

Key Largo Wastewater Treatment District Board of Commissioners Meeting Agenda Item Summary

Meeting Date:

June 18, 2024

Agenda Item Number: F-1

Action Required:

Yes

Department:

Legal

Sponsor:

Nick Mulick

Subject:

Minutes of May 21, 2024

Summary:

Staff will present the minutes of May 21, 2024 board meeting for approval.

Reviewed / Approved

Operations: _____

Administration: _____

Finance: _____

District Counsel: _____

District Clerk: _____

Engineering: _____

Financial Impact

\$

Funding Source:

N/A

Budgeted:

N/A

Attachments

1. Minutes

Approved By: _____

General Manager

Date: _____

6/13/2024



Key Largo Wastewater Treatment District
103355 Overseas Hwy, Key Largo, FL
Tuesday, May 21, 2024

MINUTES

CALL TO ORDER (A)

Chairman Nicolas Rodriguez called the meeting to order at 4:00 pm.

PLEDGE OF ALLEGIANCE (B)

Mr. Peter Rosasco led the Pledge of Allegiance.

ROLL CALL (C)

Present were: Chairman Nicolas Rodriguez; Commissioners Tim Maloney, Sue Heim, and Robert Majeska.

Present Virtually: Commissioner Philip Schwartz (non-voting)

Also present: General Manager Peter Rosasco; General Counsel Nicholas Mulick; District Clerk Shannon McCully; Finance Manager Connie Fazio; Plant/Facilities Manager Ryan Dempsey; Field Manager Mike Dempsey; Field Supervisor Rudy Perez; Weiler Engineering Steve Suggs and Abbie Connor; Lead Plant Operator Jerry Baker; IT Support Manny Santana.

Appeared Virtually: Tony Grau of Grau and Grau Associates; Project Administration and HR Coordinator Laura Weinstock; IT Consultant Randy Redmond

AGENDA ADDITIONS, CORRECTIONS, OR DELETIONS (D)

Approval of Agenda (D-1)

Chairman Rodriguez requested the addition of item *P-1 Recognition*

Commissioner Majeska requested the addition of item *M-3 Solar Update*

Commissioner Heim requested the addition of items *P-2 Twin Lakes Construction*, *P-3 Board Room Cameras*, and *P-4 Customer Over-Under Billing*

Mr. Rosasco requested the addition of item *G-2 Raftelis Rate Study*

Motion: Commissioner Heim made a motion to approve the agenda as amended. Commissioner Majeska seconded the motion. Motion passed without objection.

PUBLIC COMMENT (E)

No Speakers.

APPROVAL OF MINUTES (F)

Minutes of May 7, 2024 (F-1)

Motion: Commissioner Heim made a motion to approve the minutes of May 7, 2024. Commissioner Maloney seconded the motion.

Motion passed without objection.

GENERAL MANAGER (G)

FY2023 Financial Audit Results presented by Tony Grau of Grau & Associates (G-1)

Mr. Tony Grau of Grau & Grau Associates presented the 2023 Financial Audit Results.

Raftelis Rate Study Proposal 2024 (G-2) (Laydown)

Mr. Rosasco presented the 2024 Raftelis Rate Study Proposal for approval.

Motion: **Commissioner Maloney made a motion to move the Rate Study forward.
Commissioner Heim seconded the motion.**

Vote on Motion:

Commissioner Maloney – Aye

Commissioner Heim - Aye

Commissioner Majeska - Aye

Chairman Rodriguez – Aye

Islamorada Update (G-3)

Mr. Rosasco discussed Islamorada's force-main break on May 16, 2024.

CUSTOMER SERVICE (H)

Customer Service Report – April 2024

Ms. Fazio presented the Customer Service monthly report.

IT (I)

IT Report – April 2024 (I-1)

Mr. Redmon presented the IT monthly report.

BUDGET AND FINANCE (J)

Budget and Finance Report – April 2024 (J-1)

Ms. Fazio presented the Budget and Finance monthly report.

FY2025 Budget & Assessment Calendar (J-2)

Ms. Fazio presented the Budget & Assessment Calendar for 2024.

FIELD (K)

Field Report – April 2024 (K-1)

Mr. M. Dempsey presented the Field monthly report.

