

EXHIBIT 5

Government Operations of the RCID

The bulk of the RCID's governmental functions were provided under its building department, fire department, planning and engineering department, environmental department, utilities department, and facilities department. Until about 1985, the planning and engineering department and the environmental department were a single department.

1. Building Department

The Building Department provided building permit regulation for facilities (buildings/structures), area development (outside of buildings), swimming pools, and rides. Other regulations applied to motion pictures and television sound stages, and the EPCOT Building Codes created additional requirements for elevators, moving sidewalks and transporting devices. Together with Emergency Services personnel, the Building Department was to re-inspect each building within the District on an annual basis to ensure that all emergency systems were operable and that buildings were maintained in accordance with applicable codes.

2. Fire Department

One of the largest operations the RCID undertook was the provision of fire services. The Reedy Creek Fire Department (RCFD) was established in 1968 to provide fire prevention and fire protection to the District. Basic ambulance service began in 1971, followed by advanced life support service in 1976. Reedy Creek Fire Department maintained four fire stations located throughout the District and provided fire, rescue, and emergency management services. The Reedy Creek Fire Department Fire Prevention Division was established in 1968 to enforce the EPCOT Fire Code and ensure the fire and life safety of the public.

3. Planning and Engineering Department

The RCID Planning and Engineering Department consisted of seven primary areas: planning, engineering, permitting, traffic management, permit compliance, property oversight, and interagency coordination. The Department's responsibilities included the District's Comprehensive Plan and the development and enforcement of the District's land development regulations. This Department also prepared the RCID Comprehensive Plan, which established the long-range plans for the District. The Department evaluated and planned infrastructure needed to support development within the District into the future. The Department was responsible for obtaining and overseeing various agency permits, administration of the District's flood control system (water quantity and flow), municipal separate storm sewer system (water quality), roadway facilities, and traffic management. The Department performed regulatory reviews and permitting. Staff held pre-application meetings with development teams, reviewed site plan applications and project demands for infrastructure, ensured required external agency permits were obtained, and inspected construction sites to ensure compliance with planning and environmental requirements. The Department provided assistance to support the District Administrator's and Board of Supervisors' efforts regarding: District annexation and de-annexation; capital improvements; property ownership; acquisition, lease, and disposal; and use of District property under license agreements and easements.

4. Environmental Department

The District's Environmental Department oversaw, monitored, and controlled the District's water quality, lake management, aquatic plants and ecosystems, and conducted potable water line clearance testing for all new construction and potable water line repair. The Department worked to ensure water quality and to meet federal and state water quality standards and provided data to the Florida Department of Environmental Protection. Also, the Department handled control of mosquitoes and other pests.

5. Utilities Department

The RCID had authority over eight principal utilities. Over the past 50 years, the RCID's operation and ownership of those facilities has had a curious history. Reedy Creek Energy Services ("RCES")¹ was and is a wholly owned subsidiary of the Walt Disney Company. From April 1, 1974 to September 30, 1987, RCES owned and operated the District's electric system for the generation and distribution of electric 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 natural gas distribution system, and fuel oil storage and distribution facilities. During this period, the RCID owned the sewer and solid waste system but contracted with RCES to manage the operation and maintenance of the sewer and solid waste system. This meant that RCES was providing the utility services throughout the District.

Then, on October 1, 1987 with later amendments in 1990, 1991, and 1997, the RCID leased from RCES, for \$5,500,000 per year, the electric, natural gas, water, chilled water and hot water utility systems (the "RCES Lease"). On January 1, 1999, the RCID leased from The Walt Disney Company additional chilled water assets for \$700,000 per year which lease expired on December 31, 2008. Both leases gave the RCID the right to purchase the leased assets. The RCID exercised the right to purchase the assets under the RCES Lease and took ownership of those assets on July 29, 2003. The RCID issued \$69.605 million in bonds to finance the purchase of the RCES Lease assets and certain capital improvements. There is no record of RCID conducting any due diligence on the nearly \$70 million purchase price of these assets. It appears that the relationship between RCID and Disney was so enmeshed at this time, that RCID accepted Disney's price without independently valuing the underlying assets. The lack of due diligence deprives the public and District taxpayers of transparency and accountability for utility purchase.

Both during ownership of the utility assets by Disney and after the RCID purchased the assets, RCES operated the utility system for the RCID. Historically, the labor services agreement between the RCID and RCES was approved on a year-to-year basis. Rates for the utilities were established at public hearings held by the Board of Supervisors of the District; usually during the month of September each year. However, on February 8, 2023, that agreement was amended and restated to extend the term for ten years, through September 30, 2032.

¹ In the early history of the RCID, RCES was known as the Reedy Creek Utilities Company "RCUC." For purposes of this Report, "RCES" is used to describe this entity regardless of whether it was known as "RCUC" or "RCES" at the time in question.

6. Facilities Department

The Facilities Department provided the operation and maintenance of parking facilities, street lighting, and related facilities and construction management for larger District infrastructure projects, as well as providing other services in support of District operations and other departments.

7. Other Departments/Operations

Finance, technology services, human resources, procurement and contracting, risk management and communications provided support for the aforementioned Departments.