181
Adjusted net revenues	\$ 25,043	\$ 68,691	\$ 66,291	\$ 46,542	\$ 66,992
Debt service and reserve requirements ⁽³⁾	13,479	13,501	13,501	11,386	15,369
Actual coverage	1.86x	5.09x	4.53x	4.09x	4.36x
Required coverage	1.00x	1.00x	1.00x	1.00x	1.00x
<i>STATE REVOLVING FUND LOANS DEBT SERVICE:</i>					
Net revenues available for debt service	\$171,313	\$214,961	\$212,561	\$209,723	\$230,173
Less: revenue required for primary debt service coverage ⁽⁴⁾	146,270	146,270	146,270	163,181	163,181
Adjusted net revenues	\$ 25,043	\$ 68,691	\$ 66,291	\$ 46,542	\$ 66,992
Debt service requirements ⁽⁵⁾	13,479	13,501	13,501	11,386	15,369
Actual coverage	1.86x	5.09x	4.53x	4.09x	4.36x
Required coverage	1.15x	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) Represents debt service and reserve requirements on Subordinate Obligations.

(4) Maximum Principal and Interest Requirements on the Bonds.

(5) Represents debt service requirements on outstanding State Revolving Fund Loans for such Fiscal Year.

Source: Water and Sewer Department's Comprehensive Annual Financial Report For The Fiscal Year Ended September 30, 2014.

Management's Discussion

During Fiscal Years 2010 through 2014 the Board included reasonable rate increases to address the operating and maintenance cost increases that occur as a normal part of business each year. 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 and Capital Program requirements. The Board's actions have resulted in a 12%

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increase in revenues, from \$518 million to \$579 million in four years. Fiscal Year 2012 and Fiscal Year 2013 retail rates were maintained at the same rate as Fiscal Year 2011. The Board of County Commissioners adopted rate increases of 6% effective October 1, 2009, 5.9% effective April 1, 2010, 5% effective October 1, 2010, and 8% effective October 1, 2013. The main driver of revenues has been rate increases. Consumption levels for both water and wastewater were stable during this period.

A consent decree agreement (the “2014 Consent Decree”) was negotiated with the U.S. Environmental Protection Agency (EPA) that addresses regulatory violations resulting from failing infrastructure; 2014 Consent Decree was presented and adopted by the Board on May 21, 2013. On April 9, 2014, the U.S. District Court for the Southern District of Florida approved the 2014 Consent Decree. Projects related to the 2014 Consent Decree are included in the Multi-Year Capital Plan thus mainly driving the Fiscal Year 2014 rate increase. See “REGULATORY MATTERS – Sewer System Settlement Agreements and Consent Decrees.”

In Fiscal Year 2013, Senate Bill 444 Modifying the State of Florida Ocean Outfall Statute was signed into law by Governor Rick Scott, providing additional flexibility for the affected utilities to manage peak flows and to fulfill the wastewater reuse requirements in the statute.

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 2014 the Department’s General Reserve Fund and Rate Stabilization Fund totaled over \$69.6 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 \$63.8 million in the operations and maintenance reserve for Fiscal Year 2014.

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 and appropriated for the first year of each multi-year period. Both program and budget commitments are reviewed each year and modified as necessary.

Set forth in the following table is a summary of the Department’s funding sources for the Multi-Year Capital Plan (“MYCP”) for Fiscal Years 2015 through 2021. The funding of the MYCP includes proceeds of the Outstanding Bonds, the Series 2015 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, construction management and program management expenses associated with capital improvements related to wastewater treatment, collection facilities, and pumping stations, the expansion and improvements to the water treatment plants and water main rehabilitation, and other similar projects. These projects are consistent with the improvements identified in the Water and Wastewater Facilities Master Plans, the Consent Decrees and the Interim Peak Flow Management Plan. 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.

