

ANNUAL REPORT UTILITIES SYSTEM

REEDY CREEK IMPROVEMENT DISTRICT



As of September 30, 2021



This report has been prepared for the use of the client for the specific purposes identified in the report. The conclusions, observations and recommendations contained herein attributed to Leidos constitute the opinions of Leidos. To the extent that statements, information and opinions provided by the client or others have been used in the preparation of this report, Leidos has relied upon the same to be accurate, and for which no assurances are intended and no representations or warranties are made. Leidos makes no certification and gives no assurances except as explicitly set forth in this report.

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Reedy Creek Improvement District
Post Office Box 10170
Lake Buena Vista, Florida 32830

ATTENTION: District Administrator

Ladies and Gentlemen:

**Subject: Annual Report
Reedy Creek Improvement District
Utilities System as of September 30, 2021**

Presented herewith is the Annual Report as of September 30, 2021 (Report) of the operations and maintenance of the Utilities System (System) of the Reedy Creek Improvement District (District). The System includes (i) a sanitary sewage collection system, wastewater treatment facility and reclaimed water system, (ii) a solid waste collection, recycling and disposal system, (iii) an electric generation and distribution system (including fuel oil storage facilities), (iv) facilities for the production of chilled water and hot water, (v) a water supply and distribution system, and (vi) a natural gas distribution system.

This Report is prepared as required by the Trust Indenture dated November 1, 1987, as supplemented (Indenture) between the District and SunTrust, National Association (Trustee), who assigned their rights and duties to U.S. Bank, and a series of resolutions authorizing the issuance of Reedy Creek Improvement District Utilities Revenue Bonds (Bonds), collectively referred to herein as the Bond Resolution.

This Report is prepared for the Fiscal Year ended September 30, 2021 and includes:

- (i) A report on the management of the properties;
- (ii) A report on the operating and maintenance of the properties;
- (iii) A report on the status of the operating budget;
- (iv) A report on the status of the Construction Fund;
- (v) A report on the sufficiency of rates and charges for service; and
- (vi) A report on the condition of the System.

This Report is the thirty-fourth report since the issuance of the Series 1987-1 Bonds and the Series 1987-2 Bonds, and it addresses the fiscal year ended September 30, 2021. To the extent deemed appropriate and necessary to fulfill the purposes of this Report, certain subjects have been addressed for periods extending beyond such date. This Report summarizes the results of our studies and analyses, and those of others included herein, as of the dates of those studies or statements.

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Changed conditions occurring after such dates could affect the material presented herein to the extent of such changed conditions, and such changed conditions would not be reflected in this Report. We have not been retained by the District to update this Report beyond the date hereof or any underlying studies beyond the dates thereof.

As used in this Report, the capitalization of any word not normally capitalized indicates that such word is defined in the Indenture or the Bond Resolution. References to and descriptions of the Indenture, Bond Resolution, or any agreement or document in this Report represent our understanding of certain general principles thereof, but do not purport to be complete, and such references and descriptions are qualified in their entirety by reference to each such document.

In the preparation of this Report, we have relied upon financial, statistical, and operating data regarding the System which have been taken from the books of record and accounts prepared for the District by the Comptroller's Office and by Reedy Creek Energy Services (RCES), which company provides management and labor services to the District, from information provided by the management and staff of RCES and the District, and from certified statements of Cherry Bakaert LLP, independent auditors for the District and the System. Nothing contained in this Report is intended to indicate conditions with respect to safety, to security, the internal physical condition of any facilities, or conformance with agreements, codes, permits, rules, or regulations of any party having jurisdiction with respect to the construction, operation and maintenance of the properties, which matters are outside the scope and purposes of this Report.

Any statements herein involving matters of opinion or estimates, whether or not expressly so stated, are intended merely as such and not as representations of fact and are subject to being affected by fluctuating economic and regulatory conditions and the occurrence of other future events that cannot be assured. Therefore, actual results achieved may vary from projections and estimates, and such variations may be material. The District has advised that a copy of this Report may be provided to nationally recognized municipal securities information repositories and appropriate state information repositories, if any, along with financial information required to be so provided by the Securities and Exchange Commission pursuant to its amended Rule 15c 2-12 concerning municipal securities disclosure.

Opinion

Based upon analyses of financial statements and reports prepared by or for the District and information provided by the staff of RCES, the District or others which are summarized or referred to in this Report, which Report should be read in its entirety in conjunction with the following, we are of the opinion that during the fiscal year ended September 30, 2021:

(i) Management of the Properties

The District has caused its System to be operated in an economic and efficient manner. The District has or has had prepared on its behalf annual budgets, audits, and other reports and analyses regarding the System. The District received from Cherry Bekaert LLP, the District's

independent auditors for the System, an opinion dated February 7, 2022 regarding the financial operations for the fiscal year ended September 30, 2021.

To assist the District in the management of the System, the District and RCES have retained and utilized the services of outside professional firms in the areas of engineering, legal, financial, and accounting matters. During the fiscal year ended September 30, 2021 the District strived to comply with all known regulatory requirements imposed on the System by federal, state and local authorities pertaining to operations, rates, environmental matters, and reporting requirements.

(ii) Operating and Maintenance of the Properties

The District has budgeted and expended reasonable amounts for operations, repairs, renewals, replacements, and other maintenance of the System during the period covered by this Report.

(iii) Status of the Operating Budget

For the fiscal year ended September 30, 2021, the District adopted a detailed operating budget for the System. When comparing the budget amounts to actual data for the same period:

- (a) Operating revenues were less than the budgeted amount by \$14,166,206 or approximately 7.7 %.
- (b) Operating expenses exclusive of depreciation were less than budgeted amounts by \$22,902,111 or approximately 16.5 %.
- (c) Debt service and insurance actual amounts were less than budgeted amounts by \$673,978 or approximately 2.0%.
- (d) Capital requirements including renewals, replacements, and improvements were less than budgeted amounts by \$1,283,416.
- (e) Other revenues were greater than budgeted amounts by \$1,168,964.
- (f) For the System, overall actual revenues less expenditures, including the funding of renewals, replacements, and improvements were greater than budgeted amounts by \$11,862,263.
- (g) For the fiscal year ended September 30, 2021, the actual net income for the System was \$12,263,176.

The Indenture provides that the District shall annually prepare and adopt, prior to the end of each fiscal year, by proper proceedings a budget of the estimated expenditures for operation and maintenance of the System and the estimated Revenues of the System during the succeeding fiscal year. The budget for the fiscal year ending September 30, 2022 was prepared by the Accounting and Finance Department, and was submitted to the Director of Utility Operations, the District Administrator, and the Board of Supervisors. After final

review of the proposed budget and opportunity for public discussion, the Board adopted the 2021/2022 budget on September 29, 2021.

(iv) Status of the Construction Fund

- (a) At September 30, 2021 the total funds available for disbursement from the proceeds of the Series 2015-1 Bonds and investment earnings were \$38,164,321, the total expenditures at September 30, 2021 were \$37,232,556, and funds on hand of \$931,765 (excluding future interest earnings) to pay the estimated cost to complete the projects.
- (b) At September 30, 2021, the total funds available for disbursement from the proceeds of the Series 2018-1 Bonds and investment earnings were \$35,599,743; the total expenditures at September 30, 2021 were \$29,417,740, and funds on hand of \$6,182,003 (excluding future interest earnings) to pay the estimated cost to complete the projects.
- (c) At September 30, 2021, the total funds available for disbursement from the proceeds of the Series 2018-2 Bonds and investment earnings were \$21,367,648; the total expenditures at September 30, 2021 were \$19,530,352, and funds on hand of \$1,837,296 (excluding future interest earnings) to pay the estimated cost to complete the projects.
- (d) At September 30, 2021, the total funds available for disbursement from the proceeds of the Series 2021-1 Bonds and investment earnings were \$35,033,938; the total expenditures at September 30, 2021 were \$1,239,017, and funds on hand of \$33,794,921 (excluding future interest earnings) to pay the estimated cost to complete the projects.
- (e) At September 30, 2021, the total funds available for disbursement from the proceeds of the Series 2021-2 Bonds and investment earnings were \$55,021,774; the total expenditures at September 30, 2021 were \$2,026,124, and funds on hand of \$52,995,650 (excluding future interest earnings) to pay the estimated cost to complete the projects.
- (f) At September 30, 2021, the District reports that the construction funds created by the issuance of the Series 1987-1, 1987-2, 1988-1, 1990-1, 1991-1, 1994-1, 1997-1, 1999-1, 2003-1, 2005-1 and 2011-2 Bonds have been closed and surplus monies were used to fund capital improvements as provided for in the Bond Resolution.

(v) Sufficiency of Rates and Charges

The District has fixed, established, and maintained rates and charges that produced revenues together with investment earnings and other funds sufficient to pay for all normal operation and maintenance expenses of the System, to pay the annual debt service on all outstanding Bonds, to meet the obligations for the Renewal and Replacement Fund and the Emergency Repair Fund, to fund additional capital improvements from revenues, and to produce surplus revenues available for other lawful purposes.

During the fiscal year ended September 30, 2021, the revenues from the rates and charges together with interest earnings available to the Revenue Fund and after the payment of operation and maintenance expenses resulted in a balance available for debt service of \$52,741,914 divided by total debt service of \$31,535,126, which resulted in an annual debt service coverage of 1.67.

(vi) Condition of the System

Based on general field observations and the age and intended use of the facilities, the existing production, transmission, distribution, treatment and collection facilities of the existing System appear to be in good condition and well operated and maintained in accordance with usual utility practice.

.Additional Comments

Nothing has come to our attention during the period reported on herein indicating that the District has failed in any material way to perform or comply with the covenants and agreements contained in the Indenture and the Bond Resolution. However, the Consulting Engineer's duties are not directed primarily toward obtaining knowledge of, and would not necessarily disclose, such failure by the District to perform or comply with all such covenants and agreements.

During the preparation of this Report, it came to our attention that for the fiscal year ended September 30, 2021:

- (i) The District completed an annual review of its compliance with current regulatory requirements, including operations, rates, environmental matters, and reporting requirements.
- (ii) The District reviewed and prepared forecasts for each utility comprising the System of requirements, sales, losses and unaccounted for commodities and services, revenues, expenses, debt service, capital expenditures, and other costs.
- (iii) The District reviewed the adequacy of its rates and charges to assure that the District fixes, establishes, and maintains rates and rate levels for each utility comprising the

System that (a) are adequate to offset changing fuel and energy cost, and general inflationary pressures associated with the provisions of utility service to its customers, (b) reflect, to the extent practical, the cost of providing service, and (c) are not unduly discriminatory.

The District should continue its practice of reviewing annually its compliance with known regulatory requirements, its rates for services, its operating practices and procedures and its internal and external reporting requirements.

Respectfully submitted,

LEIDOS ENGINEERING, LLC

ANNUAL REPORT UTILITIES SYSTEM

REEDY CREEK IMPROVEMENT DISTRICT

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Letter of Transmittal

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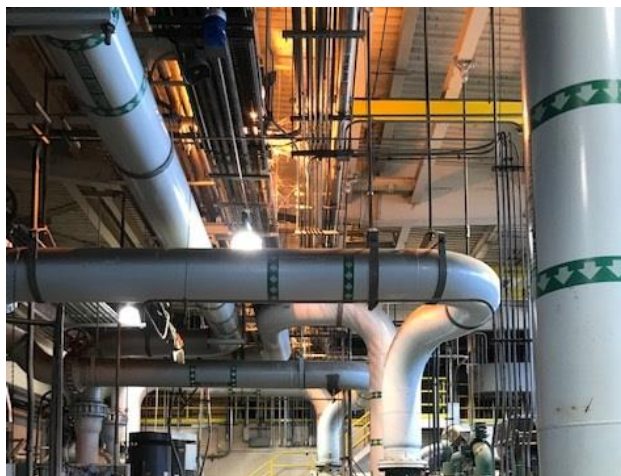
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Section 1

Introduction



Annual Report

This annual report (the Report) is prepared for the Reedy Creek Improvement District (the District) for the fiscal year ended September 30, 2021 (2021). The Report pertains to the utility systems owned by the District: the Electric System, Water System, Natural Gas System, Wastewater System, Solid Waste System, Hot Water System; and the Chilled Water System (collectively, the System). Pursuant to Section 7.14 of a trust indenture dated as of November 1, 1987 (the Indenture), the purpose of the Report on the System is to address for the fiscal year ended 2021:

- (i) the management of the properties;
- (ii) the operating and maintenance of the properties;
- (iii) the status of the operating budget;
- (iv) the status of the Construction Fund;
- (v) the sufficiency of rates and charges for services; and
- (vi) the condition of the System.

This is the thirty-fourth Report prepared and it pertains to the period from October 1, 2020 through September 30, 2021. To the extent deemed appropriate and necessary, certain subjects have been addressed beyond the period required to be reported on. Since this is the third fiscal year following the Annual Report as of September 30, 2018, Section 7.14 of the Indenture requires the System to be reviewed by the Consulting Engineer to the extent necessary for the Consulting Engineer to be able to report regarding whether the System as a whole, based on general industry standards, is in good condition.

In keeping with the District's various resolutions pertaining to the issuance of revenue bond indebtedness, unless otherwise indicated to the contrary, all references to years shall mean the twelve months of the fiscal year ended or ending September 30.

Authority

Pursuant to the laws of the State of Florida, particularly Chapter 67-764, Laws of Florida, Special Acts of 1967, which became effective May 12, 1967 (the Enabling Act), the District was granted certain powers including but not limited to:

- (i) to acquire property, real, personal or mixed, within or without its territorial limits, to encumber any property acquired by the District, and to mortgage, hold, manage, control, convey, lease, sell, grant or otherwise dispose of the same;
- (ii) to exercise the right and power of eminent domain within the limits of the District to condemn real property or mixed property which the Board of

- Supervisors deems necessary for the use of any of the projects of the District; the District may condemn property outside the limits of the District under specified conditions relating to the use of the property for drainage canals and other drainage purposes; the powers of condemnation shall be exercised in the same manner as is now provided by the general laws of the State of Florida;
- (iii) to lease as lessor or lessee to or from any person, corporation, or body, public or private, any projects of the type that the District is authorized to undertake;
 - (iv) to own, operate and maintain water and flood control facilities and to regulate the supply and level of water within the District; the District is declared eligible to receive grants and assistance from the State of Florida available to flood control districts, water management districts and navigation districts or agencies;
 - (v) to own, operate and maintain water systems and sewer systems or combined water and sewer systems; to regulate the use of sewers and the supply of water within the District; to prohibit or regulate the use of other sanitary structures and to prescribe methods of sewage treatment;
 - (vi) to own, operate and maintain a waste collection and disposal system and to sell or otherwise dispose of any effluent, residue or other by products of such system;
 - (vii) to own, operate and maintain canals, drains, levees, plants, pumping systems and other works for drainage purposes and irrigation works;
 - (viii) to own, operate and maintain electric power plants, transmission lines and related facilities, gas mains, facilities of any nature for the production or distribution of natural gas and facilities and plants for the generation and transmission of power through nuclear fission and other new and experimental sources of power and energy;
 - (ix) to purchase electric power, natural gas and other sources of power for distribution within the District; and
 - (x) to issue general obligation, revenue, assessment or other bonds to finance the acquisition, construction, extension or improvement of any projects.

On October 2, 1986, November 13, 1986 and November 2, 1987, the Board of Supervisors of the District adopted Resolutions No. 180, No. 181 and No. 195, providing for the issuance of Reedy Creek Improvement District Utilities Revenue Bonds (Bonds), and authorizing the execution and delivery of a trust indenture dated as of November 1, 1987, by and between the District and SunTrust Bank, National Association (Trustee). The original indenture was supplemented by a Supplemental Trust Indenture dated June 1, 1990, a Second Supplemental Trust Indenture dated November 15, 1991, a Third Supplemental Trust Indenture dated November 15, 1991, a Fourth Supplemental Trust Indenture dated January 1, 1994, a Fifth Supplemental Trust Indenture dated August 1, 1997, a Sixth and Seventh Supplemental Trust Indenture both dated September 15, 1999, an Eighth and Ninth Supplemental Trust Indenture both dated June 15, 2003, a Tenth and Eleventh Supplemental Trust Indenture

both dated May 1, 2005, and a Twelfth Supplemental Trust Indenture dated August 1, 2011, a Thirteenth Supplemental Trust Indenture dated December 1, 2011, a Fourteenth Supplemental Trust Indenture dated July 1, 2013, a Fifteenth Supplemental Trust Indenture dated November 1, 2013, a Sixteenth Supplemental Trust Indenture dated March 1, 2015, a Seventeenth Supplemental Trust Indenture dated March 27, 2015, an Eighteenth Supplemental Trust Indenture dated July 1, 2015, a Nineteenth Supplemental Trust Indenture dated July 1, 2018, a Twentieth Supplemental Trust Indenture dated July 1, 2018, a Twenty-First Supplemental Trust Indenture dated February 1, 2021, a Twenty-Second Supplemental Trust Indenture dated February 1, 2021, a Twenty-Third Supplemental Trust Indenture dated February 1, 2021, and a Twenty-Fourth Supplemental Trust Indenture dated July 1, 2021, (the Indenture).

Pursuant to the provisions of the Indenture and upon completion of bond validation proceedings before the Circuit Court of the Ninth Judicial Circuit of the State of Florida in and for Osceola County, on November 2, 1987, the District sold \$96,840,000 principal amount of Reedy Creek Improvement District Utilities Revenue Bonds, Series 1987-1 (the Series 1987-1 Bonds). On October 1, 1987, the District and the Reedy Creek Utilities Company, Inc. (RCUC) entered into an operating lease (the Lease) whereby the District obtained among other things from RCUC a leasehold interest in certain real and personal property assets used in providing electric, natural gas, hot water, chilled water and potable water. A name change was subsequently made so that RCUC became the Reedy Creek Energy Services, Inc. (RCES). The initial term of the Lease, unless terminated by RCES upon at least six (6) months prior written notice or through other provisions contained in the Lease, was twenty-two (22) years, with two successive options to renew the Lease for five (5) years each. The Lease was amended pursuant to an Amendment of Lease dated June 27, 1990, a Second Amendment of Lease dated November 15, 1991, and a Third Amendment of Lease dated August 1, 1997. On July 29, 2003, the District purchased the assets under the Lease. Pursuant to another lease agreement dated January 1, 1999, the District continued to lease certain assets from the Walt Disney Company, including facilities for the production of chilled water. The lease with the Walt Disney Company expired on December 31, 2008.

Reedy Creek Improvement District

The District is a public corporation of the State of Florida and is located in Orange and Osceola Counties about 15 miles southwest of the City of Orlando. The District encompasses approximately 25,000 acres or 40 square miles. Approximately 18,900 acres (75%) of the District's property are located in Orange County and approximately 6,100 acres (25%) are located in Osceola County. The ownership of the land in the District is as follows:

Section 1

Ownership	Acres	Percent (%)
Walt Disney Company	16,246	66%
Reedy Creek Improvement District	7,197	29%
State of Florida	743	3%
Others	<u>422</u>	<u>2%</u>
Total	<u>24,608</u>	<u>100%</u>

The *Walt Disney World*® Resort is located within the territorial boundaries of the District.

A Board of Supervisors of five members (the Board) governs the District. The Supervisors hold office for staggered terms of four years each. Elections of Supervisors are held every two years at the annual meeting of the landowners of the District, at which two or three Supervisors, as the case may be, are elected. As of September 30, 2021 the members of the Board, their respective occupations and the respective dates on which their terms expire were as follows:

Name/Title	Occupation	Term Expires
Laurence C. Hames, President	Attorney, Laurence C. Hames, Esq., P.A.	May 2023
Donald R. Greer, Vice President	Retired, Former Asset Manager of the Magnolia Service Corp.	May 2025
Jane Adams	VP University Relations, University of Florida	May 2025
Maximiano Brito	Principal, Rhodes + Brito Architects	May 2023

The District reports that the Board has exclusive jurisdiction and control over all of the projects of the District and over the budget and finances of the District and, in general, is not required to obtain authority from any agency, instrumentality, commission or political subdivision of the State of Florida.

Regulatory Jurisdiction

Under the Enabling Act, the District reports that it is not required to obtain any franchise, license, permit or other authorization from any bureau, board, commission or similar instrumentality of the State of Florida or any political subdivision thereof in order to construct, acquire, repair, improve, maintain or operate any utility project, and the rates, fees, rentals, or other charges to be fixed and collected with respect to the facilities and services of the District will not be subject to supervision, regulation or the rate setting power of any bureau, board, commission or other agency of the State of Florida or any political subdivision thereof.

Nevertheless, prior to October 1, 1987, the electric and water systems in the District were operated by RCUC and the electric and water rates were subject to the jurisdiction of the Florida Public Service Commission (the PSC). Upon the District's operation of its electric system, commencing October 1, 1987, the PSC exercised only the

jurisdiction applicable to municipal utilities codified in Chapter 366 of the Florida Statutes, whereby it may, (i) prescribe uniform systems of classifications and accounts with respect to electric utilities, (ii) require electric power conservation and reliability, (iii) approve electric territorial agreements and resolve territorial disputes and (iv) prescribe electric rate structures. In addition, commencing October 1, 1987, the water rates of the District were no longer subject to PSC jurisdiction. However, it must be recognized that in Section 366.11, certain exemptions of the Florida Statutes limit State imposed requirements on municipal electric utilities and, further, that under existing Florida Law, the District has exclusive authority to establish the level of its electric rates.

Electric System

The District's Electric System is subject to limited jurisdiction by both federal and State regulatory bodies. The rates for some of the purchases of wholesale electric power and natural gas for transportation and resale are subject to the regulations of the Federal Energy Regulatory Commission (the FERC). At the federal level, the FERC has limited regulatory jurisdiction with regard to certain matters pertaining to inter-utility operations, contracts, and reporting requirements.

Many, if not most, environmental regulations established by the U.S. Environmental Protection Agency (the EPA), as well as certain statutes and regulations of the State of Florida, are administered in Florida by the Florida Department of Environmental Protection (the DEP). Pursuant to Chapter 403 of the Florida Statutes, generally referred to as the Florida Air and Water Pollution Control Act, and 403.501 through 403.517, generally referred to as the Florida Electric Power Plant Siting Act, DEP has limited jurisdiction over the District's Electric System in matters pertaining to licensing activities associated with the location, performance standards, and emissions of generating stations and/or units.

Pursuant to the Federal Clean Air Act of 1970, as amended (the Clean Air Act), the EPA promulgated ambient air quality standards with respect to certain air pollutants including particulate, sulfur dioxide, carbon monoxide, and nitrogen oxide emissions. In addition, the EPA has promulgated new source performance standards establishing stringent emission standards, which may affect the siting of new units, as well as the type of emission controls, required. These new source performance standards generally require a showing that new units will meet the more stringent emission requirements. The Clean Air Act also provides for the issuance of a Prevention of Significant Deterioration (PSD) approval for sources emitting more than de minimus quantities of regulated pollutants and provides for penalties for the failure to comply with such standards.

The Clean Air Act Amendments of 1990 (CAA) promulgates standards and procedures by which emissions of various pollutants will be controlled. The CAA contains eleven separate titles, three of which will directly affect the electric utility industry: air toxics, acid rain, and permitting. The air toxics titles of the CAA propose regulation of 189 industrial pollutants as hazardous air pollutants. The acid rain provisions of the CAA

are aimed at decreasing the total amount of sulfur dioxide and nitrogen oxide emissions primarily from fossil fuel fired electric generating units.

The Toxic Substances Control Act (the Toxic Control Act), which regulations are codified at 40 Code of Federal Regulations 761, imposes stringent requirements for the labeling, handling, storing, and disposing of polychlorinated biphenyls (PCB's) and PCB contaminated equipment.

In addition, pursuant to 403.52 through 403.536 of Chapter 403 of the Florida Statutes, generally referred to as The Transmission Line Siting Act, the DEP has limited jurisdiction over the location and development of transmission facilities.

In 1990, the District became subject to the Comprehensive Planning Act. Starting in 1991, the District was required to prepare a ten-year comprehensive plan that ensures that adequate infrastructure is provided for all growth within the District.

The Energy Policy Act of 1992 and Order Nos. 888, 888A and 888B issued by the FERC have made fundamental changes in the federal regulation of the electric utility industry, generally resulting in increased wholesale competition. The expectation is that such initiatives will ultimately result in lower costs for purchased electricity for the System.

The Energy Policy Act of 2005 (the Energy Policy Act) was signed into law on August 8, 2005. The Energy Policy Act addresses, among other things, energy efficiency; appliance standards; low income energy assistance programs; renewable energy; nuclear energy; electricity; and provides incentives for oil and gas production and encourages deployment of clean coal technology. The electricity portion of the bill addresses the following areas: (i) the need for modernization of existing transmission facilities, transmission rate reform and improved operations of existing transmission facilities; (ii) electric reliability standards; (iii) Public Utility Holding Company Act (PUHCA) and Public Utility Regulatory Policies Act (PURPA) amendments (including repeal of PUHCA); (iv) market transparency, round trip trading prohibition and enforcement; and (v) merger reform. The Energy Policy Act imposes mandatory electric reliability standards to be defined through North American Electric Reliability Council and enforced by FERC. The Energy Policy Act also provides for tax incentives that further encourage production, conservation and the use of technology to stabilize energy prices and protect the environment.

Gas System

The District's gas system is subject to limited jurisdiction by both federal and State regulatory bodies. The gas system is subject to the National Pipeline Safety Act of 1968, which the PSC administers in Florida for the U.S. Department of Transportation and the District is required to file certain information with FERC.

Water and Wastewater Systems

The District is subject to environmental regulation by various federal and State agencies. In addition to environmental regulation at the federal level by the EPA, the District is regulated at the State level by the DEP. The EPA and the DEP have imposed various

environmental requirements on the District including the Safe Drinking Water Act requirements and the National Primary Drinking Water regulations.

In addition to the requirements of the EPA and DEP, the South Florida Water Management District has regulatory jurisdiction on the District's Water System. The District is also subject to limited regulatory jurisdiction by the Florida Game and Fresh Water Fish Commission and the U.S. Army Corps of Engineers, and subject to long-term permits regarding wetlands impact and impact to uplands habitat.

Utilities Revenue Bonds Issued and Outstanding

Shown on Table 1-1 is a listing of the issued and outstanding Utilities Revenue Bonds at September 30, 2021.

The municipal bond ratings are currently assigned as A1, stable by Moody's Investors Service, Inc., a rating of A-, negative by Standard & Poor's Ratings Services and a rating of A, negative by Fitch Investors Service, L.P. Generally, rating agencies base their ratings on the information and materials so furnished and on investigations, studies and assumptions by the rating agencies. Such credit ratings reflect only the views of such rating agencies, and an explanation of the respective significance of such credit ratings may be obtained from the rating agencies. There is no assurance that such credit ratings will continue for any given period of time or that they will not be revised or withdrawn entirely by either or both of such rating agencies, if in their respective judgments circumstances so warrant.

In March 2015, the District issued \$30,080,000 Utilities Revenue Bonds (Series 2015-1) and in July 2015, \$20,300,000 in Utilities Revenue Refunding Bonds (Series 2015-2) were issued. The proceeds from Series 2015-2 were used for the refunding of the Series 2005-2 Utilities Revenue Refunding Bonds.

In July 2018, the District issued \$26,230,000 Utilities Revenue Bonds (Series 2018-1) and \$19,750,000 in Taxable Utilities Revenue Bonds (Series 2018-2). Together the Series 2018-1 Bonds and the Series 2018-2 Bonds are referred to as the Series 2018 Bonds. The proceeds from Series 2018 Bonds were used for the purpose of financing the costs of various capital improvements including some related to the water and chilled water systems.

In February 2021, the District issued \$35,095,000 Utilities Revenue Bonds (Series 2021-1). The proceeds from Series 2021-1 Bonds are being used for the purpose of financing the costs of various capital improvements to the utilities systems.

In February 2021, the District issued \$55,130,000 Taxable Utilities Revenue Bonds (Series 2021-2). The proceeds from Series 2021-2 Bonds are being used for the purpose of financing the costs of various capital improvements to the utilities systems.

In February 2021, the District issued \$20,976,000 Taxable Utilities Revenue Refunding Bonds (Series 2021-3). The proceeds from Series 2021-3 Bonds were used to advance refund the Series 2011-2 Utilities Revenue Bonds.

In July 2021, the District issued \$20,976,000 Utilities Revenue Refunding Bonds (Series 2021-4). The proceeds from Series 2021-4 Bonds were used to currently refund the Series 2021-3 Taxable Utilities Revenue Refunding Bonds.

