

TIFA

DECEMBER 1, 2016

AGENDA

TIFA LLC MEETING AGENDA
December 1, 2016
11:00 a.m.
MEETING LOCATION
CITY OF TITUSVILLE
WATER RESOURCES
2836 GARDEN STREET – TITUSVILLE, FLORIDA

Roll Call

Action Items

- I. Approval of the Minutes of the TIFA LLC Meeting of October 20, 2016
(Presenter: James Perry)
- II. Consideration of Audit Engagement Letter from Moore, Stephens Lovelace,
P.A. (Presenter: Pat Gagliardi)

Financial Items and Reports

- III. Ratification of Expenses Paid from Operating Account and Request for
Reimbursement (Presenter: James Perry)
- IV. Presentation of 2017 Budget with Consideration of Approval (Presenter:
James Perry)

Staff Reports / Informational Items

- V. Update on Rail Trail Project (Presenter: Andy Jantzer)
- VI. Area IV Phase 2 Update (Presenter: Sean Stauffer)

Other Business

Public Comment

Next Scheduled Meeting

Open Items

Adjournment

FIRST ORDER OF BUSINESS

Date: December 1, 2016

To: TIFA LLC Management Committee

From: Sarah Sweeting, GMS, LLC

Subject: Approval of Minutes – October 20, 2016 TIFA LLC Meeting

Summary Explanation & Background: The draft minutes of the October 20, 2016 TIFA LLC meeting were previously circulated for review. The minutes of the TIFA LLC meeting are presented for review and approval. Since the draft minutes were circulated, on October 28, 2016 comments were received from Farmton Water Resources / Miami Corporation and on October 31, 2016, comments were received from the City of Titusville. No other comments have been received.

Source of Funds: This action requires no funds.

Minutes of TIFA LLC Meeting
October 20, 2016
11:00 a.m.
City of Titusville Water Resources
Mourning Dove Water Plant
2836 Garden Street
Titusville, Florida 32796

Persons in Attendance

Mike Brown, Miami Corporation, TIFA Management Committee Member
Jim Ball, City of Titusville, TIFA Management Committee Member
Sean Stauffer, City of Titusville, Water Resources Director
Richard Broome, City of Titusville, City Attorney
Andrew Jantzer, City of Titusville, Water Resources Deputy Director
Anna Abreu-Ochoa City of Titusville
Barbra Goering, Farmton Water Resources (by telephone)
Susan Pattock, Farmton Water Resources (by telephone)
Helen Hutchens, Miami Corporation (by telephone)
Jim Perry, GMS LLC

Jim Perry conducted the meeting.

Action Items

I. Approval of the Minutes of the TIFA LLC Meeting of September 29, 2016

Member Ball moved to approve the September 29, 2016 meeting minutes. Member Brown concurred and the motion passed.

Financial Items and Reports

II. Ratification of Expenses Paid from Operating Account and Request for Reimbursement (Presenter: James Perry)

Mr. Perry stated, next is ratification of expenses paid from operating account and request for reimbursement. Included in the agenda package are those costs totaling \$10,526.95 the bulk of which is for FP&L monthly billings and City of Titusville various work orders.

Member Brown moved to ratify the expenses paid from operating account and request for reimbursement in the amount of \$10,526.95. Member Ball concurred and the motion passed.

III. Presentation of Third Quarter Financial Statements (Presenter: Helen Hutchens)

Ms. Hutchens stated, there are a couple items I wish to highlight to the members. The budget versus actual profit and loss does not include the operations and maintenance work orders for the City of Titusville for September. Due to the hurricane and a couple other matters going on at the City, we just received the work orders today and will get those numbers updated and provide updated September financials once they are available. That was the only item we were unable to get incorporated prior to the meeting. Everything else has been incorporated including our final capital contribution that was approved at the September meeting.

Member Brown moved to accept the third quarter financial statements subject to the updated September financials. Member Ball concurred and the motion passed.

IV. Consideration of Capital Distribution Notice (Presenter: Helen Hutchens)

Ms. Hutchens stated, we have now completed the capital contributions related to construction of both Phase 1 and 2 of the wellfield and it was decided some time ago that we would hold off on distributing any money out of TIFA before those capital contributions were completed. Now that we have completed those contributions, staff has discerned a cash balance that would be necessary to handle the maintenance items as they come up. The attachment to the capital distribution notice indicates our current cash balance, expected cash needs that have already been approved for payment, and maintenance cash balance that we need to maintain in order to ensure that TIFA can handle any emergency situation. That brings us down to the available distributable cash and it is the recommendation of the staff of Farmton and City of Titusville that we distribute \$1.34 million and it will be distributed one-half to Titusville and one-half to Farmton Water Resources.

Ms. Goering stated, it appears that the notice needs to be signed at the meeting.

Ms. Hutchens stated, yes and with that final authorization Mike will be able to cut checks to both the City of Titusville and to Farmton Water Resources.

Member Brown moved to approve capital distribution notice. Member Ball concurred and the motion passed.