**Miami-Dade County Water and Sewer Department
2015 - 2021 Multi-Year Capital Plan⁽¹⁾
(Data in 000's)**

<u>Water</u>	Total Prior	FY 2015-2016	FY 2016-2017	FY 2017-2018	FY 2018-2019	FY 2019-2020	FY 2020-2021	Future	Total
WASD Revenue Bonds Sold	\$72,419	\$62,863	\$0	\$0	\$0	\$0	\$0	\$0	\$135,282
Water Renewal & Replacement Fund	\$147,696	\$57,190	\$43,846	\$43,000	\$40,000	\$40,000	\$40,000	\$55,000	\$466,733
Plant Expansion Fund - Water	\$8,857	\$20,105	\$12,507	\$3,902	\$0	\$0	\$0	\$0	\$45,371
Fire Hydrant Fund	\$28,156	\$2,500	\$2,500	\$2,500	\$2,500	\$3,000	\$9,500	\$0	\$50,656
General Obligation Bonds	\$17,321	\$4,133	\$7,433	\$3,705	\$1,470	\$2,577	\$0	\$0	\$36,639
Water Special Construction Fund	\$5,795	\$1,000	\$1,000	\$1,000	\$2,000	\$3,815	\$0	\$0	\$14,610
Assumed Additional Bonds	\$0	\$0	\$160,074	\$234,562	\$270,311	\$302,987	\$336,470	\$230,776	\$1,535,181
Water Construction Fund	\$2,338	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,388
Rock Mining Mitigation Fees	\$13,951	\$300	\$250	\$0	\$0	\$0	\$0	\$0	\$14,501
Miami Springs Construction Fund	\$687	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$687
Future Funding	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$721,570	\$721,570
2015 Water Revenue Bonds Sold	\$0	\$19,580	\$0	\$0	\$0	\$0	\$0	\$0	\$19,580
TOTAL	\$297,220	\$167,670	\$227,611	\$288,668	\$316,281	\$352,379	\$385,970	\$1,007,347	\$3,043,146

<u>Wastewater</u>	Total Prior	FY 2015-2016	FY 2016-2017	FY 2017-2018	FY 2018-2019	FY 2019-2020	FY 2020-2021	Future	Total
WASD Revenue Bonds Sold	\$165,184	\$18,483	\$0	\$0	\$0	\$0	\$0	\$0	\$183,667
Wastewater Renewal & Replacement Fund	\$135,951	\$74,421	\$41,763	\$40,000	\$40,000	\$40,000	\$42,000	\$162,500	\$576,635
Plant Expansion Fund - Wastewater	\$56,379	\$35,294	\$5,217	\$17,550	\$20,119	\$17,151	\$0	\$0	\$151,710
General Obligation Bonds	\$16,775	\$5,909	\$19,085	\$44,123	\$67,003	\$2,577	\$0	\$0	\$155,473
Wastewater Special Construction Fund	\$5,308	\$400	\$500	\$500	\$500	\$1,923	\$0	\$0	\$9,131
Bond Construction Contributions - Wastewater	\$2,716	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,716
Assumed Additional Bonds	\$0	\$0	\$415,445	\$694,775	\$798,481	\$934,738	\$934,035	\$4,179,290	\$7,956,764
HLD - Special Construction Fund	\$39,560	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$39,560
Miami Springs Construction Fund	\$1,086	\$200	\$40	\$0	\$0	\$0	\$0	\$0	\$1,326
Future Funding	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,123,885	\$1,123,885
2015 Wastewater Revenue Bonds Sold	\$0	\$260,286	\$0	\$0	\$0	\$0	\$0	\$0	\$260,286
TOTAL	\$422,957	\$394,994	\$482,050	\$796,948	\$926,104	\$996,389	\$976,035	\$5,465,675	\$10,461,152

(1) This Table sets forth the funding sources for the Multi-Year Capital Plan.

(2) [Future is defined as Fiscal Years 2022 through 2027].

Source: The Department

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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 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. 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. Bills have been filed for consideration in the 2015 Legislative Session that would eliminate the water treatment upgrade fee altogether, with a reverter provision that would direct five cents per ton of material mined if the wellfield is determined to be under the influence of surface water. The outcome of these proposals will not be known until the session concludes at the end of April, 2015.

Stage 1 and Stage 2 DBP Rules. The Disinfectants and Disinfection Byproducts Rule (the "Stage 1 DBPR") effective January 2004, regulates disinfection byproducts ("DBPs"), which are formed when chlorine reacts with naturally occurring organic constituents in drinking water. The Department is in compliance with the Stage 1 DBPR having both modified its John E. Preston Water Treatment Plant and used alternate pretreatment approaches there to assure compliance.

The Stage 2 DBPR builds on Stage 1 and includes the following 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 is in compliance with the Stage 2 DBPR.

