

SEACOAST UTILITY AUTHORITY

**4200 HOOD ROAD
PALM BEACH GARDENS, FL 33410-1810**

Business Phone: (561) 627-2900

Customer Service Phone: (561) 627-2920

After Hours Emergency Phones: (561) 627-2900

Facsimile Number: (561) 624-2839

Web Site Address: www.sua.com

UNIFORM EXTENSION POLICY

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I. INTENT

The Seacoast Utility Authority (Authority) hereby establishes this Uniform Extension Policy designed to set forth the service and financial relationship between the Authority and property owners, builders or Developers seeking to obtain water or sewer service for the benefit of their properties. The Authority declares that each prospective consumer of the Authority's systems shall be responsible for the cost, allocable to him, of water production and treatment; sewage treatment and disposal; water storage and distribution; and, sewage collection facilities necessary to provide the required service to his property.

This Uniform Extension Policy further has as its goal, the establishment of a uniform method of computing or determining all contributions in aid of construction required to be paid by prospective consumers which shall be demonstrably non-discriminatory among consumers of the same class in the service area, and shall further be applied uniformly to all consumers and prospective consumers within the present or expanded future service area.

The Authority further declares that the reservation of capacity from water or sewer treatment facilities which are in existence, under construction, or under active design for near term construction requires the payment of capacity reservation fees which are intended to offset the fixed and non-variable costs of operating and maintaining utility facilities reserved for future use. Such fixed and non-variable costs include interest cost or its equivalent attributable to the capital cost of reserved facilities, insurance costs, depreciation, maintenance, administrative and general expenses, and such other items of expenses which are not reflective of the actual expense of producing and delivering, or receiving, treating, and disposing of the product of the Authority's systems. In the case of interest cost, such costs are intended to reflect the extent to which capital costs of the Authority are defrayed by the prepayment of connection charges. The Authority acknowledges that such prepayments tend to reduce the requirement for capacity reservation fees.

Connection charges and capacity reservation fees are not charged or received as compensation for the sale of water or sewer services and are not to be considered "service" within the context of Section 166.231, Florida Statutes, or its successor Statute.

Finally, it is the Authority's intention that the connection charges provided for herein and the capacity reservation fees which support the carrying costs of facilities held for future use, be established from time to time, so as to balance the financial requirements of the system equitably and properly between the existing consumers of the Authority and those prospective consumers seeking future service. It is the Authority's goal to avoid leveraging current consumers in order to provide for future facilities which are unreserved and financially unsupported by those representing the future growth or future needs of the service area. Conversely, it is the Authority's policy that prospective future consumers should be required only to pay the allocable share of costs properly attributable to them. The policy and goal of the Authority is that connection charges and capacity reservation fees paid by such prospective consumers are not to be used for the operations and maintenance of that portion of the utility system utilized by existing consumers, but rather, should be limited in their use to the provision of new facilities properly sized and allocated to each future consumer or for debt service and maintenance expense allocable to such facilities constructed for future consumers.

II. DEFINITIONS

(a) Allocation of Capacity Letter: A letter issued by the Authority confirming that water or wastewater capacity has been affirmatively reserved for a specific property.

(b) Authority: The Seacoast Utility Authority, which is established as a separate legal entity pursuant to the Interlocal Agreement dated August 17, 1988 by and among the City of Palm Beach Gardens, Florida, Palm Beach County, Florida, the Village of North Palm Beach, Florida, the Town of Lake Park, Florida, and the Town of Juno Beach, Florida.

(c) Capacity Reservation Fees: Those charges required by the Authority to financially support the fixed and non-variable costs of maintaining capacity reserved for future use by specific Developers.

(d) Contributions-in-Aid-of-Construction (CIAC): The value of water distribution and sewage collection systems installed by Developers and contributed to the Authority together with the monies paid by Developers to Authority as connection charges to defray the allocable portion of water treatment plant, sewage treatment plant, master water transmission lines, and master pumping station and sewage force mains.

(e) Connection Charges: Those charges required by the Authority to allocate to each Developer the fair share of the cost of water and wastewater treatment facilities and master water distribution and sewage collection facilities based on the amount of capacity required by the properties of said Developer.

(f) Current Capacity: The aggregate total of unused or unreserved capacity of the Authority expressed in equivalent residential connections. Current capacity shall also include treatment plant facilities under construction and treatment plant facilities, which are under active design for completion of construction within a normal period of time for similar projects. For the purpose of calculating current capacity, all reservations of capacity held by Developers shall be deducted from the Authority's total capacity as if the equivalent residential connections represented by the Developer's reservation were actually in service.

(g) Developer: Any person or entity seeking to secure water or sewer services for property (ies) within the Authority's service area for the benefit of itself or prospective future consumers of such services.

(h) Developer Agreement: A written agreement setting forth in detail the terms and conditions under which the Authority will render service to a Developer's property, and setting forth the obligations and requirements of each party to the agreement. Developer agreements shall be assignable and provide for modification of project scope, both with the mutual consent of the parties.