Staff Reports/Informational Items

V. Update on Rail Trail Project (Presenter: Andy Jantzer)

Mr. Jantzer stated, for a two-week work projection the contractor has initiated the clearing and grubbing of the north segment. We have a city inspector assigned to check in regularly with the field personnel of the general contractor and they are working that out right now. The design engineer on the design/build team has informed us and the rest of the stakeholders that they are basically comparing issuing periodic releases of working versions of the drawings to provide design guidance and that is short term as they see things pop up they are

actually issuing revised drawings as conditions require. Basically they are going to follow the clearing and grubbing and continue to conduct unofficial releases of working drawings that are basically considered construction contractor guidance drawings. That would be an intermediary step between the 100% approved drawings and the as-builts. The city is on the distribution list for those drawings so we are getting the latest information from the design engineer with regard to working drawings and we recently did a review of them and there are no sweeping changes, they are just making minor alignment adjustments as they promised to try to optimize the location of the trail versus the valve boxes and fiber optic pull boxes so the utilities are either fully in asphalt or fully outside of asphalt but not in any zones that are in-between.

Mr. Stauffer stated, I wanted to add one more thing and this came in a few minutes ago so Andy is not aware of it but I wanted to make TIFA aware. A week or two ago we had maintenance folks in the wellfield and they took a picture of what looks like clearing and grubbing activities and a well and we just now realized that the wellhead that you see is a City of Titusville well and I believe that was drilled a couple years ago and we were looking at that to be a blending well. We had done a project with St. Johns River Water Management District to see if we could bring on some brackish wells to blend with the Area IV water and we did the test and found it wasn't a reliable source for brackish water so the wellhead is still there. Clearly you can see from the picture an existing well with the City of Titusville and a cleared area and a large pile of brush. What we determined is that underneath that pile of brush is salt water monitoring Well 4 that is owned by TIFA. I also have a location map that I will provide to Chicago. One good piece of news is the well is below ground so the pile of material on top of it they haven't destroyed anything but we don't have access to it at this point. We also have data loggers in there so we only need to access it once a month it is still monitoring but we aren't really sure exactly where it is in the pile of debris and what shape it is in. I learned about an hour ago that we had contact from a gentleman with Goodson Paving and apparently this clearing is associated with installing culverts. I know there is rail trail work going on there and there is also some access path for Miami Corp.

Member Brown stated, that is our access.

Mr. Stauffer stated, then that is your guy. Do you know a gentleman named Robert?

Member Brown stated, I don't but if he is the equipment operator who has been onsite then we will have that addressed by our engineer who is overseeing that job.

Mr. Ball stated, to be sure it is clear to me this is Titusville's well not TIFA's and it is not needed.

Mr. Stauffer stated, that is correct, that is the City of Titusville asset.

Member Ball asked are you going to cap it off or is it going to sit like that?

Mr. Stauffer stated, I'm not sure what the status of the well is. We will go back and check it may have been abandoned I'm not sure but we will find out the history on it.

Member Ball stated, but that is on the city's nickel not TIFA's?

Mr. Stauffer stated, absolutely.

Member Ball stated, the monitoring well is essential to continuing TIFA operations under the pile so that needs to be protected that Mike said he will take care of.

Member Brown stated, and uncover it quickly.

Mr. Stauffer stated, I think also we invited Robert he is in contact with Richard Crum we have invited him to our offices and we will get him maps of the locations of all the salt water monitoring wells.

Member Brown stated, the survey group should have located any of that stuff right there prior to the construction on our crossing and those culverts so I will make sure that connection is made.

Member Ball asked what is the infrastructure above ground associated with the salt water monitoring wells? The wells are underground how do you know it is there?

Mr. Stauffer stated, I believe there is a concrete collar and valve box lid.

Member Brown stated, if that is something that was being monitored it would have been very visible if it is within that corridor until the first time the dozer made a trip.

Mr. Stauffer stated, I just wanted to bring that up so that we could identify whose new project it was.

VI. Area IV Phase 2 Update (Presenter: Sean Stauffer)

Mr. Stauffer stated, nothing on the well drilling project. Moving onto the pipeline and well outfitting, we did find out last week that the independent welding inspections that occurred for the new wellheads had passed. The schedule for replacement of those wellheads has been postponed because of the hurricane. We are looking at starting the first week of replacements on October 24th the schedule will be the same as we proposed before where two wells will be shut down on a Monday, the wellheads replaced then Tuesday morning we will go through calibration testing for those wells. We have also rearranged the schedule according to recommendations during the last TIFA meeting where WR-8 will go first and that will save us having to Bac-T the well twice. That was an excellent recommendation and will save us some time and effort.