Ground Water Rule. The Ground Water Rule ("GWR") provides for increased protection against microbial pathogens in public water systems that use ground water sources. On November 30, 2009, the Florida Department of Health determined that all of the Department's water treatment plants meet the 4-log virus treatment requirements of the GWR and approved the monitoring plans required under the Rule.

Sewer (Wastewater) System

North District Wastewater Treatment Plant. On February 20, 2012, the FDEP issued an operating permit under the National Pollutant Discharge Elimination System (NPDES), along with an Administrative Order (AO). The AO includes schedules for compliance with the OOL, Surface Water Quality Monitoring Plan, toxicity study, and effluent monitoring and sampling. The Department is in compliance with the NPDES permit and the AO.

Central District Wastewater Treatment Plant. On October 17, 2012, the FDEP issued an operating permit, along with an AO, which does not include authorization to discharge to the ocean under the NPDES permitting. The NPDES Permit had been issued separately by the U.S. EPA. The AO includes schedules for compliance with the OOL and a study to demonstrate percent removal. On January 23, 2015, the EPA sent a letter notifying the FDEP that they were suspending the reissuance of the federal NPDES Permit, based on a new survey that shows that the outfall for the facility is actually within State waters. The current EPA NPDES Permit remains in effect until the FDEP issues a new permit. The Department is in compliance with the NPDES Permit and the AO.

South District Wastewater Treatment Plant. 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 County's recently upgraded High Level Disinfection ("HLD") facility enables the Department to fully comply with these requirements.

South District Wastewater Treatment Plant Operating Permit. On December 10, 2012, the FDEP issued a new operation permit for the South District Wastewater Treatment Plant, which includes a schedule for completing some improvements at the plant. The Department is in compliance with the operating permit.

Sewer System Consent Decrees. In the early 1990s, the Department entered into two consent decrees with the EPA (the "Prior Consent Decrees"), and a system-wide settlement agreement with FDEP (the "Systemwide Settlement Agreement"), to mainly address deficiencies in the wastewater collection system that resulted in sewage overflows. The Department met all deliverable submission deadlines under the Systemwide Settlement Agreement and the Prior Consent Decrees (numbering more than one thousand to date). During the life of the Systemwide Settlement Agreement and the Prior Consent Decrees, more than \$1.8 billion was invested in improving the capacity and reliability of the wastewater collection and treatment systems.

Under the Prior Consent Decrees, substantial progress was 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. On April 29, 2011, the Department submitted to the EPA a Capacity, Management, Operations, and Maintenance (CMOM) Self-Assessment Report, which became the basis for negotiating a new consent decree with the EPA and FDEP focused on the replacement of aging infrastructure. The required projects are included in the Department's long-term capital improvement plan.

On November 13, 2012, a suit was filed in federal court on behalf of The Biscayne Bay Waterkeepers and a resident of the Village of Key Biscayne seeking to intervene in the Prior Consent Decrees and alleging that the County failed to comply with the Prior Consent Decrees. This suit was dismissed by the court, but the plaintiffs in that case were admitted as intervenors in the lawsuit filed pursuant to the Clean Water Act on December 13, 2012 by the U.S. Department of Justice and the State. On May 21, 2013, the Board authorized the execution of a federal consent decree ("Federal Consent Decree") between the County, the U.S. Department of Justice, the State and FDEP, for improvements to the County's wastewater collection and treatment system. On June 6, 2013, the Department of Justice lodged the proposed Federal Consent Decree with the U.S. District Court for the Southern District of Florida in the lawsuit entitled *United States, State of Florida and State of Florida Department of Environmental Protection v. Miami-Dade County, Case No. 1:12-cv-24400-FAM*. On June 12, 2013, the Notice of Lodging was published in the Federal Register. The publication opened a 30-day public comment period on the proposed Federal Consent Decree. The Effective Date for the Federal Consent Decree was December 6, 2013, six months after the Date of Lodging. On April 9, 2014, the Court issued three Orders: (i) Granting Motion to enter Federal Consent Decree; (ii) Modifying Section X of the Federal Consent Decree (doubling the proposed stipulated penalties; and (iii) Requiring Status Reports.

The schedule for construction projects identified in the consent decree began on the date of lodging. The schedules for the remaining deliverables dealing with assessments and reports began on the date of entry of the Federal Consent Decree. Penalty provisions became effective on the date of entry of the Federal Consent Decree. The Prior Consent Decrees were terminated upon entry of the Federal Consent Decree and the Federal Consent Decree supersedes the Prior Consent Decrees.