PLANT/FACILITIES (L)

Plant/Facilities Report – April 2024 (L-1)

Mr. R. Dempsey presented the Plant/Facilities monthly report.

CAPITAL PROJECTS (M)

Capital Projects Report – April 2024 (M-1)

Mr. Suggs presented the Capital Projects monthly report.

KLWTD Collection System Monitoring CO #5 Valve Rebuilt Kits (Deductive) (M-2)

Mr. Suggs presented Change Order # 5 for approval.

Motion: **Commissioner Maloney made a motion to approve Change Order #5.**

Commissioner Heim seconded the motion.

Vote on Motion:

Commissioner Maloney – Aye

Commissioner Heim - Aye

Commissioner Majeska - Aye

Chairman Rodriguez – Aye

Solar Update (M-3)

Commissioner Majeska requested KLWTD's Solar Power System updates be added as an ongoing report under N. Engineering.

ENGINEERING (N)

No report in agenda.

LEGAL REPORT (O)

No report in agenda.

COMMISSIONER ITEMS (P)

Recognition (P-1)

Chairman Rodriguez presented a plaque to Mike Dempsey for his 16 years of service at KLWTD.

Twin Lakes Construction (P-2)

Commissioner Heim discussed Twin Lakes project and requested KLWTD pursue the county covering or reimbursing KLWTD's expenses, in addition to KLWTD applying for grants.

Board Room Cameras (P-3)

Commissioner Heim requested the camera views of listeners be shown during Board meetings.

Customer Over-Under Billing (P-4)

Commissioner Heim asked the Board if they wanted to review possible over or under billing charges. The Board declined.

ROUNDTABLE DISCUSSION (Q)

No report in agenda.

ADJOURNMENT (R)

The meeting was adjourned at 6:18 pm.

Nicolas Rodriguez, Chairman

Shannon McCully, Clerk

Seal _____

Key Largo Wastewater Treatment District Board of Commissioners Meeting Agenda Item Summary

Meeting Date:
May 21, 2024

Agenda Item Number: G-2

Action Required:
Yes

Department:
General Manager

Sponsor:
Peter Rosasco

Subject:
Raftelis Rate Study Proposal 2024

Summary:
Mr. Rosasco will present the 2024 Raftelis Rate Study Proposal.

<u>Reviewed / Approved</u>	<u>Financial Impact</u>	<u>Attachments</u>
Operations: _____	\$	1. Raftelis Proposal
Administration: _____		
Finance: _____	Funding Source:	
District Counsel: _____	N/A	
District Clerk: _____	Budgeted:	
Engineering: _____	N/A	

Approved By: _____
General Manager

Date: 5-21-24

May 17, 2024

Ms. Connie Fazio
Sr. Finance Manager
Key Largo Wastewater Treatment District
103355 Overseas Highway
Key Largo, FL 33037

Subject: Proposal for a Wastewater Rate Study

Dear Connie:

Raftelis Financial Consultants Inc. ("Raftelis") is pleased to submit this proposal to the Key Largo Wastewater Treatment District (the "District" or "Client") to provide utility rate and financial consulting services (the "Proposal") through the performance of a revenue sufficiency and adequacy of rate analysis for the wastewater utility system (the "System"). With respect to this Proposal, the primary responsibilities of Raftelis will be to assist the District with the update of a five (5) year financial forecast, previously developed by Raftelis in prior engagements, to assess the sufficiency of existing monthly user rate revenues and determine the feasibility and/or financial impacts from a rate reduction (the "Project"). Based on our understanding of the needs of the District with respect to the Project, we propose the following:

PROJECT TEAM AND BILLING RATES

With respect to the performance of the Project, Mr. Thierry Boveri will be the principal-in-charge and Mr. Trevor McCarthy, will be the project manager and both will serve as primary points of contact with the District. Other analysts and administrative personnel will be utilized during the course of the engagement as needed. Attachment A, which is made a part of this Proposal, summarizes the direct labor hourly billing rates by project team title that may be used relative to this engagement.

SCOPE OF SERVICES

The scope of services to be performed by Raftelis relative to this Proposal is included herein as Attachment B, which is made a part of this Proposal. As noted in the scope of services, Raftelis will coordinate with District staff regarding the data needs for the study.