We have also received some guidance regarding the paint and rust issues on the wellheads, we received some guidance from our Tenemec rep. The recommendation from the rep was to handle the repainting outside of this work with the wells. There is concern if we do the repainting now running the wells will cause condensation on the pipe and that will hamper applying a good coat of paint. Staff has agreed to move the repainting to the January/February timeframe and under that timeframe hopefully the groundwater and air temperature will be similar and we will have less of a condensation issue. What we are hoping to avoid is having to shut down the wells multiple days because of the painting. The extra time will also give us the opportunity to review the contractor's plan of action for painting. We want to make sure when they go through and repaint that what they are doing is appropriate and we get a long life out of this repainting.

We also have agreed that the fencing and concrete repair that needs to be taken care of the contractor plans to handle that during the repainting process. We will provide more information over the next few meetings about what the plans are for the painting and how that will occur.

I wanted to say a few things about the hurricane. Area IV was operated on generator during the hurricane. We have three generators and the three generators worked well, they have no issues with operations and were able to produce water throughout the storm. It took us about five days before we were able to get back on FP&L. We understand what an isolated area that is, access is an issue. Saturday we had workers try to access the wells and wellfield to see what had happened and they were not able to get through on Maytown Road.

Member Brown stated, east of 95 in that area that goes through the bottom end at Turnbull Hammock was just battered. I have never seen anything from any of the rest of the storms that looked quite like that. They just got that cleaned back up and a lot of the power poles are still in shambles.

Mr. Stauffer stated, we thought the roads out at Area IV would be the difficulty and it wasn't it was just getting to the wellfield itself was the problem. Luckily Pike had come through so we were able to access the wells on Sunday. The generators have a 400 gallon tank and they can run about three days without refueling. On Sunday we started making trips to go and refuel them and unfortunately Water Production only has a 100 gallon tank on their truck so were making multiple trips. During one of our after action meetings at the city we found that another one of our divisions has a 300 gallon tank that you mount on the back of a truck. It is not a permanent mount so we are going to look at that to see if it will do the task but we definitely need to have a larger tank so we can limit the number of refueling trips.

Member Ball stated, for the record kudos to city staff for responding well in their first test employing emergency procedures to make sure that the wells continued to operate and provide water to the customers.

Member Brown stated, I would say that too for the whole east coast of Florida's EMS from Brevard County north particularly.

Other Business

Public Comment

Next Scheduled Meeting

The next meeting will be held December 1, 2016.

Open Items

Adjournment

Member Brown moved to adjourn the meeting at 11:27 a.m. Member Ball concurred and the meeting adjourned.

SECOND ORDER OF BUSINESS



MOORE STEPHENS
LOVELACE CPAs & ADVISORS

November 21, 2016

VIA EMAIL: pgagliardi@miamicorp.com

Mr. James Ball, Manager
TIFA LLC
2836 Garden Street
Titusville, FL 32796

and

Mr. Michael Brown, Manager
TIFA LLC
P.O. Box 70
Edgewater, FL 32132

Dear Messrs. Ball and Brown:

We are pleased to serve TIFA LLC (the "Organization") as its independent certified public accountants. This letter confirms our understanding of the scope and the terms of our engagement.

We will audit the financial statements of the Organization as of December 31, 2016, for the year then ending. We are planning to have the audit fieldwork substantially completed and to have communicated any audit adjustments to management on or before January 23, 2017.

AUDIT OBJECTIVE

The objective of our audit is the expression of an opinion about whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of your accounting records and other procedures we consider necessary to enable us to express such an opinion. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If circumstances occur related to the condition of your records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements caused by error, fraudulent financial reporting, or misappropriation of assets, which, in our professional judgment prevent us from completing the audit or forming an opinion on the financial statements, we retain the right to take any course of action permitted by professional standards, including declining to express an opinion or issue a report, or withdrawing from the engagement.

AUDIT PROCEDURES

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. We may also request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from management about the financial statements and related matters.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Organization or to acts by management or employees acting on behalf of the Organization.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under our professional standards.

MANAGEMENT RESPONSIBILITIES

The Organization and its management are responsible for making all management decisions and performing all management functions; for designating an individual with suitable skills, knowledge, or experience to oversee tax services or any other non-attest services we may provide; and for evaluating the adequacy and results of those services and accepting responsibility for them.

The Organization and its management are responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles. The Organization and its management are also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. The Organization and its management are responsible for providing us with (1) access to all information of which you/they are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the Organization from whom we determine it necessary to obtain audit evidence.

The Organization's and management's responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

As part of our engagement, we may propose standard, adjusting, or correcting journal entries to your financial statements. The Organization and its management are responsible for reviewing the entries and understanding the nature of any proposed entries and the impact they have on the financial statements.

The Organization and its management are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud or allegations of fraud affecting the Organization involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. The Organization's and management's responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Organization received in communications from employees, former employees, regulators, or others. In addition, the Organization and its management are responsible for identifying and ensuring that the entity complies with applicable laws and regulations. The Organization and its management are responsible for the preparation of the supplementary information in conformity with U.S. generally accepted accounting principles. The Organization and its management agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. The Organization and its management agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon.