The Federal Consent Decree requires system improvements at the treatment plants and throughout the collection system valued at \$1.6 billion over a period of 15 years; continuation of the capacity maintenance program, including enforcement of the 10 hour criterion at pump

stations; expansion of the pump station remote monitoring program (SCADA system); maintenance and application of the wastewater collection and transmission system model; a spare parts program; application of these requirements to wholesale customers through the Volume Sewer Customer Ordinance administered by the Department of Regulatory and Economic Resources; expansion of the Fats, Oils, and Grease control program; enhancement of the information management system and the wastewater system asset management program; assessment of force mains; assessment of gravity sewers; enhancement of the pump station maintenance and operations program; enhancement of the wastewater treatment plant operations and maintenance program; and implementation of a financial analysis program to support the completion of all consent decree deliverables on schedule. The Department has retained a firm to provide program and construction management services for the Federal Consent Decree program, two firms to provide design services for the Wastewater Treatment Plants (WWTPs) and the Wastewater Collection and Transmission System (WCTS), and a fourth firm to provide the CMOM Requirements. The Department has assigned dedicated internal staff to manage these projects.

Wastewater 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 orders 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 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 paid approximately \$45,000 in overflow penalties pursuant to this program. The consent decree includes 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 to ___ overflows resulting 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 wastewater system overflows, confirming the need for infrastructure replacement.

During this period, the County paid \$978,100.00 as a civil penalty for violations of the Clean Water Act and State environmental laws. The Federal Consent Decree provides for stipulated penalties ranging from \$1,000 to \$20,000 for sewage overflows depending on overflow volumes, when the overflows occur during the duration of the Federal Consent Decree and whether the overflows reach the waters of the United States.

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 2015 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 2015 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 2015 Bonds will be qualified to the extent that the enforceability of certain legal rights related to the Series 2015 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 Patton Boggs (US) LLP and D. Seaton and Associates, Bond Counsel, under existing law: (i) interest on the Series 2015 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 2015 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 2015 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 2015 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 2015 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 2015 Bonds being included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2015 Bonds. The County has covenanted to take the actions required of it for the interest on the Series 2015 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 2015 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 2015 Bonds or the market value of the Series 2015 Bonds.

A portion of the interest on the Series 2015 Bonds earned by certain corporations may be subject to a federal corporate alternative minimum tax. In addition, interest on the Series 2015 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 2015 Bonds. Bond Counsel will express no opinion regarding those consequences.

Payments of interest on tax-exempt obligations, including the Series 2015 Bonds, are generally subject to IRS Form 1099-INT information reporting requirements. If a Series 2015 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.

Bond Counsel's engagement with respect to the Series 2015 Bonds ends with the issuance of the Series 2015 Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the County or the owners of the Series 2015 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 2015 Bonds, under current IRS procedures, the IRS will treat the County as the taxpayer and the beneficial owners

of the Series 2015 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 2015 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 2015 Bonds.

Prospective purchasers of the Series 2015 Bonds upon their original issuance at prices other than the respective prices indicated on the inside cover of this Official Statement, and prospective purchasers of the Series 2015 Bonds at other than their original issuance, should 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.

Risk of Future Legislative Changes and/or Court Decisions

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 2015 Bonds. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Series 2015 Bonds will not have an adverse effect on the tax status of interest on the Series 2015 Bonds or the market value or marketability of the Series 2015 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 2015 Bonds from gross income for federal or state income tax purposes for all or certain taxpayers.

For example, recent presidential and legislative proposals would eliminate, reduce or otherwise alter the tax benefits currently provided to certain owners of state and local government bonds, including proposals that would result in additional federal income tax on taxpayers that own tax-exempt obligations if their incomes exceed certain thresholds. Investors in the Series 2015 Bonds should be aware that any such future legislative actions (including federal income tax reform) may retroactively change the treatment of all or a portion of the interest on the Series 2015 Bonds for federal income tax purposes for all or certain taxpayers. In such event, the market value of the Series 2015 Bonds may be adversely affected and the ability of holders to sell their Series 2015 Bonds in the secondary market may be reduced. The Series 2015 Bonds are not subject to special mandatory redemption, and the interest rates on the Series 2015 Bonds are not subject to adjustment in the event of any such change.