COMPENSATION AND BILLING

Based on the scope of services summarized on Attachment B and the direct hourly labor billing rates and standard unit rates associated with the billing of other direct expenses associated with the performance of such services as identified in Attachment A, we proposed a not-to-exceed contract budget of \$24,980 for the Project. Detail of the proposed not-to-exceed contract amount is summarized on Attachment C, which is made a part of this Proposal. This contract budget amount includes the direct cost of personnel anticipated to be assigned to the Project as well as any indirect costs such as telephone, reproduction, printing and shipping charges. The costs incurred by Raftelis for such indirect costs, if any, will be billed to the District based on actual cost or on the standard unit cost rates as summarized on Attachment A.

Raftelis will bill the District on a monthly basis for the consulting services provided to the District in accordance with the intent of this Proposal. The payment for the utility rate and financial consulting services as provided by Raftelis as delineated on Attachment B shall be on an hourly, not to exceed, basis and will equal the sum of: i) direct labor cost based upon the actual hours of service furnished toward the completion of the Project; ii) any other direct expenses incurred during the month associated with the Project; and iii) the cost of any subconsulting services. Raftelis does not anticipate the need for sub-consultant services during the course of the engagement. To the extent that Raftelis determines a need for sub-consultant

services, Raftelis will notify the District of such need and will not employ or use any sub-consultant without the approval by authorized District personnel. No additional services above the cost estimate will be performed without the prior written authorization of the District.

PROJECT SCHEDULE

Upon notification to proceed, Raftelis will complete the scope of services identified in this Proposal within 60 days of receipt of the required data or as mutually agreed upon based on the requirements of the District.

We appreciate the opportunity to submit this Proposal for the Board's consideration of Raftelis and look forward to the possibility of working with the District again in the future. Should you or the Board have any questions about this Proposal please do not hesitate to contact us.

We have included our standard terms and conditions as Attachment D. If the provisions of this engagement letter are acceptable, please sign and return one copy of the letter for our files. We appreciate the opportunity to be of service to the District and look forward to working with you soon.

Sincerely,

RAFTELIS FINANCIAL CONSULTANTS, INC.



Thierry A. Boveri, CGFM

Vice President

Approved: _____ Date: _____

Name of Signatory: _____ Title: _____

ATTACHMENT A

2024 Standard Hourly Billing Rates

<u>Position</u>	<u>Hourly Billing Rate *</u>
Executive Vice President	\$375
Vice President	\$340
Senior Manager	\$305
Manager	\$270
Senior Consultant	\$240
Consultant	\$210
Associate	\$175
Administration	\$100
Technology/Communication Charge**	\$10

* These rates will be in effect for calendar year 2024 and will then increase annually by 3% unless specified otherwise by contract.

** Technology/Communication Charge – this is an hourly fee charged monthly for each hour worked on the project to recover telephone, facsimile, computer, postage/overnight delivery, conference calls, electronic/computer webinars, photocopies, etc.

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ATTACHMENT B

Project Approach and Scope

The scope of services to be performed by Raftelis Financial Consultants, Inc. (Raftelis) associated with the performance of the Project as it relates to the completion of a wastewater revenue sufficiency analysis is summarized below by major task item.

Task 1 – Data Acquisition and Review

Raftelis will work with the District and its consultants to obtain information, customer billing and statistical data, engineering and capital assessment records and reports, and other information relative to existing wastewater operations and the continued connection of new wastewater services. Raftelis will attend one (1) virtual kick-off meeting with District staff to review compiled information, identify and discuss issues associated with the financial and rate evaluation, and to assist Raftelis with the initiation of the Project.