The Organization and its management are also responsible to notify us in advance of your intent to print our report, in whole or in part, and to give us the opportunity to review such printed matter before its issuance.

With regard to electronic dissemination of audited financial statements, including financial statements published electronically on your Internet website, you understand that electronic sites are a means of distributing information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information in the electronic site with the original document.

You acknowledge that as a condition of our agreement to perform an audit, you and the Organization's management agree to the best of your knowledge and belief to be truthful, accurate, and complete in the representations you make to us during the course of the audit and in the written representations provided to us at the completion of the audit.

Because of the importance of management's representations, contained in your representation letter to us, to the effective performance of our services, the Organization will release Moore Stephens Lovelace, P.A. and its personnel from any claims, liabilities, costs and expenses relating to our services under this letter attributable to any misrepresentations in the representation letter referred to above or made to us by any member of management. In addition, the Organization further agrees to indemnify and hold us harmless for any liability and all reasonable costs, including legal fees, that we may incur as a result of the services performed under this engagement in the event there are known misrepresentations made to us by any member of the Organization's management

ENGAGEMENT ADMINISTRATION AND OTHER

We understand that your employees will prepare all confirmations that we request and will locate any documents selected by us for testing. You are responsible for any costs or fees charged by the organization(s) or individual(s) responding to the confirmation request.

Farlen Halikman is the engagement shareholder and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

Moore Stephens Lovelace, P.A. and Moore Stephens Tiller, LLC have been defined as a network within an association under the AICPA *Rules of Professional Conduct*. You confirm to us that you are not aware of any prohibited relationship that would impair our independence under the AICPA *Rules of Professional Conduct* between our Firm and Moore Stephens Tiller, LLC and its employees. We are also not aware of any such relationships.

TAX SERVICES

We will prepare Form 1065, *U.S. Return of Partnership Income*, from information furnished to us by you for the year ending December 31, 2016.

We may furnish you with questionnaires and/or worksheets to guide you in gathering the necessary information. Your use of such forms will assist in keeping our fee to a minimum.

Our work in connection with the preparation of your income tax return does not include any procedures designed to discover fraud or other irregularities, should any exist. We will not audit or otherwise verify the data you submit, although it may be necessary to ask you for clarification of some of the information. As part of our engagement, we may propose standard adjusting or correcting journal entries to your tax information. You are responsible for reviewing the entries and understanding the nature and impact they have on your return. You are also responsible for management decisions and functions, and for designating a competent employee to oversee any services we provide. You are responsible for evaluating the adequacy and results of the services performed and accepting responsibility for such services.

It is your responsibility to provide all the information required for the preparation of a complete and accurate return. You should retain all the documents and other data that form the basis of preparing the return. These may be necessary to prove the accuracy and completeness of the return to a taxing authority. You have the final responsibility for the return and, therefore, you should review it carefully before you sign it. You are responsible for establishing and maintaining internal controls, including monitoring ongoing activities. This responsibility includes the establishment and maintenance of adequate records and effective internal controls over tax reporting and the tax positions taken in the return. If this review brings items to your attention which you do not understand, or if items of expense or income are not reflected, you should contact us before mailing the return.

We will send you the necessary forms to sign which authorize us to electronically transmit your return to the government on your behalf. If you would prefer to mail your return, just let us know and we will provide you with a paper copy of the return to send to the government.

We will use our professional judgment in resolving questions where the tax law is unclear, or where there may be conflicts between the taxing authorities' interpretations of the law and other supportable positions. Unless otherwise instructed by you, we will resolve such questions in your favor whenever possible.

Because a partnership is an entity whose tax attributes flow through to its partners, the penalty for substantial understatement of tax relating to partnership items may be imposed on the partners.

Your return may be selected for review by the taxing authorities. Any proposed adjustments by the examining agent are subject to certain rights of appeal. In the event of such government tax examination, we will be available, upon request, to represent you and will render additional invoices for the time and expenses incurred. Certain communications involving tax advice between you and our Firm may be privileged and not subject to disclosure to the IRS. By disclosing the contents of those communications to anyone, or by turning over information about those communications to the government, you may be waiving this privilege. To protect your right to privileged communication between you and our Firm, please consult with us or your attorney prior to disclosing any information about our tax advice.

Our tax preparation services will be performed in accordance with applicable professional standards, including the Statements on Standards for Tax Services issued by the American Institute of Certified Public Accountants. We will advise management with regard to tax positions taken in the preparation of the tax return, but management must make all decisions with regard to those matters. The Organization and its management agree to assume all management responsibilities for this non-attest service that we provide; oversee the services by designating an individual, preferably from senior management, with suitable skills, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

FEES - Our fees are based on the tasks required, time spent, and level of expertise of the staff used to perform this engagement. Based on our proposal, the fee will not exceed \$15,000 for the audit and tax return services described herein. This fee includes labor, materials, equipment, travel, lodging and incidentals. Should the actual time spent on the audit and/or tax return fall below the estimated fees, the Organization will be billed based on actual hours. This estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement.