Investors should consult their own financial and tax advisers to analyze the importance of these risks.

Original Issue Discount and Original Issue Premium

Certain of the Series 2015 Bonds ("Discount 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 Bond. The issue price of a Discount 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 Bonds of the same maturity is sold pursuant to that offering. For federal income tax purposes, OID accrues to the owner of a Discount 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 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 2015 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 Bond. The amount of OID that accrues each year to a corporate owner of a Discount Bond is taken into account in computing the corporation's liability for federal alternative minimum tax. A purchaser of a Discount Bond in the initial public offering at the price for that Discount Bond stated on the inside cover of this Official Statement who holds that Discount Bond to maturity will realize no gain or loss upon the retirement of that Discount Bond.

Certain of the Series 2015 Bonds ("Premium 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 Bond, based on the yield to maturity of that Premium Bond (or, in the case of a Premium Bond callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on that Premium Bond), compounded semiannually. No portion of that bond premium is deductible by the owner of a Premium Bond. For purposes of determining the owner's gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Premium Bond, the owner's tax basis in the Premium Bond is reduced by the amount of bond premium that 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 Bond for an amount equal to or less than the amount paid by the owner for that Premium Bond. A purchaser of a Premium Bond in the initial public offering at the price for that Premium Bond stated on the inside cover of this Official Statement who holds that Premium Bond to maturity (or, in the case of a callable Premium Bond, to its earlier call date that results in the lowest yield on that Premium Bond) will realize no gain or loss upon the retirement of that Premium Bond.

Owners of Discount and Premium Series 2015 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 or Premium Series 2015 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 2015 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 2015 Bonds and any disclosure concerning any defaults of conduit financings is not necessary.

CONTINUING DISCLOSURE

The County has covenanted in the Series 2015 Resolution, in accordance with the provisions of, and to the degree necessary to comply with, the secondary disclosure requirements of Rule 15c2-12 ("Rule 15c2-12") of the Securities and Exchange Commission ("SEC"), to provide or cause to be provided for the benefit of the beneficial owners of the Series 2015 Bonds to the Municipal Securities Rulemaking Board (the "MSRB") via its Electronic Municipal Market Access System ("EMMA") and 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 (each such information repository, a "MSIR"), the information set forth in the Series 2015 Resolution, commencing with the Fiscal Year ending September 30, 2015. See "APPENDIX C – 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 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 Rule 15c2-12.

Procedures and Past Performance

The County has procedures in place with respect to its continuing disclosure undertakings and, as noted above, utilizes DAC to assist it in its compliance. The following information describes the instances of non-compliance with such undertakings, known to the County, in the past five years.

The County inadvertently failed to provide timely notice of the occurrence of the County's failure to comply with the terms of the rate covenant in the master ordinance (the "Seaport Bond Master Ordinance") for its revenue bonds secured by the Net Revenues of the Seaport Department (the "Seaport Revenue Bonds") and general obligation bonds secured by both the Net Revenues of the Seaport Department and the obligation of the County to budget from ad valorem taxes levied on property in the County without limit as to rate or amount (the "Seaport General Obligation Bonds"), for Fiscal Year 2013. Based on an adjustment to Seaport Revenues for a credit due under cruise line incentive agreement required by the County's outside auditor in the course of performing its annual audit for Fiscal Year 2013, it was determined that the Seaport Department did not have sufficient Seaport Revenues to meet the rate covenant in the Seaport Bond Master Ordinance for Fiscal Year 2013. Due to the timing of the adjustment, the County failed to timely file notice within ten days of the occurrence of the notice event, as required by the Rule. The notice filing with respect to the failure to meet the terms of the rate covenant was cured on April 3, 2014.

With respect to the County's Guaranteed Entitlement Refunding Revenue Bonds, Series 2007 (the "Series 2007 Guaranteed Entitlement Revenue Bonds"), the County has included agreed-upon annual financial information relating to such bonds in its Annual Report to Bondholders filed each year with EMMA, but failed to provide proper indexing of such information in relation to the Series 2007 Guaranteed Entitlement Revenue Bonds. This indexing discrepancy was remedied by the County on April 30, 2014.

In addition, the County inadvertently failed to file notices of ratings downgrades by Standard & Poor's Rating Services of MBIA Insurance Corporation ("MBIA") affecting the insured ratings on certain bonds issued by the County and insured by MBIA. Each of these notice failures was cured by the County on November 22, 2013.