Table 1-1 summarizes the total revenue bonds issued and outstanding at September 30, 2021. Table 1-2 is a listing of the outstanding principal maturities and interest rates for the Series 2011-2, Series 2013-1, Series 2015-1, Series 2018-1, Series 2018-2, Series 2021-1, Series 2021-2 and Series 2021-4 Bonds at September 30, 2021.

Figure 1-1, a flowchart showing our understanding of the disposition of revenues under the Indenture, is included at the end of this section. This flowchart does not purport to be a legal interpretation nor a complete summary of the disposition of revenues, and reference is made to the Resolution and the Indenture referred to herein for further information regarding the disposition of revenues and other matters regarding the Bonds.

Security Issues

Following the terrorist attacks of September 11, 2001, increased emphasis has been placed on addressing security measures for the infrastructure systems and facilities throughout the United States. Terrorist activities aimed at the System could impact the operation of the System and interfere with the ability of the District to provide service and generate revenues. Additionally, terrorist activities have the potential to affect organizations other than the District, the continued performance of which is critical to continued operation of the System.

The District reports on-going reviews and implementations of enhanced cyber and physical security processes. However, we have not conducted any independent evaluations or on-site reviews to ascertain the effectiveness of the measures the District has undertaken to address the security issues.

COVID-19

According to the District's 2021 Annual Financial Statements, "Local governments continue to be affected by the COVID-19 pandemic, including the general state of the economy and real estate markets. Many industries continue to experience fluctuations in business operations." Section 2 includes comparisons of operations for the fiscal years ended September 30, 2019, 2020, and 2021.

Table 1-1

**REEDY CREEK IMPROVEMENT DISTRICT
UTILITIES SYSTEM
Revenue Bonds Issued and Outstanding
*As of September 30, 2021***

Ln. No.	Issue	Issue Date	Principal Amount Issued	Principal Amount Outstanding at September 30, 2021
	(a)	(b)	(c)	(d)
1	Series 2013-1	July 2013	\$54,915,000	\$33,100,000
2	Series 2015-1	March 2015	\$30,080,000	\$15,170,000
3	Series 2018-1	July 2018	\$26,230,000	\$26,230,000
4	Series 2018-2	July 2018	\$19,750,000	\$19,750,000
5	Series 2021-1	February 2021	\$35,095,000	\$35,095,000
6	Series 2021-2	February 2021	\$55,130,000	\$55,130,000
7	Series 2021-4	July 2021	\$20,976,000	\$20,976,000
5	TOTAL REVENUE BONDS		<u>\$242,176,000</u>	<u>\$205,451,000</u>

Table 1-2

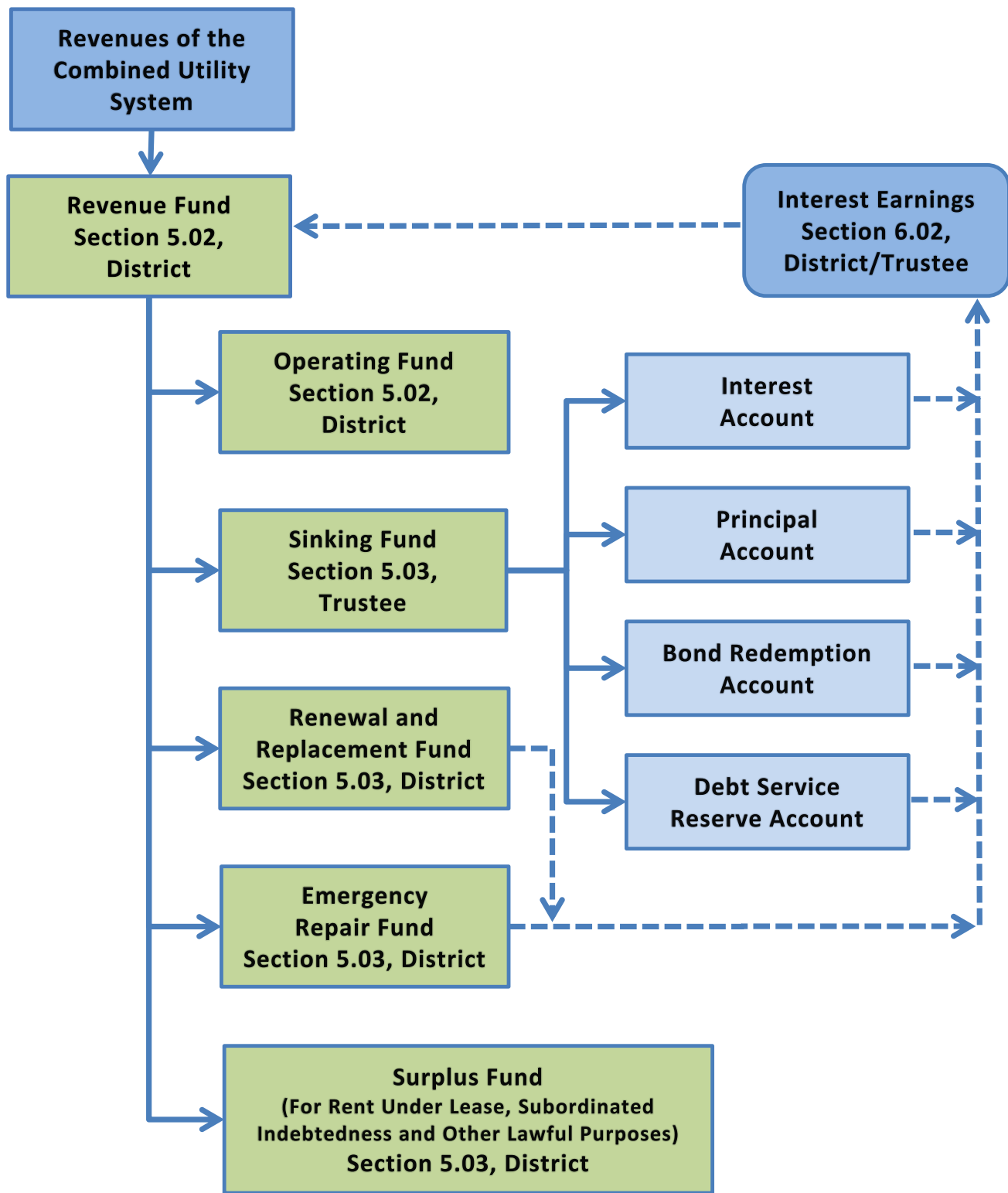
REEDY CREEK IMPROVEMENT DISTRICT
UTILITIES SYSTEM
Outstanding Bonds Maturities Schedules
As of September 30, 2021

Due Oct 1	Series 2013-1		Series 2015-1		Series 2018-1		Series 2018-2		Series 2021-1		Series 2021-2		Series 2021-4	
	Principal Amount	Rate	Principal Amount	Rate	Principal Amount	Rate	Principal Amount	Rate	Principal Amount	Rate	Principal Amount	Rate[1]	Principal Amount	Rate
2021	5,760,000	5.00%	15,170,000	1.83%	-	-	-	-	-	-	-	-	-	-
2022	6,050,000	5.00%	-	-	-	-	\$4,700,000	3.28%	\$150,000	1.72%	\$6,625,000	1.05%	\$5,182,000	0.79%
2023	6,355,000	5.00%	-	-	-	-	4,850,000	3.33%	350,000	1.72%	5,900,000	1.05%	5,223,000	0.79%
2024	7,285,000	5.00%	-	-	-	-	5,015,000	3.47%	50,000	1.72%	5,000,000	1.06%	5,265,000	0.79%
2025	7,650,000	5.00%	-	-	-	-	5,185,000	3.57%	1,000,000	1.72%	4,100,000	1.06%	5,306,000	0.79%
2026	-	-	-	-	\$1,480,000	5.00%	-	-	4,000,000	1.72%	15,005,000	1.32%	-	-
2027	-	-	-	-	1,555,000	5.00%	-	-	7,000,000	1.72%	9,320,000	1.58%	-	-
2028	-	-	-	-	1,635,000	5.00%	-	-	3,000,000	1.72%	9,180,000	1.58%	-	-
2029	-	-	-	-	1,715,000	5.00%	-	-	2,115,000	1.72%	-	-	-	-
2030	-	-	-	-	1,800,000	5.00%	-	-	2,150,000	1.72%	-	-	-	-
2031	-	-	-	-	1,890,000	5.00%	-	-	2,185,000	1.72%	-	-	-	-
2032	-	-	-	-	1,985,000	5.00%	-	-	2,225,000	1.72%	-	-	-	-
2033	-	-	-	-	2,085,000	5.00%	-	-	2,260,000	1.72%	-	-	-	-
2034	-	-	-	-	2,190,000	5.00%	-	-	2,300,000	1.72%	-	-	-	-
2035	-	-	-	-	2,295,000	5.00%	-	-	2,345,000	1.72%	-	-	-	-
2036	-	-	-	-	2,410,000	5.00%	-	-	3,965,000	1.72%	-	-	-	-
2037	-	-	-	-	2,530,000	5.00%	-	-	-	-	-	-	-	-
2038	-	-	-	-	2,660,000	5.00%	-	-	-	-	-	-	-	-
Total	\$33,100,000		\$15,170,000		\$26,230,000		\$19,750,000		\$35,095,000		\$55,130,000		\$20,976,000	

[1] Series 2021-2 was bifurcated into 2021-2A with an interest rate of 1.03% and 2021-2B with an interest rate of 1.58%. Interest rate shown is a calculated composite rate.

Figure 1-1

**REEDY CREEK IMPROVEMENT DISTRICT
UTILITIES REVENUE BONDS
FLOW OF FUNDS ***



* Excludes the Construction Funds for the various Bond Issues. Interest earnings on the unexpended balances in the Construction Fund remain in the Construction Fund until such Fund is closed pursuant to the provisions of the Indenture.

Section 2

Management of the Properties



Section 2

MANAGEMENT OF THE PROPERTIES

General

The District is a public corporation of the State of Florida and is located in Orange and Osceola Counties, about 15 miles southwest of the City of Orlando. The District encompasses approximately 25,000 acres or 40 square miles. The District presently owns and operates electric, water, natural gas, chilled water and hot water utilities, a sanitary sewage collection system, a wastewater treatment system, a reclaimed water system, and a solid waste collection, recycling, and disposal system, in addition to other authorized functions of fire protection, highway maintenance, and water and flood control facilities. The District may require all land, buildings, persons and corporations within the District to use the drainage, flood control, water, wastewater and waste collection and disposal facilities of the District. No other such systems and facilities may be built without the consent and approval of plans and specifications by the District.

In 1974, RCUC, a wholly owned subsidiary of The Walt Disney Company, was assigned responsibility for providing the electric, water, natural gas, chilled water, and hot water utility services. From 1974 to September 30, 1987, RCUC owned and operated an electric system for the generation and distribution of electrical power, facilities for the production and distribution of chilled and hot water, a system of water supply and distribution, a compressed air distribution system, a gas distribution system, and fuel oil storage and distribution facilities for services to the *Walt Disney World*® Resort, the Crossroads Shopping Center, and hotels located in the Hotel Plaza at Lake Buena Vista.

On October 1, 1987, the District entered into a lease for the exclusive use of the Leased Assets of the Electric, Natural Gas, Water, Chilled Water, and Hot Water Utility Systems (the RCES Lease). On January 1, 1999, the District entered into another lease with Walt Disney Company leasing additional assets used for the production of chilled water (the WDC Lease). Capital improvements to the System since the respective commencement dates of the Leases are owned by the District.

A portion of the proceeds of the 2003-1 Bonds, together with other funds of the District, were used to purchase the RCES Leased Assets, thus terminating the RCES Lease. The WDC Lease for the WDC Leased assets expired on December 31, 2008.

Territory Served

Presently, the area served by the System is approximately 20 square miles and is located in Orange County and Osceola County, north of U.S. Highway 192, and west of Interstate Highway 4. The electric service area map shown on Figure 2-1, page 1 shows the general area within the District that the Electric System currently services. Although the District is empowered to serve throughout the area within the District boundaries, the Indenture established the present Service Area. On September 10, 1987, the District and Florida Power Corporation (doing business as Duke Energy), the District's

neighboring electric utility, entered into a territorial agreement. Pursuant to the terms of the agreement, which the PSC approved on September 30, 1987, both the District and Duke Energy agree not to serve electric customers not presently served by either entity within the other's designated service area. Under the terms of the agreement, which expired on September 30, 2017, Duke Energy is permitted to serve certain existing customers that are located within the District's service area. Additionally, to avoid unnecessary duplication of amenities, at the direction of the District and in accordance with the Indenture, Duke Energy may extend service to new customers located in the District's service area. The District and Duke Energy entered into an Amended Territorial Agreement on August 3, 2017.

With regard to water, wastewater, waste collection and disposal service, the Enabling Act provides that the District may require all users in the District to avail themselves of the District's services and facilities. Moreover, no other system or facilities may be constructed in the District to provide water, wastewater, waste and disposal services without the consent and approval of the District. The water/wastewater service area is depicted on Figure 2-1, page 2.

On September 30, 2008, the District and Orange County signed an amended and restated water, wastewater, and reclaimed water service territorial agreement. This agreement was further amended in November 2018. In October 2008, the District and Orange County entered into an interlocal agreement providing for the District to deliver wholesale water services to the Northeast Resort Parcel. The District also has a territorial agreement with the City of Kissimmee.

At this time, the District does not have a territorial agreement with any entity pertaining to its natural gas utility, chilled water or hot water utility. However, pursuant to Section 7.22 of the Indenture, the District will not grant, cause, consent to or allow the granting of any franchise or permit to any person for the furnishing of any utilities within the Service Area established by the Indenture which competes directly or indirectly with the System. However, this section does not prohibit the District from granting permits if the area serviced is not then being serviced by the System. The District may permit the provision of or grant a franchise for utility services on a limited basis provided that the District obtains from the Consulting Engineer a certificate to the effect that the provision of these services will not have a material adverse effect on the System or have an adverse impact on the Net Revenues.

Between December 22, 1986 and December 31, 1990, the District purchased 1,349 acres adjacent to the western boundary of the District and the Board voted to annex these parcels into the District. Between February 15, 1989 and March 30, 1989, the District purchased an additional 2,089 acres approximately five miles northwest of the District, but this parcel is not contiguous with the District and accordingly cannot be annexed into the District. These 2,089 acres were sold in September 2002.

On March 18, 1994, the District de-annexed approximately 4,900 acres of property in Osceola County in connection with Celebration, a multi-use development planned by subsidiaries of the Walt Disney Company.

During the fiscal year ended September 30, 2008, the District annexed land associated with the Flamingo Crossings project on the western boundary and de-annexed land associated with the Northeast Resort Parcel.

As of September 30, 2021, the District provided electric, water, sewer and gas services, among others, to the *Walt Disney World®* Resort (including the Magic Kingdom, Epcot, Disney's Hollywood Studios, Disney's Animal Kingdom, ESPN Wide World of Sports Complex, Disney Vacation Club resorts, an entertainment complex known as Disney Springs, which is home to more than 150 venues including the World of Disney 64,000 square-foot retail store, Typhoon Lagoon and Blizzard Beach water parks, three championship golf courses, miniature golf courses, eighteen resort hotels, and the Fort Wilderness Campground, seven hotels located along Hotel Plaza Boulevard in Lake Buena Vista, and two hotels at the Epcot resorts areas. In addition to Walt Disney Company accounts, the District provides utility services to other entities including hotels, residential and small commercial customers. The District also provides wholesale water, sewer and reclaimed water service to Orange County, which then provides retail service to the Golden Oak development.

Extent of Business

Summary data of the District's System for the fiscal years ended September 30, 2019, 2020 and 2021 are shown on Table 2-1 at the end of this section. During the fiscal year ended September 30, 2021, the Electric System served a load with a peak demand of approximately 177.7 MW and annual energy requirements of approximately 1,002,279 MWh, with sales revenues of approximately \$93.3 million.

During the fiscal year ended September 30, 2021, the Water System sold approximately 4.5 billion gallons of water, with sales revenues of approximately \$8.2 million. The Wastewater System treated about 3.8 billion gallons of effluent, and sales were approximately \$20.2 million. Approximately 1.7 billion gallons of reclaimed water were sold, with revenues of approximately \$2.6 million.

During fiscal year 2021, the Solid Waste System performed approximately 47,044 pickups and received approximately 76,610 tons of Class I and Class III solid waste, with sales revenues of about \$9.7 million. Natural gas sales were approximately 12.3 million therms with \$9.2 million of associated revenues. The Chilled Water System sold approximately 125 million ton hours of chilled water, with sales revenues of about \$19.2 million. The District also sold approximately 185,710 MMBtu of hot water, with revenues of approximately \$3.3 million.

Figure 2-2 graphically compares annual sales revenues from utility services and each utility's portion to the total sales revenues for the fiscal years ended September 30, 2019, 2020 and 2021. Overall, the total sales revenues have increased in the past fiscal year 2021. Figure 2-3 depicts the annual sales by utility for fiscal years 2019, 2020 and 2021 indicating most utilities experienced a decrease in sales revenue for 2020 and increases in revenue for 2021. Both the electric and gas utility have rates in effect which automatically track changes in the cost of purchased power and gas. Figure 2-4

graphically shows revenue percentages by utility for the entire system for the fiscal year ended September 30, 2021.

Board of Supervisors

As discussed in Section I, the District is governed by a Board of Supervisors of five members. The Supervisors hold office for staggered terms of four years each. Elections of Supervisors are held every two years at the annual meeting of the landowners of the District, at which two or three Supervisors, as the case may be, are elected. As of September 30, 2021, the members of the Board were Laurence C. Hames, President; Donald R. Greer, Vice President; Jane Adams, Maximiano Brito and one vacancy.

Management and Personnel

Under the direction of the Board, the District Administrator acts as the chief administrative officer of the District. The Board is responsible for establishing rates to be charged for the individual utility services and ensuring adequate revenues are generated to meet all operating expenses, debt service requirements, and provide for renewals and replacements of assets for the System.

District Management and Personnel

John H. Classe, Jr., the District Administrator, graduated from Auburn University with a degree in civil engineering and is a licensed professional engineer and real estate broker. Christopher M. Quinn is the Chief Financial Officer/Comptroller. Mr. Quinn has a degree in accounting from SUNY New Paltz and a masters degree in accountancy from the University of North Florida and is a Certified Public Accountant.

RCES Management and Personnel

The Vice President of Reedy Creek Energy Services and Transportation Maintenance manages RCES and the Division of Utility Business Affairs.

Brian Jones is the Vice President of Reedy Creek Energy Services and Transportation Maintenance and has been employed by RCES since March 2019. Mr. Jones has been employed by the Walt Disney Company for 32 years in various management positions throughout the Parks and Support Areas.

The Director of RCES manages five divisions with respect to matters relating to the System. These divisions include Electric & Energy Plant Operations, Gas, Water and Waste Resources & Compliance, Utility/Facility and Property Services, Utility and Facility Integration, and RCES Engineering and Programs. Christine Ferraro is the Director of RCES. Mrs. Ferraro holds a Bachelor's Degree in Electrical Engineering and has more than 29 years of experience in the utility industry. The Finance Department reports to the Vice President of Reedy Creek Energy Services and Transportation Maintenance on an advisory basis.

Utility Business Affairs is responsible for electrical energy and natural gas purchases, supply-side and demand-side planning, energy marketing, economic and risk assessment, and regulatory requirements. Ray Crooks is the Director of Utility Business Affairs. Mr. Crooks has served in various finance positions for the Walt Disney Company since 1996, and has served in his present position since 2019. Mr. Crooks graduated from the University of Central Florida with a Bachelor's Degree in Business Administration and has a Master's Degree in Business Administration from Nova Southeastern University.

The Electric & Energy Plant Operations Division is responsible for the production of electricity, and the production and distribution of chilled water and hot water. Randall Miranda has managed the division since August 2019 and came to RCES with 15 years of electric utility experience. Mr. Miranda graduated from the University of South Florida with a Bachelor's Degree in Electrical Engineering and has a Master's Degree in Electrical Engineering from the University of Florida. He is a registered Professional Engineer in the State of Florida.

The Gas, Water and Waste Resources & Compliance Division is responsible for operation and maintenance of the natural gas, potable water, reclaimed water, wastewater, drainage and solid waste systems. Jason Herrick, Manager of the division, is a Professional Engineer registered in the State of Florida and has over 24 years of experience with utilities systems. Mr. Herrick graduated from Worcester Polytechnic Institute with a Bachelor's degree in Civil/Environmental Engineering and from the University of Rhode Island with a Master's Degree in Civil/Environmental Engineering.

The Utility/Facility and Property Services Division is responsible for maintenance of utility facilities of the District. Eric Welch is the manager of this division and joined RCES in 2016 as a Service Manager in the Energy Plants. Mr. Welch holds a Bachelor's degree in Mechanical Engineering from the University of Cincinnati and an MBA from Indiana State University.

The Utility and Facility Integration Division is responsible for the integration of the District's utility systems. Jennifer Albritton has managed the division since 2018. Ms. Albritton graduated from Maine Maritime Academy with a Bachelor's Degree in Power Engineer Technology and has a Master's Degree in Business Administration from Florida Institute of Technology.

The RCES Engineering and Programs Division is responsible for planning, engineering, design, and survey. The manager of the division, Anthony Kasper, is a Professional Engineer registered in the State of Florida. Mr. Kasper has over 20 years of public works and utilities experience. Mr. Kasper graduated from the University of South Florida with a Bachelor of Science Degree in Civil Engineering.

Currently, RCES has a total of 279 employees in Electric & Energy Plant Operations, Gas, Water and Waste Resources & Compliance, Utility/Facility and Property Services, Utility and Facility Integration, and RCES Engineering and Programs, and Utility Business Affairs. RCES hourly employees, excluding office and technical staff, are unionized by the Crafts Maintenance Council.

Within the RCID Finance Organization, the RCES Accounting and Finance Department is managed by Mark W. Swanson. Mr. Swanson has served in various finance positions for RCES and the Walt Disney Company since 1998, and has served in his present position since 2001. Mr. Swanson graduated from the University of Minnesota with a Bachelor's Degree in Accounting and obtained a Master's Degree in Business Administration from the Florida Institute of Technology. The RCES Accounting and Finance Department supports the Director of Utility Operations on an advisory basis.

An organizational chart of the District is shown at the end of this Section on Figure 2-5. Page 2 of this Figure shows the detailed organizational chart for RCES.

Pursuant to the Labor Agreement dated October 1, 2011 between the District and RCES, RCES furnishes all labor necessary to operate and maintain the System's facilities including the performing of all repairs and replacing all parts and equipment as required for the efficient and economical operation of the facilities. Under this Agreement, each year RCES is to provide the District with its proposed fee and scope of services. At that time, the District may terminate the Agreement with or without cause. This or similar arrangements have been in effect since 1987. For the period beginning October 1, 2020 and ended September 30, 2021, the fee paid to RCES by the District for such labor services was \$27,341,764.

The System's facilities are operated and maintained under the supervision and direction of the Board. All materials and equipment (except to the extent otherwise agreed in writing) required to operate and maintain the facilities are to be provided by the District. RCES bears all costs relating to the providing of labor in the operation and maintenance of the facilities including, but not limited to, the cost of all wages and benefits of RCES employees performing under the Labor Agreement.

Furthermore, all charges and fees payable by customers of the District for service are paid directly to the District, and RCES shall, in no event, accept any such charges or fees directly from said customers. RCES receives and acts appropriately on all complaints from service customers except those regarding rates and fees established by the District that RCES should refer to the District.

Professional Services

From time to time, the District engages outside professional services for assistance in various specialized engineering, legal, and financial matters in connection with the System. Such professional services during the period covered by this report have included:

Engineering

Engineering firms which have provided professional services for the District during the fiscal year ended September 30, 2021, include Atkins North America, Inc., Black & Veatch Corporation, Carollo Engineers, Inc., CBRE Heery, Inc., CPH, Inc., DRMP, Inc., Exponential Engineering Company, FCI Structural Engineers, Inc., Fred Wilson & Associates, Land Design, Inc., Leidos Engineering, LLC, Peninsula Engineering, Inc., Pond Constructors, Inc., RDA Engineering, Inc., Tetra Tech, Inc., and TRC Engineers, Inc.

Legal

In addition to obtaining legal assistance from representatives of the Walt Disney Company, Eversheds Sutherland (US) LLP, Edward G. Milgrim, P.A. and Greenberg Traurig, P.A. have provided legal professional services.

Accounting

Auditing services for the District have been provided by Cherry Bekaert, LLP, Orlando, Florida for the audit of the financial statements for the fiscal year ended September 30, 2021.

Financial

U.S. Bank acted as the District's Trustee. In addition, Standard & Poor's, Moody's Investors Service, Inc., Causey, Demgen, & Moore, Inc., Chandler Asset Management, Greenberg Traurig, P.A., Holland & Knight, LLP, Hopping Green & Sams P.A., Truist Bank and US Bank National Association provided other financial related services.

Other Professional Services

Other professional services for the District have been performed by Gelber and Associates Corporation, Regulatory Intelligence LLC, Water Cooperative of Central Florida, and Toho Water Authority.

Accounting Records

The Indenture provides that the District will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the District, in which complete and correct entries shall be made in accordance with generally accepted accounting principles of all transactions relating to the System, and the Trustee shall have the right, at all reasonable times, to inspect all records, accounts and data of the District relating thereto.

The District, within 120 days after the close of each fiscal year, is required to have the books, records and accounts of the system for such fiscal year to be properly audited by a qualified, recognized and independent firm of certified public accountants, and files the report of such certified public accountants with the Trustee, on the financial statements of the System, prepared in accordance with generally accepted accounting principles. The District is required to provide a letter from the independent certified public accountants stating that as a result of their examination nothing came to their attention that caused them to believe that the District was not in compliance with certain sections of the Indenture, as required by Section 7.12 of the Indenture. The District is required to mail to the major rating agencies of municipal securities rating the Bonds and/or to any Bondholder, upon request of such Bondholder, and make available generally, said report, or a reasonable summary thereof.

The District engaged the firm of Cherry Bekaert LLP, to audit the books and accounts for the fiscal year ended September 30, 2021. The District received an opinion dated

February 7, 2022 regarding the basic financial statements of the District, including the System, for the fiscal year ended September 30, 2021. The independent auditors reported, among other things, that “In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District as of September 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.”

For the fiscal year ended September 30, 2021, the District has kept records of revenues and expenses on an individual utility basis for each of the seven utilities.

Copies of the audited financial statements, which include a combined balance sheet and income statement for the utilities, are available from the Trustee or the Comptroller's Office of the District.

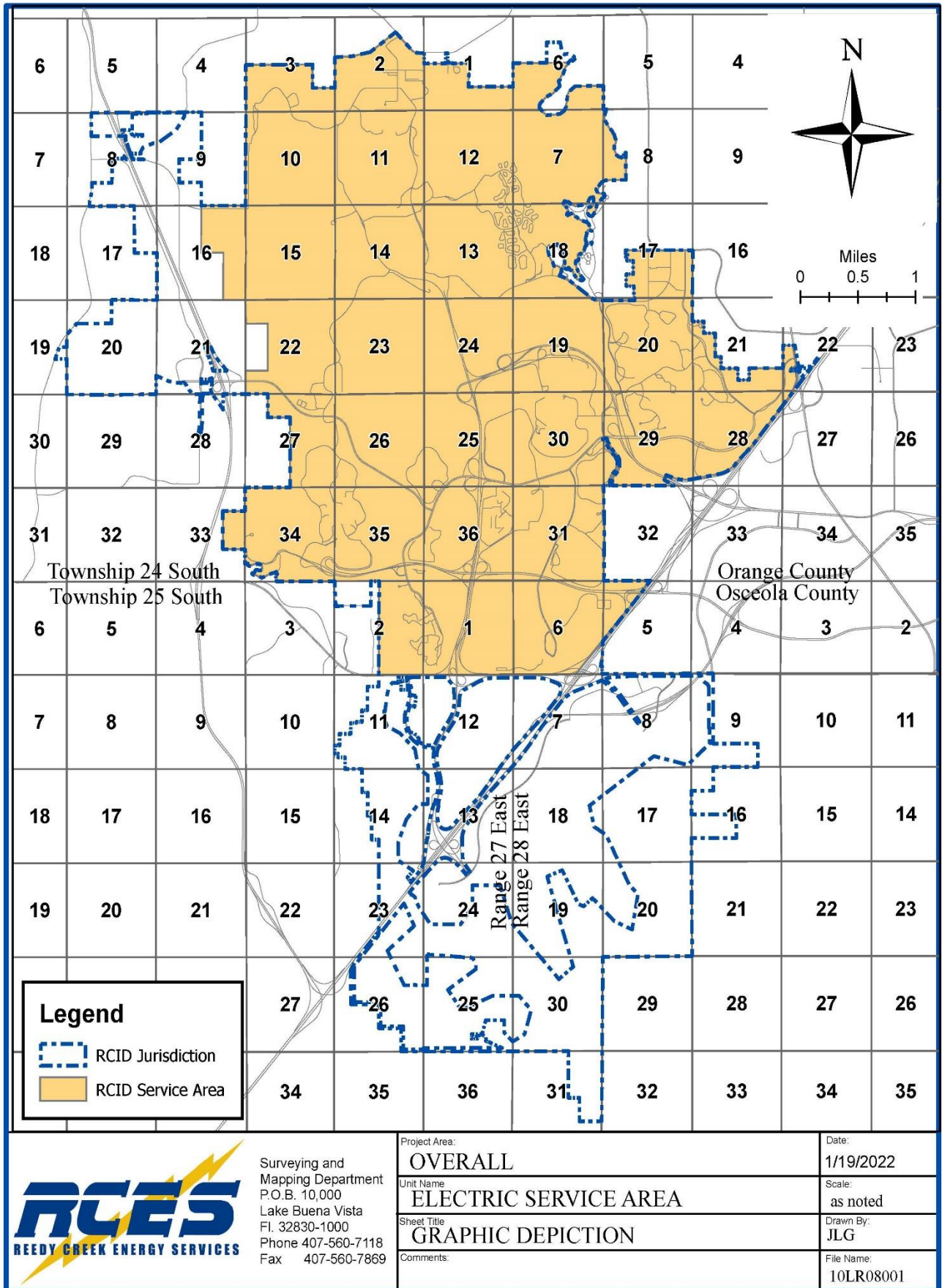
Budgeting Process

The District shall annually prepare and adopt, prior to the end of each fiscal year, by proper proceedings a budget of the estimated expenditures for operation and maintenance of the System and the estimated Revenues of the System during the succeeding fiscal year. The District shall deliver a copy of the budget to the Trustee and mail a copy of such annual budget to any Owner or Owners of Bonds who shall file his address with the District and request in writing that copies of all such budgets be furnished to him or them, and to rating agencies of municipal securities rating the Bonds, and shall make available such budgets and any authorization for increased expenditures for operation and maintenance of the System at all reasonable times to the Trustee and to any Owner or Owners of Bonds issued pursuant to the Indenture and to such rating agencies.