These fees will be invoiced on an interim basis during the progress of our engagement. Invoices are due within ten (10) days of the invoice date. Any remaining balance is due upon delivery of the final product.

Any subsequent discussions, conferences, telephone conversations, correspondence or related services will be invoiced separately.

This estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. Additionally, you will be responsible for any reasonable costs incurred, including, but not limited to, telephone, copying, binding, postage, computer services, overnight mail, and courier services. Furthermore, if an extension is required to be filed, the charge will be billed separately.

In the event we are requested or authorized by the Organization or are required by government regulation, subpoena, or other legal process to produce our documents or our personnel as witnesses with respect to our engagements for the Organization, the Organization will, so long as we are not a party to the proceeding in which the information is sought, reimburse us for our professional time and expenses, as well as the fees and expenses of our counsel, incurred in responding to such requests.

A service charge of 1.5 percent per month will be assessed on any invoice not paid within thirty (30) days of the invoice date. We reserve the right to halt further services until payment on past due invoices is received. In the event that collection procedures are required, you agree to pay all expenses of collection, including collection efforts by our staff, which will be billed at our standard hourly rates, and all attorney's fees and costs actually incurred by our Firm in connection with such collection, whether or not suit is filed thereon. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed even if we have not issued our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

INITIAL DEPOSIT DUE - We require an initial deposit in the amount of \$5,000 for this engagement.

LAW - This agreement will be interpreted in accordance with Florida law and the terms and conditions as required by the Florida Board of Accountancy, where applicable.

You agree that our maximum liability to you for any negligent errors or omissions committed by us in the performance of the engagement will be limited to three times the amount of our fees for this engagement, except to the extent determined to result from our gross negligence or willful misconduct.

The workpapers for this engagement are the property of Moore Stephens Lovelace, P.A. and constitute confidential information. However, we may be requested to make certain workpapers available to government officials or others pursuant to authority by law or regulation. If requested, access to such workpapers will be provided under the supervision of Moore Stephens Lovelace, P.A. personnel. We do not waive any rights or privileges granted under federal or state law, statutes, or regulation with regard to client/accountant privileges.

MEDIATION - Parties to this engagement agree that any dispute that may arise regarding the meaning, performance, or enforcement of this engagement will, prior to resorting to litigation, be submitted to mediation upon the written request of any party to the engagement. In the event that the parties cannot agree to a mediator, each will choose one and the two will choose a third, who will serve as sole mediator. The results of this mediation shall be binding only upon agreement of each party to be bound. Costs of any mediation proceeding shall be shared equally by both parties.

TERM - This engagement is for a limited period of time and is further limited by scope. Any other services performed on your behalf shall be by separate agreement. Our audit and tax engagements each end on the delivery of our audit report or tax return, respectively. Any follow-up services will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific engagement letter for that service. You agree that any claim arising out of this engagement letter shall be commenced within one (1) year of the delivery of the work product to you, regardless of any longer period of time for commencing such claim as may be set by law. A claim is understood to be a demand for money or services, the service of a suit, or the institution of arbitration proceedings against Moore Stephens Lovelace, P.A.

If at any time during the engagement, you fail to make prompt payments or cooperate with the staff performing this engagement, we reserve the right to suspend performance until such time as payment is made or cooperation resumes. Our engagement to serve as your independent auditor is contingent upon the results obtained from our client acceptance and continuance due diligence procedures. In the event circumstances arise that cause us to believe that we can no longer adequately meet our obligations, or if we believe that continued performance would require us to compromise our ethical standards, we reserve the right to immediately suspend or terminate this contract. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

You understand that if this contract is suspended or terminated, reports or documents may not be prepared timely, and you agree to hold Moore Stephens Lovelace, P.A. and its employees harmless for any damages suffered. In no event will our Firm be liable for incidental or consequential damages, even if we have been advised of the possibility of such damages.

NON-SOLICITATION - Your management and Moore Stephens Lovelace, P.A. acknowledge the importance of retaining key personnel. Accordingly, both parties agree that during the period of this agreement and for one year after its expiration or termination, neither party will (a) solicit any shareholder/partner or employee of the other party for employment or (b) employ any person who was a shareholder/partner or employee of the other party within four (4) months after the termination of their employment with the other party for any reason, without the advance written consent of the other party. In any case, if the individual becomes an employee of the other party within the non-solicitation period in violation of the foregoing, the other party agrees to pay the original employer a fee equal to 40 percent (40%) of the individual's annual compensation for the prior full twelve-month period of their prior employment. The fee is due thirty (30) days after the individual becomes an employee of the other party.

ENTIRE AGREEMENT - The terms and conditions set out in this engagement letter constitute the entire agreement between the parties and supersede any verbal or written agreements concerning the above-referenced services.

If the services and terms outlined above are in accordance with your understanding, please sign a copy of this letter and return it to us, along with the initial deposit of \$5,000. Upon receipt of your signed engagement letter and initial deposit, we will schedule your work.