(i) Equivalent Residential Connections (ERC): A factor used to convert a given average daily flow to equivalent number of residential connections. For this purpose, the average daily flow of one equivalent residential connection (ERC) is estimated as 350 gallons of water per annual average day and 275 gallons of wastewater per average day of the peak month of the year.

Single Family Residential: Single family residential (SFR) includes a residential dwelling of one or more stories, limited to a single family detached unit, a duplex unit, a triplex unit, a garden apartment unit and a townhouse unit.

MultiFamily: Multifamily (M-F) includes individual residential units in a multi-family structure(s) of two stories or more with separate dwelling units on separate stories.

Each multi family dwelling unit is deemed to represent 71.42% of the water demand and 91% of sewage generated by one single-family unit. Mobile homes are considered to exert the same water and sewer system demands as multi-family units.

Non-Residential Uses: All applications requiring water and/or sewer service not strictly meeting the definition of "single family residential" or "multi family" set forth herein.

Low Pressure Sewer System: A system of pipelines, valves and fittings owned by the Authority, designed to accept direct connection of privately owned grinder pump stations serving single-family service subdivisions or residential or small non-residential properties.

(j) Phased Project: That portion of Developer's overall endeavor for which capacity is specifically reserved pursuant to a Developer Agreement.

(k) Reserved Capacity: The specific allocation of water or sewer capacity reserved by the Authority for the benefit of Developer as evidenced by a Developer Agreement and supported by the continuous timely payment of capacity reservation fees in accordance with this Policy.

III. AVAILABILITY

(a) Water and/or sewer service is available to Developers throughout the Authority's service area subject to the terms and conditions of this Uniform Extension Policy. This Policy and all other documents comprising the Seacoast Utility Authority Service Code shall be implemented in such a manner as to equitably distribute the cost of service according to the benefit received.

IV. CONTRIBUTIONS-IN-AID-OF-CONSTRUCTION (CIAC)

(a) On-Site Facilities: Each Developer, owner or builder (hereinafter referred to as Developer), shall be responsible for the design, installation, inspection and testing of the complete water distribution and sewage collection system located in the street or streets adjoining or within the boundaries of Developer's property.

The term "complete water distribution and sewage collection system", as used herein, shall include all component parts of a water distribution system, including valves, fittings, laterals, hydrants and all appurtenances as shown upon the approved design of such water distribution system. The sewage collection system shall include all collection lines, manholes, force mains, lift or pumping stations, including the site for same, and all other appurtenances as shown upon the approved design for the installation of such sewage collection system.

The Authority's requirement for the installation of oversized lines or facilities, located on or associated with Developer's property and designed to provide service for other properties, may be the subject of a third party refund or master plan refunding agreement as set forth hereafter in this Extension Policy.

If so requested by property owner(s), the Authority may, at its discretion, design and install a water distribution and/or sewage collection system to serve a small geographical area. In such event, the Authority reserves the right to compute the estimated cost of such extension and to require property owner(s) to pay such cost.

(b) Off-Site Water Distribution and Sewage Collection System - Hydraulic Share: The Authority declares that service to each Developer's property is dependent upon those main water transmission lines, sewage collection lines, sewage force mains and/or master pumping stations necessary to connect all Developers' property with the central facilities of the Authority adequate

in size to provide proper pressure and transmission from all Developers' properties. All of these "off-site" facilities are generally defined as the master water distribution system and the master sewage collection system. It is the Authority's policy to apportion the cost of the master water distribution and sewage collection system pro rata against all properties receiving service.

The Authority further declares that the charge for Developer's hydraulic share of the master distribution and collection facilities will be applicable to Developer's property whether or not the main transmission lines, force mains and pumping stations have been previously constructed. The apportionment of the cost of the master distribution and collection system has been reduced to an equivalent residential unit cost, and such costs have been included within the connection charge in accordance with the schedules set forth herein.

The specific location of Developer's property and the Authority's requirement for economic feasibility may result in Developer being required to advance all or a portion of the cost of the main water transmission lines, force mains, and master pumping stations in order to provide a physical interconnection of Developer's property with the facilities of the Authority at their then present terminus. Such eventualities are covered by provisions in this Extension Policy under the heading of "Master Plan Facilities Construction."

(c) Plant Capacity Charges: Authority declares that it will require Developers to contribute to that portion of the cost of construction of water resource, treatment, storage and pumping expense, and wastewater treatment and effluent and sludge disposal expense corresponding to the demand expressed in gallons per average day exerted or to be exerted by Developer upon the water and sewer system. The allocable fair share cost to be borne by each ERC has been, and will continue to be, determined through an analysis of the cost of all plant facilities acquired, under construction or to be constructed in the future, compared with the anticipated demand of the service area expressed in ERCs at its build-out.

The cost of treatment plant facilities shall include such items as engineering, legal, accounting, financing costs, administrative and general expenses associated with the planning or construction of facilities, the cost of obtaining regulatory permits, the cost of land and rights of way, if any, and such other costs normally associated with such capital programs. These plant capacity charges, together with the Developer's allocable share of "off-site" or Master Plan Facilities are a component part and are included within the category Connection Charges.