The budget for the fiscal year ending September 30, 2022 was prepared by the Accounting and Finance Department, and was submitted to the Director of Utility Operations, the District Administrator, and the Board of Supervisors. After final review of the proposed budget and opportunity for public discussion, the Board adopted the 2021/2022 budget on September 29, 2021.

REEDY CREEK IMPROVEMENT DISTRICT
Electric Service Area

Figure 2-1
Page 1 of 2



REEDY CREEK IMPROVEMENT DISTRICT
Water/Wastewater Service Area

Figure 2-1
Page 2 of 2

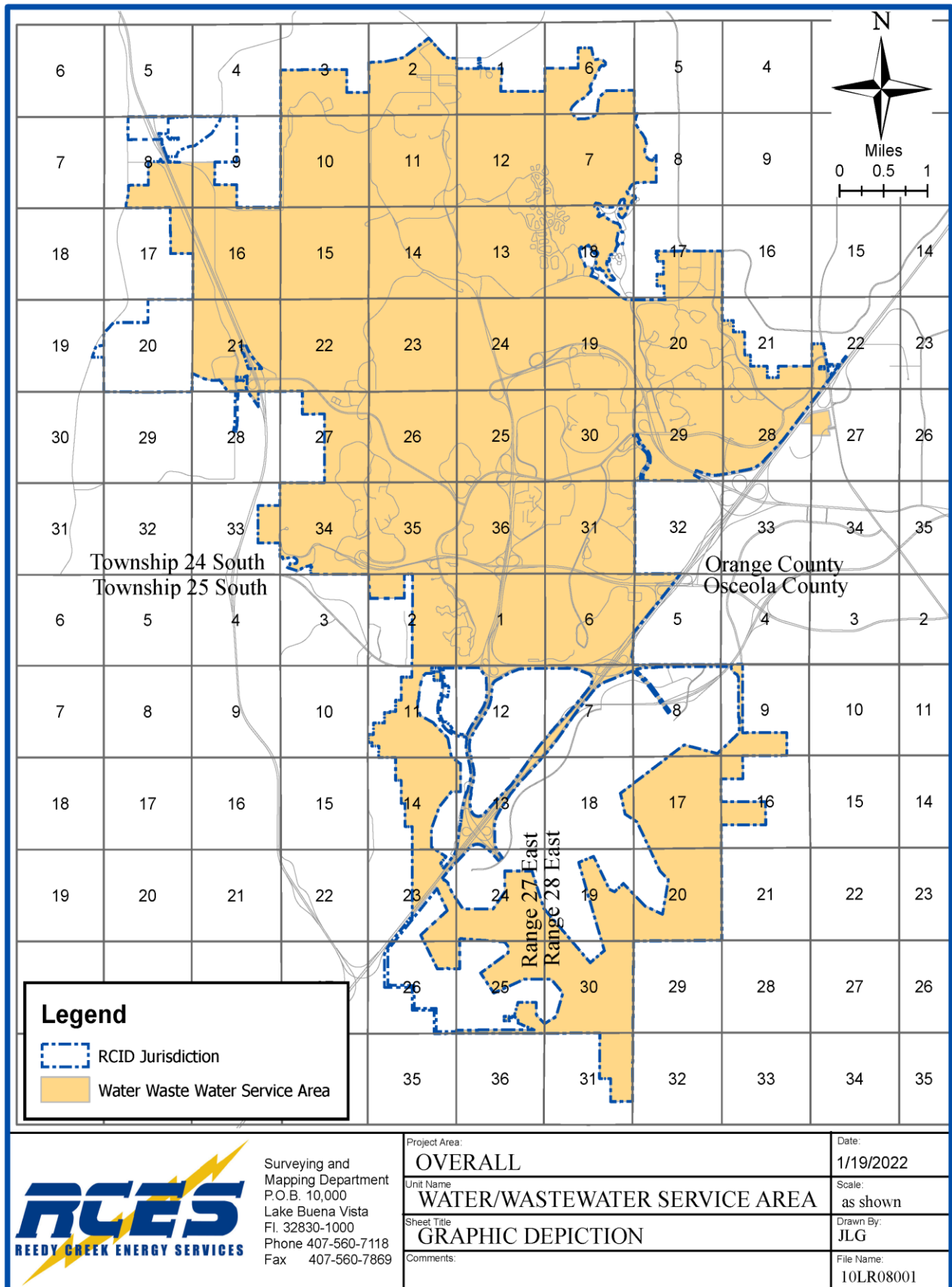


Table 2-1

REEDY CREEK IMPROVEMENT DISTRICT
Utilities System Summary Data
Fiscal Years Ended September 30, 2019, 2020 and 2021

Ln. No.	Description	Unit	2019	2020	2021
Electric System					
1	Peak Demand	MW	198.1	180.9	177.7
2	Annual Energy	MWh	1,172,231	977,648	1,002,279
3	Number of Services	#	1,521	1,557	1,534
4	Revenues	\$(000)	\$99,346	\$86,510	\$93,325
Water System					
5	Water Sales	MGal	5,541	4,416	4,530
6	Number of Services	#	423	405	420
7	Revenues	\$(000)	\$8,729	\$7,488	\$8,228
Wastewater System					
8	Wastewater Treated	MGal	5,056	3,989	3,811
9	Number of Services	#	332	310	333
10	Revenues	\$(000)	\$25,748	\$19,137	\$20,208
Reclaimed Water System					
11	Sales	MGal	1,603	1,697	1,667
12	Number of Services	#	143	151	155
13	Revenues	\$(000)	\$2,449	\$2,521	\$2,635
Solid Waste System					
14	Number of Pickups	#	70,652	44,206	47,044
15	Tons of Waste Picked Up	Tons	180,383	71,380	76,610
16	Number of Services	#	768	790	841
17	Revenues	\$(000)	\$15,597	\$9,711	\$9,738
Natural Gas System					
18	Gas Sold	Therms (000)	18,315	12,659	12,254
19	Number of Services	#	193	209	198
20	Revenues	\$(000)	\$11,446	\$8,755	\$9,184
Chilled Water System					
21	Sales	KTons-Hr	133,701	121,119	124,988
22	Number of Services	#	34	33	33
23	Revenues	\$(000)	\$18,822	\$17,604	\$19,181
Hot Water System					
24	Sales	MMBtu	182,321	156,245	185,710
25	Number of Services	#	5	5	5
26	Revenues	\$(000)	\$2,891	\$2,644	\$3,349

Sources: Monthly Production Reports, Monthly Sales Summaries and
Information provided by the District.

REEDY CREEK IMPROVEMENT DISTRICT UTILITY SYSTEM **Comparison of Total Fiscal Year Sales Revenue**

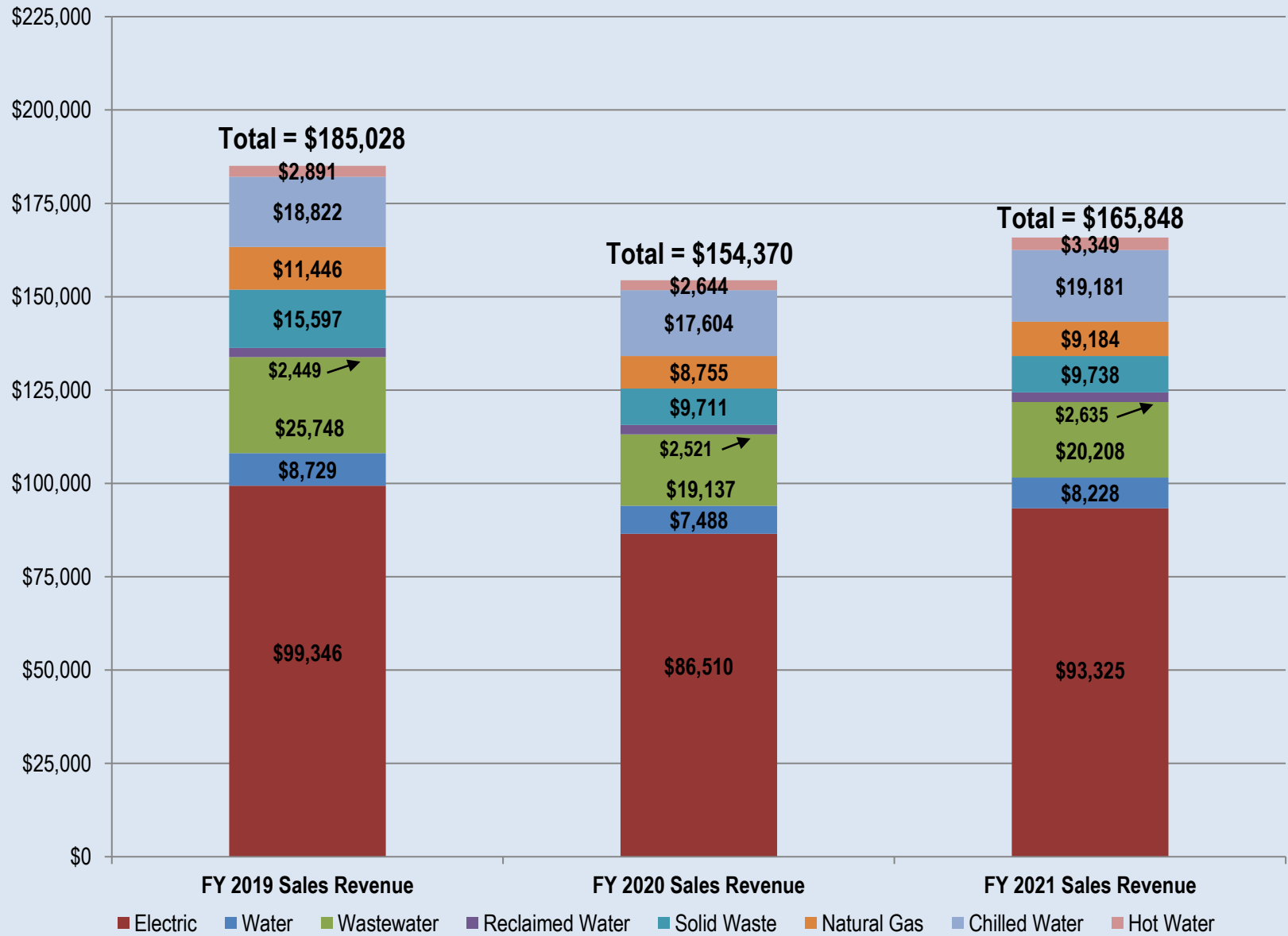


Figure 2-2

REEDY CREEK IMPROVEMENT DISTRICT UTILITY SYSTEM **Comparison of Annual Sales Revenue By Utility**

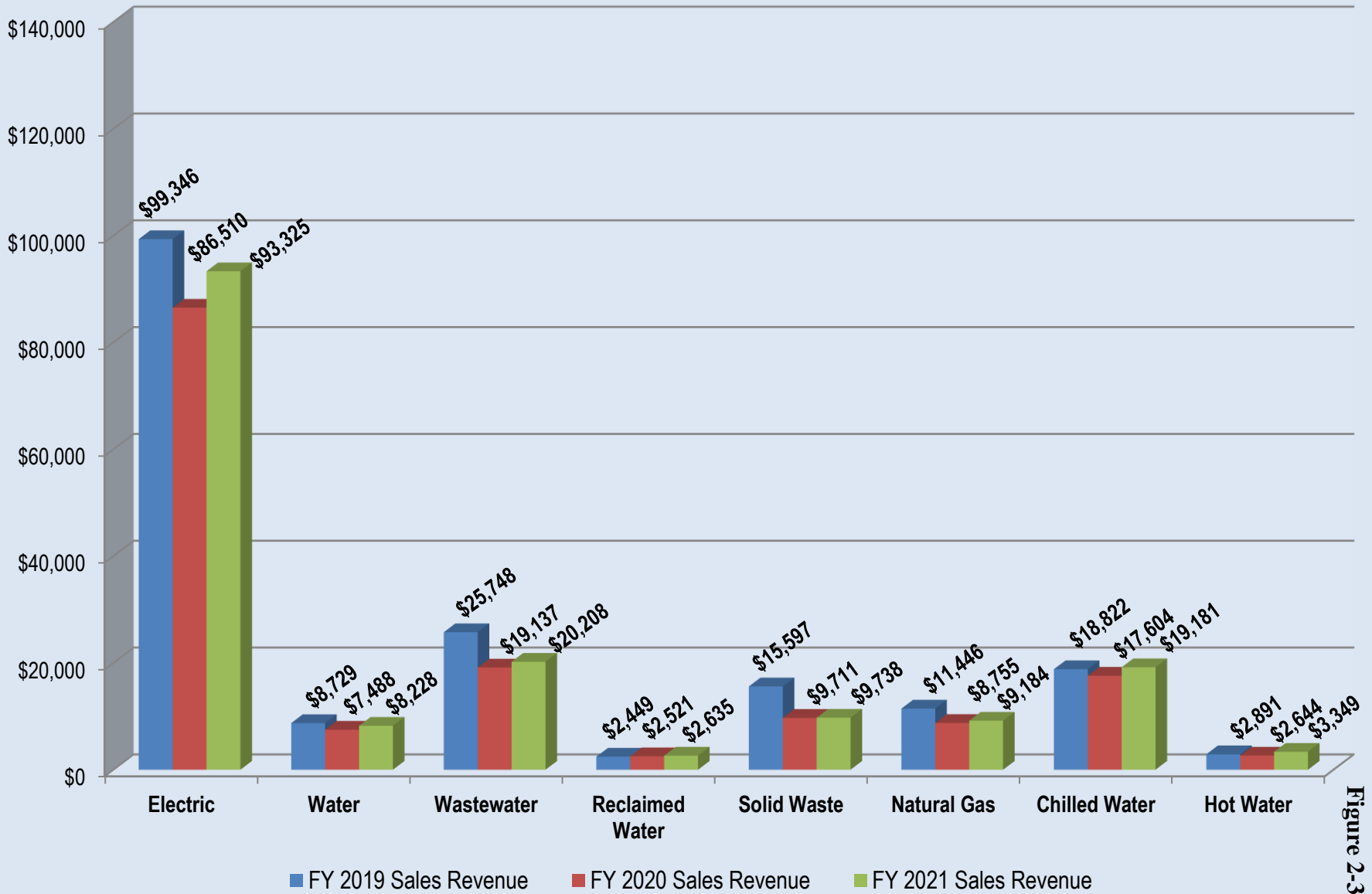


Figure 2-3

REEDY CREEK IMPROVEMENT DISTRICT
System Revenues as a Percent of Total System

Fiscal Year Ended September 30, 2021

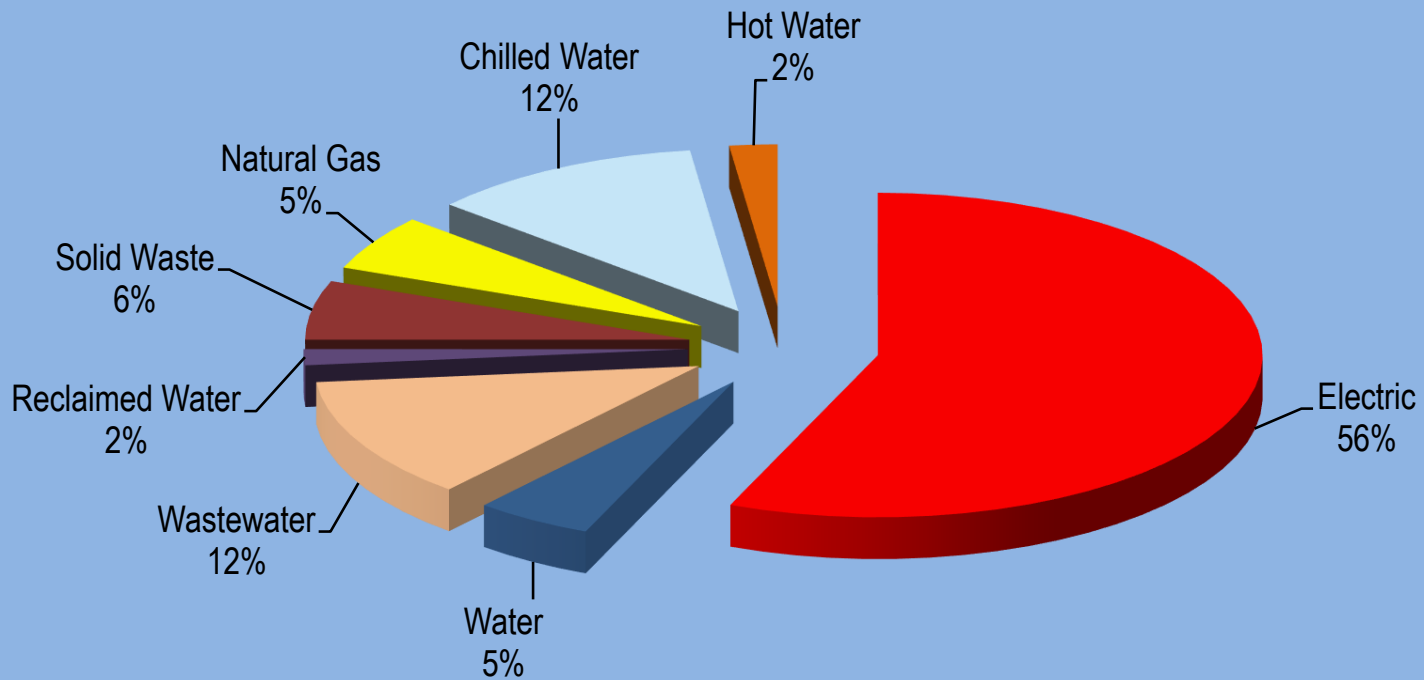
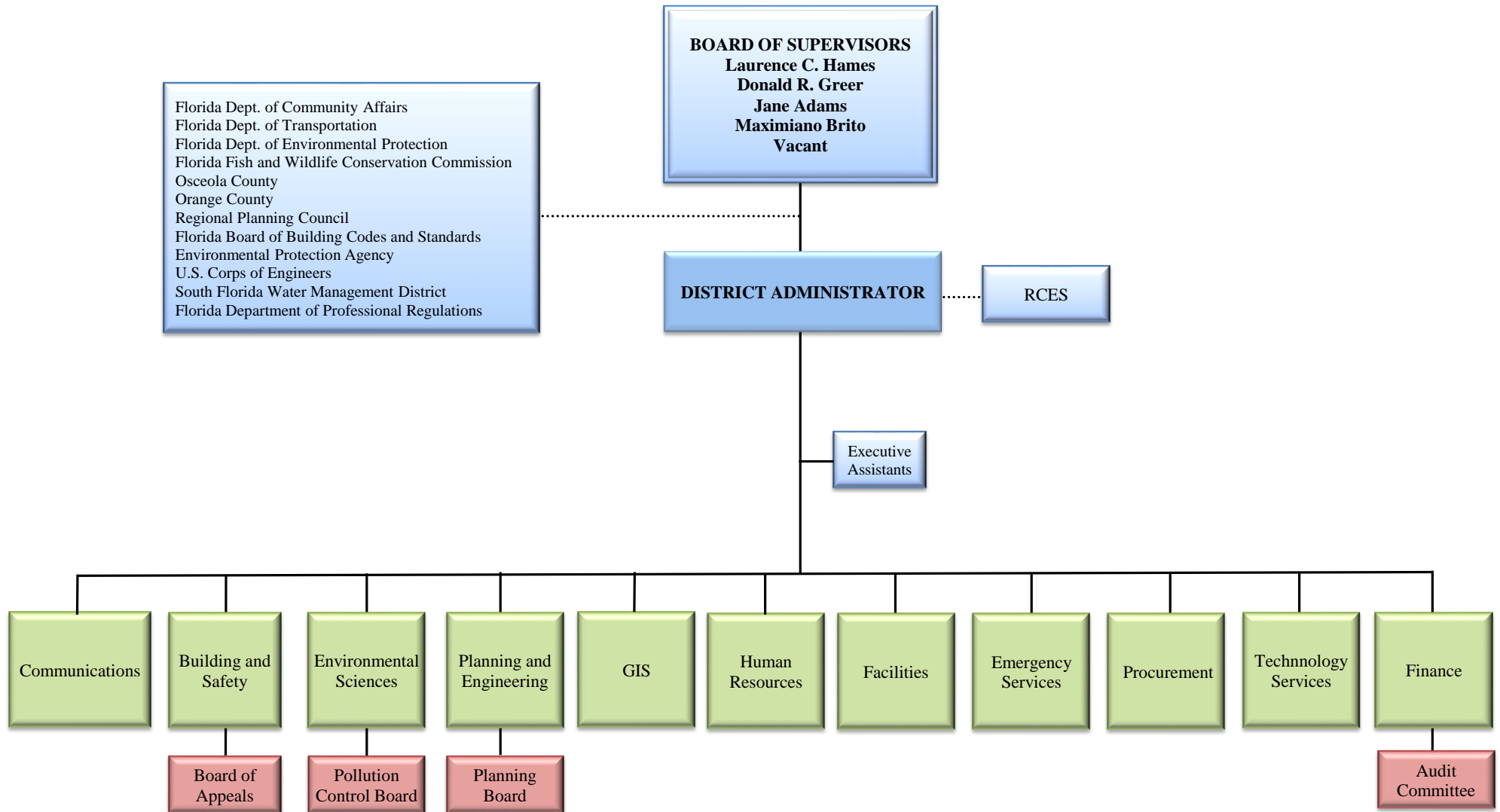
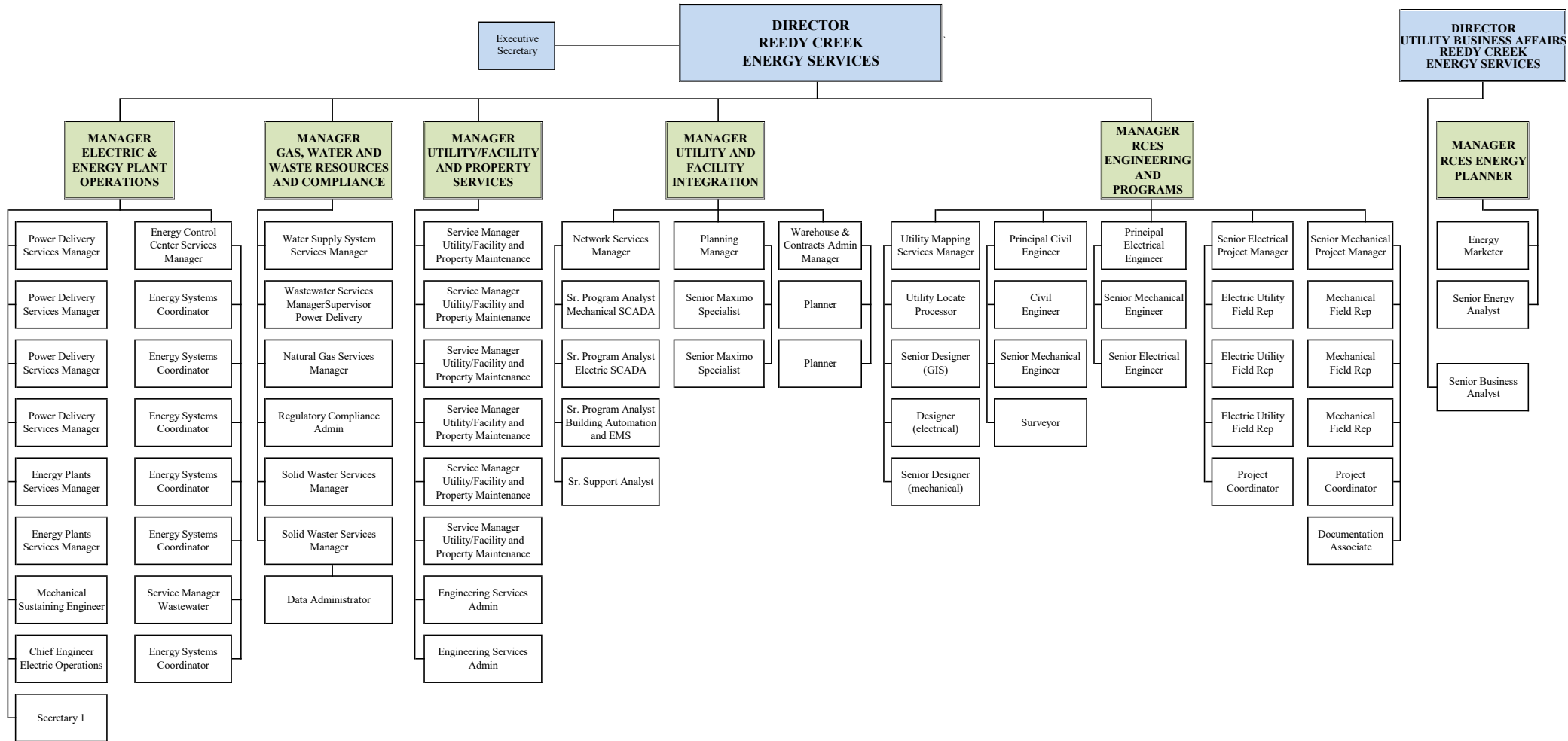


Figure 2-4

REEDY CREEK IMPROVEMENT DISTRICT
2021 Organizational Chart



REEDY CREEK ENERGY SERVICES
2022 Organizational Chart



Section 3

Condition of the System and Operating and Maintenance of the Properties



Section 3

CONDITION OF THE SYSTEM AND OPERATING AND MAINTENANCE OF THE PROPERTIES

General

As required by Section 7.14 of the Indenture, the System was reviewed by Leidos in March 2022 to the extent necessary regarding whether the System as a whole, based on general industry standards, is in good condition. Based upon general field observations and the age and intended use of the facilities, the existing production, transmission, distribution, treatment, and collection facilities of the existing System appear to be in good condition and well operated and maintained in accordance with usual utility practice. The general field observations were visual, above-ground examinations of selected areas which were deemed adequate to comment on the condition of the existing facilities and were not in the detail which would be necessary to reveal conditions with respect to safety, the internal physical condition of the facilities, or conformance with agreements, codes, permits, rules, or regulations of any party having jurisdiction with respect to the construction, operation, and maintenance of the properties.

The District reports that it is currently implementing strategic plans for its utilities systems focused on condition assessments and replacement or rehabilitation of aging assets to ensure system reliability.

Electric System

The District owns facilities associated with, and is operating and maintaining an electrical generation, and distribution system that provides service within the District. In addition to its own electric generation system currently aggregating 54,000 kW winter and summer net capability, as summarized on Table 3-1, during the fiscal year ended September 30, 2021, the District purchased the remaining portion of its Electric System requirements from other suppliers.