Task 1: Deliverables and Meetings

Deliverables: Data Request

Meetings: 1 virtual meeting

Task 2 – Development of Historical and Projected Customer and Statistical Forecast

Based on data availability, Raftelis will compile the historical wastewater customers (both from a rate and non-ad valorem assessment basis), equivalent residential units or connections (ERC), and billed wastewater flow data for the historical periods completed since the prior engagement for the System to identify trends in customers served / growth and billed usage relationships. This historical trend analysis will also include billed wholesale wastewater flows received from the Village of Islamorada. Based on information provided by the District and the analysis of the trends in customers and usage performed during this task, Raftelis will update previous analyses and develop a forecast of customer account growth, billed wastewater flow (in terms of revenue gallons billed based on water statistics as provided by FKAA), and the wastewater treatment requirements for the Fiscal Year 2024 (the current budget year and referred to as the "Test Year") and the subsequent five (5) Fiscal Years ending 2029 (the "Forecast Period"). The forecast will be developed to assist in the calculation of utility rate revenues for the evaluation of the financial needs of the System. The forecast will be based on the historical trends and usage requirements of the District and the billing rate attributes associated with the rates that are currently in effect as of the date of the report. Raftelis will test the detailed customer data for reasonableness and will also perform a rate reconciliation of recent historical customer statistics and the application of the rates to such statistics and to identify any issues relative to the revenue modeling process.

Task 2: Deliverables and Meetings

Deliverables: n/a

Meetings: n/a

Task 3 – Projection of Wastewater Assessment Revenue

Based on the District's adopted wastewater assessment methodology and most recent EDU calculations, Raftelis will prepare a projection of annual assessment revenue by assessment phase (i.e. wastewater basin), including projected assumptions associated with early prepayments. This projection will reflect, for each basin, the assessment revenue for the entire duration of the wastewater assessment program in order to provide a comparison of long-term assessment revenue to debt service commitments. Raftelis will coordinate with the District staff and consultants to review the current assessment rolls and projected future assessment revenue and reconcile most recent historical revenue collections to the EDU statistics to validate this revenue source and to compare such accounts to the wastewater accounts connected to and receiving service (which links to the FKAA billing statistics).

Task 3: Deliverables and Meetings

Deliverables: n/a

Meetings: n/a

Task 4 – Projection of Wastewater Rate Revenue

Based on the detailed customer billing information and corresponding forecast of customer growth and billed wastewater flow, Raftelis will develop a rate revenue projection for the Forecast Period. This forecast will allow a match between the growth assumed for the financial forecast and the revenue derived from existing rates. This task will also include projections of wholesale wastewater service to the Village of Islamorada. The revenue forecast will also include projections of the operating revenues, interest income (which will be based on a "funds flow" analysis), and connection (impact) fees for future capital needs.

Task 4: Deliverables and Meetings

Deliverables: n/a

Meetings: n/a

Task 5 – Development of Operating Expense Projections

This task involves the development of the estimated amount of operating expenses required to be funded from wastewater rate revenues for the Forecast Period. This task will be performed in sufficient detail in order to: i) recognize the primary expenses incurred for the wastewater system; ii) assist in the projection of expenditures for the Forecast Period; and iii) recognize changes in operating costs due to changes in regulatory requirements, utility operations and the continued implementation of the capital improvement program. Finally, other operating expenses such as contingency reserves, insurance needs, other post-employment benefits, and other expenses will be evaluated to ensure that rates are designed for the full recovery of costs.

Task 5: Deliverables and Meetings

Deliverables: n/a

Meetings: n/a

Task 6 – Capital Funding Analysis

This task involves a detailed review of the District's five (5) year or applicable capital improvement program and other engineering planning documents, and the performance of a funding analysis to identify available sources of funds for financing of the capital improvement program and the estimated impact on utility rate revenues associated with the capital funding program for the Forecast Period.

This task will also include the development of a flow of funds analysis to evaluate cash flow balances in each specific fund of the System and to estimate interest income earned on unrestricted and restricted fund balances as defined in the Bond Resolution for the System (assist in determination of rate covenant compliance) or as established by District policy. Raftelis will provide recommendations regarding utility reserve policies and recognize minimal reserve levels in the cash flow analysis as part of the management dashboard update. Raftelis will also coordinate with District staff and District financial advisor, as necessary, to optimize the amount of long-term debt in relation to utility reserves.

Task 6: Deliverables and Meetings

Deliverables: n/a

Meetings: n/a

Task 7 – Projection of Debt Service by Issue

Based on existing District loan commitments and projected loan commitments as derived in the capital funding analysis, Raftelis will develop a projection of debt service by each wastewater debt issue. This analysis will include the effects of the recent repayment of certain SRF loans. This projection will be used as part of the overall financial forecast and will be used to compare to the long-term wastewater assessment revenue as discussed above.