We very much appreciate this opportunity to be of service to you. If you have any questions, please do not hesitate to contact us.

Sincerely,



MOORE STEPHENS LOVELACE, P.A.

The above terms and conditions are accepted and affirmed.

By: _____
(signature)

(print name and title)

Date: _____

By: _____
(signature)

(print name and title)

Date: _____

THIRD ORDER OF BUSINESS

**TIFA LLC
INVOICE APPROVAL BY MANAGERS**

WHEREAS, the undersigned are the duly appointed and acting Managers of TIFA LLC, which operates pursuant to that certain Limited Liability Company Operating Agreement of TIFA LLC dated May 24, 2010 ("Operating Agreement"); and,

WHEREAS, at a duly called and noticed public meeting of the Managers as indicated below, the undersigned approved the contract and/or authorized the expenditure as indicated below, and further authorized the managers to execute the Invoice Approval by Managers form reflecting such authorized expenditures in order to process payments.

Previous Authorizations

TIFA Meeting Date	Approved	Total Contract or Expenditure Authorized
12/01/16	Imprest Account Reimbursement from Depository Account	See Attached

NOW, THEREFORE, the Managers of TIFA LLC, based upon the previous TIFA authorizations, approve the following payments:

Invoice Description	Total Amount	Pursuant to Previous TIFA Authorization Date	Invoice Payment
Transfer to imprest account at Northern Trust ending *8866	\$17,894.11	12/01/16	To be Paid by TIFA upon this approval

Except as otherwise set forth herein, defined terms shall have the meaning set forth in the Operating Agreement. This Action may be executed in several counterparts, and all counterparts so executed shall constitute one Approval binding on all parties.

IN WITNESS WHEREOF, the undersigned represent and warrant that each is the duly authorized and appointed agent of TIFA LLC.

Mike Brown, Manager

Jim Ball, Manager

Date: _____, 2016

Date: _____, 2016

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11/21/16

TIFA LLC
Check Detail
October 14 through November 21, 2016

Type	Num	Date	Name	Item	Account	Paid Amount	Original Amount
Bill Pmt -Check	ACH	10/19/2016	Florida Department...		103.00 · Cash- Nort...		-4.89
Bill	27289...	10/01/2016			501.50 · O&M Parts ...	-4.89	4.89
TOTAL						-4.89	4.89
Bill Pmt -Check	1185	11/08/2016	CPH		103.00 · Cash- Nort...		-193.64
Bill	100187	10/14/2016			501.50 · O&M Parts ...	-193.64	193.64
TOTAL						-193.64	193.64
Bill Pmt -Check	1186	11/08/2016	Florida Power & Li...		103.00 · Cash- Nort...		-3,959.45
Bill	11526...	11/01/2016			511.00 · Utilities	-69.99	69.99
Bill	54213...	11/01/2016			511.00 · Utilities	-194.52	194.52
Bill	75317...	11/01/2016			511.00 · Utilities	-388.78	388.78
Bill	32610...	11/01/2016			511.00 · Utilities	-426.89	426.89
Bill	18790...	11/01/2016			511.00 · Utilities	-381.94	381.94
Bill	47893...	11/01/2016			511.00 · Utilities	-359.73	359.73
Bill	54996...	11/01/2016			511.00 · Utilities	-292.48	292.48
Bill	74008...	11/01/2016			511.00 · Utilities	-353.83	353.83
Bill	76646...	11/01/2016			511.00 · Utilities	-321.23	321.23
Bill	09060...	11/01/2016			511.00 · Utilities	-230.16	230.16
Bill	24869...	11/01/2016			511.00 · Utilities	-229.49	229.49
Bill	40983...	11/01/2016			511.00 · Utilities	-158.20	158.20
Bill	62400...	11/01/2016			511.00 · Utilities	-158.20	158.20
Bill	73681...	11/01/2016			511.00 · Utilities	-189.43	189.43
Bill	3665-...	11/01/2016			511.00 · Utilities	-204.58	204.58
TOTAL						-3,959.45	3,959.45
Bill Pmt -Check	1187	11/08/2016	The City of Titusville		103.00 · Cash- Nort...		-5,242.57
Bill	D-37	08/04/2016			501.00 · O&M Oper...	-174.90	174.90
Bill	D-36	08/08/2016			501.00 · O&M Oper...	-159.23	159.23
Bill	D-39	08/12/2016			501.00 · O&M Oper...	-120.08	120.08
Bill	S-15	08/16/2016			501.00 · O&M Oper...	-284.53	284.53
Bill	S-17	08/17/2016			501.00 · O&M Oper...	-135.74	135.74
Bill	S-16	08/22/2016			501.00 · O&M Oper...	-190.56	190.56
Bill	D-42	09/06/2016			501.00 · O&M Oper...	-318.48	318.48
Bill	R-302	09/07/2016			501.00 · O&M Oper...	-725.69	725.69
Bill	R-303	09/14/2016			501.00 · O&M Oper...	-569.07	569.07
Bill	D-43	09/16/2016			501.00 · O&M Oper...	-174.90	174.90
Bill	R-304	09/21/2016			501.00 · O&M Oper...	-409.83	409.83
Bill	R-305	09/21/2016			501.00 · O&M Oper...	-648.25	648.25