Generation Facilities

The electric generation facilities at the Central Energy Plant (CEP) consist of a General Electric LM6000 dual fuel combustion turbine driving a Brush Industries Model BDAX7-290EH generator. The combustion turbine is designed to exhaust into a three pressure heat recovery steam generator, which is also capable of fresh air firing using natural gas. High pressure steam from the boiler is designed to supply an extraction, condensing steam turbine generator with a surface condenser. The CEP includes two 100% capacity motor driven fuel gas compressors, an air inlet filter and the necessary water treatment equipment. The combustion turbine is equipped with a water injection system for NO_x emission control. As a part of the upgrade of the District's LM5000 combustion turbine generator to a LM6000 combustion turbine generator, the District

replaced its fire suppression system for the LM6000 unit from a halon system to a CO₂ system. While halon systems are an accepted method of fire suppression, they contain chemical compounds that are deemed to contribute to the depletion of the earth's ozone layer. To comply with the DEP requirements, the District modified two existing No. 2 fuel oil tanks at the CEP to a double bottom configuration.

The generator step-up transformer was replaced in 2015 when the 1988 vintage unit began to exhibit out-of-bounds test limits from a combustible dissolved gas analysis. The new transformer is rated for normal service without any supplemental cooling matching the generation upgrade performed in 2005. Continued use of the original transformer up to 2015 enabled the District to defer the cost of replacement for ten years after replacement of the generator.

In addition to the CEP generation facilities, the District has other generation facilities consisting of two packaged diesel generating units located at the Epcot Central Energy Plant (ECEP). These generators were placed in service in 1983, initially each with a net capability of 2,500 kW. On June 11, 2014, they were reclassified to emergency service, and now provide emergency backup supply to certain vital loads for the System. At the ECEP, the District has installed three above ground No. 2 fuel oil tanks and has modified the containment barriers. The District reports that its personnel perform weekly operational tests on the ECEP generators.

Permits

Air Construction Permit Number 0950111-025-AC was issued on June 13, 2005 by the DEP authorizing the re-powering of the Cogeneration Plant's LM5000 combustion turbine generator with the new LM6000 combustion turbine generator. Additional Air Construction Permits have since been issued to authorize an increase in the maximum heat input limit from 480 MMBtu/hr. to 505 MMBtu/hr. and clarify the NO_x four-hour rolling average calculations and recording (Permit Number 0950111-026-AC). ECEP Generators #1 and #2 were reclassified as Emergency Generators, and thereby removing them from the permit as major emissions sources (Permit Number 0950111-034-AC). Title V Air Operation Permits are renewed every 5 years. Air Operation permits are sometimes revised between renewal periods to incorporate provisions of new construction permits or of new regulations such as the Clean Air Interstate Rule (CAIR) (Permit Number 0950111-031-AV). The current Title V Air Operation Permit was renewed on March 19, 2018 (Permit Number 0950111-039-AV). The Air Operations Permit was again revised September 30, 2019 to update equipment descriptions and identification tables and to add new and/or replacement emergency engines and hot water heater (Permit Number 0950111-052-AV). The next Title V Air Operations Permit renewal application due date is August 5, 2022. The LM6000 permitted under the Title V permit is tested as required and has been found to be in compliance with permitted emissions limits. The District's environmental permits are summarized in Table 3-12.

Fuel Supply

The District purchases natural gas, the CEP generating facilities' primary fuel source, from various natural gas suppliers. The District receives its natural gas transportation

from Florida Gas Transportation Company (FGT). Pursuant to a settlement agreement with FGT, curtailments of transportation service on the FGT system are effectuated on the basis of an end use curtailment plan. The curtailment plan provides, among other things, for the protection of certain Exempt Uses of firm service from curtailments, which effectively makes these Exempt Uses the last to be curtailed. Non-Exempt Use volumes are curtailed on a pro rata basis. This pro rata curtailment plan, which has two priorities or categories, provides that FGT must first seek to confine the affected areas, and not order a system-wide curtailment if possible, and then next use voluntary operational controls or issue operational flow orders to avoid involuntary curtailment. If curtailment becomes necessary, FGT would isolate the affected area, and, on a pro rata basis, curtail interruptible transportation first, and then firm transportation. A small amount of the District's transportation capacity falls in an Exempt Use category. The rest of the District's transportation capacity used to serve load requirements is firm and would be curtailed only if it fell within the affected area and only after the curtailment of interruptible transportation in that area.

There were no curtailments of gas supply during the fiscal year ended September 30, 2021.

As part of FGT's restructuring settlement, the District exercised its right of first refusal in order to maintain its transportation capacity on the FGT system and, on October 1, 1993, entered into two transportation agreements, one for firm transportation service (FTS-1) and one for preferred transportation service (PTS-1). With regard to the agreement for firm transportation service, the agreement provides for a primary term of twelve years (through 2005) and, subject to certain notice provisions, the District had the unilateral option and exercised its right to extend the term of the agreement for subsequent 10-year terms (extended through July 31, 2015, and then through July 31, 2025; respectively).

The District also has an interruptible transportation agreement with FGT pursuant to which the District is billed only for interruptible capacity actually utilized.

On December 12, 1991, the District entered into two firm transportation agreements with FGT for Phase III expansion capacity (FTS-2). On November 11, 1993, the two Phase III agreements were amended to combine them into one agreement. FGT completed construction of Phase III and put it into service on March 1, 1995. As a result of the changes described above, the new effective date for the agreement for FTS-2 was March 1, 1995. With regard to the FTS-2 transportation agreement, the agreement provides for a primary term of 20 years, and the District exercised its right to extend the term of the agreement for two subsequent 10-year terms. The District's most recent 10 year extension agreement began on April 1, 2015 and ends on February 28, 2025.

All of these transportation service agreements provide for the transport of specific quantities of gas. The following is a listing of the current contractual quantities included in the agreements:

	Maximum Annual [*] Gas Transportation Quantity				
	MMBtu/day				MMBtu/year
	<u>Oct</u>	<u>Nov-March</u>	<u>April</u>	<u>May-Sept</u>	<u>Total</u>
FTS-1	13,120	15,776	13,243	11,678	4,972,920
NNS	0	0	0	0	0
FTS-2	<u>1,840</u>	<u>1,535</u>	<u>1,535</u>	<u>1,840</u>	<u>616,395</u>
Total	<u>14,960</u>	<u>17,311</u>	<u>14,778</u>	<u>13,518</u>	<u>5,589,315</u>

^{*}Excludes the effects of leap years.

In 2014, as a condition of a filed FGT Settlement with the FERC, FTS-1 and FTS-2 transportation agreements would be combined into one agreement titled; FTS-1. On February 1, 2021 a section 4 rate case was filed at the FERC by FGT in Docket. Number RP21-441-000. FERC, as consistent with Commission policy issued an order accepting and suspending tariff records, subject to refund, conditions, and hearing procedures. As of September 30, 2021, FGT, FERC, and the Shippers were working towards a settlement agreement to include changes impacting the FTS-1 rates.

The backup fuel for the CEP plant is No. 2 oil. There are no supply contracts in place, however, currently the lowest bidder supplies fuel oil on an as needed basis. The existing oil storage facility is reported to hold 798,228 gallons, which is enough for 10.46 days of operation of the CEP plant at full load. The primary fuel for the hot water boilers at the ECEP is natural gas with No. 2 oil used as backup. No. 2 oil is used exclusively for the ECEP diesel generators. There is above ground storage at ECEP for 90,000 gallons of No. 2 fuel oil, which is enough for 10 days operation of the diesel units at full load. The consumption of No. 2 oil by the hot water boilers is infrequent.

Purchased Power

The District purchases the majority of its firm demand and energy requirements through agreements with Florida Power Corporation; doing business as Duke Energy Florida (DEF). The District also has an agreement with DEF for transmission service and has interchange agreements and purchase and sale agreements with various other utilities and electric marketers.

In December 2011, the District signed a contract for long-term purchases from Harvest Power Orlando LLC. The District committed to purchase up to 4 MW of capacity and energy for a period of twenty years from the Commercial Operation date of March 7, 2014. The agreement was terminated in September 2020.

In August 2014, the District entered into power sales agreements with DEF for capacity and energy purchases with commitments ranging from 77 MW to 141 MW for calendar years 2016 through 2020. In December 2019, the District signed an amendment to the power sales agreement with DEF for capacity and energy purchases with an option for

commitments ranging from 44 MW to 128 MW for calendar year 2021. In February 2020, the District signed an amendment to the power sales agreement with DEF for capacity and energy purchases with an option for commitments ranging from 77 MW to 124 MW for calendar year 2022.

On September 13, 2015, the District entered into a Service Agreement for Network Integration Transmission Service with DEF for the period January 1, 2016 through December 31, 2020. In December 2018, the District entered into an extension of the Service Agreement for Network Integration Transmission Service with Duke Energy for the period December 2018 through December 2023.

On May 27, 2015, the District entered into a Purchase Power Agreement with Duke Energy Florida Solar Solutions LLC for the purchase of solar energy from a solar voltaic (PV) facility located on *Walt Disney World*® Resort property. The agreement is for a term of fifteen years from the Commercial Operation date of February 25, 2016.

On October 9, 2017, the District entered into a Power Purchase Agreement with Florida Solar 5 LLC for the purchase of solar energy from a 50 MW solar PV energy array built by Origis Energy, on the District's property. The solar array is connected into the Districts' 69 kV system at a new substation; "Citrus Ridge". The agreement is for a term of twenty years from the Commercial Operation date of December 20, 2018. In 2019, the District entered into an amendment to the Power Purchase Agreement to add 7MW capacity, totaling 57 MW of solar PV energy.

In January 2017, the District entered into a natural gas tolling agreement with DEF for energy delivery with a commitment of 53 MW through calendar year 2018. In June 2018, the District entered into an extension of the natural gas tolling agreement with DEF for energy delivery with a commitment of 53 MW through June 30, 2019. In February 2019, the District entered into a separate natural gas tolling agreement with Florida Municipal Power Agency (FMPA) for energy delivery with a commitment of 53 MW for the period July 1, 2019 through June 30, 2021. In June 2020, the District entered into an extension of the natural gas tolling agreement with FMPA for energy delivery with a commitment of 53 MW for the period July 1, 2021 through December 31, 2023.

The District continues to investigate future power supply alternatives, as well as renewable energy opportunities.

The following table summarizes the District's purchased power for the year ended September 30, 2021:

Supplier	Energy [1]	Costs (\$) [2]	Unit Cost
	(MWh)		\$/MWh
Duke Energy	480,371	\$14,268,328	\$29.70
FMPA - Cane Island Tolling	463,988	\$1,769,006	\$3.81
Florida Solar LLC	99,409	\$3,853,101	\$38.76
City of Tallahassee	29,363	\$778,631	\$26.52
Rainbow	26,176	\$546,976	\$20.90
Constellation	16,360	\$439,110	\$26.84
Tyr Energy	7,422	\$168,641	\$22.72
The Energy Authority	3,240	\$143,840	\$44.40
Orlando Utilities Commission (OUC)	3,235	\$103,770	\$32.08
Florida Power & Light	520	\$15,280	\$29.38
Total Purchased Power	1,130,084	\$22,086,683	\$19.54

[1] Excludes Imbalance Energy.

[2] Excludes capacity charges for Duke Energy of \$8,820,000, excludes transmission charges totaling \$6,644,455 and excludes FERC fees of \$47,803.

Distribution Facilities

The Electric System has five ties to the Florida electric transmission grid at the 69 kV voltage level. Power supply to the District is routed to ten power substations across 28 circuit miles of 69 kV line of which 14 miles are underground and 14 miles are overhead. The distribution system operates in an open loop, radial configuration with microprocessor based relaying schemes that provide highly selective and secure system protection and operation. There are 16 power transformers distributed among the ten distribution substations that transform the power to the distribution system operated at a nominal voltage of 12.47 kV. Power distribution is accomplished via approximately 105 distribution feeders routed from the power substations across a complex network. The distribution system currently employs approximately 298 circuit miles of 15 kV cable, of which approximately two miles are overhead with the balance underground. The distribution system is typically operated in a radial configuration. The distribution feeders are routed through approximately 550 switching locations to power approximately 1,200 distribution transformers that deliver the utilization voltage to a customer base totaling approximately 1,534 revenue meters as of September 30, 2021.

The Electric System is monitored and controlled via a supervisory control and data acquisition (SCADA) system connected through dedicated fiber optic and leased telephone lines. System Operators, most certified by the North American Electric Reliability Corporation (NERC) monitor, control and coordinate operations of the system at the Energy Control Center. A state of the art high resolution controllable video projection system displays real time status of the electric system and devices with multi-screen, video display consoles providing the operator interface to control and monitor

the distribution system devices and states. To facilitate maintenance and to minimize potential confusion during an electrical emergency or event, the District has embarked on a program to standardize its electrical monitoring and control systems. The standardization of control equipment is intended to enable Electrical Operations personnel to more quickly determine the problem and implement corrective actions regardless of the day or time an event occurs.

Electric System designs and configurations, operations, and maintenance practices are all directed toward providing excellent reliability. Advanced technologies are employed through engineering specifications across a wide range of Electric System equipment, devices, and monitoring and control systems. Power distribution switchgear, distribution cabling, and transformers are evaluated on a total life cycle cost basis considering the physical operating environment and reliability expectations to minimize the possibility of premature failure and maximize the system operating integrity. This philosophy and the associated actions have provided system reliability performance that exceeds what is typically experienced across the industry both in municipal as well as investor-owned utility systems. Some of the more notable technologies employed to deliver this level of reliability are incorporated in the equipment specifications for distribution cabling, power distribution switchgear, and distribution transformers.

Since 1978, the underground distribution cabling specification has required a high-grade ethylene propylene rubber insulation system. This insulation type has shown superior life performance with minimal insulation degradation over time, backed by a manufacturer warranty of 40 years. The majority of the underground distribution cabling on the Electric System is based on this specification.

Since 1994, specifications for distributed switching equipment on the Electric System have required an air-insulated, totally enclosed construction with dead-front terminations. One of the key drivers of this specification is to minimize the ability of small amphibians and reptiles, which dominate the local landscape, to access equipment and cause system interruptions by coming into contact with live parts operating at 12.47 kV. Other technologies that have been evaluated for inclusion into the Electric System include, oil-insulated, vacuum in air insulated, SF6 insulated and solid dielectric insulated equipment. Operational performance, and cost considerations validate that the current specification provides the maximum practical benefit for the incurred cost.

The District has installed closed circuit cameras in its power plant facilities and substations. Enhanced outdoor lighting was installed at the District's power plant facilities to facilitate maintenance activities during nighttime hours.

Historically, the Electric System has expanded at a rapid rate. Before and post Covid-19 growth impacts, strategic plans have included a strong focus on replacing aged assets for capital improvement and system reliability.

During the fiscal year ended September 30, 2021, the peak demand of the Electric System was 177.7 MW occurring August 20, 2021, and the net energy for load was 1,088,988 MWh. As of September 30, 2021, the District served an average of 1,534 customers (meters) in the District's service area. The District is operating under a territorial agreement with Duke Energy, which was approved by the PSC on September 30, 1987

and amended on August 3, 2017, that assigns the majority of the territory in the District as the District's service territory.

In the fiscal year ended September 30, 2021, approximately 56% of total System rate revenues were derived from the operation of the Electric System. Shown on Table 3-2 is a listing of the reported peak demand, energy generated and purchased, and sales for each month of the fiscal year 2021. Table 3-3 shows comparative financial and operating statistics for the District for the fiscal years ended September 30, 2019, 2020 and 2021.

Water System

The District operates and maintains a potable water production and distribution system, with facilities including eight wells, four water pumping stations, and approximately 70 miles of pipe. The wells are drilled into the upper Floridan Aquifer, and provide the source of potable water for the District. They vary in depth from 350 feet to 900 feet, and are equipped with vertical turbine pumps that have motors above the ground surface and shafts extending downward to pumps submerged below the water level. Each well is typically fitted with an air release valve, flow metering, and sensors to monitor water surface elevation. The District reports that there has been no significant change in the groundwater levels at any of the wells. As some of the wells are over fifty years old, the District began a Well and Pump Station Condition Assessment Program in 2021. The goal of this Program is to assure long term functionality of the water system by systematically prioritizing replacement of equipment as well as inspecting the supply capacity of the existing wells.

Two wells are located at each of the four potable water pumping stations (designated A, B, C and D) which supply water to five above-ground storage tanks. At each storage tank, water is disinfected with sodium hypochlorite to meet state and national drinking water standards and then booster pumps pressurize the distribution system. Table 3-4 shows the most recent water quality test results, as reported in the District's Annual Drinking Water Quality Reports. The five above-ground water storage tanks have a combined capacity of 7.75 million gallons, which provide for adequacy of supply during brief daily periods when the rate of water demand exceeds the production capacity of the wells. Dive inspections of the tanks are required on a five-year basis. All the potable water storage tanks were inspected in 2021; the District reports that no adverse conditions were noted. The tanks are scheduled for another inspection in 2026. Each pumping station contains multiple pumps to handle various demand rates and provide redundancy. The following summarizes the capacities of the pumping stations, with the largest pump at each station assumed to be out of service:

OPERATING AND MAINTENANCE OF THE PROPERTIES

Pumping Station	Capacity (Gallons per Day)
A	17,280,000
B	21,600,000
C	12,240,000
D	<u>8,640,000</u>
Total	<u>59,760,000</u>

The water distribution system consists of two separate subsystems with different operating pressures, which are interconnected at three locations to let water flow from more than one direction during emergencies and other high demand periods. Pipe sizes in the major looped system range from 12 to 30 inches in diameter, and distribution mains sizes are as small as 8 inches in diameter. The majority of the pipelines larger than 12 inches are constructed of cement-lined ductile iron pipe, and the smaller pipes are PVC or HDPE. There are 852 isolation valves located throughout the water distribution system to allow for repair and maintenance without shutdowns, and 389 fire hydrants located throughout the water distribution system to provide for fire protection. The District reports that there have been no pipe failures and no observations of decreasing pressure in the system that would signify degradation of the pipes.

There are approximately 6,635 backflow prevention devices within the District. A robust program is in place as they all must be tested on an annual basis. Personnel are dedicated to this program and a training program associated with the University of Florida brings students onsite for training.

The District has sixteen water treatment operators all of whom are certified at either the A, B or C level by the State. They rotate in the field and in the control room to be familiar with all aspects of the system.

The District holds permit number 48-00009-W issued on June 14, 2007 by the South Florida Water Management District (SFWMD), which authorizes the continued use of groundwater from the Upper Floridan Aquifer and surface water from canal L-405. The designated use of the water is for public water supply, industrial, golf course irrigation and landscape irrigation, with the exception that the surface water is not used for public water supply. The annual allocation for water withdrawal is 8.103 billion gallons, which corresponds to an average withdrawal of 22.2 million gallons per day (MGD), and the maximum allocation is 933.9 million gallons per month. The SFWMD performed a ten-year review of the permit and recommended no changes to the permit. The expiration date of the permit is June 14, 2027.

The District is within the planning area of the Central Florida Water Initiative (CFWI), a collaborative project of the three Water Management Districts (Southwest, South, and St. Johns) with authority over the region, as well as municipal, agricultural and environmental stakeholders. The CFWI is committed to finding new ways of meeting the demand for freshwater. Historically, the Floridan Aquifer system has supplied the vast majority of water used in the central Florida area. At present, the Floridan Aquifer system has a regional capacity of approximately 740 MGD. Regional demands are projected to be 1,100 MGD by 2035. Consequently, the region is facing a deficit of nearly 360 MGD in the future; this need is expected to be met through increased water conservation and

alternative water sources. The District is exploring alternative water sources as a minority participant in the Cypress Lake Wellfield project being undertaken by a group known as STOPR consisting of the City of St. Cloud, Tohopekaliga Water Authority, Orange County, Polk County and the District. STOPR seeks to develop a brackish well water source for up to 30 MGD of potable water supply, of which the District would have rights to 1 MGD. This project is currently in the conceptual design stage. A concentrate disposal well was permitted in 2017 for receiving the brackish waste discharge. Construction and testing of the concentrate disposal well were performed in 2021. Surveying and engineering design services for the Cypress Lake Water Treatment Plant also commenced in 2021.

The District uses IBM's Maximo Asset Management (Maximo 7.6) system for their Computerized Maintenance Management Software. Maximo manages physical assets on a common platform in asset-intensive industries, such as utility systems. The Maximo system is a comprehensive enterprise asset management for asset lifecycle and maintenance management.

During the fiscal year ended September 30, 2021, 4.53 billion gallons of water were sold, corresponding to an annual average of 12.4 MGD with a peak day in August of 14.5 MGD. The peak month occurred in September, with 533 million gallons sold. In the fiscal year ended September 30, 2021, approximately 5% of total System rate revenues were derived from the operation of the Water System. Table 3-5 shows the reported monthly volumes of water pumped and sold in fiscal year 2021.

Wastewater System

The District's wastewater system consists of gravity collector and interceptor sewers, 29 sewage lift stations and associated force mains (pressurized sewers), a tertiary wastewater treatment plant, and effluent disposal facilities. The approximately 23 miles of gravity sewers range in size from 8 inches in diameter for the smallest collector mains up to 30 inches in diameter for the largest interceptor (backbone) mains. Mains range from six to eight feet deep for collector sewers up to 30 feet deep for some interceptors. Manholes and cleanouts located throughout the collection system provide for maintenance access. There are approximately 40 miles of force mains that range in size from 4 inches to 36 inches in diameter. The majority of the wastewater pipelines are constructed of ductile iron pipe, with PVC making up the remainder.

The original sewer system facilities were developed in 1970. An additional 40% to 50% of the sewer system has been constructed since 1980 as a result of the development of Epcot, Disney's Hollywood Studios, Disney's Animal Kingdom as well as subsequent hotels. The District reports that infiltration is not a significant problem. Moreover, the sanitary and stormwater sewer systems are physically separated to minimize unintended system inflow. The District contracts to outside vendors to periodically "pig" and/or to video the interior of some of the gravity sewer pipelines.

The District initiated a systemwide inspection and cleaning of the gravity sewer pipelines in Fiscal Year 2020. The goal is to inspect, clean and assess these pipelines over a three-year period to determine the need for replacement and/or rehabilitation of aging assets to

ensure system reliability. Approximately 33 percent of the system was assessed in Fiscal Year 2021 with three locations being found where pipes needed to be replaced or re-lined. District staff noted that the majority of the system was in acceptable condition and no work beyond cleaning was needed.

Each of the District's 29 lift stations have some form of telemetry and alarms to inform operators of fault conditions. Multiple pumps are provided at each lift station to allow pump rate flexibility. Many of the lift stations have backup diesel generators or diesel pumps permanently installed for reliability. The larger lift stations also incorporate permanent hoisting equipment for removal of pumps. All of the newer lift stations include submersible pumps. One of the oldest stations has drypit pumps and District staff reported that the long-term intention is to retrofit that station to have submersible pumps; however, due to its location, work at this particular station may not occur for some time. The District contracts to outside vendors to "Vactor" the stations when they need to be cleaned. All lift stations are checked on a daily basis.

Concurrent with the assessment of the gravity pipelines, the District also initiated an assessment of the lift stations. Lift stations have been prioritized for rehabilitation based on these condition assessments. The programs includes rehabilitation of 3-5 stations per year. Rehab works includes installation of new pumps, piping, motor control valves and other associated work.

The 20 MGD capacity wastewater treatment plant is located on a 70-acre site in the west central portion of the District's Service Territory. The wastewater is primarily domestic in nature as well as restaurant derived wastewater; the onsite laundry facilities are the only industrial contributors. The District also receives wastewater flows, which are also primarily domestic in nature, from western Orange County while the County constructs a new Wastewater Treatment Facility to service that area.

The facility incorporates influent screening, odor control, flow equalization, grit removal, a five-stage Bardenpho™ process (providing biological phosphorous removal, nitrification, and denitrification) secondary clarification, sand filtration, sodium hypochlorite disinfection, and filter belt thickening for biosolids. In Fiscal Year 2021, approximately 100 feet of the influent pipeline was replaced; the work was performed as a bypass so that when completed, the wastewater was diverted to the new pipeline and there was no interruption to the treatment facility. Rehabilitation work was also performed in 2021 on one of the treatment trains. District staff indicated that there were no upsets to the Bardenpho process during the year.

The effluent disposal system includes a 1,000-acre site consisting of 85 rapid infiltration basins (RIBs) with a total wetted area of approximately 86.3 acres and a permitted average capacity of 12.5 million gallons per day. By Water Management District Rule, 30 percent of the effluent (on an annual average) must be delivered to the RIBs for percolation; this requirement is included as a condition of RCID's Water Use Permit. Effluent is also utilized via the District's reclaimed water system, as discussed below. Monitoring wells around the RIBs are periodically tested for levels of nitrogen, nitrate, nitrite, total dissolved solids (TDS), chloride and turbidity. District staff noted that no readings were out of normal expectations.

The District has fourteen wastewater treatment operators all of whom are certified at either the A, B or C level by the State. They rotate in the field and in the control room to be familiar with all aspects of the system. In addition, there are two planners and one manager.

Adjacent to the Control Room is a non-certified lab that the operators use to monitor the various stages of the treatment process. A state certified lab in the adjacent RCID building is used to perform analyses for submittals to the regulatory agencies.

In fiscal year 2021, Handex Consulting and Remediation, LLC, was contracted to provide and operate temporary portable centrifuges to dewater biosolids at the wastewater treatment plant before being transported and composted at the CompostUSA, LLC, facility. A project is currently in design to construct a new permanent dewatering facility. The plan is to continue to beneficially dispose of the biosolids at an offsite composting facility.

The District has experienced no permit non-compliance at the wastewater facilities in recent years, and wastewater spills (a common issue with any significant wastewater system) have been minimal. There have been no reported emergency discharges of wastewater from the treatment facility.

The Florida Department of Environmental Protection performed an inspection on November 16, 2021. This date is later than the Fiscal Year being discussed, but it is worth noting that their Inspection Report stated, “the facility was determined to be in compliance with the Department’s rules and regulations.”

During the fiscal year ended September 30, 2021, 3.81 billion gallons of wastewater were treated at the wastewater facility, corresponding to an annual average of 10.4 MGD with a peak day in September of 11.925 MGD. The peak month occurred in August, with 369 million gallons treated. In the fiscal year ended September 30, 2021, approximately 12% of total System rate revenues were derived from the operation of the Wastewater System. Table 3-6 shows the reported monthly volumes of treated wastewater for the fiscal year 2021.

Reclaimed Water System

The District operates and maintains a reclaimed water storage, pumping and distribution system which provides water for non-potable uses such as landscape and turf grass irrigation, cooling tower make-up, street and sidewalk wash-down, decorative fountain make-up, vehicle washing, dust control, toilet flushing and fire protection. The reclaimed water system uses treated effluent from the wastewater treatment plant and is supplemented as needed by two upper Floridan groundwater wells.

Groundwater from one of the wells is pumped directly into the distribution system whereas groundwater from the other well is pumped into one of the reclaimed storage tanks. The amount of reclaimed water needed onsite is periodically greater than the effluent being discharged from the wastewater treatment plant; at that time, the wells are operated and can provide up to 5,000 gallons per minute of additional supply during these peak demand periods. Their utilization allows the District to serve more customers and increases the use of reclaimed water while decreasing the use of potable water.

The reclaimed water system consists of three above ground storage tanks of five million gallons capacity each, a master pumping station with a 36,000 gallon per minute capacity, and 69 miles of distribution system piping with over 683 valves. The reclaimed water system is currently permitted for an average capacity of 12.5 MGD which was increased in conjunction with the wastewater treatment plant expansion, when four pumps were added to the six currently existing at the reclaimed water master pump station.

The piping and valves range in size from 4 inches through 42 inches and almost all of the piping is approximately 25 years old although some of the piping dates back to 1989. Approximately three miles of 16-inch and 30-inch reclaimed water mains were constructed in fiscal year 2014 to reinforce the backbone of the distribution system and close some open loops. These improvements came as a result of a hydraulic study of the network that was prepared to identify the causes of limitations in distribution capacity. The reclaimed model is being further refined to address recent flows and system expansions.

During fiscal year 2021, the District reports that approximately 50% of the effluent from the wastewater treatment plant was utilized by the reclaimed water system to meet the non-potable needs of the District. This quantity includes reclaimed water sold as well as amounts used by the District for its own needs. The District reports that it has made a growing commitment to reclaimed water and that it plays a vital role in meeting the demands of its customers. It should also be noted that there is an annual permit requirement that at least 30 percent of the effluent from wastewater treatment plant must go to the RIBs to allow percolation into the groundwater.