Task 7: Deliverables and Meetings

Deliverables: n/a

Meetings: n/a

Task 8 – Compliance Analysis and Management Dashboard

This task will be conducted in order to satisfy the rate covenant requirements and the flow of fund requirements as defined in the governing bond resolution that authorized the issuance of the outstanding utility system revenue bonds as well as any loan agreements associated with the issuance of any subordinate lien debt. The compliance analyses will be performed for the Forecast Period to maintain the financial integrity of the utility system. Additionally, to the extent any senior or subordinate bonds are assumed to be issued by the District during the Forecast Period, Raftelis will evaluate the "additional bonds test" requirements from Net Revenues for Bond Resolution compliance purposes as a component of the financial forecast.

Raftelis will also update the "management dashboard," which will highlight the financial position and certain financial ratios to present the estimated financial creditworthiness of the System and to evaluate or identify any financial risks to the District.

Task 8: Deliverables and Meetings

Deliverables: n/a

Meetings: n/a

Task 9 – Development of Net Revenue Requirements and Rate Impact Analyses

Predicated on the aforementioned tasks, Raftelis will prepare a summary of the total net revenue and funding requirements of the System and the corresponding rate impact requirements for each fiscal year of the Forecast Period. Based on the Test Year financial evaluation performed for the System, Raftelis will develop recommended rate adjustments (rate revenue percentage increase) expressed on a percentage basis above the revenues produced from the existing rates for the System for consideration by the District.

Task 9: Deliverables and Meetings

Deliverables: n/a

Meetings: n/a

Task 10 – Staff Presentation of Net Revenue Requirements Analysis

Raftelis will prepare a summary documenting all of our analyses, assumptions, and considerations for the review of District staff. During the preparation of the analysis, Raftelis has i) identified the attendance of one (1) virtual meeting to discuss preliminary findings or issues and to formally present the results to staff and to initiate the Board of Commissioners (the "Board") / public presentation requirements. Any adjustments to the analysis as a result of the virtual meeting will be made prior to the release of the study to the District for presentation to the Board.

Task 10: Deliverables and Meetings

Deliverables: Staff Presentation

Meetings: 1 virtual meeting

Task 11 – Preparation of Report and Presentation of Findings

Raftelis will prepare a wastewater revenue sufficiency study report documenting the assumptions, analyses, and recommendations or conclusions for consideration by the District Board. The report will include recommendations concerning rate increases and recommendations relative to automatic price index. This report will include a detailed description of the financial projections including the significant assumptions utilized in the development of such projections and rate analysis. A draft of the wastewater revenue sufficiency study report will be completed for review by the District staff prior to the completion of the final report. This task assumes attendance of one (1) virtual meeting to present findings to the District Board.

Task 11: Deliverables and Meetings

Deliverables: Draft and Final Report

Meetings: 1 virtual meeting

ADDITIONAL SERVICES

During the course of the engagement, the District may request additional services from Raftelis. Raftelis will perform such services only as mutually agreed between the District and Raftelis in writing. Examples of utility rate consulting services, which would be considered as an additional service, include, but are not limited to, the following activities:

1. Attendance of meetings/conference calls in addition to what is contemplated in the scope of services referenced above, including additional meetings with the District Board beyond the one (1) included in the scope of services.
2. Detailed modifications or development of wastewater rate resolutions and policies.
3. Preparation of a public information program and attendance at any meetings with affected customers, interested third parties, or other public agencies relative to the wastewater utility system.
4. The preparation of additional capital and financial scenarios beyond what is generally contemplated in this scope of services; including the preparation of additional financial scenarios after substantial completion of the draft study and its delivery to the District for consideration.
5. Delays in the project schedule which may have impacts on analyses performed which would affect the budget for the scope of services reflected herein.