(d) Connection Charges: Authority has established "connection charges" as a method of expressing the cost to Developer of his allocable fair share of both treatment plant capacity costs and the master water transmission and sewage collection systems. The Authority declares that such connection charges shall be uniform among all Developers within the service area, notwithstanding provisions which may be contained in Developer Agreements not executed by the Authority, or the practices and procedures pertaining to Connection Charges as established by prior owners of the Authority's facilities, or contained within agreements executed between Developers and prior owners of the Authority's facilities.

The Authority's requirement to apply Connection Charges uniformly to all Developers requires that existing Developer connections not in service on the effective date of this Extension Policy will have their connection charges adjusted to the levels set forth herein.

Authority acknowledges that the prior continuous payment of full Capacity Reservation Fees is the equivalent of a connection in service and, therefore, capacity in the form of ERCs reserved by Developers who may have entered into prior agreements with former owners of the Authority's facilities shall have their prepaid connection charges honored in the amounts formerly paid to the former owners of the Authority's facilities. To the extent that Capacity Reservation Fees were not

paid on ERCs reserved by Developers, such ERCs not in service will be required to pay the difference between the prior connection charges and the levels established by this Uniform Extension Policy prior to the rendering of service by the Authority.

The Connection Charges declared to be in effect on the effective date of the Resolution adopting this Policy and which will continue in effect until lawfully changed by the Authority, are as follows:

Single Family Residential (water and sewer)	
5/8" x 3/4" meter	\$2,700.00
1" meter	\$4,950.00
1 1/2" meter	\$8,700.00
2" meter	\$13,200.00
Single Family Residential (water only)	
5/8" x 3/4" meter	\$1,500.00
1" meter	\$3,750.00
1 1/2" meter	\$7,500.00
2" meter	\$12,000.00

Multi-Family

Water \$1,071.00

Sewer \$1,092.00

Total Water & Sewer \$ 2,163.00

Non-Residential - Commercial, Industrial & Institutional uses; for each 275 gallons per average day of the peak month of anticipated sewer flow (See Exhibit "A")

\$2,700.00

(e) Common Facilities - Residential Complexes: All uses for water and/or sewer service of a common nature for such purposes as irrigation, washing, recreational facilities, club houses, meeting rooms or similar applications generally found in connection with the construction of residential projects shall be considered in the same manner as non-residential installations and the connection charges applicable thereto shall be computed in accordance with the non-residential category set forth below.

(f) Non-Residential: All property devoted to industrial, business, educational or other categories not covered by the above shall be considered to be non-residential uses. The connection charges to be paid to the Authority for such proposed uses shall be based upon determining the residential equivalency of such proposed use. The Authority calculates the equivalent residential connections (ERCs) based on projected sewage flows. Non-residential flows are projected based on equivalents set forth in Exhibit "A". The anticipated sewage flows for the average day of the peak month are divided by a factor of 275 gallons per day to yield the number of ERCs. Water

ERCs shall be the same as the sewer ERCs thus calculated. Under unusual use characteristics, the Authority reserves the right to calculate water demands and sewer demands separately.

The Authority shall maintain a record of the number of ERCs for which connection fees have been paid for each non-residential metered account. When the Authority becomes aware of a change in the use of a non-residential property, the Authority shall make a comparison of projected demand for the new property use versus the capacity for which payment has been made previously. If the new use is determined to have greater flow potential than the existing capacity paid for, additional connection charges must be paid immediately upon receipt of written notice from Authority. If less than or equal to the existing reservation, no connection charges will be required. Payment of additional connection charges required by this paragraph for properties lying within a designated Community Redevelopment District created pursuant to Chapter 163, Florida Statutes, may be deferred; that is, paid as time payments, subject to the following conditions:

1. Deferral applies only to existing structures being retrofit for a different use, one for which Seacoast's policy documents require payment of additional connection charges \$1000 or more; and
2. qualifying structure must have been served as an active Authority water and/or sewer account previously; and
3. applicant must pay base facility charges for all billing cycles that have elapsed since such charges were last paid for the building or space. This amount will not be financed; and
4. deferral applies to connection charges only; and
5. applicant must execute a supporting agreement in a form acceptable to the Authority Board; and
6. the term of the deferral note shall not exceed one year; and
7. the deferral note interest rate shall be the prevailing interest yield on the Authority's capital payments account plus 2%; and
8. until payment of the full deferral note balance is received by the Authority, no permanent system capacity shall be reserved for the property; and
9. Authority shall have the right to disconnect service if any payment is not timely made; and
10. No partial financing of additional charges shall be allowed - the applicant shall finance the entire balance due.

(g) Irrigation Uses: Water connections for the purpose of irrigating common areas (not applicable to single family house lots) shall be computed on the same basis as non-residential installations. Since irrigation water does not include corresponding sewer service, the residential equivalency shall be multiplied by \$1,500.00 per ERC instead of the fee applicable for water and sewer to single family residences. Irrigation connection charges shall assume that 4.9 inches of water will be applied monthly and watering will be accomplished in eight applications per month. The petitioner shall identify the irrigated area (in square feet) and the calculation of fees shall be as follows:

$$\text{connection fee} = [(a) (0.408) (7.48) (\$1,500)] / [(8) (435)]$$

where:

a = square footage irrigated

0.408 = 4.9 inches of water expressed in feet

7.48 gallons per cubic foot

\$1,500.00 = water only connection fee per ERC

8 = applications per month

435 peak gallons per day per ERC

By reducing this formula, connection charge can be simply calculated as (square footage irrigated times \$1.32 = connection charges).