The District reports that approximately 32% of the District's overall water resource needs (consisting of both potable and non-potable needs) were met with the Reclaimed Water System in fiscal year 2021. This value can be compared to that of 24% in 2019 and 15% in 2020.

During the fiscal year ended September 30, 2021, 1.67 billion gallons of reclaimed water were sold, corresponding to an annual average of 4.6 MGD with a peak day in May of 7.5 MGD. The peak month occurred in June, with 261 million gallons sold. In the fiscal year ended September 30, 2021, approximately 2% of total System rate revenues were derived from the operation of the Reclaimed Water System. Table 3-7 shows the reported monthly volumes of reclaimed water sold in fiscal year 2021.

Solid Waste System

The District's Solid Waste System consists of a fleet of vehicles for the collection of recyclables and solid waste, a solid waste transfer station, a recovered materials processing facility and numerous containers. These solid waste operations are operated by RCES under contract to the District.

The solid waste and recycling collection fleet consists of 35 solid waste transfer and collection vehicles and trailers. These include six front loader trucks; fifteen roll-off trucks; one rear loader; four food waste collection trucks; two flatbed tractor-trailers; one box-type truck; one container transport vehicle; one yard spotter and four pickup trucks.

Other waste processing equipment includes two front-end loaders and two forklifts. RCES staff operates the solid waste fleet and equipment. An on-site contractor, Dickerson Fleet Services, performs maintenance and repair of fleet vehicles.

The District owns approximately 950 metal containers for collecting solid waste and recyclables. These containers include over 500 front loading containers that range in size from 4 cubic yards to 8 cubic yards in volume, approximately 130 compactors that range in size from 4 to 30 cubic yards, and approximately 300 non-powered roll-off containers ranging in capacity of 20 to 40 cubic yards. The District also owns approximately 2,500 plastic recycling collection containers of 95, 65, and 35 gallon capacity. The solid waste and recyclables collection containers are located throughout the backstage areas of Disney's Magic Kingdom, Disney's Animal Kingdom, Epcot, Disney's Hollywood Studios, ESPN Wide World of Sports, as well as the many resort complexes and support facilities within the District. PTR performs maintenance and repairs of metal containers and maintains the plastic collection containers.

Solid waste, food waste, landscape waste, manure, and recyclables are collected and managed separately from each other as described in the following paragraphs.

Most putrescible (Class I) solid waste generated within the District is delivered to the District's transfer station (Transfer Station) in the south service area and is transferred to 100-cubic yard transfer trailers. RCES staff operates and maintains the Transfer Station. The permitted capacity of the Transfer Station is 275 tons per day of Class I solid waste, and it consists of an enclosed tipping floor, truck scales, vehicle maintenance facility, offices and parking for the fleet and personnel. A contractor (Walpole, Inc.) hauls transfer trailers of Class I waste to Progressive Waste Solutions of Florida, Inc.'s (formerly Waste Services of Florida, Inc.) J.E.D. Solid Waste Management Facility near St. Cloud, Osceola County, Florida, which has a projected remaining life of approximately 30 to 40 years.¹ On average, 160 tons per day of Class I solid waste is managed through the Transfer Station and directed to off-site permitted facilities.

Construction and demolition debris (C&D) is disposed of at permitted off-site C&D or Class III landfills. Under contract with the District, Republic Services of Florida (Republic Services) collects and disposes (or recycles) C&D debris from the District at a fee less than that which the District collects from its customers.

Acceptable wood and landscape material is transferred to the RCID Yard Waste Facility and metals are recycled. The remaining Class III material is transported by Walpole, Inc. to J.E.D. Solid Waste management Facility near St. Cloud, Osceola County, Florida for disposal.

Acceptable landscape waste and broken wooden pallets are delivered to the RCID Yard Waste Facility. The material is then transferred to 100-cubic yard transfer trailers and subsequently hauled to an off-site recycling and composting facility. An average of 106 tons per operating week of wood and landscape waste was processed in fiscal year 2021.

Until July, 2020, the District delivered its food waste and other organic wastes (biosolids and fats, oils and greases) to a waste-to-energy facility, owned and operated by Harvest Power Orlando. After July, 2020, the Harvest Power Orlando facility went out of

¹ Based on inquiry to the JED Landfill and reported by RCES.

business and the District now processes food waste locally and transports the food waste to an off-site compost facility.

The District continues to collect herbivore manure from Disney's Animal Kingdom as well as Fort Wilderness and transfers it to an off-site composting facility.

The District collects baled cardboard and baled film plastic and delivers it to an area at the site of the former outdoor compost facility. Baled materials are delivered to the site for consolidation prior to loading into transfer trailers for processing by Republic Services' Materials Recovery Facility (MRF) in Lakeland, Florida. There are approximately 133 balers in service throughout the resort for processing of corrugated containers at the point of generation. The District collected 6,001 tons of baled corrugated containers and plastic film at generation points in fiscal year 2021, or approximately 16 tons per day. PTR maintains the corrugated container balers located throughout the resort.

Aluminum and steel cans, plastic bottles, office paper, newspaper and loose cardboard (Loose Recyclables) are delivered to the Recovered Material Processing Facility (RMPF) by the District. At the RMPF, Loose Recyclables are transported to Republic Services' Materials Recovery Facility (MRF) in Lakeland, Florida for processing. In fiscal year 2021, 3,308 tons of Loose Recyclables from the District were delivered to Republic Services' MRF, approximately 9 tons per day.

During the fiscal year ended September 30, 2021, the District performed approximately 47,044 pickups of solid waste for ultimate disposal and disposed of approximately 76,610 tons of such waste at the various disposal sites for Class I and Class III, excluding recyclable pickups. In the fiscal year ended September 30, 2021, approximately 6% of total System rate revenues were derived from the Solid Waste System. Shown on Table 3-8 is the reported number of pickups for each month during fiscal year 2021.

Natural Gas System

The District currently owns, maintains and operates Natural Gas System facilities that provide firm service to the customers of the District. The District purchases gas from various suppliers including: Florida Gas Utilities (FGU) Gas South (previously Infinite Energy), Shell Energy North America, Mercuria, Rainbow and others. A discussion of the District's gas capacity is set forth hereinbefore under the caption "Electric System."

The following tabulation sets forth the reported volumes and costs of gas purchased by the District during fiscal year ended September 30, 2021:

Section 3

Supplier	Volumes	Cost (\$) *	Unit Cost
	Therms		\$/Therm
FGU	18,695,470	\$5,561,121	\$0.29746
Infinite Energy/Gas South	18,094,230	\$5,327,676	\$0.29444
Mercuria	3,882,060	\$1,267,966	\$0.32662
Rainbow	3,494,140	\$981,435	\$0.28088
Shell Energy	3,038,000	\$1,018,039	\$0.33510
Tenaska	1,266,970	\$535,833	\$0.42292
BP	702,640	\$272,691	\$0.38810
Conoco Phillips	527,630	\$182,021	\$0.34498
Cashout/Bookout	(186,060)	(\$12,953)	\$0.06962
Total Purchased Gas	49,515,080	\$15,133,828	\$0.30564

* Excludes transportation/reservation charges totaling \$3,733,128.

During periods of excess gas supply, the District sells such supply. During the fiscal year ended September 30, 2021, the District sold gas supply to various entities.

The District operates two separate distribution systems providing natural gas service to a wide variety of theme park and resort properties. The Theme Park system operates at 50 pounds per square inch gauge (psig) and serves customers in the northern portion of the Reedy Creek Improvement District. The Residential system operates at 125 psig and serves customers in the southern portion of the District. The District receives delivery of natural gas at two locations from FGT and in 2013 commissioned a new service point from TECO/Peoples Gas, the Osceola Gate Station. Primary metering and pressure reducing stations are located at each FGT/District and TECO/District customer transfer point. Each station has dual pressure reducing regulation, for redundancy, and total bypass capability. The Osceola Gate Station is supplied by an 8-inch high pressure main originating at TECO/Peoples Gas Gate at the confluence of FGT and Gulfstream pipelines located south of the *Walt Disney World®* Resort. This arrangement provides additional supply redundancy. During the fiscal year ended September 30, 2021, gas was metered electronically at each station. The Osceola Gate Station is configured with two control modes: It will manually supply gas into the Residential System if the RCID system pressure falls below 90 psig. Gas supplies can also be scheduled by RCES Utility Business Affairs. Data is transmitted daily via modem to the electric/gas brokering personnel. At the present time, such metered information is available on the FGT web site. The District downloads the information periodically and retains it as a part of its recordkeeping activities. Natural gas odorant is electronically injected into the system at each station to supplement the odorized gas received from the pipeline supplier.

Operation, maintenance, and engineering of the natural gas distribution system is provided by RCES's professional engineers, natural gas technicians or qualified consultants and contractors. The system is designed, constructed and operated to comply with the Minimum Federal Safety Standards (MFSS) and Florida Administrative Code

Chapter 25-12 and often exceeds those requirements. For system reliability, the majority of the system is designed with a looped, two-way feed and appropriate isolation valves. These features facilitate system control and assurance of customer service. With the exception of a very small portion of legacy fiberglass piping remaining in the system from original construction, the underground pipeline system is constructed of welded steel coated pipe, which is cathodically protected against corrosion.

Operation, maintenance, and new construction of the natural gas system fall under the regulatory requirements of the DOT Office of Pipeline Safety. Compliance is administered by the Florida Public Service Commission, Division of Electric and Gas. In May 2021, the Commission conducted their annual on-site safety evaluation of the gas system facilities and system records.

According to the information filed by the District with the DOT for calendar year 2021, the gas distribution system includes 58 miles of distribution mains, including ten miles of 2 inch or less mains, 23 miles of over 2 inch through 4 inch mains, and 25 miles of over 4 inch through 8 inch mains. Of the 58 miles of mains, approximately 56 miles are cathodically protected, coated steel pipe. On December 31, 2021 there were a total of 650 services, with 306 services at 1 inch or less, 266 services at 1 inch through 2 inch, 72 services at 2 inch through 4 inch, and six services of over 4 inch. Of the 650 services, 649 services are cathodically protected, coated steel with an average length of 285 feet. The District has approximately 2 miles of mains of reinforced fiberglass pipe and one fiberglass service. The Natural Gas System also includes pressure regulating, odorizing, valving, cathodic protection, and other gas distribution facilities.

The staff of the gas distribution utility or qualified contractors are responsible for the operation and maintenance of the gas distribution facilities. General areas of maintenance and operation the gas distribution facilities include: (i) observing the above-ground facilities; (ii) monitoring and recording cathodic protection activities; (iii) maintaining, updating, and distributing system maps and records of over 1100 valve locations; (iv) exercising annually each valve to ensure operability; (v) performing periodic leak tests; (vi) monitoring the two odorization devices; (vii) providing turn on/turn off services; and (viii) maintaining the gate station and reducing station sites, including equipment, painting, fencing and signage. In keeping with industry guidelines, gas piping and the majority of above-ground gas facilities are painted yellow to allow identification of such facilities from potable water (blue), reclaimed water (lavender) and sewerage (brown). Other responsibilities include the installation of new services, the maintenance of meters, and consultation in the design and location of line extensions, valves, pressure reducing stations and regulators and metering.

New construction is performed by outside contractors to design and specifications established by the District's construction standards.

Cathodic protection consists of sacrificial anodes in the older part of the gas distribution system and five rectifiers located; (i) near the north west corner of World Drive and Osceola Parkway; (ii) near the Saratoga Springs Administrative Offices; (iii) near the Land Pavilion in Epcot Center; (iv) near the Energy Pavilion in Epcot Center; and (v) near the America Adventure Pavilion in Epcot Center.

Gas volumes delivered to the cogeneration facility are not co-mingled with those reported by the gas distribution system. The gate station for the cogeneration facility is located near the Theme Park Gate Station and receives gas from the FGT pipeline at approximately 450 psig.

During the fiscal year ended September 30, 2021, natural gas sales totaled approximately 12.3 million therms to firm customers. In the fiscal year ended September 30, 2021, approximately 5% of total System rate revenues were derived from the Natural Gas System. For the fiscal year 2021, shown on Table 3-9 are the reported monthly volumes in therms of gas delivered and sold. For 2021, approximately 13.8 million therms of natural gas were delivered and approximately 12.3 million therms were sold. These volumes exclude gas volumes associated with electric power production and high temperature hot water and chilled water at the Central Energy Plant.

Chilled Water System

The District currently owns, operates and maintains facilities associated with a Chilled Water System, which provides service to the Magic Kingdom, Epcot, Disney's Hollywood Studios, several resort hotel properties and support facilities. RCES provides engineering, operation, and maintenance services to the District for these systems. Three separate production and distribution systems exist to serve the District's chilled water customers: The Central Energy Plant (the CEP) and its satellite facility located at the Contemporary Resort Hotel, the Epcot Central Energy Plant (the ECEP), and the Disney's Hollywood Studios Chiller Plant (the SCP) and its satellite facility located in the southwest corner of Disney's Hollywood Studios.

Central Energy Plant

The CEP Chiller Plant is located in the North Service Area and, along with an interconnected satellite chiller plant, provides chilled water for air-conditioning to the Magic Kingdom, Contemporary Resort Hotel, Polynesian Resort Hotel, Grand Floridian Resort Hotel, and to the District's electric generation facilities.

The CEP and its satellite plant have a total nameplate chiller capacity of over 20,000 tons and serve a peak demand of over 17,000 tons. Chiller sizing is predicated upon a generally accepted redundancy principle – Be capable of meeting the peak system demand with the largest chiller unavailable for service. The total capacity is provided by electric motor-driven chillers. In 1998, a Thermal Storage Facility was constructed consisting of a 5 million gallon stratified chilled water tank.

The oldest chiller in the facility was the 2,500 ton Chiller #6 that was installed in 1972. It was removed from service in November 2015. Construction to replace it with a new 2,000 ton chiller was completed in May 2016.

The Thermal Storage Facility permits the production and storage of chilled water at night when power costs are low. The use of the stored chilled water on the following day allows fewer chillers to operate during peak power cost periods. In addition to economic benefits, the Thermal Storage Facility has improved system reliability and recovery, particularly during pipe leak events and during the summer atmospheric lightning season.

The CEP provides 2,000 tons of chilled water to the District's electric generation facilities for cooling of the gas turbine's one million pounds per hour of inlet air from ambient conditions of 95°F to inlet conditions of 50°F. Inlet cooling increases gas turbine output by approximately 23% and improves heat rate by approximately 6.5%.

The distribution piping systems for chilled water from the CEP (approximately 60,000 feet of pipe) are primarily direct-buried at depths of three to six feet. Some sections of chilled water utility piping are routed in accessible utilidors beneath the Magic Kingdom theme park. Materials of construction include welded carbon steel, asbestos-cement (A/C), polyvinyl chloride (PVC) and high density polyethylene (HDPE). These systems are insulated to limit heat gain and protect the piping from corrosion: Steel and PVC pipe is insulated with cellular foam, A/C pipe is a factory-manufactured insulation and concrete jacket system, and HDPE piping is insulated with a special closed-cell insulating concrete developed by RCES. All buried and above-ground piping and insulation systems are designed for long life and low maintenance in high ground water and sub-tropical environments. These systems generally exceed normal commercial standards for design and construction in accordance with the high standards of performance required by the customer. In partnership with its customers, the Chilled Water Utility has installed particle separators to remove sediments from the chilled water that are legacies of past construction and repair evolutions.

Epcot Central Energy Plant

The ECEP Chiller Plant is located on the eastern border of the Epcot theme park and provides chilled water for air-conditioning to the Epcot theme park and to the Disney Beach Club Resort.

The ECEP has a total nameplate chiller capacity of 15,460 tons and serves a peak demand of 12,600 tons. During 2015, the 4,200 ton Chiller #3 was replaced with two 2,000 ton chillers. This project replaced a 34 year old machine with two new units, improving plant reliability, availability, and efficiency. The total plant capacity is provided by electric motor-driven chillers

The distribution piping systems for the chilled water from the ECEP (approximately 43,000 feet of pipe) are primarily direct buried at depths of three to six feet. Some sections of chilled water utility piping are routed in accessible utilidors beneath the Epcot Theme Park. Materials of construction include welded carbon steel, transit concrete pipe (A/C), and pre-insulated PVC piping. These systems are insulated to limit heat gain and protect the piping from corrosion: Steel pipe is insulated with cellular foam, A/C pipe is a factory-manufactured insulation and concrete jacket system, and PVC piping is insulated with a factory applied foam insulation inside a PVC casing. All buried and above-ground piping and insulation systems are designed for long life and low maintenance in high ground water and sub-tropical environments. These systems generally exceed normal commercial standards for design and construction in accordance with the high standards of performance required by the customer. The chilled water system is looped around the outer periphery of the Epcot Theme Park, with a center connection between the two sides of the loop. This double-loop or figure-8 configuration coupled with strategically located valves, provides a highly reliable distribution system.

Chilled water valve replacement projects are on-going to replace existing standard valves with high-performance valves. New chilled water service began in 2018 to multiple festival kitchens. Additional services to new attractions inside the Epcot theme park began in 2020 and 2021.

Disney's Hollywood Studios Chiller Plant

The SCP Chiller Plant is located in the northwestern section of the Disney's Hollywood Studios theme park and provides chilled water for air-conditioning to the Disney's Hollywood Studios theme park.

The SCP has a total nameplate chiller capacity of 8,000 tons and serves a peak demand of 6,500 tons. Plant sizing is predicated upon a generally accepted redundancy principle – Be capable of meeting the peak system demand with the largest chiller unavailable for service. The SCP currently meets the criterion and has spare capacity for customer growth.

The total plant capacity is provided by eight, 1,000 ton electric motor-driven chillers. The plant is designed to easily accommodate a ninth chiller if needed to provide for growth. Seven chillers have been replaced within the last four years at the Studio Chiller Plant with newer, more efficient and reliable units of similar capacity. During 2011 and 2012, the original nine (9) packaged cooling towers were replaced with an eight (8) cell high-quality, site-built fiberglass cooling tower that has improved reliability and efficiency.

In 2018, the new 2,000 ton satellite chiller plant was placed on-line to serve planned theme park expansions and modifications. This plant has the capability for expansion to 3,000 tons. It is tied into the existing and modified chilled water distribution system. The new plant and systems provide additional thermal and hydraulic capacity throughout the Park.

The SCP chilled water distribution piping systems are owned by the Walt Disney Company. Materials of construction are pre-insulated PVC piping. The system is configured as three separate loops and is a standard and reliable configuration.

Operation of the chilled water utility systems is effected by plant operators that monitor the facilities on a 24/7 basis. The operators monitor and remotely control the chiller facilities using sophisticated but highly reliable computer-human interfaces. The controls permit the operator to control equipment in both automatic and manual modes, improving reliability and reducing recovery times from disturbances. Intelligent and resourceful use of these tools during unscheduled events (such as third-party-caused pipe leaks) prevents unplanned outages.

Representatives of Energy Management, Engineering, Operations, and Customer Services develop both formal and ad hoc teams using the latest in measurement and information technologies to optimize real-time customer service and minimize cost of operation. In 2017, Energy Management and Operations conducted an extensive study to prioritize the operations of the most efficient CEP chillers.

The District is currently developing strategic plans for all chilled water systems focusing on condition assessments and replacement or rehabilitation of aging assets to ensure system reliability.

During the fiscal year ended September 30, 2021, the District sold approximately 125 million ton hours of chilled water, and approximately 12% of total System rate revenues were derived from the operation of the Chilled Water System. Table 3-10 sets forth a listing of the reported ton hours of chilled water sold during each month of the fiscal year ended September 30, 2021.

Hot Water System

The District currently owns facilities associated with, and is operating and maintaining a Hot Water System, which provides service to the Magic Kingdom, Epcot, and several support facilities. RCES provides engineering, operation, and maintenance services to the District for these systems. Two separate production and distribution systems exist to serve the District's hot water customers.

Central Energy Plant

The CEP High Temperature Hot Water (HTHW) Plant is located in the North Service Area. It provides 350°F water for space heating, domestic hot water, air-conditioning humidity control and kitchen uses to the Magic Kingdom.

The CEP has a total nameplate hot water production capacity of 200 MMBtu/hr. and serves a peak demand of over 40 MMBtu/hr. Production is normally provided by a 50 MMBtu/hr. dual fuel (natural gas and No. 2 fuel oil) Lamonte-style hot water generator. Redundant capacity is provided by 150 pound pressure steam from the District's cogeneration facilities making HTHW via a steam/hot water heat exchanger. Distribution pumping is provided by variable-speed centrifugal pumps which ensure constant supply pressure and energy savings.

The distribution piping systems for HTHW are primarily direct-buried at depths of three to six feet. Some sections of hot water utility piping are routed in accessible utilidors beneath the Magic Kingdom Theme Park. Materials of construction are exclusively welded carbon steel.

Epcot Central Energy Plant

The ECEP Low Temperature Hot Water Plant (LTHW) is located on the eastern border of the Epcot Theme Park. It provides 200°F hot water for space heating, domestic hot water, air-conditioning humidity control and kitchen uses to the Epcot Theme Park and to the Beach Resort Disney Vacation Club.

The ECEP has a total nameplate hot water capacity of 81 MMBtu/hr. input produced by three hot water generators and serves a peak demand of 40 MMBtu/hr. The total plant capacity is provided by dual-fuel (natural gas and No. 2 fuel oil) Cleaver-Brooks Scotch Marine-type hot water generators.

The distribution piping systems for LTHW (approximately 50,000 feet of pipe) are primarily direct-buried at depths of three to six feet. Some sections of hot water utility piping are routed in accessible utilidors beneath the Epcot Theme Park. Materials of construction are exclusively welded carbon steel. These piping systems are insulated to limit heat loss and protect the piping from corrosion using a drainable, dryable, testable (DDT) system. All buried and above-ground piping and insulation systems are designed for long life and low maintenance in high ground water and sub-tropical environments. This system generally exceeds normal commercial standards for design and construction in accordance with the standards of performance required by the customer. The hot water system is looped around the outer periphery of the Epcot Theme Park, with a center connection between the two sides of the loop. This double-loop or figure-8 configuration coupled with strategically located valves, provides a highly reliable distribution system.

Operation of the hot water utility systems is effected by plant operators that man the facilities on a “24/7” basis. They monitor and remotely control the LTHW facilities using sophisticated but highly reliable computer-human interfaces. The controls permit the operator to control equipment in both automatic and manual modes, improving reliability and reducing recovery times from disturbances. Intelligent and resourceful use of these tools during unscheduled events (such as third-party-caused pipe leaks) limits unscheduled outages.

As can be seen on Table 3-11, during the fiscal year ended September 30, 2021, the District sold approximately 185,710 MMBtu of hot water to ultimate customers. Approximately 2% of total System rate revenues were derived from the Hot Water System.

Table 3-1

**REEDY CREEK IMPROVEMENT DISTRICT
ELECTRIC SYSTEM
Electric Power Production Facilities [1]
*Fiscal Year Ended September 30, 2021***

Ln. No.	Plant and Unit	Type Unit	Fuel Type	Year Installed	Present Age (Yrs)	Net Capability (kW)	
						Winter	Summer
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
<u>Central Energy Plant</u>							
1	LM-6000	Gas Turbine	Natural Gas/ #2 Oil	2006	15	47,000	47,000
2		Steam Turbine	Waste Heat (Steam)	1988	33	7,000	7,000
3	TOTAL					54,000	54,000
<u>Other Electric Generation - Classified as Emergency Backup [2]</u>							
<u>Epcot Central Energy Plant [2]</u>							
4	ECEP #1	Diesel	#2 Oil	1983	38	2,500	2,500
5	ECEP #2	Diesel	#2 Oil	1983	38	2,500	2,500
6	TOTAL					5,000	5,000

[1] Based on information supplied by the District.

[2] As of June 11, 2014, ECEP #1 and ECEP #2 are for emergency generation only.

Table 3-2

**REEDY CREEK IMPROVEMENT DISTRICT
ELECTRIC SYSTEM**
Monthly Peaks, Energy Generation, Purchases and Sales [1]
Fiscal Year Ended September 30, 2021

Period Ended	Days in Period^[2]	Peak Demand			Energy MWH			Load Factor %	Sales MWH
		MW	Date	Time	Generation	Purchases^[3]	Total		
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
October, 2020	28	152.3	10/07/20	14:00	4.2	93,861	93,865	82.84%	83,154
November, 2020	35	142.6	11/10/20	12:00	1.8	82,553	82,555	80.41%	100,847
December, 2020	28	128.0	12/14/20	18:00	2.2	76,925	76,927	80.78%	70,125
January, 2021	28	132.2	1/01/21	18:00	2.2	75,087	75,089	76.34%	65,585
February, 2021	28	141.2	2/15/21	14:00	2.4	73,215	73,217	77.16%	66,394
March, 2021	35	147.0	3/26/21	16:00	2.1	83,966	83,968	76.78%	80,634
April, 2021	28	148.9	4/30/21	16:00	2.2	84,688	84,690	79.00%	67,962
May, 2021	28	163.6	5/05/21	17:00	2.4	95,840	95,842	78.74%	74,378
June, 2021	35	169.2	6/21/21	16:00	2.1	100,681	100,683	82.65%	98,014
July, 2021	28	176.9	7/22/21	17:00	2.9	108,917	108,920	82.76%	88,044
August, 2021	28	177.7	8/20/21	16:00	11.9	110,208	110,220	83.37%	89,463
September, 2021	35	167.7	9/08/21	17:00	121.7	102,890	103,012	85.31%	117,680
Total / Average	364	153.9			158.1	1,088,830	1,088,988	80.75%	1,002,279

[1] Based on Monthly Sales Summary and information supplied by the District.

[2] In keeping with the District's accounting policies, monthly sales data contains either 28 or 35 days (4 or 5 weeks).
Monthly generation and purchases are recorded on a calendar month basis.

[3] Net purchases including wholesale sales and inadvertent energy.

Table 3-3

**REEDY CREEK IMPROVEMENT DISTRICT
ELECTRIC SYSTEM**

Financial and Operating Statistics

Fiscal Year Ended September 30

Ln. No.	Description	2019	2020	2021
1	Operating Revenues	\$98,973,677	\$82,857,189	\$96,433,193
	Operating Expenses			
2	Fuel and Purchased Power	51,025,819	47,559,543	46,205,721
3	Other Operating Expenses	18,082,095	15,935,308	15,184,815
4	Total Operating Expenses	<u>69,107,914</u>	<u>63,494,851</u>	<u>61,390,536</u>
5	Number of Customers	1,521	1,557	1,534
6	Total Sales (Mwh)	1,172,231	977,648	1,002,279
7	Net Energy Requirements (Mwh)	1,226,103	1,022,878	1,088,988
8	Losses (Mwh)	53,871	45,230	86,709
9	Losses (%)	4.4%	4.4%	8.0%
	Unit Costs (¢ / kWh)			
10	Operating Revenues / kWh Sales	8.44 ¢	8.48 ¢	9.62 ¢
11	Fuel and Purchased Power / kWh	4.16 ¢	4.65 ¢	4.24 ¢
12	Other Operating Expenses / kWh	1.47 ¢	1.56 ¢	1.39 ¢
13	Total Operating Expenses / kWh	5.64 ¢	6.21 ¢	5.64 ¢

[1] Per data reported and provided by the District.

**REEDY CREEK IMPROVEMENT DISTRICT
WATER SYSTEM
2020 Water Quality Test Results**

Ln. No.	Contaminate	Unit	Date of Sampling	MCL/AL Violation Yes/No	Highest Level Detected	Range of Results	Maximum Contaminate Level Goal	Maximum Contaminate Level	Likely Sources of Contamination
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Radioactive									
1	Alpha emitters	pCi/L	March, 2020	No	3.3	1.1 - 3.3	0	15	Erosion of natural deposits
2	Radium 226 + 228 or combined	pCi/L	March, 2020	No	1.1	1.0 - 1.1	0	5	Erosion of natural deposits
Inorganic									
3	Barium	ppm	March, 2020	No	0.015	0.011 - 0.015	2	2	Discharge of drilling wastes, discharge from metal refineries & erosion of natural deposits.
4	Fluoride	ppm	March, 2020	No	0.081	0.062 - 0.081	4	4	Erosion of natural deposits; discharge from fertilizer & aluminum factories. Water additive promoting strong teeth
5	Nitrate (as Nitrogen)	ppm	March, 2020	No	1.6	ND - 1.6	10	10	Fertilizer runoff; septic tanks leaching; sewage and erosion of natural deposits.
6	Selenium	ppb	March, 2020	No	1.6	ND - 1.6	50	50	Discharge from petroleum & metal refineries; erosion of natural deposits; discharge from mines.
7	Sodium	ppm	March, 2020	No	10.4	4.9 - 10.4	N/A	160	Salt water intrusion. Leaching from soil.
Stage 2 Disinfectants and Disinfection By-Products									
8	Haloacetic Acids (HAA5)	ppb	Jan, April, July, and Oct 2020	No	28.9 ^[1]	8 - 35.5 ^[2]	N/A	60	By-product of drinking water disinfection.
9	Total Trihalomethanes (TTHM)	ppb		No	59.9 ^[1]	27 - 80.5 ^[2]	N/A	80	By-product of drinking water disinfection.
Lead & Copper Tap Water Samples									
10	Copper	ppm	June, 2020	No	0.079	0	1.3	1.3	Corrosion of household plumbing systems & erosion of natural deposits; leaching from wood preservatives.
11	Lead	ppb	June, 2020	No	0.6	0	0	15	Corrosion of household plumbing systems and erosion of natural deposits.
Secondary Contaminants									
12	Odor	TON	March, 2020	Yes ^[3]	4	1 - 4		3	Naturally occurring organics.