With respect to the Fiscal Year 2009, DAC filed on behalf of the County (1) with respect to the County's Series 1995 Seaport Revenue Bonds and Series 1996 Seaport Revenue Bonds, the audited financial statements for the Seaport Department (the "Seaport Audit"), and (2) with respect to the then outstanding Seaport General Obligation Bonds, the County's general audited financial statements (the "County Audit"), which reflect the operations of the Seaport Department as well as other County enterprises. In each subsequent year, DAC, on behalf of the County, has only filed the Seaport Audit in the annual filings for both the Seaport Revenue Bonds and the Seaport General Obligation Bonds.

Subsequent to the retirement in 2012 of the County's Special Housing Revenue Bonds, Series 1998 (the "Housing Bonds"), the County discovered that it had not met certain continuing disclosure obligations with respect to such bonds. The Housing Bonds were not secured by County revenues but were payable solely from revenues derived from the operations of certain rental housing projects, including housing assistance payments funded by the United States Department of Housing and Urban Development.

Two of the County's lead underwriters included the Housing Bonds under their submissions under the SEC's Municipalities Continuing Disclosure Cooperative ("MCDC") initiative. The County does not believe that its prior non-compliance with its undertaking for the Housing Bonds, or any other incident of non-compliance described above, is material, or that filing for the Housing Bonds under the MCDC initiative was warranted.

Limited Information; Limited Rights of Enforcement

The County's obligation under its continuing disclosure undertaking with respect to the Series 2015 Bonds is limited to supplying limited information at specified times and may not provide all information necessary to determine the value of the Series 2015 Bonds at any particular time.

The County has agreed that its continuing disclosure undertaking is intended to be for the benefit of the Beneficial Owners of the Series 2015 Bonds and shall be enforceable by such 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 the 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 with respect to continuing disclosure under the Series 2015 Resolution in a federal or state court located within the County, and any failure by the County to comply with the provisions of the undertaking shall not be a default with respect to the Series 2015 Bonds.

RATINGS

S&P, Moody's and Fitch have assigned ratings of "___" (___ outlook), "___" (___ outlook) and "___" (___ outlook), respectively, to the Series 2015 Bonds. 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 2015 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 ("S&P"), 55 Water Street, New York, New York 10041; Moody's Investors Service, Inc. ("Moody's"), 7 World Trade Center, 250 Greenwich Street, 23rd Floor, New York, New York 10007; and Fitch Ratings ("Fitch"), 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 2015 Bonds.

INDEPENDENT ACCOUNTANTS

The financial statements of the Department for the Fiscal Year ended September 30, 2014, included in APPENDIX B 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 B – Audited Financial Report of the Miami-Dade Water and Sewer Department for Fiscal Year Ended September 30, 2014."

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 2015 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 2015 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

Jefferies 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 2015 Bonds, subject to certain conditions, to purchase the Series 2015 Bonds from the County at a purchase price equal to the par amount of the Series 2015 Bonds less an underwriters' discount of \$ _____ [less/plus] net original issue [discount/premium] 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 2015 Bonds may be offered and sold to certain dealers (including dealers depositing such Series 2015 Bonds into investment trusts) and others at prices lower than or yields higher than such public offering prices and yields. The Underwriters reserve the right to over allot or effect transactions that stabilize or maintain the market prices of the Series 2015 Bonds at levels above that which might otherwise prevail in the open market and to discontinue such stabilizing, if commenced, at any time.

In addition, certain of the Underwriters for the Series 2015 Bonds have entered into distribution agreements with other broker-dealers (that have not been designated by the County as Underwriters) for the distribution of the Series 2015 Bonds at the original issue prices. Such agreements generally provide that the relevant Underwriter will share a portion of its underwriting compensation or selling concession with such broker-dealers.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Certain

of the Underwriters and their respective affiliates have provided, and may in the future provide, a variety of these services to the County and to persons and entities with relationships with the County, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the County (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the County. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

_____, as the Verification Agent, will verify the accuracy of the mathematical computations illustrating the adequacy of the maturing principal of and interest on the Government Obligations and the uninvested cash to be deposited in the Escrow Funds created under the Escrow Agreements to pay the principal of and interest on the Refunded Bonds through and including their respective redemption dates and the arithmetical computations of yields on both the Government Obligations and the Series 2015 Bonds. Such verification will be based in part upon schedules supplied to the Verification Agent by the Underwriters.