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11/21/16

TIFA LLC
Check Detail
 October 14 through November 21, 2016

Type	Num	Date	Name	Item	Account	Paid Amount	Original Amount
Bill	S-18	09/26/2016			501.00 · O&M Oper...	-127.91	127.91
Bill	D-44	09/27/2016			501.00 · O&M Oper...	-127.91	127.91
Bill	R-306	09/28/2016			501.00 · O&M Oper...	-475.10	475.10
Bill	R-307	09/28/2016			501.00 · O&M Oper...	-409.83	409.83
Bill	R-308	09/30/2016			501.00 · O&M Oper...	-190.56	190.56
TOTAL						-5,242.57	5,242.57
Bill Pmt -Check	1188	11/08/2016	The Colinas Group		103.00 · Cash- Nort...		-3,500.00
Bill	O-862-1	10/17/2016			502.04 · Hydrogeolo...	-3,500.00	3,500.00
TOTAL						-3,500.00	3,500.00
Check	1189	11/21/2016	Cardmember Service		103.00 · Cash- Nort...		-801.23
					203.50 · Northen Tr...	-801.23	801.23
TOTAL						-801.23	801.23
Bill Pmt -Check	1190	11/21/2016	The City of Titusville		103.00 · Cash- Nort...		-4,192.33
Bill	R-309	10/05/2016			501.00 · O&M Oper...	-383.74	383.74
Bill	R-310	10/05/2016			501.00 · O&M Oper...	-284.53	284.53
Bill	R-311	10/06/2016			501.00 · O&M Oper...	-190.56	190.56
Bill	R-319	10/07/2016			501.00 · O&M Oper...	-409.83	409.83
Bill	R-312	10/09/2016			501.00 · O&M Oper...	-383.74	383.74
Bill	R-313	10/10/2016			501.00 · O&M Oper...	-336.75	336.75
Bill	R-314	10/11/2016			501.00 · O&M Oper...	-336.75	336.75
Bill	R-315	10/12/2016			501.00 · O&M Oper...	-759.63	759.63
Bill	R-316	10/19/2016			501.00 · O&M Oper...	-409.83	409.83
Bill	R-320	10/24/2016			501.00 · O&M Oper...	-127.91	127.91
Bill	R-317	10/26/2016			501.00 · O&M Oper...	-378.50	378.50
Bill	R-318	10/31/2016			501.00 · O&M Oper...	-190.56	190.56
TOTAL						-4,192.33	4,192.33

FOURTH ORDER OF BUSINESS

TIFA LLC
 BUDGET
 2017

	Actual 2015	Budget 2016	Forecast 2016	Budget 2017	Proforma 2018	Proforma 2019
INCOME STATEMENT						
Revenues						
401.00 · Water Sales	\$ 464,650	\$ 1,192,598	\$ 1,109,474	\$ 1,150,006	\$ 1,148,517	\$ 1,147,543
402.00 · Interest / Dividends	38	12	59	36	36	36
Total Revenues	464,688	1,192,610	1,109,533	1,150,042	1,148,553	1,147,579
Expenses						
501.00 · O&M Operating Agreement	24,790	43,400	40,700	42,800	43,700	44,600
501.50 · O&M Parts & Labor	16,191	18,200	27,800	25,600	26,100	26,600
502.01 · Consulting	-	1,000	-	1,000	1,000	1,000
502.02 · Accounting & Tax	15,296	16,000	17,746	18,200	18,746	19,308
502.03 · Legal	-	5,000	-	5,000	5,000	5,000
502.04 · Hydrogeological services	-	7,500	3,500	7,500	7,500	7,500
503.00 · Managing Agent Fees	22,250	26,000	26,000	26,000	26,000	26,000
504.00 · Insurance (P&C / Liability)	53,282	76,946	70,030	68,546	71,701	75,251
505.00 · Miscellaneous Expense	148	500	185	500	500	500
506.00 · Depreciation Wellfield	99,043	246,243	243,601	243,601	243,601	243,601
507.00 · CUP Amortization	99,069	99,069	99,069	99,069	99,069	99,069
507.10 · FPL Amortization	18,173	29,048	29,048	29,048	29,048	29,048
508.00 · Wetland Monitoring Expense	4,129	3,679	3,679	3,679	3,789	3,903
509.00 · Wellfield Repair Expense	-	-	-	-	-	-
510.00 · Other Wellfield Expense	-	-	-	-	-	-
511.00 · Utilities	33,211	121,300	58,100	68,700	68,700	68,700
513.00 · Other Taxes	11,662	32,800	49,851	44,700	38,000	31,400
Total Expenses	397,244	726,685	669,309	683,943	682,454	681,480
Net Income	\$ 67,444	\$ 465,925	\$ 440,224	\$ 466,099	\$ 466,099	\$ 466,099
Water Rate Per Thousand Gallons	\$ 1.35	\$ 1.19	\$ 1.16	\$ 1.15	\$ 1.14	\$ 1.14

Note: Water rates are adjusted at December 1 to reflect actual costs and capital contributions placed in service.