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ATTACHMENT C

ATTACHMENT C
Key Largo Wastewater Treatment District
Cost Estimate to Prepare a Wastewater Revenue Sufficiency Rate and Financial Forecast Analysis

Line No.		Task Ref. [1]	Vice President	Senior Consultant	Consultant	Administrative	Totals
1	Direct Labor Rates [2]		\$340.00	\$240.00	\$210.00	\$100.00	
2	Data Acquisition / Compilation Review	1	2.0	2.0	4.0	2.0	10.0
3	Compilation of Historical Customer Billing Information	2	-	2.0	12.0	-	14.0
4	Development of Customer and Billed Flow (Usage) Forecast	2	-	1.0	5.0	-	6.0
5	Projection of Wastewater Assessment Revenue	3	-	1.0	5.0	-	6.0
6	Projection of Wastewater Rate (including wholesale) Revenue	4	-	1.0	4.0	-	5.0
7	Development of Operating Expense Projections	5	1.0	2.0	12.0	-	15.0
8	Capital Funding Analysis (Flow of Funds Analysis & Interest Income)	6	1.0	2.0	7.0	-	10.0
9	Projection of Debt Service by Issue	7	1.0	2.0	4.0	-	7.0
10	Compliance Analysis and Management Dashboard	8	1.0	1.0	2.0	-	4.0
11	Development of Net Revenue Requirements and Rate Impact Analyses	9	1.0	2.0	4.0	-	7.0
12	Staff Presentation of Net Revenue Requirements - Presentation Documents	10	2.0	2.0	4.0	2.0	10.0
13	Technical Memorandum / Report Preparation / Presentation Documents	11	2.0	4.0	8.0	4.0	18.0
14	Total Hours		11.0	22.0	71.0	10.0	112.0
15	Direct Labor Cost		\$3,740	\$5,280	\$14,910	\$1,000	\$24,930
	Other Direct Cost						
16	Travel (car rental, tolls, gas, etc.)						\$ 0
17	Allowance for Telephone, Delivery, and Other Project Costs						0
18	Miscellaneous / Rounding						50
19	Total Other Direct Costs						\$ 50
20	Total Estimated Project Cost						\$ 24,980

[1] Please reference Attachment A - Scope of Services for description of tasks to be performed by Raftelis.

[2] Please reference Attachment B for direct labor hourly rates for Raftelis.

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ATTACHMENT D

I. SCOPE

Raftelis Financial Consultants, Inc. (Raftelis) agrees to perform the professional consulting services described in the agreement (Work) that incorporates these standard terms and conditions. Unless modified in writing by the parties hereto, the duties of Raftelis shall not be construed to exceed those services specifically set forth in the agreement. These terms and conditions and the agreement, when executed by the Client, shall constitute a binding agreement on both parties (hereinafter the “Agreement”).

II. COMPENSATION

The Client, as defined in the agreement, agrees to pay for the services as billed within 30 days of receiving the invoice. Amounts paid after 30 days may be subject to interest charges, not to exceed a monthly compound rate of one percent (1.0%) applied to the delinquent unpaid balance.

Time-related charges will be made in accordance with the billing rate referenced in the agreement. Other indirect expenses and subcontractor services, if any, will be billed in accordance with the standard unit cost rates as referenced in the agreement or, if no reference is provided, at the actual cost as incurred by Raftelis.

III. RESPONSIBILITY

Raftelis is employed to render a professional service only, and any payments made by Client are compensation solely for such services rendered and recommendations made in carrying out the Work. Raftelis shall perform analyses, make factual presentations, and provide professional advice and recommendations. Raftelis does not expressly warrant or guarantee its services.

IV. RELIANCE UPON INFORMATION PROVIDED BY OTHERS

If Raftelis’ performance of services hereunder requires Raftelis to rely on information provided by other parties (excepting Raftelis’ subcontractors), Raftelis shall not independently verify the validity, completeness or accuracy of such information unless otherwise expressly engaged to do so in writing by Client. Any opinions or recommendations are intended for the exclusive use of the Client and shall not be provided to any other party without the written consent of Raftelis. Any opinions or advice shall speak only as of the time it is provided to the Client and may not be valid after the passage of time.

V. INDEMNIFICATION

Raftelis agrees to indemnify, defend, and hold Client harmless from and against liability caused by the negligent errors or negligent omissions of Raftelis, its agents, employees, or representatives, in the performance of duties set forth in Article I. Regardless of any other term of this Agreement, in no event shall Raftelis be responsible or liable to Client for any incidental, consequential, or other indirect damages.