(h) Sewer Only Uses - For those installations requiring sewer service only, the connection charge will be calculated as \$1,200.00 per Equivalent Residential Connection whether the application is single family, multi-family or non-residential.

(i) Connection Charges - When Payable: Authority acknowledges that, corresponding with the reservation of capacity to each Developer, the Authority's system shall have in existence, under construction, or under active design for near term construction, treatment plant capacities equal to the amount called for in the Developer's specific reservation, and in the aggregate for all Developer reservations, at any given time. Since capital investments will have been made, or are being made, on behalf of each Developer, connection charges are declared to be due at the time of the execution of the Developer's Agreement and/or prior to Authority's release of plans for regulatory construction permitting. Notwithstanding this general principle, the Authority has determined that the present status of its unused and unreserved capacity allows it to limit its prepayment requirement to 50% of the total ERCs actually reserved in any phase by the Developer Agreement or any proposed service where a regulatory construction permit application is necessary. The 50% prepayment option is applicable only when:

1. The property is receiving no service at the time of plan submittal, and
2. Capacity reservation fees have been paid in full for all ERCs in the project.

Otherwise, payment in full of connection charges for 100% of the ERCs to be served is required prior to Authority release of plans for regulatory construction permitting.

Subject to subsection (i) hereof, until further amendment of this Extension Policy, Developer Agreements will provide that 50% of the connection charges will be paid at the time of execution of said Agreement, and the remaining 50% will be paid individually as each meter installation is requested.

As the Authority undertakes subsequent expansions of water and wastewater treatment facilities, the extent to which Developers reserve capacity in such expansions and the timing of the construction thereof, may require a greater percentage of prepaid connection charges in the event such capital is required in connection with the construction or completion of plant facilities in support of the Reserved Capacity of said Developers.

(j) Project Phasing: The Authority recognizes that the size and scope of some Developer projects indicate that the same should be divided into logical development phases. In such cases, Developers may apply to the Authority for a Developer's Agreement limited to a portion or a phase of the overall development. However, orderly expansion of the Authority's system and its future capacity requires that Developers subscribe for capacity in reasonable increments, based upon the size and logical development of their project. The Authority will allow phasing of projects to the extent that, at minimum, the developer must pay connection charges [as

prescribed in Subsection (i)] and capacity reservation fees (as prescribed in Section V) for all ERCs for which water and sewer plans have been submitted to the Authority for review.

The Authority may also agree to such other schedule which, in its sole discretion, the Authority shall find reasonable and in keeping with the spirit of this section. However, nothing contained herein shall be construed to prevent Developer from reserving only that number of ERCs for which water and sewer plans have been submitted to the Authority for review or the minimum number of ERCs which Developer, in its sole discretion, desires to insure for Developer's portfolio. In such circumstances, however, Authority assumes that this is the maximum number of units to be reserved and Developer runs the risk of capacity not being available for additional units for his project due to the prior sale or reservation of Authority ERCs to third parties.

V. CAPACITY RESERVATION FEES/ALLOCATION OF CAPACITY LETTER

The Authority declares that each Developer is responsible to provide the economic support required to cover the fixed and non-variable costs of maintaining treatment plant capacities reserved for the Developer. The Authority's schedule of rates and charges are divided into two principal categories; base facility charges (monthly minimums) and commodity charges. The base facility portion of the rates and charges addresses certain of the fixed and non-variable costs of maintaining service facilities for a customer, whether any commodity is consumed or not. Accordingly, Capacity Reservation Fees charged to a Developer for maintaining the capacity which he has reserved is declared to be equal to the base facility charges in effect in the Authority's system from time to time.

Unlike the present policy of requiring Developers to prepay connection charges for 50% of the units reserved by the Developer, Capacity Reservation Fees will be paid for 100% of the total ERCs reserved under the Developer Agreement or proposed for service in the regulatory construction permit application, whichever is greater. As ERCs are actually connected to the system, the reserved capacity is reduced accordingly and Capacity Reservation Fees are payable on 100% of such adjusted reserved capacity until such time as the development or project is connected in full. The payment of Capacity Reservation Fees in full and within thirty (30) days of invoice date guarantees to the Developer that connection charge levels are fixed for the life of the project so long as the Developer continues to renew and pay for such required Capacity Reservation Fees.

Each Developer's Agreement shall provide, in its terms, for the payment of Capacity Reservation Fees one year in advance from the date of execution of the Developer Agreement, and shall further provide for the appropriate refund or credit of a portion of such capacity reservation fees based upon the number of ERCs connected during the year, as well as the number of whole months during which such ERCs were connected.