TIFA LLC
 BUDGET
 2017

	Actual 2015	Budget 2016	Forecast 2016	Budget 2017	Proforma 2018	Proforma 2019
BALANCE SHEET						
Assets						
101.00-103.00 Cash	\$ 987,374	\$ 303,930	\$ 597,407	\$ 334,571	\$ 331,489	\$ 328,357
104.00 Accounts Receivable	92,333	-	-	-	-	-
105.00 Prepaid Insurance	21,718	19,923	17,622	18,275	19,174	20,123
110.00 · Consumptive Use Permit	1,981,386	1,981,386	1,981,386	1,981,386	1,981,386	1,981,386
110.50 · CUP Accumulated Amortization	(326,103)	(425,172)	(425,172)	(524,241)	(623,310)	(722,379)
115.00 · FPL Fee	871,452	871,452	871,452	871,452	871,452	871,452
115.50 · FPL Fee Accumulated Amort.	(53,262)	(82,310)	(82,310)	(111,358)	(140,406)	(169,454)
120.00 · Easements	344,379	333,833	333,883	333,883	333,883	333,883
125.00 · Mitigation Credit	139,200	139,200	139,200	139,200	139,200	139,200
130.00 · Monitoring Wells	486,682	464,566	486,683	486,683	486,683	486,683
130.50 · A/D Monitoring Wells	(40,448)	(55,780)	(56,671)	(72,894)	(89,117)	(105,340)
135.00 · Area IV Wellfield Phase 1	1,814,563	1,814,563	1,814,563	1,814,563	1,814,563	1,814,563
135.50 · A/D - Wellfield Phase 1	(189,527)	(250,013)	(250,012)	(310,497)	(370,982)	(431,467)
140.00 · Area IV Wellfield Phase 2	5,006,788	5,108,161	5,070,559	5,070,559	5,070,559	5,070,559
140.50 · A/D - Wellfield Phase 2	(25,530)	(199,936)	(192,423)	(359,316)	(526,209)	(693,102)
150.00 · Wellfield Assets-Inactive	164,932	164,932	164,932	164,932	164,932	164,932
Total Assets	\$ 11,275,937	\$ 10,188,735	\$ 10,471,099	\$ 9,837,198	\$ 9,463,297	\$ 9,089,396
Liabilities						
201.01 · A/P Trade	\$ 2,275	\$ -	\$ -	\$ -	\$ -	\$ -
202.00 · Contract Payable	430,932	-	-	-	-	-
Equity						
301.00-302.00 · Contributed Capital	10,496,666	11,021,809	11,024,811	11,024,811	11,024,811	11,024,811
303.00 · Member's Equity	346,064	(833,074)	(553,712)	(1,187,613)	(1,561,514)	(1,935,415)
Total Liabilities and Equity	\$ 11,275,937	\$ 10,188,735	\$ 10,471,099	\$ 9,837,198	\$ 9,463,297	\$ 9,089,396

TIFA LLC
BUDGET
2017

	Actual 2015	Budget 2016	Forecast 2016	Budget 2017	Proforma 2018	Proforma 2019
CASH FLOWS						
Cash Flows from Operating						
Net Income (Loss)	\$ 67,444	\$ 465,925	\$ 440,224	\$ 466,099	\$ 466,099	\$ 466,099
Adjustments to net income (loss)						
Depreciation and amortization	216,285	374,360	371,719	371,718	371,718	371,718
Changes in operating assets/liabilities						
Accounts receivable	(25,306)	-	92,333	-	-	-
Prepaid expenses	(11,758)	2,017	4,096	(653)	(899)	(949)
Accounts payable	289	-	(2,275)	-	-	-
Contracts payable	-	-	(430,932)	-	-	-
Net Cash from Operating	246,954	842,302	475,165	837,164	836,918	836,868
Cash Flows from Investing						
Purchase of Wellfield and related assets	(3,641,769)	(233,659)	(64,438)	-	-	-
Cash Flows from Financing						
Member capital contributions	3,263,639	-	539,306	-	-	-
Member distributions	-	(1,710,000)	(1,340,000)	(1,100,000)	(840,000)	(840,000)
Net Cash Flows from Financing	3,263,639	(1,710,000)	(800,694)	(1,100,000)	(840,000)	(840,000)
Net Increase (Decrease) in Cash	(131,176)	(1,101,357)	(389,967)	(262,836)	(3,082)	(3,132)
Cash Beginning of year	1,118,550	1,405,287	987,374	597,407	334,571	331,489
Cash End of year	\$ 987,374	\$ 303,930	\$ 597,407	\$ 334,571	\$ 331,489	\$ 328,357