[1] Highest Detected = Highest locational running annual average (LRAA) calculated using 4 sampling quarters in 2020.

[2] Range of detected results includes individual samples at each of the Stage 2 D/DPB locations.

[3] One odor result was over the MCL and is a monitoring violation. As it is a secondary contaminant, no corrective action is required at this time.

Table 3-5

**REEDY CREEK IMPROVEMENT DISTRICT
WATER SYSTEM
Water Production and Sales [1]
Fiscal Year Ended September 30, 2021**

Period Ended	Days in Calendar Period [2]	Water Production - Pumped Calendar Month		Days in Billing Period [3]	Water Sales Fiscal Month		Difference	
		MGal	MGal/Day		MGal	MGal/Day	MGal	%
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
October, 2020	31	348	11.2	28	293.3	10.5	55	15.8%
November, 2020	30	314	10.5	35	411.6	11.8	(98)	-31.2%
December, 2020	31	312	10.1	28	276.1	9.9	36	11.5%
January, 2021	31	318	10.3	28	287.9	10.3	30	9.5%
February, 2021	28	297	10.6	28	302.3	10.8	(6)	-1.9%
March, 2021	31	383	12.4	35	376.1	10.7	7	1.9%
April, 2021	30	382	12.7	28	348.3	12.4	33	8.7%
May, 2021	31	428	13.8	28	389.2	13.9	39	9.2%
June, 2021	30	383	12.8	35	505.3	14.4	(122)	-31.8%
July, 2021	31	454	14.6	28	400.9	14.3	53	11.6%
August, 2021	31	427	13.8	28	405.7	14.5	22	5.1%
September, 2021	30	405	13.5	35	533.1	15.2	(128)	-31.7%
Total / Average	365	4,451	12.2	364	4,530	12.4	(79)	-1.8%

[1] Based on Monthly Sales Summaries, Monthly Operation Reports and information supplied by the District.

[2] Production gallons pumped and average gallons pumped per day are based on the standard calendar month days.

[3] In keeping with the District's accounting policies, monthly sales data contains either 28 or 35 days (4 or 5 weeks).

Table 3-6

**REEDY CREEK IMPROVEMENT DISTRICT
WASTEWATER SYSTEM
Wastewater Treated [1]
*Fiscal Year Ended September 30, 2021***

Period Ended	Days in Period	Wastewater Treated MGal	Average Daily Flow MGal/Day
(a)	(b)	(c)	(d)
October, 2020	31	313.211	10.104
November, 2020	30	300.327	10.011
December, 2020	31	302.369	9.754
January, 2021	31	291.497	9.403
February, 2021	28	279.156	9.970
March, 2021	31	322.580	10.406
April, 2021	30	302.653	10.088
May, 2021	31	287.996	9.290
June, 2021	30	316.714	10.557
July, 2021	31	367.930	11.869
August, 2021	31	369.301	11.913
September, 2021	30	357.751	11.925
Total / Average	365	3,811.485	10.442

[1] Based on information from the Florida Department of Environmental Protection and Discharge Monitoring Reports - Part B.

Table 3-7

**REEDY CREEK IMPROVEMENT DISTRICT
RECLAIMED WATER SYSTEM
Reclaimed Water Sales [1]
*Fiscal Year Ended September 30, 2021***

<u>Period Ended</u>	<u>Days in Period [2]</u>	<u>Reclaimed Water Sales MGal</u>	<u>Average Daily MGal</u>
(a)	(b)	(c)	(d)
October, 2020	28	66.148	2.36
November, 2020	35	118.507	3.39
December, 2020	28	83.560	2.98
January, 2021	28	88.579	3.16
February, 2021	28	78.851	2.82
March, 2021	35	153.067	4.37
April, 2021	28	174.199	6.22
May, 2021	28	210.370	7.51
June, 2021	35	261.569	7.47
July, 2021	28	187.828	6.71
August, 2021	28	87.967	3.14
September, 2021	35	156.039	4.46
Total / Average	<u>364</u>	<u>1,666.684</u>	<u>4.58</u>

[1] Based on Monthly Sales Summary and information supplied by the District.

[2] In keeping with the District's accounting policies, monthly data contains either 28 or 35 days (4 or 5 weeks).

Table 3-8

REEDY CREEK IMPROVEMENT DISTRICT
SOLID WASTE SYSTEM
Solid Waste Number of Pickups [1]
Fiscal Year Ended September 30, 2021

<u>Period Ended</u>	<u>Days in Period [2]</u>	<u>Number of Pickups</u>	<u>Average Daily Pickups</u>
(a)	(b)	(c)	(d)
October, 2020	28	3,220	115
November, 2020	35	3,906	112
December, 2020	28	2,868	102
January, 2021	28	3,504	125
February, 2021	28	3,243	116
March, 2021	35	6,400	183
April, 2021	28	1,802	64
May, 2021	28	3,957	141
June, 2021	35	4,642	133
July, 2021	28	4,065	145
August, 2021	28	4,078	146
September, 2021	35	5,359	153
Total / Average	<u>364</u>	<u>47,044</u>	<u>129</u>

[1] Based on information provided by the Monthly Sales Summary.

[2] In keeping with the District's accounting policies, monthly data contains either 28 or 35 days (4 or 5 weeks).

Table 3-9

REEDY CREEK IMPROVEMENT DISTRICT
NATURAL GAS SYSTEM
Natural Gas Delivered and Sold [1] [2]
Fiscal Year Ended September 30, 2021

Period Ended	Days in Period [3]	Natural Gas Delivered		Natural Gas Sold		Difference [4]	
		Therms	Therms/Day	Therms	Therms/Day	Therms	%
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
October, 2020	28	706,830	25,244	611,271	21,831	95,559	13.5%
November, 2020	35	996,590	28,474	623,141	17,804	373,449	37.5%
December, 2020	28	960,420	34,301	1,103,213	39,400	(142,793)	-14.9%
January, 2021	28	1,273,710	45,490	1,125,555	40,198	148,155	11.6%
February, 2021	28	1,406,360	50,227	1,252,212	44,722	154,148	11.0%
March, 2021	35	1,599,830	45,709	1,352,677	38,648	247,153	15.4%
April, 2021	28	1,220,620	43,594	1,154,193	41,221	66,427	5.4%
May, 2021	28	1,127,170	40,256	1,015,849	36,280	111,321	9.9%
June, 2021	35	1,269,490	36,271	1,181,672	33,762	87,818	6.9%
July, 2021	28	956,300	34,154	815,367	29,120	140,933	14.7%
August, 2021	28	1,022,910	36,533	950,429	33,944	72,481	7.1%
September, 2021	35	1,246,620	35,618	1,068,745	30,536	177,875	14.3%
Total / Average	364	13,786,850	37,876	12,254,324	33,666	1,532,526	11.1%

[1] Sources include information provided by the District and the Monthly Sales Summary.

[2] Excludes interruptible gas used in electric power production and high temperature hot water and chilled water production.

[3] In keeping with the District's accounting policies, monthly data contains either 28 or 35 days (4 or 5 weeks).

[4] Gas delivered and gas sold are measured with different metering and gas delivered is adjusted to a standard temperature basis.

Table 3-10

**REEDY CREEK IMPROVEMENT DISTRICT
CHILLED WATER SYSTEM
Chilled Water Sales [1]
*Fiscal Year Ended September 30, 2021***

Period Ended	Days in Period [2]	Chilled Water Sales Ktons-Hr	Average Daily Ktons-Hr
(a)	(b)	(c)	(d)
October, 2020	28	14,245	509
November, 2020	35	14,849	424
December, 2020	28	9,338	334
January, 2021	28	5,395	193
February, 2021	28	3,488	125
March, 2021	35	7,417	212
April, 2021	28	6,824	244
May, 2021	28	8,223	294
June, 2021	35	12,093	346
July, 2021	28	12,312	440
August, 2021	28	13,218	472
September, 2021	35	17,587	502
Total / Average	364	124,988	343

[1] Based on Monthly Sales Summary and information supplied by the District.

[2] In keeping with the District's accounting policies, monthly data contains either 28 or 35 days (4 or 5 weeks).

Table 3-11

REEDY CREEK IMPROVEMENT DISTRICT
HOT WATER SYSTEM
Hot Water Sales [1]
Fiscal Year Ended September 30, 2021

<u>Period Ended</u> (a)	<u>Days in Period [2]</u> (b)	<u>Hot Water Sales MMBtu</u> (c)	<u>Average Daily MMBtu</u> (d)
October, 2020	28	12,899	461
November, 2020	35	16,481	471
December, 2020	28	13,671	488
January, 2021	28	15,906	568
February, 2021	28	17,092	610
March, 2021	35	20,563	588
April, 2021	28	16,265	581
May, 2021	28	14,816	529
June, 2021	35	15,330	438
July, 2021	28	12,467	445
August, 2021	28	13,562	484
September, 2021	35	16,658	476
Total / Average	<u>364</u>	<u>185,710</u>	<u>510</u>

[1] Based on information provided by the Monthly Sales Summary.

[2] In keeping with the District's accounting policies, monthly data contains either 28 or 35 days (4 or 5 weeks).

**REEDY CREEK IMPROVEMENT DISTRICT
UTILITIES SYSTEM**

Summary of Operating Permits, Regulations and Inspections
Fiscal Year Ended September 30, 2021

Permit/Regulation or Inspection	Facility/ Source(s)	Issuing Agency	Number	Issue/Revision Date	Expiration Date	Notes
Title V Air Permit	Cogeneration Plant Epcot Gens. #1, #2 Epcot Hot Water Generators #1, 2, 3 Hot Water Gen. #3 and Numerous WDW Emissions Units	FDEP	0950111-039-AV 0950111-047-AV 0950111-052-AV 0950111-058-AV 0950111-062-AV	3/19/2018 11/5/2018 9/24/2019 7/20/2020 5/28/2021	3/18/2023 3/18/2023 Next Renewal Application: 8/5/2022	Operating Permit Renewal Updated equipment descriptions and identification tables. Added new and/or replacement emergency engines and hot water heater.
South Florida Water Management District (SFWMD) Use Permit	Water Supply	SFWMD	48-00009-W	6/14/2007	6/14/2027	Water use pumpage compliance from wells and surface water pumps
Water Supply Wells	Pump Station A Pump Station B Pump Station C Pump Station D	FDEP	PWS 3484093-05 PWS 3484093-04 PWS 3484093-01 PWS 3484093-06 (Potable Water ID #)	Inspection and Sanitary Survey Date for all Stations - 6/25/2019		Inspection conducted 6/25/2019. In compliance with Department's rules and regulations. No Significant Deficiencies
Wastewater Operating Permit and Pretreatment Program	DW Facility ID # FLA108219	FDEP	FLA108219-018-DW1	10/21/2020	6/17/2022	Placement and operation of a sludge de-watering centrifuge and conveyor at the WRF. Revision to Permit.
Waste Tire Collection Program	SW Facility ID #96037	FDEP	62-711.520, FAC	2/22/2021	4/1/2022	Waste Tire Collection Program ID #1502
Source-Separated Organics Processing Facility (SOPF)	RCID Yard Trash Management Facility	FDEP	WACS # 24686	6/28/2021	7/1/2022	Inspection conducted on 6/25/21 Facility in compliance Registration renewal by July 1st.
FL Above Ground Storage Tank Regulations	CEP Tank Farm, Epcot CEP, Wells and Lift Stations	FDEP	62-762, FAC	6/21/2021	7/1/2022	Registration to be renewed annually by July 1st
Solid Waste Transfer Station	SW Facility ID #99713	FDEP	0307518-007-SO	9/20/2017	4/30/2037	Generic Permit for Indoor Waste Processing Facility
Stormwater Discharge Permit (MSGP)	Solid Waste Transfer Station	NPDES	FLR05G93	6/18/2018	6/17/2023	Multi-Sector Permit for Stormwater Discharge associated with Industry activity.

Section 4

Status of the Operating Budget



Section 4

STATUS OF THE OPERATING BUDGET

The District shall annually prepare and adopt, prior to the end of each fiscal year by proper proceedings, a budget of the estimated expenditures for operation and maintenance of the System and the estimated Revenues of the System during the succeeding fiscal year. The budget for the fiscal year ending September 30, 2022 was adopted on September 29, 2021 after an opportunity for public discussion.

Fiscal Year Ended September 30, 2021 Budget

The original budget and actual revenues and expenses of the Operating Fund for the twelve-month period ended September 30, 2021 are shown in detail at the end of this section on Table 4-1 and summarized below. The detailed budgeted revenues and expenses for the fiscal year ended September 30, 2022 are shown on Table 4-2.

As shown on Table 4-1, the 2021 budget estimated approximately \$183.7 million in revenues, while actual revenues were approximately \$169.6 million, approximately 7.7% less than budgeted. Total actual operating expenses were approximately \$116.2 million, approximately 16.6% less than the budgeted amount. Total administrative expenses, including debt service expense, were approximately \$32.6 million, approximately 2.0% less than the budgeted amount.

The rate structure incorporated in the District's electric and gas rates includes a clause to track changes (increases or decreases) in the costs of electricity and gas due to the fluctuation in the prices. To the extent costs for electricity and gas are below budget estimates, revenues from rates and charges will be correspondingly lower.

Total operating and other expenses were budgeted for 2021 at \$172.4 million, while actual such expenses were approximately \$148.8 million, or about \$23.6 million less than budgeted. Operating and other expenses were approximately \$20.8 million less than revenues or a difference of approximately \$9.4 million greater than the budget.

For the fiscal year ended September 30, 2021, the budgeted capital requirements were approximately \$11.7 million, while actual capital spending was about \$10.4 million or about \$1.3 million less than the budgeted amount.

Other revenues were budgeted for 2021 at \$712,000, while actual other revenues were approximately \$1.9 million, or about \$1.2 million greater than budgeted. For the fiscal year ended September 30, 2021, the net income was approximately \$11.9 million greater than the budgeted amount.

Summary of Operating Fund
FY 2021 Budget Compared to FY 2021 Actual (\$ Million)

Description	2021 Budget	2021 Actual	Variance	%
Operating Revenues	\$183.7	\$169.6	(\$14.2)	-7.7%
Operating Expenses	\$139.1	\$116.2	(\$22.9)	-16.5%
Operating Income	\$44.6	\$53.4	\$8.7	19.6%
Other Expenses	\$33.3	\$32.6	(\$0.7)	-2.0%
Subtotal	\$11.3	\$20.8	\$9.4	82.9%
Capital Requirements	\$11.7	\$10.4	(\$1.3)	-11.0%
Subtotal Net Income	(\$0.3)	\$10.4	\$10.7	
Other Revenues	\$0.7	\$1.9	\$1.2	
Net Income / (Loss)	\$0.4	\$12.3	\$11.9	

Fiscal Year Ending September 30, 2022 Budget

The operating budget for the fiscal year ending September 30, 2022 is based on a detailed budget for each of the seven utilities, and the detailed amounts are shown on Table 4-2. Projected revenues total some \$181.7 million, which is about \$12.2 million or 7.2% more than 2021 actual revenues.

Operating expenses for fiscal year 2022 are projected to be approximately \$140.9 million, which is approximately \$24.7 million or 21.2% greater than 2021 actual operating expenses. Debt service and insurance are budgeted to be \$29.0 million, approximately 10.9% less than 2021 actual such expenses. Total operating and administrative expenses are budgeted at approximately \$169.9 million, or approximately \$21.1 million more than 2021 actual expenses.

Revenues before capital requirements for fiscal year 2022 are projected to be \$11.8 million greater than expenses, compared to approximately \$20.8 million revenues greater than expenses for 2021.

Capital requirements for the fiscal year ending September 30, 2022 are estimated to be approximately \$12.0 million, which is approximately \$1.6 million more than actual capital spending for fiscal year 2021.

The District is projecting a net income of approximately \$420,000 for fiscal year 2022. The summary of Table 4-2 as follows:

**Summary of Operating Fund
FY 2021 Actual Compared to FY 2022 Budget (\$ Million)**

Description	2021 Actual	2022 Budget	Variance	%
Operating Revenues	\$169.6	\$181.7	\$12.2	7.2%
Operating Expenses	\$116.2	\$140.9	\$24.7	21.2%
Operating Income	\$53.4	\$40.8	(\$12.5)	-23.5%
Other Expenses	\$32.6	\$29.0	(\$3.6)	-10.9%
Subtotal	\$20.8	\$11.8	(\$9.0)	-43.2%
Capital Requirements	\$10.4	\$12.0	\$1.6	15.6%
Subtotal Net Income	\$10.4	(\$0.2)	(\$10.6)	
Other Revenues	\$1.9	\$0.6	(\$1.3)	
Net Income / (Loss)	\$12.3	\$0.4	(\$11.8)	

Table 4-1

**REEDY CREEK IMPROVEMENT DISTRICT
UTILITIES DIVISION
Operating Fund - Fiscal Year 2021 Budget Compared to 2021 Actual**

Ln No	Description	2021 Budget (a)	2021 Actual ^[1] (b)	Variance (c)	% (d)
	Operating Revenues				
1	Walt Disney World Sales	\$133,258,881	\$124,943,103	(\$8,315,778)	-6.2%
2	Other Outside Sales	33,288,797	29,761,915	(3,526,882)	-10.6%
3	Inter-Departmental Sales	17,179,903	14,644,446	(2,535,457)	-14.8%
4	Prior Year Fuel Adjustment	0	0	0	0.0%
5	Other - Recycling	0	202,411	202,411	100.0%
6	Connect Fees	0	9,500	9,500	100.0%
7	Total Operating Revenues	<u>\$183,727,581</u>	<u>\$169,561,375</u>	<u>(\$14,166,206)</u>	<u>-7.7%</u>
	Operating Expenses				
8	Purchased Fuel and Power	\$62,345,594	\$52,402,524	(\$9,943,070)	-15.9%
9	Utility Expense	17,179,899	14,644,446	(2,535,453)	-14.8%
10	Labor Support	31,148,045	27,341,764	(3,806,281)	-12.2%
11	Operating Materials	17,832,213	14,968,609	(2,863,604)	-16.1%
12	Outside Services - Landfill	6,414,864	3,018,891	(3,395,973)	-52.9%
13	Planned Work	1,476,000	1,405,287	(70,713)	-4.8%
14	Gross Receipts Tax	2,711,254	2,424,237	(287,017)	-10.6%
15	Total Operating Expenses	<u>\$139,107,869</u>	<u>\$116,205,758</u>	<u>(\$22,902,111)</u>	<u>-16.5%</u>
16	<i>Operating Income</i>	<u>\$44,619,712</u>	<u>\$53,355,617</u>	<u>\$8,735,905</u>	<u>19.6%</u>
	Other Expenses				
17	Debt Service	\$32,223,252	\$31,535,126	(\$688,126)	-2.1%
18	Insurance	1,050,843	\$1,064,991	14,148	1.3%
19	Total Other Expenses	<u>\$33,274,095</u>	<u>\$32,600,117</u>	<u>(\$673,978)</u>	<u>-2.0%</u>
20	<i>Excess Revenues Over Expenses</i>	<u>\$11,345,617</u>	<u>\$20,755,500</u>	<u>\$9,409,883</u>	<u>82.9%</u>
	Capital Requirements				
21	Capital Expenditures	11,657,000	\$13,526,533	\$1,869,533	16.0%
22	Inventory	0	(2,031,950)	(2,031,950)	-100.0%
23	R&R Fund Requirements	0	(1,120,999)	(1,120,999)	-100.0%
24	Total Capital Requirements	<u>\$11,657,000</u>	<u>\$10,373,584</u>	<u>(\$1,283,416)</u>	<u>-11.0%</u>
25	<i>Net Income Before Other Revenues</i>	<u>(\$311,383)</u>	<u>\$10,381,916</u>	<u>\$10,693,299</u>	<u>3434.1%</u>
	Other Revenues				
26	Investment Income	\$712,296	\$251,484	(\$460,812)	-64.7%
27	Capital Contributions	0	1,429,972	1,429,972	100.0%
28	Other	0	199,804	199,804	100.0%
29	Total Other Revenues	<u>\$712,296</u>	<u>\$1,881,260</u>	<u>\$1,168,964</u>	<u>164.1%</u>
30	Net Income / (Loss)	<u>\$400,913</u>	<u>\$12,263,176</u>	<u>\$11,862,263</u>	
31	Surplus Fund, Beginning of Year	\$24,284,436	\$24,284,436		
32	Surplus Fund, End of Year	<u>\$24,685,349</u>	<u>\$36,547,612</u>		

[1] Unaudited; data provided by the District.

Table 4-2

**REEDY CREEK IMPROVEMENT DISTRICT
UTILITIES DIVISION
Operating Fund - Fiscal Year 2021 Actual Compared to 2022 Budget**

Ln No	Description	2021 Actual ^[1]	2022 Budget	Variance	%
		(a)	(b)	(c)	(d)
	Operating Revenues				
1	Walt Disney World Sales	\$124,943,103	\$133,392,035	\$8,448,932	6.8%
2	Other Outside Sales	29,761,915	32,177,825	2,415,910	8.1%
3	Inter-Departmental Sales	14,644,446	16,141,780	1,497,334	10.2%
4	Prior Year Fuel Adjustment	0	0	0	0.0%
5	Other - Recycling	202,411	0	(202,411)	-100.0%
6	Connect Fees	9,500	0	(9,500)	-100.0%
7	Total Operating Revenues	<u>\$169,561,375</u>	<u>\$181,711,640</u>	<u>\$12,150,265</u>	<u>7.2%</u>
	Operating Expenses				
8	Purchased Fuel and Power	\$52,402,524	\$67,279,404	\$14,876,880	28.4%
9	Utility Expense	14,644,446	16,141,773	\$1,497,327	10.2%
10	Labor Support	27,341,764	30,289,331	2,947,567	10.8%
11	Operating Materials	14,968,609	18,735,255	3,766,646	25.2%
12	Outside Services - Landfill	3,018,891	4,197,040	1,178,149	39.0%
13	Planned Work	1,405,287	1,520,723	115,436	8.2%
14	Gross Receipts Tax	2,424,237	2,709,244	285,007	11.8%
15	Total Operating Expenses	<u>\$116,205,758</u>	<u>\$140,872,770</u>	<u>\$24,667,012</u>	<u>21.2%</u>
16	<i>Operating Income</i>	<u>\$53,355,617</u>	<u>\$40,838,870</u>	<u>(\$12,516,747)</u>	<u>-23.5%</u>
	Other Expenses				
17	Debt Service	\$31,535,126	\$27,876,804	(\$3,658,322)	-11.6%
18	Insurance	1,064,991	1,171,490	106,499	10.0%
19	Total Other Expenses	<u>\$32,600,117</u>	<u>\$29,048,294</u>	<u>(\$3,551,823)</u>	<u>-10.9%</u>
20	<i>Excess Revenues Over Expenses</i>	<u>\$20,755,500</u>	<u>\$11,790,576</u>	<u>(\$8,964,924)</u>	<u>-43.2%</u>
	Capital Requirements				
21	Capital Expenditures	\$13,526,533	\$11,987,194	(\$1,539,339)	-11.4%
22	Inventory	(2,031,950)	0	2,031,950	100.0%
23	R&R Fund Requirements	(1,120,999)	0	1,120,999	100.0%
24	Total Capital Requirements	<u>\$10,373,584</u>	<u>\$11,987,194</u>	<u>\$1,613,610</u>	<u>15.6%</u>
25	<i>Net Income Before Other Revenues</i>	<u>\$10,381,916</u>	<u>(\$196,618)</u>	<u>(\$10,578,534)</u>	<u>-101.9%</u>
	Other Revenues				
26	Investment Income	\$251,484	\$616,218	\$364,734	145.0%
27	Capital Contributions	1,429,972	0	(1,429,972)	-100.0%
28	Other	199,804	0	(199,804)	-100.0%
29	Total Other Revenues	<u>\$1,881,260</u>	<u>\$616,218</u>	<u>(\$1,265,042)</u>	<u>-67.2%</u>
30	Net Income (Loss)	<u>\$12,263,176</u>	<u>\$419,600</u>	<u>(\$11,843,576)</u>	
31	Surplus Fund, Beginning of Year	\$24,284,436	\$36,547,612		
32	Surplus Fund, End of Year	<u>\$36,547,612</u>	<u>\$36,967,212</u>		

[1] Unaudited; data provided by the District.

Section 5

Status of the Construction Fund



Section 5

STATUS OF THE CONSTRUCTION FUND

At the time of issuance of each series of Bonds other than Refunding Bonds, the District has identified the specific capital projects and improvements to be funded from a portion of the proceeds of such Bond issue. Pursuant to the provisions of the Indenture and to monitor construction activity and costs, the District has created a separate Construction Fund for each series of Bonds. As of September 30, 2021, the original projects and improvements funded from a portion of the proceeds of the Series 2011-2 and prior Bonds have been completed. The Construction Funds have been closed and any unexpended funds were made available to fund other general capital improvements pursuant to the provisions of the Indenture. A description of the specific capital projects and improvements funded from each series of Bonds is included in the original offering document (the various official statements) and prior Annual Reports.

At September 30, 2021, the Construction Funds associated with the Series 2015-1 Bonds, Series 2018-1 Bonds, Series 2018-2 Bonds, Series 2021-1 Bonds and Series 2021-2 Bonds remain active. The following tabulation sets forth the estimated direct construction costs of improvements, which were anticipated by the District to be paid from the Series 2015-1, Series 2018-1, Series 2018-2, Series 2021-1 and Series 2021-2 Bond proceeds.

For the 2015-1 Bonds, the District reports that the total available for disbursement was \$38,164,321, the total expenditures at September 30, 2021 were \$37,232,556 and funds on hand were \$931,765 (excluding future interest earnings) to pay the estimated cost to complete the projects.

For the 2018-1 Bonds, the District reports that the total available for disbursement was \$35,599,743, the total expenditures at September 30, 2021 were \$29,417,740 and funds on hand were \$6,182,003 (excluding future interest earnings) to pay the estimated cost to complete the projects.

For the 2018-2 Bonds, the District reports that the total available for disbursement was \$21,367,648, the total expenditures at September 30, 2021 were \$19,530,352 and funds on hand were \$1,837,296 (excluding future interest earnings) to pay the estimated cost to complete the projects.

For the 2021-1 Bonds, the District reports that the total available for disbursement was \$35,033,938, the total expenditures at September 30, 2021 were \$1,239,017 and funds on hand were \$33,794,921 (excluding future interest earnings) to pay the estimated cost to complete the projects.

For the 2021-2 Bonds, the District reports that the total available for disbursement was \$55,021,774, the total expenditures at September 30, 2021 were \$2,026,124 and funds on hand were \$52,995,650 (excluding future interest earnings) to pay the estimated cost to complete the projects.

Section 5

Based on data provided by the District, Table 5-1 summarizes at September 30, 2021 the aggregated transactions associated with the Construction Funds established with a portion of the Series 2015-1 Bonds, Series 2018-1 Bonds, Series 2018-2 Bonds, Series 2021-1 Bonds and Series 2021-2 Bonds.