The Developer's Agreement shall further provide that, after thirty (30) days written notice, a default in the payment of, or renewal of, Capacity Reservation Fees shall be a default in the Developer Agreement and shall result in the lapse of all remaining reserved capacity. In this event, all fees received by the Authority prior to the default, including but not limited to, connection charges, capacity reservation charges, and administrative fees, shall be forfeited by Developer and retained by Authority. Subsequent petitioners for service shall be required to:

1. Pay full fees and charges without credit, in effect at the time service or a new developer agreement is requested, or
2. Pay the accrued prevailing base facility charges for the period between the date Capacity Reservation Fees lapsed and the date of meter application, plus the

difference between the prevailing connection charges and any prepaid connection charge, if applicable.

The Developer may, following placement of the final meter for the project, immediately petition the Authority for return of the unused portion of prepaid Capacity Reservation Fees for the project. Upon receipt of such request, the Authority will determine the amount of the refund then due, if any, and return the appropriate amount to the Developer.

At Developer's request, the Authority will issue an Allocation of Capacity Letter in order to facilitate the Developer's processing of zoning, PUD, land use or other required approval. This letter shall be issued to the Developer only after Developer tenders to Authority one year's advance capacity reservation fees for 50% of ERCs reserved. If Developer makes a written request to Authority, he will be entitled to a refund for the unexpired portion of the capacity reservation period. As soon as Developer obtains necessary approvals he is required to convert the Allocation of Capacity Letter to a full Developer Agreement. At the time of conversion, Developer will pay one year's advance capacity reservation fees for 100% of ERCs reserved (see Section V). Developer shall then be entitled to a credit for the unexpired portion of the prepaid year, if any for which the original Allocation of Capacity Letter was written. Also, if an individual/business or other entity needs an Allocation of Capacity Letter the same procedure applies. The appropriate party must submit one year's capacity reservation charges on 50% of its units in advance to Authority prior to the issuance of an Allocation of Capacity Letter as required by Authority's Uniform Extension Policy.

Upon expiration of the Allocation of Capacity Letter, if a Developer Agreement has not been executed or in the case of an individual, a meter has not been set, the Capacity Reservation Fee will again be due for 50% of its units for the following year and every year thereafter until project is connected in full or meter is set. If Capacity Reservation Fees have not been paid within thirty (30) days of notification, the allocation of capacity will lapse. The receipt of an Allocation of Capacity Letter does not freeze connection charges, only a fully executed Developer Agreement, supported by continuous timely payment of Capacity Reservation Charges will freeze connection charges.

VI. DESIGN/SERVICE REQUIREMENTS

(a) Engineering Information: It shall be the Developer's obligation to furnish to the Authority, accurate information with regard to matters of legal descriptions, plat preparation, engineering, construction, drainage and roads. In addition, Developer shall accurately describe its project in terms of the amount of water and wastewater services required or the number of ERCs required by the subject property. Increases in the number of ERCs required by the project beyond those which have been reserved will result in the requirement for the payment of additional connection charges and a recalculation of Capacity Reservation Fees to conform with the accurate ERC requirements.

Developer is solely responsible for errors or changes in engineering information or the design of the water distribution or sewage collection system. Any error in Developer's plans or the construction of utility facilities which are not in conformity with the plans may result in increased cost to the Developer in the correction, alteration or reconstruction of facilities. Approval of plans by the Authority implies no acceptance of responsibility by the Authority for the suitability of the engineer's design for the application. Developer shall be responsible to pay all fees and charges relating to ERCs actually constructed and shall not be absolved from payment through incorrect or incomplete listing in the Developer Agreement or any other error or omission, regardless of fault.

(b) System Design - Independent Engineers: The Authority shall accept the design of water and sewer facilities prepared by a professional engineer, registered in the State of Florida, regularly engaged in the field of potable water or sanitary engineering, covering the design of Developer's water distribution and sewage collection system. Such design shall be fully subject to the approval of Authority's engineer and shall conform in all respects to the written criteria of Authority governing the installation of utility facilities ultimately to be accepted by Authority for ownership, operation and maintenance.

(c) Easements: Developer shall grant all requisite easements to Authority without cost to Authority. Such conveyances shall be in accordance with Authority's prevailing requirements. The Authority shall record such documents.

(d) Administrative Fees: The Authority shall require payment of an Administrative Fee to defray the cost of document preparation, plan review, inspection and engineering coordination for each project requiring facilities construction. An additional Administrative Fee will be required when revisions to previously approved plans and documents are required. These fees shall be paid to the Authority at the time plans are submitted for review. No portion of the fee shall be refundable. See Exhibit "B" for the prevailing Administrative Fee schedule. Authority will not begin the plan review process until Administrative Fees have been paid in full.

(e) Conditions for Service Initiation: Authority reserves the right to refuse connection and to deny the commencement of service to any consumer seeking to be connected to portions of the water distribution and sewage collection system installed by Developer until such time that all of the requirements of the Authority's Service Code have been completed by Developer or Developer's successors or assigns.