RELATIONSHIPS OF PARTIES

A number of the firms serving as Bond Counsel, Disclosure Counsel or Underwriters' counsel (1) have represented and may continue to represent one or more of the Underwriters in connection with other transactions in jurisdictions other than the County and (2) represent the County on certain other matters and represent certain other clients in matters adverse to the County.

LEGAL MATTERS

Certain legal matters incident to the issuance of the Series 2015 Bonds and with regard to the tax-exempt status of the interest on the Series 2015 Bonds (see "TAX MATTERS") are subject to the legal opinions of Squire Patton Boggs (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 2015 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 Locke Lord LLP (successor by merger to Edwards Wildman Palmer LLP), West Palm Beach, Florida, and Rasco Klock Perez & Nieto, P.L., Coral Gables, Florida, Disclosure Counsel. Moskowitz, Mandell, Salim & Simowitz, P.A.,

Fort Lauderdale, 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 2015 Bonds are exempt from registration pursuant to the Securities Act of 1933, as amended, and the Series 2015 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 fees payable to Bond Counsel, Disclosure Counsel and Underwriters' counsel are contingent upon the issuance and delivery of the Series 2015 Bonds.

The proposed text of the legal opinions of Bond Counsel is set forth as APPENDIX E 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 F to this Official Statement. The actual legal opinions to be delivered may vary from the text of APPENDIX E or APPENDIX F, as the case may be, if necessary, to reflect facts and law on the date of delivery of the Series 2015 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 2015 Bonds that may be prepared or made available by the County, the Underwriters or others to the holders of the Series 2015 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 2015 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 2015 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 2015 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.

APPENDIX A

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

APPENDIX B

**AUDITED FINANCIAL REPORT OF THE MIAMI-DADE
WATER AND SEWER DEPARTMENT FOR
FISCAL YEAR ENDED SEPTEMBER 30, 2014**

APPENDIX C
THE BOND ORDINANCE

APPENDIX D

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

APPENDIX E

PROPOSED FORM OF OPINION OF BOND COUNSEL

APPENDIX F

PROPOSED FORM OF OPINION OF DISCLOSURE COUNSEL

APPENDIX G
THE DTC BOOK-ENTRY ONLY SYSTEM

THE DTC BOOK-ENTRY ONLY SYSTEM

The following description of the procedures and record keeping with respect to beneficial ownership interests in the bonds being offered by this Official Statement (the "Series 2015 Bonds"), payment of interest and principal on the Series 2015 Bonds to Participants or Beneficial Owners of the Series 2015 Bonds, confirmation and transfer of beneficial ownership interest in the Series 2015 Bonds and other related transactions by and between DTC, the Participants and the Beneficial Owners of the Series 2015 Bonds is based solely on information furnished by DTC on its website for inclusion in this Official Statement. Accordingly, none of 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.

The Depository Trust Company ("DTC") will act as initial securities depository for the Series 2015 Bonds. The Series 2015 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 the Series 2015 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 2015 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for such Series 2015 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2015 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 2015 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 2015 Bonds, except in the event that use of the book-entry system for the Series 2015 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2015 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 2015 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 2015 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2015 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 2015 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2015 Bonds, such as defaults, and proposed amendments to the documents. For example, Beneficial Owners of Series 2015 Bonds may wish to ascertain that the nominee holding the Series 2015 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 2015 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 2015 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 2015 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 2015 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 2015 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 2015 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 2015 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 2015 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 2015 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 2015 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 2015 BONDS SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF SUCH SERIES 2015 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 2015 Bond certificates, the County may notify DTC and the Registrar, whereupon DTC will notify the Participants, of the availability through DTC of Series 2015 Bond certificates. In such event, the County shall prepare and execute and the Registrar shall authenticate, transfer and exchange Series 2015 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 2015 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 2015 Bond

certificates as described in this Official Statement. In the event Series 2015 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 2015 Bonds to any DTC Participant having such Series 2015 Bonds credited to its DTC account; or (ii) to arrange for another securities depository to maintain custody of certificates evidencing the Series 2015 Bonds.

EXHIBIT D

ESCROW DEPOSIT AGREEMENT

On file with the Clerk's office