REEDY CREEK IMPROVEMENT DISTRICT
UTILITIES DIVISION
Status of the Construction Fund ^[1]
Fiscal Year Ended September 30, 2021

Ln No	Description	2015-1 Bonds	2018-1 Bonds	2018-2 Bonds	2021-1 Bonds	2021-2 Bonds
		(a)	(b)	(c)	(c)	(c)
1	Principal Amount	\$30,080,000	\$26,230,000	\$19,750,000	\$35,095,000	\$55,130,000
2	Accrued Interest	0	0	0	0	0
3	Original Issue Premium (Discount)	0	4,408,307	0	0	0
4	Underwriters Discount	0	(126,261)	(74,792)	0	0
5	Defeasance	0	0	0	0	0
6	Transferred Sinking Fund Moneys	0	0	0	0	0
7	Deposit to Escrow Fund	0	0	0	0	0
8	Swap Termination Payments	0	0	0	0	0
9	Paid Cost of Issuance	(75,754)	(166,615)	(138,588)	(75,750)	(108,000)
10	Accrued Interest	0	0	0	0	0
11	Debt Service Reserve Account	0	0	0	0	0
12	Capitalized Interest	0	0	0	0	0
13	Other	7,473,664	4,475,952	1,248,634	0	0
14	Deposit to Construction Fund	<u>\$37,477,910</u>	<u>\$34,821,383</u>	<u>\$20,785,254</u>	<u>\$35,019,250</u>	<u>\$55,022,000</u>
15	Interest Earnings and Other Income to Date	<u>686,411</u>	<u>778,360</u>	<u>582,394</u>	<u>14,688</u>	<u>(226)</u>
16	<i>Total Available for Disbursement</i>	<u>\$38,164,321</u>	<u>\$35,599,743</u>	<u>\$21,367,648</u>	<u>\$35,033,938</u>	<u>\$55,021,774</u>
	Disbursements to Date:					
17	Electric System	\$25,038,047	17,980,949	2,666,533	1,239,017	0
18	Natural Gas System	1,900,031	1,182,092	0	0	0
19	Water System	0	4,376,502	0	0	0
20	Wastewater System	4,765,657	5,715,717	0	0	0
21	Solid Waste System	2,306,455	0	0	0	0
22	Chilled Water System	0	0	16,863,819	0	2,026,124
23	Other Utility System Projects	3,222,366	162,480	0	0	0
24	Total Disbursements to Date	<u>\$37,232,556</u>	<u>\$29,417,740</u>	<u>\$19,530,352</u>	<u>\$1,239,017</u>	<u>\$2,026,124</u>
25	<i>Total Expenditures</i>	<u>\$37,232,556</u>	<u>\$29,417,740</u>	<u>\$19,530,352</u>	<u>\$1,239,017</u>	<u>\$2,026,124</u>
26	Funds on Hand to Complete Construction	<u>\$931,765</u>	<u>\$6,182,003</u>	<u>\$1,837,296</u>	<u>\$33,794,921</u>	<u>\$52,995,650</u>

[1] Unaudited; data provided by the District.

REEDY CREEK IMPROVEMENT DISTRICT
UTILITIES DIVISION
Status of the Construction Fund^[1]
Fiscal Year Ended September 30, 2021

Ln No	Description	Original Estimate	Current Estimate	Expenditures to Date	Estimate to Complete
		(a)	(b)	(c)	(d)
	<u>2015-1 Utility Bond Issue</u>				
1	Utility System Projects	30,080,000	38,164,321	37,232,556	931,765
	<u>2018-1 Utility Bond Issue</u>				
2	Utility System Projects	26,230,000	35,599,743	29,417,740	6,182,003
	<u>2018-2 Utility Bond Issue</u>				
3	Utility System Projects	19,750,000	21,367,648	19,530,352	1,837,296
	<u>2021-1 Utility Bond Issue</u>				
4	Utility System Projects	35,095,000	35,033,938	1,239,017	33,794,921
	<u>2021-2 Utility Bond Issue</u>				
5	Utility System Projects	<u>55,130,000</u>	<u>55,021,774</u>	<u>2,026,124</u>	<u>52,995,650</u>
6	Total Exclusive of Retainages	166,285,000	185,187,424	89,445,789	95,741,635
7	Retainages	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
8	Total Expenditures	<u><u>\$166,285,000</u></u>	<u><u>\$185,187,424</u></u>	<u><u>\$89,445,789</u></u>	<u><u>\$95,741,635</u></u>

[1] Unaudited; data provided by the District.

Section 6

Sufficiency of Rates and Charges for Service



Section 6

SUFFICIENCY OF RATES AND CHARGES FOR SERVICE

Rate Covenant

The Indenture contains a covenant under which the District is to fix, establish, maintain and collect such fees, rates, rentals, and other charges for the services and facilities of the System, which will always be provided in each fiscal year:

- (1) Net Revenues which shall be adequate to pay at least one hundred ten percent (110%) of the Annual Debt Service Requirement for the Bonds and any Parity Obligations outstanding; and
- (2) Net Revenues and other funds, as provided below, which shall be adequate to pay at least one hundred percent (100%) of the Annual Debt Service Requirement for the Bonds, any Parity Obligations, and all other charges or payments required of the District pursuant to this Indenture or any Series Resolution, including all subordinated Indebtedness.

The rate covenant in clause (1) above became effective upon the purchase by the owners of the Series 2003-2 Bonds, in accordance with the Eighth Supplemental Indenture. This covenant replaces the previous covenant of one hundred twenty-five percent (125%).

In determining whether the rate covenant contained in clause (2) above is met, amounts held in the Surplus Fund and earmarked by the District as provided for in the Indenture shall be included in the calculation of Net Revenues, and all other moneys of the District legally available for such purpose, including to the extent legally available, Impact Fees shall be taken into account in the calculation of Net Revenues. A complete description of the rate covenant and the conditions under which the District may issue additional parity obligations is contained in the Indenture.

The District applies the following rates and charges to all services provided to customers, and does not knowingly provide free service.

Rate Schedules

Electric System

The base rates for the Electric System include a fuel and purchased power cost recovery clause, which provides for the flow through of any increases or decreases in applicable fuel and purchased power energy costs incurred by the District to meet the net energy for load requirements of the Electric System. The fuel adjustment charges are applied to the energy sales of each customer and are adjusted, as needed, every six months (generally April 1 and October 1 of each fiscal year).

The following is a summary of the electric rates, which became effective in September 2021:

Monthly Electric Rates Effective September 2021	
<u>Customer Class or Type</u>	
Residential (RS)	
Customer Charge (\$/Bill)	\$2.85
Energy Charge (¢/kWh)	8.122
General Service (GS)	
Customer Charge (\$/Bill)	\$2.85
Energy Charge (¢/kWh)	12.951
General Service Demand (GSD) (*)	
Customer Charge (\$/Bill)	\$20.00
Energy Charge (¢/kWh)	4.849
Demand Charge (\$/kW)	\$7.220
Fuel and Purchased Power Cost	
Recovery Factor (¢/kWh)	1.966
Fuel and Purchased Power Cost Recovery Clause:	
<p>The rate schedule for all classes of electric service sets forth the method of calculating a fuel and purchased power cost recovery factor and its application. The fuel and purchased power cost recovery factor is based on total fuel and purchased energy costs and is calculated on projected six-month intervals. Monthly electric service bills computed under the appropriate retail rate schedule are increased by an amount equal to the result of multiplying the kWh sold by the fuel and purchased power recovery clause factor.</p>	
<p>(*) Applicable to any customer, other than residential or general service or non-demand, whose maximum demand is 25 kW or greater.</p>	

Table 6-1, consisting of five pages, provides a comparison of typical bills for electric service for each major electric service rate classification at various levels of usage calculated under the District's rates and the rates of other Florida investor owned, municipal, and cooperative electric utilities for the billing month of January 2022 unless otherwise noted. The fuel or power cost adjustment charges as reported by the various public, rural electric cooperative, and investor owned electric systems included in these comparisons for the month of January 2022, depend upon the terms of the individual fuel and power cost adjustment clauses used by the various electric utilities and upon the monthly fuel mix of each electric utility.

As shown in the comparison, the District's rates, based on the level of costs billed in January 2022, are comparable with or slightly higher than the other Florida utilities included in the table. The typical monthly bills for the various cooperative, municipal, and investor owned utilities used for the comparison in this section are exclusive of local

taxes or franchise fees, if any. As an example, for retail customers of Duke Energy, franchise fee charges range from zero in certain unincorporated areas to 6% of the total bill in some Florida municipalities. Figure 6-1 shows the level of utility taxes and franchise fees in the areas surrounding the District. Figure 6-2 shows graphically a comparison of bills for a typical General Service Demand customer.

As shown in the comparison, the District's rates for commercial service, based on the level of costs billed in January 2022, produce bills comparable to or slightly higher than those charged by other Florida utilities. It should be noted that when making comparisons of charges for electric service between the various utilities, several factors have an effect on levels of rates charged. In the development of the rate comparison with other electric utilities, no analysis or review was made to determine (i) the overall reliability of electric service; (ii) the quality and type of construction (i.e., the majority of the District's electric distribution facilities are underground and most underground circuits are looped to minimize power interruptions); (iii) the amount of moneys or contributions in aid of construction provided by customers and developers in the form of paying for facilities or impact fees; and (iv) the amount of profitability, if any, made by governmental entities which may account for differences in the level of rates charged.

Water System

The rates and charges for the Water System include rates for metered general service, unmetered general service, and construction trailers. For general service, the rates include (i) a flat or constant charge per meter size, which includes no allowance for consumption or usage, and (ii) a flat or constant charge per metered water usage. For unmetered general service in Sub District 1, (the area west of Bonnet Creek), the rate consists of only a higher per unit usage charge based on metered water usage at the wellhead. The rate for construction trailers consists of a flat rate per unit.

The following is a summary of the water rates, which became effective in September 2021:

Monthly Potable Water Rates
Effective September 2021

Rate Schedule GS-1 (General Service)Meter or Service Size

5/8"	Water Meter.....	\$ 24.34
3/4"	Water Meter.....	24.34
1"	Water Meter.....	60.91
1.5"	Water Meter.....	121.84
2"	Water Meter.....	195.03
3"	Water Meter.....	390.08
4"	Water Meter.....	609.60
6"	Water Meter.....	1,219.19
8"	Water Meter.....	1,950.66
10"	Water Meter.....	2,803.97

Consumption Charge per 1,000 Gallons of Metered Water Usage \$ 1.0571

Rate Schedule GS-2 (Unmetered General Service)

Consumption Charge per 1,000 Gallons of Metered Water Usage
at Wellheads in Sub-District 1 \$ 1.4149

Rate Schedule GS-3 (Unmetered to Trailers)

Rate per month, per unit \$ 11.21

Table 6-2 provides a comparison of typical bills for water service for various meter sizes or services and usage levels calculated under the District's rates and the rates of other Florida utilities for the billing month of January 2022, unless otherwise noted. The monthly bills for the various Florida utilities used for the comparison are exclusive of local taxes or surcharge for outside City service, if any, or other rate adjustments. As an example, for customers receiving water service from a municipality outside the corporate limits, the rates may be twenty-five percent higher as allowed pursuant to Florida Statute 180.191.

As shown in the comparison, the District's rates, based on the level of costs billed in January 2022, produce bills comparable with those charged by other Florida utilities. It should be noted that when making comparisons of charges for water service between the various utilities, several factors have an effect on levels of rates charged. In the development of the rate comparison with other water utilities, no analysis or review was made to determine (i) the level of treatment required before the distribution of water to the ultimate customer, (ii) the amount of subsidy, if any, made by governmental entities, (iii) the amount of moneys or contributions in aid of construction provided by customers and developers in the form of paying for facilities or impact fees, and (iv) the amount of profitability, if any, made by governmental entities which may account for differences in the level of rates charged.

Natural Gas System

The rates and charges for the Natural Gas System include a volumetric charge based on metered gas usage. As with the Electric System, the current gas rates provide for an adjustment clause, which allows the District to recover any increases or decreases in the cost of gas not included in the District's base rates. The purchased gas adjustment is adjusted, as needed, every six months based on the cost of gas incurred by the Natural Gas System.

The following is a summary of the natural gas rates, which became effective in September 2021:

Monthly Natural Gas Rates	
Effective September 2021	
<u>Customer Class or Type</u>	
Residential Service (RS)	
Minimum Bill.....	\$ 5.00
Non-Fuel Rate (\$/therm).....	\$0.3565
General Service (GS)	
Minimum Bill.....	\$ 5.00
Non-Fuel Rate (\$/therm).....	\$0.3565
Purchased Gas Adjustment	
Factor (\$/therm)	<u>\$0.3479</u>

Purchased Gas Adjustment Clause:

The rate schedule for natural gas service includes a purchased gas adjustment clause, which sets forth the method of calculating a purchased gas adjustment factor and its application. The purchased gas adjustment factor is based on the cost of gas above or below the base unit cost per therm, adjusted for gross receipts taxes, as reflected in the base rate. The purchased gas adjustment clause may be determined and billed every six months.

Table 6-3, consisting of two pages, provides a comparison of typical bills for natural gas service at various levels of usage calculated under the District's rates and the rates of other Florida utilities for the billing month of January 2022 unless otherwise noted. The purchased gas adjustment factors as reported by the various gas utilities included in these comparisons depend upon the terms of the individual purchased cost adjustment clauses used by the various gas utilities and upon the monthly cost of gas incurred by each utility.

The monthly bills for the various gas utilities used for the comparison are exclusive of local taxes or other rate adjustments, except as noted on the comparison. As shown in the comparison, the District's rates, based on the level of costs billed in January 2022,

produce bills generally lower than those charged by other Florida utilities included in the table.

Wastewater System

The rates for the Wastewater System are applied based on a flat unit charge per level of consumption based on various measurement standards. The variables for rate application that are based on estimated cost of wastewater flow include: (i) metered water usage or a percentage of metered water usage, and (ii) number of seats or units. The following is a summary of the wastewater rates, which became effective in September 2021:

Monthly Wastewater Rates Effective September 2021	
Type of Service or Customer	
SC-1 Commercial	\$ 5.91 per 1,000 Gallons of Metered Water
SC-2 Construction Trailers	\$ 46.08 per Unit
SC-3 Theaters	\$ 0.948 per Seat
SR-1 Residential	
Monthly Customer Charge	\$ 3.28 per Customer
Volumetric Charge	\$ 4.49 per 1,000 Gallons of Metered Water
Maximum Bill - 8,000 gallons plus Customer Charge	
H02 Wholesale Sewer – 109	\$ 2.61
H03 Wholesale Sewer – 114	\$ 2.64

Table 6-4 provides a comparison of the cost of providing wastewater service (assumes bills based on metered water usage) for various water meter sizes or services and usage levels calculated under the District's rates and under the rates of other Florida utilities for the billing month of January 2022 unless otherwise noted. The monthly bills for the various Florida utilities used for the comparison are exclusive of local taxes, surcharge for outside City service, if any, or other rate adjustments. As an example, for customers receiving wastewater service from a municipality outside the corporate limits, the rates may be twenty-five percent higher as allowed pursuant to Florida Statute 180.191.

As shown in the comparison, the District's rates, based on the level of costs billed in January 2022, produce bills comparable to bills charged by other Florida utilities for residential service and are generally higher than those charged by other Florida utilities for commercial service. It should be noted that when making comparisons of charges for wastewater service between the various utilities, several factors have an effect on the level of rates charged. These factors include but are not limited to (i) revenues from system charges or impact fees, and contributions in aid of construction which fund capital improvements, (ii) the level and quality of service (treatment), and (iii) the

subsidization of the wastewater utility by sources other than rate revenue (e.g., other utility funds or city general funds). For the utilities included in the rate comparison on Table 6-4, no analysis has been made of the aforementioned factors as they relate to the reported monthly wastewater rates currently being charged, and which may account for differences in the level of rates charged.

Reclaimed Water System

The rates for reclaimed water are based on a monthly readiness to serve amount according to meter size and a consumption charge per 1,000 gallons. The following is a summary of the rates charged by the Reclaimed Water System that became effective in September 2021:

Monthly Reclaimed Water Rates	
Effective September 2021	

Rate Schedule GS-1 (General Service)	
<u>Meter or Service Size</u>	
5/8" Water Meter.....	\$ 20.05
3/4" Water Meter.....	20.05
1" Water Meter.....	50.27
1.5" Water Meter.....	100.74
2" Water Meter.....	161.00
3" Water Meter.....	321.90
4" Water Meter.....	503.01
6" Water Meter.....	1,005.83
8" Water Meter.....	1,609.46
10" Water Meter.....	2,313.59
Consumption Charge per 1,000 Gallons of Reclaimed Water	\$ 0.8332

Solid Waste System

The rates for solid waste service are based on the type, size, and number of pickups associated with the individual boxes. The rates for roll-off Class I and mini-packers also included a tonnage rate.

The following is a summary of the rates, which became effective in September 2021, charged by the Solid Waste System:

Solid Waste Rate Description	Effective September 2021	
	Base Charge Per Pickup	Tonnage Rate
Front End Loader		
FE-1: 10 cubic yard compactor	\$59.98	-
FE-2: 5 cubic yard compactor	\$67.79	-
FE-3: 8 cubic yard box	\$35.73	-
FE-4: 6 cubic yard box	\$31.69	-
Roll-Off Class I [1]		
RO-1: 40 cubic yard compactor	\$292.25	\$91.17
RO-2: 30 cubic yard compactor	\$292.25	\$91.17
RO-10: 20 cubic yard box	\$292.25	\$91.17
RO-11: 30 cubic yard box	\$292.25	\$91.17
Roll-Off Class III [2]		
RO-6: 30 cubic yard box (landscape)	\$375.16	-
RO-7: 20 cubic yard box (landscape)	\$375.16	-
RO-8: 20 cubic yard box (construction)	\$367.84	-
RO-12: 20 cubic yard box (class III)	\$375.16	-
RO-20: 20 cubic yard box	\$320.47	-
Tire Disposal		
RO-9: 20 cubic yard box (tire disposal)	\$1,108.21	-
Mini-Packers		
MP-2: 15 cubic yard truck	\$19.25	\$91.88
Surcharge Rates		
Rejected recyclable container surcharge		
SC-2: 8 cubic yard box		\$35.73
SC-3: 20 cubic yard box		\$320.47
[1] Class I material constitutes sanitary landfill wastes (household and kitchen wastes) excluding hazardous and regulated wastes.		
[2] Class III material constitutes generated construction debris and yard waste excluding hazardous, regulated and sanitary landfill wastes.		

Table 6-5 provides a comparison of typical bills for solid waste service for various container sizes under the District's rates and the rates of other Florida utilities. As shown in the comparison, the District's rates produce bills that are lower compared to those charged by other Florida utilities included in the table.

Chilled Water and Hot Water Systems

The rates for chilled water and hot water reflect a flat charge per unit sold. The Chilled Water and Hot Water Systems provide service exclusively to portions of the *Walt Disney World®* Resort and the rates for service are based on the costs associated with the production center (i.e., the CEP, including the satellite facility, the ECEP, or SCP centers).

The following is a summary of the chilled monthly rates and the hot water monthly rates, which became effective in September 2021, charged by the respective utility system's production center:

Chilled Water Monthly Rates**Effective September 2021**

Chilled Water**Rate Schedule and Production Center**

Rate Schedule CW-1 Central Energy Plant [1].....	\$0.1395 per Ton Hour
Rate Schedule CW-2 Epcot Central Energy Plant [2]	\$0.1444 per Ton Hour
Rate Schedule CW-3 Hollywood Studios Chilled Water Plant [3].....	\$0.1553 per Ton Hour
Rate Schedule CW-4 Chilled Water Standby \$2,000,00	\$0.1480 per Ton Hour

Hot Water Monthly Rates**Effective September 2021**

Hot Water**Rate Schedule and Production Center**

Rate Schedule HTHW Central Energy Plant [1].....	\$18.74 per MMBtu
Rate Schedule LTHW Epcot Central Energy Plant [2]	\$15.79 per MMBtu

- [1] The Central Energy Plant production center provides service exclusively to the Magic Kingdom and associated resort hotels and certain other facilities of the *Walt Disney World®* Resort.
- [2] The Epcot Central Energy Plant production center provides service exclusively to the Epcot Center of the *Walt Disney World®* Resort and Disney Vacation Club at the Yacht and Beach Resort.
- [3] The Hollywood Studios Chilled Water Plant provides service exclusively to the Hollywood Studios of the *Walt Disney World®* Resort.
-

Adequacy of Revenues

The District has fixed, established, and maintained rates and charges that produced revenues together with investment earnings sufficient to pay for all normal operation and maintenance expenses of the System, to pay annual debt service on all Series of Bonds, to meet the required deposits into the Renewal and Replacement Fund and the Emergency Repair Fund, to fund additional capital improvements from revenues, and to provide a balance available for other lawful purposes.

The District's utility operating results for the fiscal year ended September 30, 2021 are shown on Table 6-6. The data shown were obtained from the actual revenues and expenses reported by the District. The operating results presented on Table 6-6 are generally presented on a flow of funds basis as prescribed in the Indenture and therefore are not presented in the same format as the audited Financial Statements.

As summarized from Table 6-6, during the fiscal year ended September 30, 2021 (i) operating revenues totaled \$169,561,375 (ii) operating expenses exclusive of depreciation expense totaled \$117,270,749 and (iii) net operating income exclusive of depreciation totaled \$52,290,626. Debt service payments paid from net revenues of the System amounted to \$31,535,126. Debt service coverage was calculated based on the balance available for debt service of \$52,741,914 divided by the annual debt service of \$31,535,126. Debt service coverage during fiscal year ended September 30, 2021, equaled 1.67, which is greater than the minimum debt service coverage requirement of 1.10 established in the amended Indenture.

As can be seen from the table, revenues, together with other available funds, were sufficient to comply with the rate covenant contained in the Indenture with regard to the payment of operating expenses of the System, payment of debt service, deposit of moneys into other required funds, payment of other costs, and debt service coverage requirements.

**REEDY CREEK IMPROVEMENT DISTRICT
ELECTRIC SYSTEM**

Inter-Utility Comparison of Typical Monthly Electric Bills ^[1]

Ln.		Fuel Adj.	Residential Class							
No.	Utility	\$/1000 kWh	250 kWh	500 kWh	750 kWh	1,000 kWh	1,500 kWh	2,000 kWh	2,500 kWh	3,000 kWh
1	Reedy Creek Improvement District	19.66	28.07	53.29	78.51	103.73	154.17	204.61	255.05	305.49
	<u>Other Florida Municipalities:</u>									
2	City of Alachua	10.25	35.05	60.97	86.88	112.79	169.72	226.64	283.57	340.49
3	City of Bushnell	23.00	38.41	66.83	95.24	123.65	180.48	237.30	294.13	350.95
4	Fort Pierce Utilities Authority	18.00	37.57	69.12	100.68	134.84	203.16	271.48	339.80	408.12
5	Gainesville Regional Utilities	53.00	49.18	82.35	115.53	152.59	231.89	311.19	390.49	469.79
6	Jacksonville Electric Authority	43.92	34.56	63.63	92.69	121.75	179.88	238.00	296.13	356.75
7	Kissimmee Utilities Authority	(18.19)	36.40	62.63	88.85	115.08	173.86	232.64	291.42	350.20
8	City of Lakeland	40.00	34.47	57.93	81.40	104.87	155.40	208.98	262.57	316.15
9	City of Leesburg	15.00	38.42	64.64	90.86	117.08	180.42	243.77	307.11	370.46
10	City of New Smyrna Beach	(3.98)	29.80	51.34	72.89	94.43	145.29	196.15	247.01	297.87
11	City of Newberry	12.50	38.38	67.25	96.13	125.00	182.75	240.50	298.25	356.00
12	City of Ocala	14.00	42.91	68.82	94.73	120.64	172.46	224.28	276.10	327.92
13	Orlando Utilities Commission	32.02	39.25	63.50	87.75	112.00	173.00	234.00	295.00	356.00
14	City of Tallahassee	33.29	35.65	63.05	90.45	117.85	172.65	227.45	282.25	337.05
	<u>Investor-Owned Utilities:</u> ^[2]									
15	Florida Power and Light	34.87	36.63	64.27	91.91	119.55	184.83	250.11	315.39	380.67
16	FPL Northwest	34.87	44.65	80.30	115.96	151.61	222.92	294.23	365.54	436.85
17	Duke Energy	44.69	47.55	82.65	117.75	152.85	234.15	315.45	396.75	478.05
18	Tampa Electric Company	27.45	45.22	69.45	93.67	117.89	176.34	234.78	293.23	351.67

[1] Amounts shown are based on the rates for single phase service and reflect when applicable, inside city service. In addition, amounts include January 2022 fuel adjustments but do not include taxes or franchise fees.

[2] Amounts shown include the energy conservation, capacity, environmental and storm cost recovery charges where appropriate, as filed with the the Florida Public Service Commission (FPSC). Franchise fees are not included but range up to 6 percent for each of the IOU's listed.

**REEDY CREEK IMPROVEMENT DISTRICT
ELECTRIC SYSTEM**

Inter-Utility Comparison of Typical Monthly Electric Bills ^[1]

Ln. No.	Utility	Fuel Adj. \$/1000 kWh	General Service Non-Demand Class							
			250 kWh	500 kWh	750 kWh	1,000 kWh	1,500 kWh	2,000 kWh	2,500 kWh	3,000 kWh
1	Reedy Creek Improvement District	19.66	40.14	77.44	114.73	152.02	226.61	301.19	375.78	450.36
	<u>Other Florida Municipalities:</u>									
2	City of Alachua	10.25	38.87	66.06	93.24	120.43	174.81	229.18	283.56	337.93
3	City of Bushnell	23.00	41.72	73.43	105.15	136.86	200.29	263.72	327.15	390.58
4	Fort Pierce Utilities Authority	18.00	40.11	74.37	108.64	142.90	211.43	279.96	348.49	417.02
5	Gainesville Regional Utilities	53.00	72.58	112.15	151.73	191.30	270.45	367.00	463.55	560.10
6	Jacksonville Electric Authority	43.92	36.96	64.67	92.38	120.09	175.51	230.93	286.35	341.77
7	Kissimmee	(18.19)	40.11	69.13	98.16	127.18	185.23	243.28	301.33	359.38
8	City of Lakeland	40.00	36.26	59.51	82.77	106.03	152.54	199.05	245.56	292.08
9	City of New Smyrna Beach	(3.98)	32.20	54.65	77.09	99.54	144.44	189.33	234.23	279.12
10	City of Ocala	14.00	46.19	72.39	98.58	124.77	177.16	229.54	281.93	334.31
11	Orlando Utilities Commission	32.02	43.38	69.26	95.13	121.01	172.77	224.52	276.28	328.03
12	City of Tallahassee	33.29	34.63	58.04	81.46	104.87	151.70	198.53	245.36	292.19
	<u>Investor-Owned Utilities:</u> ^[2]									
13	Florida Power and Light	38.06	40.52	69.14	97.75	126.36	183.59	240.81	298.04	355.26
14	FPL Northwest	38.06	49.61	87.31	125.01	162.71	238.11	313.51	388.91	464.31
15	Duke Energy	47.87	49.38	83.30	117.21	151.12	218.95	286.77	354.60	422.42
16	Tampa Electric Company	30.57	49.27	76.34	103.40	130.47	184.61	238.74	292.88	347.01

[1] Amounts shown are based on the rates for single phase service and reflect when applicable, inside city service. In addition, amounts include January 2022 fuel adjustments but do not include taxes or franchise fees.

[2] Amounts shown include the energy conservation, capacity, environmental and storm cost recovery charges where appropriate, as filed with the the Florida Public Service Commission (FPSC). Franchise fees are not included but range up to 6 percent for each of the IOU's listed.

**REEDY CREEK IMPROVEMENT DISTRICT
ELECTRIC SYSTEM**

Inter-Utility Comparison of Typical Monthly Electric Bills [1]

Ln. No.	Utility	General Service Demand Class								
		50 kW			75 kW			150 kW		
		10,000 kWh	20,000 kWh	30,000 kWh	15,000 kWh	30,000 kWh	45,000 kWh	30,000 kWh	60,000 kWh	90,000 kWh
1	Reedy Creek Improvement District	1,063	1,744	2,426	1,584	2,606	3,628	3,148	5,192	7,237
	<u>Other Florida Municipalities:</u>									
2	Fort Pierce Utilities Authority	1,432	2,487	3,542	2,129	3,711	5,293	4,219	7,382	10,546
3	Gainesville Regional Utilities	1,877	3,106	4,335	2,762	4,606	6,449	5,420	9,107	12,794
4	Jacksonville Electric Authority	1,310	2,116	2,921	1,923	3,131	4,339	3,761	6,177	8,594
5	Kissimmee	1,333	2,165	2,998	1,971	3,220	4,469	3,887	6,385	8,882
6	City of Lakeland	1,084	1,706	2,329	1,604	2,538	3,472	3,167	5,034	6,902
7	City of New Smyrna Beach	1,160	1,887	2,614	1,724	2,814	3,904	3,414	5,594	7,775
8	City of Ocala	1,134	1,866	2,598	1,676	2,774	3,873	3,373	5,538	7,703
9	Orlando Utilities Commission	1,171	1,757	2,343	1,739	2,618	3,497	3,443	5,202	6,960
10	City of Tallahassee	1,368	1,945	2,417	2,014	2,879	3,587	3,951	5,681	7,097
	<u>Investor-Owned Utilities:</u> ^[2]									
11	Florida Power and Light	1,299	1,942	2,586	1,934	2,899	3,864	3,840	5,770	7,701
12	FPL Northwest	1,521	2,387	3,253	2,268	3,567	4,866	4,507	7,106	9,704
13	Duke Energy	1,342	2,136	2,931	2,005	3,197	4,388	3,994	6,377	8,761
14	Tampa Electric Company	1,322	1,795	2,267	1,967	2,676	3,385	3,901	5,319	6,737

[1] Amounts shown are based on the rates for single phase service and reflect when applicable, inside city service. In addition, amounts include January 2022 fuel adjustments but do not include taxes or franchise fees.