VII. REFUNDABLE ADVANCES

(a) Master Plan Facilities Construction: The Authority may require, in addition to the connection charges provided for herein, that the Developer install water and sewer facilities which are deliberately oversized relative to Developer's individual needs, which oversizing takes place to accommodate the Authority's prevailing overall master plan. In the event that the Developer is required to construct facilities required by Authority's Master Plan ("Improvements"), the reasonable and customary cost of constructing these Improvements may be offset as a credit against the Developer's connection charges, such costs not to exceed the Developer's actual out-of-pocket expenses for construction costs and engineering services. In cases where the reasonable and customary cost of constructing these Improvements exceeds the Developer's obligation to pay connection charges, the Authority will pay to Developer the portion of said cost which exceeds the Developer's obligation to pay connection charges, but only after the Authority has accepted the Improvements construction by Developer. In all cases of credit or payment to Developer for such Improvements, Authority will retain sole discretion in determining (a) whether costs are reasonable and customary and (b) to what degree such costs will be reimbursed either by credits or payments. As a condition precedent to any credit or claim for reimbursement under this policy, Improvement costs and the method of reimbursement must be stated in the Developer Agreement.

(b) Refunds by Third Parties: Whenever Developer extends water distribution or sewage collection lines (not part of Authority's master system) past properties owned by third parties, or whenever Developer installs a lift station that meets the requirements listed in Exhibit "C" of this policy and which may provide service to properties owned by third parties, the Authority may collect from the Developers of such other properties a sum equal to the proportionate share of the cost paid by the original Developer and transfer this sum to such original Developer. Authority in no way guarantees the reimbursement of monies to the original Developer and performs the

collection and remittance service without liability to the original Developer. Refunds shall be calculated as shown on Exhibits "C" and "D". The Authority shall not include any interest upon the refund of Developer's advances. Refundable advance agreements shall not exceed a term of seven (7) years from the date of the Developer Agreement. No refundable advance agreement shall be allowed for:

1. Water mains of less than ten inches in nominal diameter.
2. Force mains of less than six inches in nominal diameter.
3. Gravity sewers less than eight inches in nominal diameter.
4. Lift station with wet wells of less than six feet in nominal diameter.

VIII. RESERVED CAPACITY - APPORTIONMENT

The Authority reserves the right to allocate available capacity among the several Developers in the service area to the end that a fair distribution of such capacity is accomplished and that no Developer, or group of Developers, shall preempt others from the reasonable opportunity to obtain such capacity when the same is required by such Developers in the near-term future.

IX. EXPANSION - SOURCE OF FUNDS

Whenever the Authority shall be required to expand the utility plants and system capacities, it may do so by utilizing CIAC paid by Developers or advanced by Developers pursuant to Refundable Advance Agreements, or from other cash reserves of the Authority. Similarly, Developers or property owners shall be entitled to cause the Authority to expedite its construction program by advancing to the Authority, in cash or through security agreements acceptable to the Authority such as payment plans secured by letters of credit, having an aggregate value sufficient to defray the cost of construction of such additional plants or facilities needed in order to insure to such Developers or property owners adequate plant or facility capacity. If the Authority finds it necessary to sell revenue bonds to raise capital for such expansion, it shall never be required to do so unless the terms of the "Additional Bonds Test" of the Authority's Trust Indenture has been met.

At such time as the total amount of the unreserved water treatment capacity of the Authority equals twenty (20%) percent of the then Current Capacity or 3.0 MGD, whichever is less, or the total amount of the unreserved wastewater capacity of the Authority equals twenty (20%) percent of the then Current Capacity or 1.0 MGD, whichever is less, the Authority shall prepare final construction plans and specifications and begin the process of obtaining building and other necessary permits, consents and approvals with respect to the construction of additional water treatment plants, which term shall include for purposes of this Policy, all necessary and appropriate water supply facilities and ancillary infrastructure, or of additional wastewater treatment plants, which term shall include wastewater effluent disposal facilities and other ancillary infrastructure facilities, having in the case of water treatment plants, at least 3.0 MGD water treatment capacity and in the case of wastewater treatment plants having at least 1.0 MGD capacity. Thereafter, Authority will notify all Developers in the service area that the Authority intends to expand its water and/or wastewater systems and that a meeting of all Developers within the Authority's service area will be held within sixty (60) days of such notice. At such meeting, Developers will be asked to execute agreements covering their anticipated water and sewer requirements for the next 3 years. If, as a result of any meeting of Developers, the Authority shall receive commitments from Developers for at least 2.25 MGD of water treatment plant capacity or .75 MGD of wastewater treatment plant capacity, and reasonable provision

from such Developers for the payment of proper fees and charges as provided in this Policy, the Authority shall promptly conclude the process of obtaining permits, consents and approvals and thereupon commence the construction of such additional water and/or wastewater treatment plant facilities. Authority's Engineer shall certify that said improvements are sufficient to increase the capacity of the wastewater treatment plants or water treatment plants, as the case may be, in an amount sufficient to satisfy the additional capacity called for by the agreements entered into with Developer's, plus in any event ten (10%) percent, but in no event less than 3.0 MGD water treatment plant capacity or 1.0 MGD wastewater treatment plant capacity.