Client agrees to indemnify, defend, and hold Raftelis harmless from and against any liability caused by the negligent errors or negligent omissions of Client, its agents, employees, or representatives, in the performance of duties set forth in Article I.

VI. INSURANCE

Raftelis shall maintain during the life of the agreement the following minimum insurance:

1. Commercial general liability insurance, including hired and non-owned automobiles, with the following limits:

Each Occurrence	\$1,000,000
Damage to Rented Premises (Each Occurrence)	\$500,000
Medical Expense (Any One Person)	\$15,000
Personal and Advertising Injury	\$1,000,000
General Aggregate	\$2,000,000
Products – Completed/Operation General Aggregate	\$2,000,000

2. Statutory worker's compensation and employers' liability insurance as required by state law.
3. Professional liability insurance at a limit of liability of not less than \$5,000,000 aggregate.

VII. SUBCONTRACTS

Unless specifically specified in the Agreement, Raftelis shall be entitled, to the extent determined to be appropriate by Raftelis, to subcontract any portion of the Work to be performed under this Agreement.

VIII. ASSIGNMENT

These terms and conditions and the agreement to which they are attached are binding on the heirs, successors, and assigns of the parties hereto. This agreement may not be assigned by Client or Raftelis without prior, written consent of the other.

IX. INTEGRATION

These terms and conditions and the agreement to which they are attached represent the entire understanding of Client and Raftelis as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered herein. The agreement may not be modified or altered except in writing signed by both parties.

X. JURISDICTION

This agreement shall be administered and interpreted under the laws of the State of Florida. Jurisdiction of litigation arising from the agreement shall be in that state.

XI. SEVERABILITY

If any part of the Agreement is found unenforceable under applicable laws, such part shall be inoperative, null and void insofar as it is in conflict with said laws, but the remainder of the Agreement shall be in full force and effect.

XII. FORCE MAJEURE

Raftelis shall not be responsible for delays in performing the scope of services that may result from causes beyond the reasonable control or contemplation of Raftelis. Raftelis will take reasonable steps to mitigate the impact of any force majeure.

XIII. NO BENEFIT FOR THIRD PARTIES

The services to be performed by Raftelis hereunder are intended solely for the benefit of Client, and neither right nor benefit is conferred on, nor any contractual relationship intended or established with any person or entity not a party to this Agreement. No such person or entity shall be entitled to rely on Raftelis' performance of its services hereunder.

XIV. WORK PRODUCT

Raftelis and Client recognize that Raftelis' Work product submitted in performance of this Agreement is intended only for the Client's benefit and use. Change, alteration, or reuse on another project by Client shall be at Client's sole risk, and Client shall hold harmless and indemnify Raftelis against all losses, damages, costs, and expenses, including attorneys' fees, arising out of or related to any such unauthorized change, alteration, or reuse. Nothing contained herein shall be

deemed a transfer, assignment, or divestiture by Raftelis of its trade secrets, expertise, or intellectual property.

XV. SUSPENSION OF WORK

Client may suspend, in writing, all or a portion of the Work under the agreement in the event unforeseen circumstances beyond Client's control make normal progress of the Work impossible. Raftelis may request that the Work be suspended by notifying Client, in writing, of circumstances that are interfering with the normal progress of Work. Raftelis may suspend Work on the project in the event Client does not pay invoices when due. Raftelis shall be compensated for its reasonable expenses resulting from such suspension including mobilization and de-mobilization. The time for completion of the Work shall be extended by the number of days Work is suspended. In the event that the period of suspension exceeds 90 days, the terms of the agreement are subject to renegotiation and both parties are granted the option to terminate Work on the suspended portion of the project.

XVI. TERMINATION OF WORK

Client may terminate all or a portion of the Work covered by the agreement for its convenience. Either party may terminate Work if the other party fails to perform in accordance with the provisions of the agreement. Termination of the agreement is accomplished by 15 days prior written notice from the party initiating termination to the other. Notice of termination shall be delivered by certified mail with receipt for delivery returned to the sender.