[2] Amounts shown include the energy conservation, capacity, environmental and storm cost recovery charges where appropriate, as filed with the the Florida Public Service Commission (FPSC). Franchise fees are not included but range up to 6 percent for each of the IOU's listed.

**REEDY CREEK IMPROVEMENT DISTRICT
ELECTRIC SYSTEM**

Inter-Utility Comparison of Typical Monthly Electric Bills [1]

Ln. No.	Utility	General Service Demand Class								
		200 kW			300 kW			400 kW		
		40,000 kWh	80,000 kWh	120,000 kWh	60,000 kWh	120,000 kWh	180,000 kWh	80,000 kWh	160,000 kWh	240,000 kWh
1	Reedy Creek Improvement District	4,190	6,916	9,642	6,275	10,364	14,453	8,360	13,812	19,264
	<u>Other Florida Municipalities:</u>									
2	Fort Pierce Utilities Authority	5,612	9,830	14,049	8,398	14,726	21,053	11,184	19,621	28,058
3	Gainesville Regional Utilities	7,191	12,107	17,023	10,734	18,108	25,482	14,277	24,109	33,941
4	Jacksonville Electric Authority	4,987	8,208	11,430	7,437	12,270	17,102	9,888	16,331	22,775
5	Kissimmee	5,164	8,494	11,825	7,718	12,714	17,709	10,272	16,933	23,594
6	City of Lakeland	4,208	6,698	9,189	6,291	10,027	13,762	8,374	13,355	18,335
7	City of New Smyrna Beach	4,541	7,448	10,355	6,512	10,580	14,647	8,668	14,091	19,515
8	City of Ocala	4,481	7,368	10,254	6,696	11,026	15,357	8,720	14,579	20,437
9	Orlando Utilities Commission	4,579	6,924	9,268	6,852	10,368	13,885	9,124	13,813	18,501
10	City of Tallahassee	5,242	7,549	9,437	7,824	11,285	14,117	10,407	15,020	18,796
	<u>Investor-Owned Utilities:</u> ^[2]									
11	Florida Power and Light	5,110	7,684	10,258	7,651	11,512	15,373	10,192	15,340	20,488
12	FPL Northwest	6,001	9,465	12,929	8,987	14,183	19,380	11,973	18,902	25,831
13	Duke Energy	5,320	8,498	11,676	7,972	12,739	17,506	10,624	16,980	23,336
14	Tampa Electric Company	5,191	7,082	8,973	7,770	10,607	13,443	10,350	14,131	17,913

[1] Amounts shown are based on the rates for single phase service and reflect when applicable, inside city service. In addition, amounts include January 2022 fuel adjustments but do not include taxes or franchise fees.

[2] Amounts shown include the energy conservation, capacity, environmental and storm cost recovery charges where appropriate, as filed with the the Florida Public Service Commission (FPSC). Franchise fees are not included but range up to 6 percent for each of the IOU's listed.

**REEDY CREEK IMPROVEMENT DISTRICT
ELECTRIC SYSTEM**

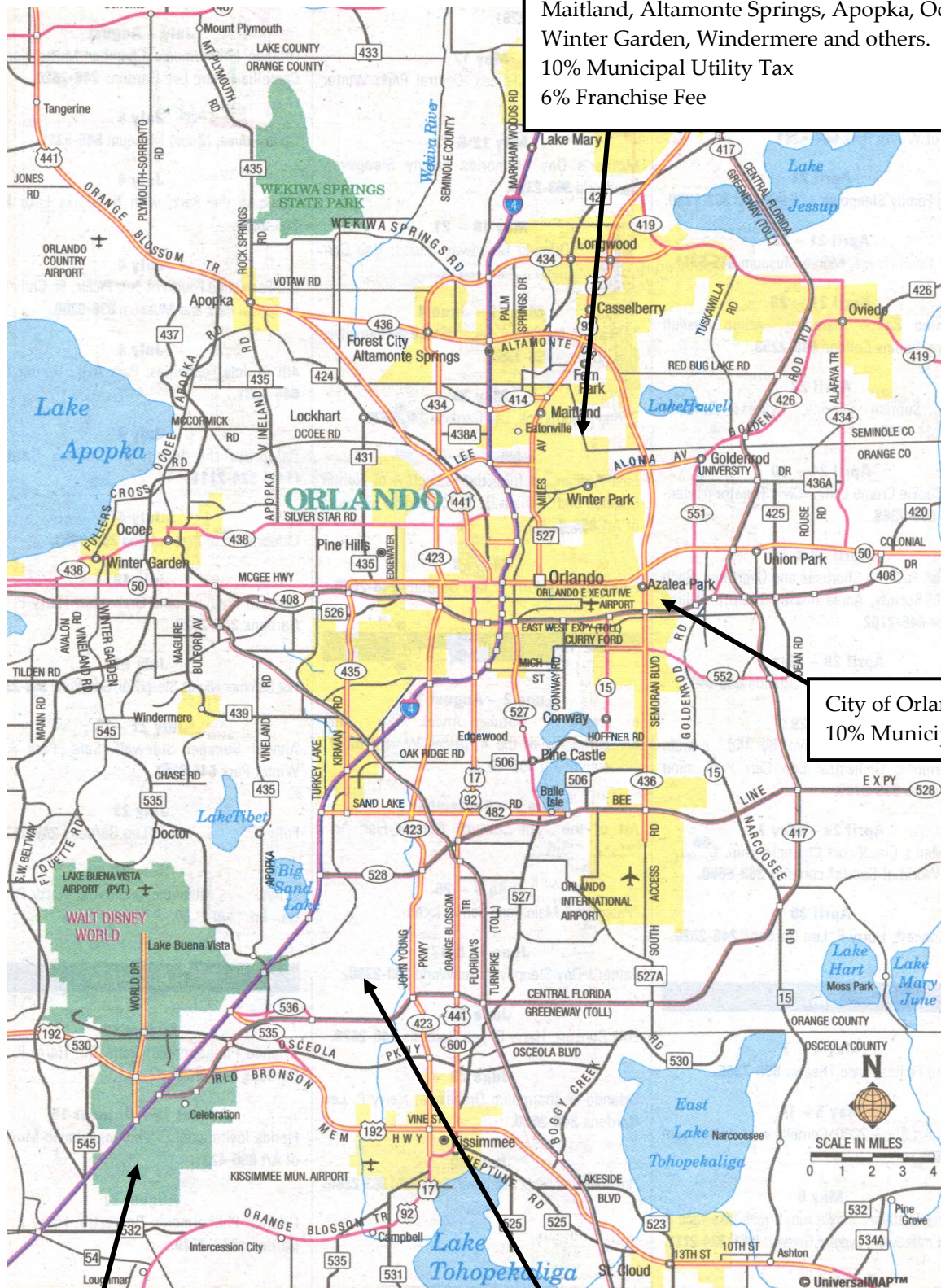
Inter-Utility Comparison of Typical Monthly Electric Bills [1]

Ln. No.	Utility	General Service Large Demand Class								
		500 kW			1,000 kW			1,500 kW		
		100,000 kWh	200,000 kWh	300,000 kWh	200,000 kWh	400,000 kWh	600,000 kWh	300,000 kWh	600,000 kWh	900,000 kWh
1	Reedy Creek Improvement District	10,445	17,260	24,075	20,870	34,500	48,130	31,295	51,740	72,185
	<u>Other Florida Municipalities:</u>									
2	Fort Pierce Utilities Authority	13,970	24,516	35,062	32,675	52,181	71,687	48,993	78,252	107,511
3	Gainesville Regional Utilities	17,820	30,110	42,400	35,535	60,115	84,695	52,395	87,915	123,435
4	Jacksonville Electric Authority	12,339	20,393	28,447	24,593	40,701	56,809	40,040	61,505	82,970
5	Kissimmee	13,627	21,117	28,607	27,197	42,177	57,157	40,767	63,237	85,707
6	City of Lakeland	11,154	16,957	22,761	21,832	33,439	45,046	32,511	49,921	67,332
7	City of New Smyrna Beach	10,824	17,603	24,382	21,603	35,161	48,719	32,382	52,719	73,056
8	City of Ocala	11,522	18,634	25,746	22,994	37,218	51,442	34,466	55,802	77,138
9	Orlando Utilities Commission	11,396	17,257	23,118	22,757	34,479	46,201	34,118	51,701	69,284
10	City of Tallahassee	12,925	18,628	23,316	25,773	37,179	46,555	38,621	55,730	69,794
	<u>Investor-Owned Utilities:</u> ^[2]									
11	Florida Power and Light	13,459	19,370	25,281	26,835	38,657	50,479	40,211	57,944	75,677
12	FPL Northwest	15,685	23,822	31,959	31,287	47,561	63,835	46,889	71,300	95,711
13	Duke Energy	13,276	21,221	29,166	26,536	42,426	58,316	39,796	63,631	87,466
14	Tampa Electric Company	12,929	17,656	22,383	25,826	35,280	44,734	38,723	52,904	67,085

[1] Amounts shown are based on the rates for single phase service and reflect when applicable, inside city service. In addition, amounts include January 2022 fuel adjustments but do not include taxes or franchise fees.

[2] Amounts shown include the energy conservation, capacity, environmental and storm cost recovery charges where appropriate, as filed with the the Florida Public Service Commission (FPSC). Franchise fees are not included but range up to 6 percent for each of the IOU's listed.

Figure 6-1



REEDY CREEK IMPROVEMENT DISTRICT
General Service Large Demand
Electric Service - 1,000 kW - 600,000 kWh
Comparison of Monthly Bills - January 2022

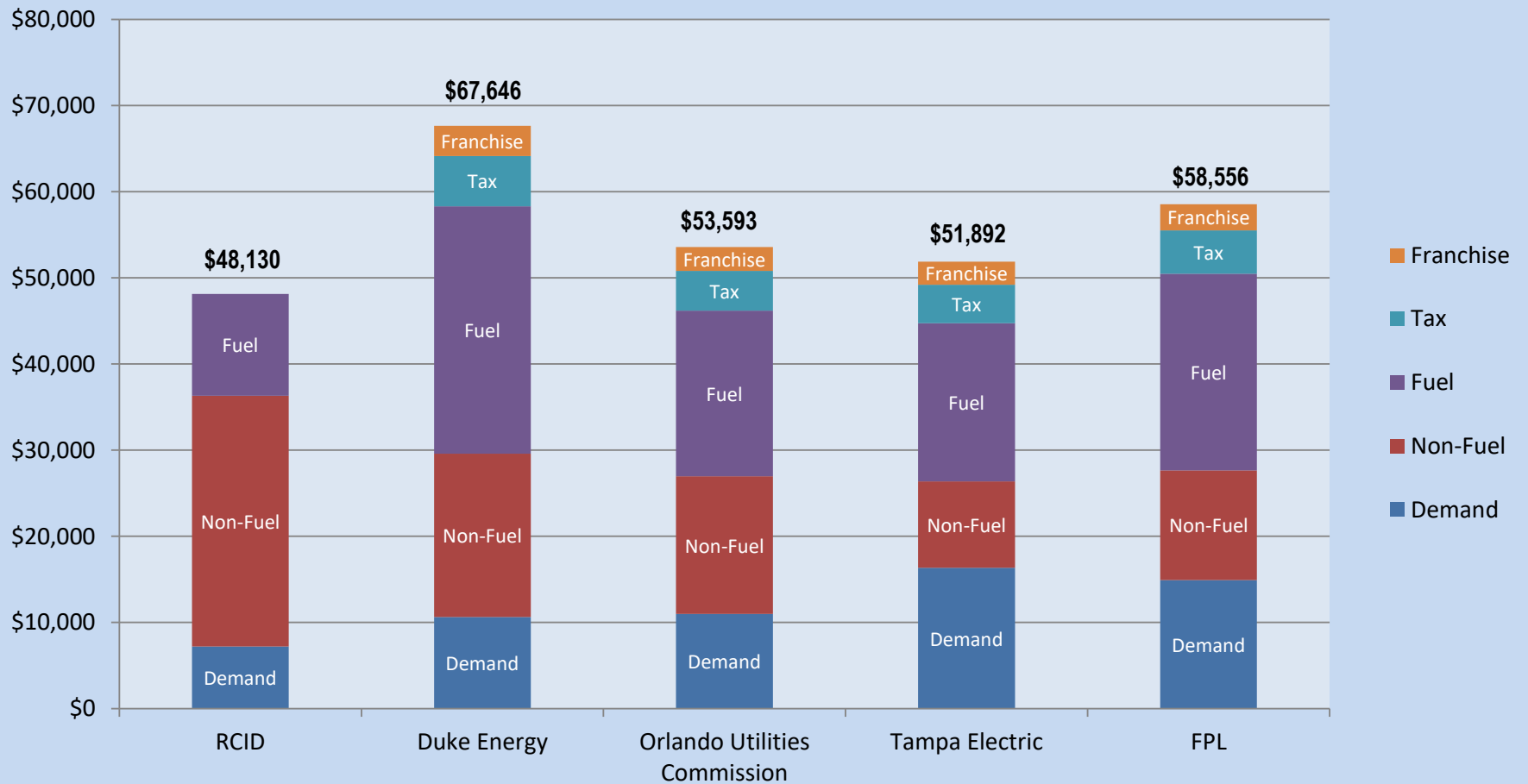


Figure 6-2

**REEDY CREEK IMPROVEMENT DISTRICT
WATER SYSTEM**

Inter-Utility Comparison of Typical Monthly Water Bills [1]

	Utility	5/8" Meter Residential						2" Meter Commercial		
		3,000 Gallons	5,000 Gallons	7,500 Gallons	10,000 Gallons	15,000 Gallons	20,000 Gallons	50,000 Gallons	150,000 Gallons	500,000 Gallons
1	Reedy Creek Improvement District	\$27.51	\$29.63	\$32.27	\$34.91	\$40.20	\$45.48	\$247.89	\$353.60	\$723.58
	Other Florida Utilities:									
2	Brevard County Utilities	17.40	28.16	41.61	59.92	98.97	152.06	297.26	1,309.92	6,580.00
3	City of Daytona Beach	24.58	34.92	48.50	64.67	98.61	138.91	328.38	888.38	2,848.38
4	City of Destin	21.31	26.79	34.39	41.99	60.94	83.74	204.90	568.90	1,842.90
5	Fort Pierce Utilities Authority	26.36	34.00	43.55	53.10	77.00	105.65	309.40	691.40	2,028.40
6	Gainesville Regional Utilities	16.86	23.20	32.88	42.55	61.90	89.93	213.50	600.50	1,955.00
7	Hillsborough County	26.95	34.69	48.14	61.59	88.49	123.34	278.72	836.17	2,787.22
8	Indian River County [2]	16.05	21.04	29.01	41.96	82.92	133.92	-	-	-
9	City of New Smyrna Beach	17.19	20.15	25.13	30.95	42.60	56.45	202.41	442.75	1,296.75
10	Orange County Public Utilities	11.83	15.35	19.75	24.15	41.65	59.15	438.62	1,833.62	6,716.12
11	Orlando Utilities Commission	12.07	14.41	17.68	22.30	31.55	44.70	121.75	306.75	954.25
12	Pinellas County	22.19	32.45	45.28	58.10	83.75	109.40	299.00	812.00	2,607.50
13	City of Sarasota	29.79	37.95	48.98	63.54	103.65	149.90	368.80	809.80	2,353.30
14	St. Lucie County [2]	37.06	45.06	62.69	80.31	127.01	181.51	-	-	-
15	City of St. Petersburg [3]	20.53	25.21	33.42	46.81	75.81	118.16	225.08	459.08	1,278.08
16	City of Tallahassee	15.29	19.51	26.76	34.01	48.51	66.76	114.73	366.73	1,248.73

[1] Unless otherwise indicated, amounts shown reflect single-family residential and commercial service rates in effect during January 2022, and are exclusive of utility taxes or franchise fees, if any, and reflect "inside the City limits" service, all as reported by each indicated utility. This comparison is intended to show comparable charges for similar service for comparison purposes only and is not intended to be a complete listing of all rates and charges offered by each indicated utility.

[2] For single family commercial rates, the County does not bill on a meter size basis but on an equivalent residential unit basis. The ERU's for each customer vary greatly and depend on the customer usage characteristics and type of use. The ERU's are determined by the County.

[3] For commercial rates, the city of St. Petersburg utilizes a block rate based on the customer's average consumption history. For comparison purposes, the customer's consumption is assumed to be average.

**REEDY CREEK IMPROVEMENT DISTRICT
GAS SYSTEM**

Inter-Utility Comparison of Typical Monthly Natural Gas Bills [1]

		Residential (Therms)									
		10	20	30	40	50	60	70	80	90	100
Utility											
1	Reedy Creek Improvement District	\$7.04	\$14.09	\$21.13	\$28.18	\$35.22	\$42.26	\$49.31	\$56.35	\$63.40	\$70.44
Florida Municipalities:											
2	City of Tallahassee	21.87	33.37	44.87	56.37	67.87	79.37	90.86	102.36	113.86	125.36
3	Gainesville Regional Utilities	22.15	34.54	46.94	59.33	71.73	84.13	96.52	108.92	121.31	133.71
4	Lake Apopka Natural Gas District	26.98	42.71	58.44	74.17	89.90	105.63	121.36	137.09	152.82	168.55
Regulated Natural Gas Companies:											
5	Florida City Gas [2]	27.23	42.46	57.68	72.91	88.14	103.37	118.59	133.82	149.05	151.81
6	Peoples Gas System, Inc. [3]	31.03	46.96	62.89	78.82	94.75	110.67	126.60	142.53	158.46	177.39
7	St. Joe Natural Gas Company	35.61	58.22	80.83	103.44	126.06	148.67	171.28	193.89	216.50	239.11

[1] Unless otherwise noted, amounts shown reflect standard residential rates, fuel or purchased gas adjustments in effect during January 2022 and are exclusive of utility taxes and franchise fees and, where appropriate, reflect inside the city limits service, all as reported by each indicated utility. This comparison is intended to show comparable charges for comparison purposes only and is not intended to be a complete listing of all rates and charges offered by each indicated utility.

Additionally, amounts shown were calculated using rates based on therms or ccf, assumed heat content of 1000 Btu/standard cubic foot; therefore, 1 ccf = 1 therm.

[2] Formerly City Gas Company of Florida who provide service to customers in Brevard County, on the central east coast of Florida and in the Miami area in Dade and Broward Counties.

[3] Bills are based on Rate Schedule RS-1 (0-99 Therms) and RS-2 (100-249 Therms) and include a energy conservation cost recovery factor for each therm of consumption. Peoples Gas System, Inc. provides natural gas service to cities throughout Florida, including Orlando, Tampa, Lakeland, Jacksonville, Kissimmee, and St. Petersburg.

**REEDY CREEK IMPROVEMENT DISTRICT
GAS SYSTEM**

Inter-Utility Comparison of Typical Monthly Natural Gas Bills [1]

		General Service (Therms)									
Utility		50	100	200	300	400	500	700	900	1,000	2,000
1	Reedy Creek Improvement District	35.22	70.44	140.88	211.32	281.76	352.20	493.08	633.96	704.40	1,408.80
Florida Municipalities:											
2	City of Tallahassee	67.87	117.20	215.87	314.53	413.19	511.86	709.18	906.51	1,005.17	1,991.80
3	City of Gainesville	81.47	142.93	265.86	388.79	511.72	634.65	880.51	1,126.37	1,249.30	2,478.60
4	Lake Apopka Natural Gas District	97.34	166.68	305.36	444.04	582.72	721.40	998.76	1,276.12	1,414.80	2,801.60
Regulated Natural Gas Companies:											
5	Florida City Gas [2]	86.41	147.82	270.64	393.46	516.28	639.10	884.73	1,130.37	1,253.19	2,481.38
6	Peoples Gas System, Inc. [3]	113.68	196.75	362.91	529.06	695.22	861.37	1,193.68	1,525.99	1,692.14	3,134.20
7	St. Joe Natural Gas Company	91.05	162.11	304.22	446.32	588.43	730.54	1,014.76	1,298.97	1,441.08	2,862.16

[1] Unless otherwise noted, amounts shown reflect standard residential rates, fuel or purchased gas adjustments in effect during January 2022 and are exclusive of utility taxes and franchise fees and, where appropriate, reflect inside the city limits service, all as reported by each indicated utility. This comparison is intended to show comparable charges for comparison purposes only and is not intended to be a complete listing of all rates and charges offered by each indicated utility.

Additionally, amounts shown were calculated using rates based on therms or ccf, assumed heat content of 1000 Btu/standard cubic foot; therefore, 1 ccf = 1 therm.

[2] Formerly City Gas Company of Florida who provide service to customers in Brevard County on the central east coast of Florida and in the Miami area in Dade and Broward Counties.

[3] Bills are based on Rate Schedules SGS for 1,000 therms and less and on Schedule GS-1 for 2,000 therms. The bills also include an energy conservation cost recovery factor and a storm recovery surcharge for each therm of consumption. Peoples Gas System, Inc. provides natural gas service to cities throughout Florida, including Orlando, Tampa, Lakeland, Jacksonville, Kissimmee, and St. Petersburg.

**REEDY CREEK IMPROVEMENT DISTRICT
WASTEWATER SYSTEM**

Inter-Utility Comparison of Typical Monthly Wastewater Bills [1]

	Utility	5/8" Meter Residential						2" Meter Commercial		
		3,000 Gallons	5,000 Gallons	7,500 Gallons	10,000 Gallons	15,000 Gallons	20,000 Gallons	50,000 Gallons	150,000 Gallons	500,000 Gallons
1	Reedy Creek Improvement District	\$16.75	\$25.73	\$36.96	\$39.20	\$39.20	\$39.20	\$295.50	\$886.50	\$2,955.00
	Other Florida Utilities:									
2	Brevard County Utilities [3]	36.64	46.12	57.97	69.82	79.30	79.30	423.83	1,271.50	4,238.33
3	City of Daytona Beach	34.88	52.22	73.90	95.57	138.92	182.27	494.71	1,446.71	4,778.71
4	City of Destin	35.92	40.12	45.37	50.62	61.12	71.62	178.81	432.81	1,321.81
5	Fort Pierce Utilities	33.29	44.79	59.17	73.54	73.54	73.54	312.60	887.60	2,900.10
6	Gainesville Regional Utilities	29.45	42.75	59.38	76.00	109.25	142.50	342.00	1,007.00	3,334.50
7	Hillsborough County [4]	32.81	43.59	57.07	59.76	59.76	59.76	408.17	1,224.50	4,081.67
8	Indian River County [5]	18.42	29.84	44.12	58.39	91.44	127.49	342.29	1,063.29	3,586.79
9	City of New Smyrna Beach	32.35	40.89	51.57	62.24	83.59	104.94	431.37	981.37	2,906.37
10	Orange County Public Utilities	31.55	40.07	50.72	61.37	78.41	78.41	338.99	764.99	2,255.99
11	City of Orlando [3]	36.33	46.51	59.24	71.96	92.32	92.32	404.93	1,214.79	4,049.29
12	Pinellas County [3]	37.59	50.69	67.07	83.44	83.44	83.44	506.90	1,520.70	5,069.00
13	City of Sarasota	47.80	63.98	85.86	107.73	107.73	107.73	585.80	1,460.80	4,523.30
14	St. Lucie County [3]	50.54	66.52	86.50	106.47	106.47	106.47	684.21	2,052.64	6,842.14
15	City of St. Petersburg	48.10	65.26	86.71	108.16	151.06	193.96	607.89	1,465.89	4,468.89
16	City of Tallahassee [2]	40.99	54.37	71.10	87.82	121.27	154.72	501.82	1,170.82	3,512.32

[1] Unless otherwise indicated, amounts shown reflect single-family residential and commercial service rates in effect during January 2022 and are exclusive of utility taxes or franchise fees, if any, and reflect "inside the City limits" service, all as reported by each indicated utility. This comparison is intended to show comparable charges for similar service for comparison purposes only and is not intended to be a complete listing of all rates and charges offered by each indicated utility.

[2] The City estimates maximum residential sewer charges annually based on water bills from December - March. The highest amount charged in any month during the following 12 months is the second highest water consumption during those previous 4 months.

[3] Commercial bill amounts are estimated based upon equivalent residential units. ERU amounts are determined by the utility and range from 5,000 to 7,000 gallons per month.

[4] Commercial bill amounts are estimated based upon ERCs which are derived by dividing the 12 month average daily wastewater flow in gallons by 300 gallons per day.

[5] Commercial bill amounts are estimated based upon equivalent residential units. The number of ERU's for each customer is determined by the County based on the customer's square footage. For comparison purposes, one ERU is assumed to be equivalent to 6,000 gallons.

**REEDY CREEK IMPROVEMENT DISTRICT
SOLID WASTE SYSTEM**

Inter-Utility Comparison of Typical Solid Waste Bills [1]

Utility	Charge Per Pickup (Container)			
	2 Cubic Yard	4 Cubic Yard	6 Cubic Yard	8 Cubic Yard
1 Reedy Creek Improvement District	n/a	n/a	\$33.73	\$38.03
Other Florida Utilities:				
2 City of Clearwater ^[2]	\$34.59	\$53.74	\$72.67	\$91.75
3 City of Kissimmee	\$16.90	\$30.64	\$42.03	\$51.06
4 City of Lakeland	\$10.50	\$21.00	\$31.50	\$42.00
5 City of Fort Pierce ^[2]	\$17.57	\$30.26	\$40.37	\$48.62
6 City of Ocala ^[2]	\$18.50	\$31.56	\$43.81	\$54.42
7 City of Orlando ^[2]	\$14.92	\$29.84	\$44.75	\$59.67
8 City of Tampa	\$33.80	\$63.53	\$92.86	\$122.19

[1] Unless otherwise indicated, amounts shown reflect commercial service rates in effect during January 2022, and are exclusive of utility taxes or franchise fees, if any, and reflect "inside the City limits" service, all as reported by each indicated utility. This comparison is intended to show comparable charges for similar service for comparison purposes only and is not intended to be a complete listing of all rates and charges offered by each indicated utility.

[2] For comparative purposes, the single charge per pickup was calculated based on the utility's monthly rate for one pickup per week and 4.33 weeks per month.

Table 6-6

REEDY CREEK IMPROVEMENT DISTRICT
UTILITIES DIVISION
Actual Operating Results ^[1]
Fiscal Year Ended September 30, 2021

Ln. No.	Description	2021 Amounts
	Operating Revenues	
	Utility Sales:	
1	Walt Disney World Sales	\$124,943,103
2	Other Outside Sales	29,761,915
3	Inter-Departmental Sales	14,644,446
4	Prior Year Fuel Adjustment	0
5	Other - Recycling	202,411
6	Connect Fees	9,500
7	Total Operating Revenues	\$169,561,375
	Operating Expenses	
8	Purchased Power and Fuel	\$52,402,524
9	Utility Expense	14,644,446
10	Labor Support	27,341,764
11	Operating Materials	14,968,609
12	Outside Services - Landfill	3,018,891
13	Planned Work Expense	1,405,287
14	Gross Receipts Tax	2,424,237
15	Insurance	1,064,991
16	Total Operating Expenses	\$117,270,749
17	Net Operating Income Exclusive of Depreciation	\$52,290,626
18	Other Non-Operating Income Available for Debt Service	215,885
19	Investment Income on Sinking Fund	235,403
20	Balance Available for Debt Service	\$52,741,914
	Debt Service	
21	Principal	\$25,630,000
22	Interest (paid from Revenue Fund)	5,905,126
23	Total Debt Service	\$31,535,126
24	Capital Contributions	(1,429,972)
25	RR Fund Requirements	(1,120,999)
26	Additional Capital Requirements Paid from Revenues	13,526,533
27	Inventory	(2,031,950)
28	Balance Available for Other Lawful Purposes	\$12,263,176
29	DEBT SERVICE COVERAGE ^[2]	1.67

[1] Data provided by the District; amounts are presented on a flow of funds basis as prescribed by the Indenture and do not necessarily match the amounts shown on the audited financial statements.

[2] Debt Service Coverage is calculated based on:

Line No. 20 which is **Balance Available for Debt Service** = \$52,741,914 divided by
Line No. 23 which is **Total Annual Debt Service** = \$31,535,126.