X. LOW PRESSURE SEWER SYSTEMS

The Authority has determined that due to location, topography, and the presence of structural impediments, the extension of gravity sewer service to certain portions of the Authority's service area is impractical. To enhance service availability to such areas, the Authority may, subject to the availability of funding and all other provisions of this Policy not in conflict with this section, create and administer a Low Pressure Sewer System Master Plan ("Plan").

The Plan shall consist of a conceptual engineering design and estimated cost to extend a Low Pressure Sewer System to such Authority Service Area properties as the Authority deems feasible. The initial Plan must be adopted by the Authority Board but may be amended by Authority staff from time to time, provided however that no staff amendment shall affect any customer's pro rata share of Low Pressure Sewer System cost.

Owners of properties identified in the Plan may connect to the Authority's Low Pressure Sewer System, subject to the following conditions:

1. Authority confirmation of sufficient system capacity and accessibility, and
2. Authority confirmation that a connecting pipeline corridor of sufficient size, location, accessibility and legal authority exists, and
3. execution of a sewer service agreement in a form acceptable to the Authority, and
4. customer/Developer payment of a pro rata share of the Authority's planning, permitting, engineering, construction, administrative and other costs related to installation of the Low Pressure Sewer System, calculated as the Engineer's estimate of all costs associated with full implementation of the Plan divided by the number of Equivalent Residential Connections proposed for service under the Plan. This pro rata share shall be adjusted periodically in accordance with Authority Board rate indexing action.

Governed by Authority Policies, practices and procedures and the provisions of the sewer service agreement referenced above, and subject to the availability of Authority funding, the Authority shall design, permit and construct such Low Pressure Sewer System improvements as may be required to allow connection of the customer-owned on-site pumping facilities to the Authority's Low Pressure Sewer System at the customer's property line.

Exhibit "A"	
(Portions taken from Florida Administrative Code Chapter 10D-6 and 64E-6, as amended)	
ESTIMATED DOMESTIC SEWAGE FLOWS (PEAK MONTH AVERAGE DAY)	
Type of Establishment or use based upon maximum potential demand w/o significant renovations	Gallons per Day
Airports, Bus Terminals, Train Stations, Port and Dock Facilities	
a. per passenger	4
b. per employee (per 8 hour shift)	15
Automobile Service stations with service bay only, no retail) (per water closet and per urinal)	250
Barber, hair and nail salons (per chair)	75
Biotech/Research and Development (per square foot) (does not include food service operations)	0.30
Bowling alleys (toilet wastes only per lane)	50
Car washes (per bay)	750
Churches (per seat)	3
Country Club	
a. per member	25
b. per employee (per 8 hour shift)	15
Doctor or Dentist office	
a. per practitioner	250
b. per employee (per 8 hour shift)	15
Dry storage (per square foot of floor space including a maximum of one bathroom)	0.04
Factories, exclusive of industrial wastes	
a. No showers provided (per employee per 8 hour shift)	15
b. Showers provided (per employee per 8 hour shift)	25
Flea market (per vendor space)	15
Food service operations, all commercial food and beverage serving facilities	20 (per seat)
a. Carry-out only (per 100 square feet of floor space)	30

b. Institutions (per meal/per seat)	5
Hospitals (per bed) (does not include kitchen wastewater flows)	200
Hotels and motels (Does not include food service operations)	
a. Regular (per room)	100
b. Resort hotels, camps, cottages (per room)	200
c. Add for establishments with self-service laundry facilities (per machine)	175
Laundries (per machine)	175
Marinas (per connected slip) (Note: at marinas that have a single stationary pump out facility that has only one pump connection, sewer flow will be calculated at 500 gallons/day but each slip with a water connection will be calculated at 50 gallons/day/slip for water.)	50
Nursing, rest homes (per bed) (does not include kitchen wastewater flows)	100
Office building (per square foot of floor space)	0.1
Parks, public picnic	
a. with toilets only (per person)	4
b. with bathhouse, showers & toilets (per person)	10
Public institutions other than schools and hospitals (per person) (does not include kitchen wastewater flows)	100
Schools (per student, teacher, and staff), including nurseries and day care (does not include kitchen wastewater flows)	10
Self Storage - per unit up to 200	1
per unit over 200	0.5
Shopping centers without food or laundry (per square foot of floor space)	0.1
Stadiums, race tracks, ball parks (per seat)	4
Showrooms (per square foot) (furniture, automobile) (applicable only where showroom area exceeds 20,000 square feet)	0.07
Stores (per square foot of floor space Includes retail, convenience stores, convenience stores with gas pumps and service businesses)	0.1
Swimming and bathing facilities, public (non-residential) (per person, based on capacity)	10

Theaters and Auditoriums, per seat	2
Trailer or mobile home park (per trailer space) Equivalent to multi-family dwelling unit	
Travel trailer or recreational vehicle park	
a. Travel trailer (overnight), without water and sewer hookups (per trailer space)	50
b. Travel trailer (overnight), with water and sewer hookups (per trailer space)	75
Veterinary clinic	
a. Per Practitioner	250
b. Add per employee (per 8-hour shift)	15
c. Add per kennel, stall or cage	20
Warehouse	
Per employee per 8 hour shift	15
Per loading bay	100
If none of the above establishments apply, a factor of 0.1 gallons/day/square feet shall be used to calculate flows.	