This agreement may be terminated by Raftelis: (a) for cause, if Client breaches this Agreement through no fault of Raftelis and Client neither cures such material breach nor makes reasonable progress toward cure within 15 days after Raftelis has given written notice of the alleged breach to Client; or (b) upon five days' notice if Work under this Agreement has been suspended by either Client or Raftelis in the aggregate for more than 90 days.

In the event of termination, Raftelis shall perform such additional Work as is necessary for the orderly filing of documents and closing of the project. The time spent on such additional Work shall not exceed five percent (5%) of the time expended on the terminated portion of the project prior to the effective date of termination. Raftelis shall be compensated by the client for Work actually performed prior to the effective date of termination plus the Work required for filing and closing as described in this Article.

XVII. ARBITRATION

All claims, disputes and other matters in question between the parties to this agreement arising out of or relating to this agreement or the breach thereof, which are not disposed by mutual agreement of the parties, shall be decided by arbitration in accordance with the Florida Arbitration Code. No arbitration arising out of or relating to this agreement shall include any person not a party to this agreement except by written consent containing a specific reference to this agreement and signed by the parties hereto and persons to be joined.

This agreement to arbitrate shall be specifically enforceable under prevailing arbitration law.

Notice of demand for arbitration shall be filed in writing with the other parties to this agreement. The demand shall be made within a reasonable time after the claim, dispute, or other matter in question has arisen, but in no event after the date when the institution of legal or equitable proceedings would be barred by the applicable statute of limitations. The award rendered by the arbitrators shall be final and judgment may be entered in accordance with applicable law in any court having jurisdiction.

XVIII. E-VERIFY REQUIRED

Raftelis and its subcontractors warrant compliance with all federal immigration laws and regulations that relate to their employees. Raftelis agrees and acknowledges that the Client is a public employer that is subject to the E-Verify requirements as set forth in Section 448.095, Florida Statutes, and that the provisions thereof apply to this Agreement. Raftelis by entering into this Agreement with the Client, certifies: (i) it is registered with and uses the E-Verify system operated by the U.S. Department of Homeland Security to verify the work authorization status of all newly hired employees; (ii) during the year prior to making its submission or entering into this Agreement, no contract of Raftelis was terminated by a public employer in compliance with Section 448.095, Florida Statutes; and (iii) Raftelis is and shall remain in compliance with Sections 448.09 and 448.095, Florida Statutes, including securing and maintaining subcontractor affidavits as required by Section 448.095(2)(b), Florida Statutes. Additionally, Raftelis shall require all subcontractors performing work under this Agreement to use the E-Verify system for any employees hired on and after January 1, 2021. Contractor must provide evidence to the Authority of compliance with Section 448.095, Florida Statutes, prior to entering into the Agreement and then annually on each anniversary of the Agreement's Effective Date. The Client's receipt of proof that Raftelis and each subcontractor performing through Raftelis are E-Verify system participants is a condition precedent to entering this Agreement. The submission of an executed affidavit, similar to the affidavit in Exhibit A, from the Raftelis and any subcontractor stating it is in compliance with Section 448.095, Florida Statutes, and all employees hired on and after January 1, 2021, have had their work authorization status verified through the E-Verify system shall satisfy this requirement.

Notwithstanding any other provision herein, if the Client has a good faith belief that Raftelis or its subcontractors have knowingly hired, recruited, or referred an alien who is not duly authorized to work by the immigration laws or the Attorney General of the United States for employment under this Agreement, the Client shall terminate this Agreement. Raftelis shall be liable for any additional costs incurred by the Client as a result of the termination of this Agreement based on the failure of Raftelis or its subcontractors to comply with the E-Verify requirements referenced herein.

XIX. NOTICES

All notices required under this Agreement shall be by personal delivery, facsimile or mail to the Raftelis Project Manager and to the person signing the Agreement on behalf of the Client and shall be effective upon delivery to the address stated in the Agreement.

XX. PUBLIC RECORDS

Pursuant to applicable Florida law, Raftelis' records associated with this Agreement may be subject to Florida's public records laws, Florida Statutes 119.01, et seq., as amended from time to time. Raftelis shall comply with all public records obligations set for in such laws, including those obligations to keep, maintain, provide access to, and maintain any applicable exemptions to public records, and transfer all such public records to the Client at the conclusion of this Agreement, as provided for in Florida Statutes 119.0701 (2013).

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