NOTE: Seats for food service operations are defined as chairs and/or stools that can accommodate a patron at a table, bar or counter including outside seating. Booths, benches, floor seating and stand up eating facilities will be converted to equivalent seats based on the number of patrons that could be served thereon.

Water Only Uses	Gallons per Day
Air conditioning units, water cooled (per ton of air conditioning capacity)	20
Clay tennis courts, per court	300
Decorative water fountains, per square foot of surface area (3/8" evaporation/day)	0.25
Irrigation (per square foot of irrigated area)	See item g, page 9 of Uniform Extension Policy. Approximately \$1.32 per square foot of irrigated area.

EXHIBIT "B"

ADMINISTRATIVE FEES LAND DEVELOPMENT PROJECTS (Regulatory Permit Required)

Administrative Fees shall be calculated as 4% of the full connection charges for units reserved under the corresponding developer agreement/meter application. The minimum Administrative Fee for any land development project, however, shall be \$1,750.00.

INDIVIDUAL BUILDINGS (No Regulatory Permit Required)

Administrative fees, for buildings for which connection charges are being paid, shall be calculated as 2% of the full connection charges for units reserved under the corresponding developer agreement/meter application. The minimum Administrative Fee for any such installations shall be \$450.00 for water and \$450.00 for sewer.

Building plan review is required for all structures meeting the following criteria:

1. Water and sewer facilities being constructed do not require Department of Environmental Protection or Florida Department of Environmental Protection permits, and
2. Facility to be served is other than single family residential.

If, for any reason, connection charges are not to be paid for the building/project under review, Administrative Fees shall be calculated as follows:

1. \$450.00 for water only
2. \$450.00 for sewer only

Revisions to previously approved plans

1. \$100.00 First plan sheet
2. \$50.00 each sheet thereafter

If none of the foregoing is required, a \$450.00 general Administrative Fee shall be paid.

Plans will not be released by the Authority for submittal to permitting agencies or for construction until Administrative Fees have been paid in full.

EXHIBIT "C"

BASIS FOR THIRD PARTY REFUNDS

From time to time as deemed necessary by the Authority water and/or sewer improvements of greater capacity than that required to serve a developer's project will be required to be constructed. In those instances, the Authority may, at its option, enter into a third party contingent refunding agreement with the developer. This third party arrangement is distinguished from the construction of Authority's Master Plan facilities in that the latter are subject to 100% refund in the form of credits against connection charges.

Refunds shall be calculated based on the following criteria:

a. Water

1. Water Mains

(Carrying capacity of main) minus (project demand plus project fire flow) divided by (carrying capacity of water main) = ratio of total construction and engineering costs allowable for refund.

2. Carrying Capacity of Main

Calculated at four feet per second velocity, expressed in gallons per minute.

3. Project Demand

Calculated as number ERCs x 350 x 2.50/1440 = gallons per minute

4. Project Fire Flow

Calculated by the fire marshall in each jurisdiction and is expressed as gallons per minute.

5. Peaking Factor

2.50 = Peaking factor to convert to peak hour

b. Sewer

1. Force Mains and Lift Stations

(Carrying capacity) minus (project flows) divided by (carrying capacity) = ratio of total construction and engineering cost of subject facility allowable for refund.

2. Carrying Capacity of Force Main

Calculated at three feet per second, expressed as gallons per minute.

3. Project Flow

Calculated as number of ERCs x 275 x 2.5/1440 = gallons per minute

4. Gravity Sewer

Third party refunds for deepening or oversizing gravity sewer facilities will be based on a cost estimate prepared by Developer and agreed to by the Authority's Engineer. The basis of refund will be the difference between the bids received for the minimum depth required to serve the Developer's project and the depth requested by the Authority. The basis of refund for oversized gravity sewer mains shall be limited to the difference in pipe purchase price between eight-inch pipe and the size requested by the Authority. The Authority shall retain sole discretion in determining this margin.

5. Lift Stations

Lift stations will be considered to be of sufficient size to operate in the following ranges (Average Daily Flow):

Wet Well Diameter	Project Flow	ERCs
6 feet	85 GPM	180
8 feet	150 GPM	315
10 feet	235 GPM	235

No refund will be considered if a project's own flow requirements place it in a particular wet well range, despite the fact that additional capacity may be available within that range.

EXHIBIT "D"

FLOW PER EQUIVALENT RESIDENTIAL CONNECTION (ERC)

The following table has been developed using historical flows within the Seacoast Utility Authority service area. In all calculations involving engineering design, developer agreements and refunds, these equivalents shall be used. Non-residential conversions shall be based on single family ERCs.

	Single Family	Multi-Family
Water		
Annual Average Day (gal/day)	350	250
Peak Day (gal/day)	435	311
Peak Hour (gal/minute)	0.61	0.44
Sewer		
Annual Average Day (gal/day)	250	227
Peak Month Average Day (gal/day)	275	250
Peak Hour(gal/minute)	0.48	0.44