



**TRADITION/SOUTHERN GROVE  
IRRIGATION SYSTEM RATE  
COMMITTEE  
PORT ST. LUCIE  
JANUARY 7, 2026  
9:00 A.M.**

Special District Services, Inc.  
The Oaks Center  
2501A Burns Road  
Palm Beach Gardens, FL 33410

[www.traditioncdd1.org](http://www.traditioncdd1.org)  
[www.southerngrovecdd1.org](http://www.southerngrovecdd1.org)

561.630.4922 Telephone  
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**AGENDA**  
**TRADITION/SOUTHERN GROVE IRRIGATION SYSTEM RATE COMMITTEE**  
**Tradition Town Hall**  
**10799 SW Civic Lane**  
**Port St. Lucie, FL 34987**  
**COMMITTEE MEETING**  
**January 7, 2026**  
**9:00 a.m.**

- A. Call to Order
- B. Proof of Publication.....Page 1
- C. Establish Quorum
- D. Additions or Deletions to Agenda
- E. Public Comment
- F. New Business
  - 1. Approval of January 8, 2025, Committee Meeting Minutes.....Page 3
  - 2. Irrigation Water System Revenue Sufficiency Study FY:2026.....Page 5
- G. Adjourn

**TRADITION COMMUNITY DEVELOPMENT DISTRICT NOS. 1-11**  
**MEETING SCHEDULE FOR FISCAL YEAR 2025/2026**

**NOTICE IS HEREBY GIVEN** that the Tradition Community Development District Nos. 1-11 ("Districts") will conduct Regular Board Meetings of the Board of Supervisors ("Board") for the purpose of conducting the business of the Districts that may properly come before the Board. The following meetings will be held at 11:00 a.m. at Tradition Town Hall located at 10799 SW Civic Lane, Port St. Lucie, Florida 34987 on the following dates:

**\*October 1, 2025\***  
**November 5, 2025**  
**December 3, 2025**  
**\*January 7, 2026\***  
**February 4, 2026**  
**March 4, 2026**  
**\*April 1, 2026\***  
**May 6, 2026**  
**June 3, 2026**  
**\*July 1, 2026\***  
**August 5, 2026**  
**September 2, 2026**

**\*Irrigation Rate Committee Meeting - 9:00 a.m.**  
**Southern Grove CDD Meeting - 10:30 a.m.**  
**Tradition CDD Meeting - 11:00 a.m.**

\*An Irrigation Committee Meeting will take place at 9:00 a.m. at Tradition Town Hall located at 10799 SW Civic Lane, Port St. Lucie, Florida 34987 on the above dates, as indicated.\*

The meetings are open to the public and will be conducted in accordance with the provisions of Florida law for community development districts. Meetings may be continued to a date, time and place to be specified on the record. A copy of the agenda for the meetings may be obtained from the Districts' websites or at the offices of the District Manager, Special District Services, Inc., 10807 SW Tradition Square, Port St. Lucie, Florida.

There may be occasions when one or more Supervisors will participate by telephone; therefore, a speaker telephone may be present at the meeting location so that one or more Supervisors may attend the meeting and be fully informed of the discussions taking place.

Any person requiring special accommodations at these meetings because of a disability or physical impairment should contact the District Office at 772-345-5119 and/or toll free at 1-877-737-4922 at least five calendar days prior to the meeting. If you are hearing or speech impaired, please contact the Florida Relay Service at 1-800-955-8770, who can aid you in contacting the District Office.

Each person who decides to appeal any action taken at a meeting is advised that they will need a record of the proceedings and that accordingly, the person may need to ensure that a verbatim record of the proceedings is made, including the testimony and evidence upon which such appeal is to be based.

Meetings may be cancelled from time to time without advertised notice.

**TRADITION COMMUNITY DEVELOPMENT DISTRICT NOS. 1-11**

**[www.traditioncdd1.org](http://www.traditioncdd1.org)**

**PUBLISH: ST. LUCIE NEWS TRIBUNE 09/10/25**

**TRADITION/SOUTHERN GROVE IRRIGATION  
SYSTEM RATE COMMITTEE MINUTES  
Tradition Town Hall  
10799 SW Civic Lane  
Port St. Lucie, FL 34987  
COMMITTEE MEETING  
January 8, 2025  
9:00 a.m.**

**A. CALL TO ORDER**

District Manager, Frank Sakuma called the January 8, 2025, Tradition/Southern Grove Irrigation System Rate Committee Meeting to order at 9:00 a.m. at the Tradition Town Hall – Port St. Lucie, Florida 34987.

**B. PROOF OF PUBLICATION**

Proof of publication was presented that notice of the January 8, 2025, Tradition/Southern Grove Irrigation System Rate Committee Meeting had been published in *The St. Lucie News-Tribune* on September 24, 2024, as legally required.

**C. ESTABLISH QUORUMS**

The following Committee Members were in attendance:

**Tradition CDD #1 (Non-Voting) & Southern Grove CDD #5:** Eric Sexauer – Present

**Tradition CDD #2, #7, #8:** Eric Sexauer– Present

**Tradition CDD #3:** Isie Steinberg – Present

**Tradition CDD #4:** Gail Cost – Present

**Tradition CDD #5:** Dave Lasher – Present

**Tradition CDD #6:** Jerry Krbec – Present

Staff members in attendance were: District Manager: B. Frank Sakuma, Jr.; Assistant District Manager: Jessica Wargo and District Manager: Stephanie Brown with Special District Services.

District Engineer: Stef Matthes with Culpepper and Terpening.

Also present were: (See attached sign-in sheet)

**D. ADDITIONS OR DELETIONS TO THE AGENDA**

There were no additions or deletions to the agenda.

## **E. NEW BUSINESS**

### **1. Approval of July 5, 2023, Committee Meeting Minutes**

A **Motion** was made by Mr. Krbec, seconded by Mr. Steinberg approving the July 5, 2023, Committee Meeting Minutes. The **motion** passed unanimously.

### **2. Consideration of the Next Rate Study**

Mr. Sakuma advised that a rate study was performed every five years (previous rate study completed in 2020) and recommended moving forward with a new rate study.

Mr. Mathes outlined the criteria/needs of the rate study. Mr. Krbec suggested that the rate study includes capacity information, Ms. Cost suggested a meter system as opposed to a flat rate system. Mr. Sexauer provided examples of the types of information that could be included in the rate study. A **Motion** was made by Mr. Steinberg, seconded by Mr. Lasher recommending to Tradition CDD No. 1 that an Irrigation Rate Study be conducted. The **motion** passed unanimously.

### **3. Update on Franchise Agreement**

Mr. Sexauer notified the Committee that the Franchise Agreement was still in the process of negotiation with the City of Port St. Lucie.

### **4. District Engineer Edits to Policies and Procedures**

District Engineer Stef Matthes advised the Committee that he would provide suggested edits to the Irrigation Policies & Procedures, and that it would be appropriate to have those edits considered during a future Public Hearing.

### **5. Irrigation Financials**

Mr. Sakuma advised the Committee that the financials were included with the Board package. The Committee was notified that FIU intended to pay their past due irrigation invoices and Town Park irrigation fees were past due.

## **F. ADJOURNMENT**

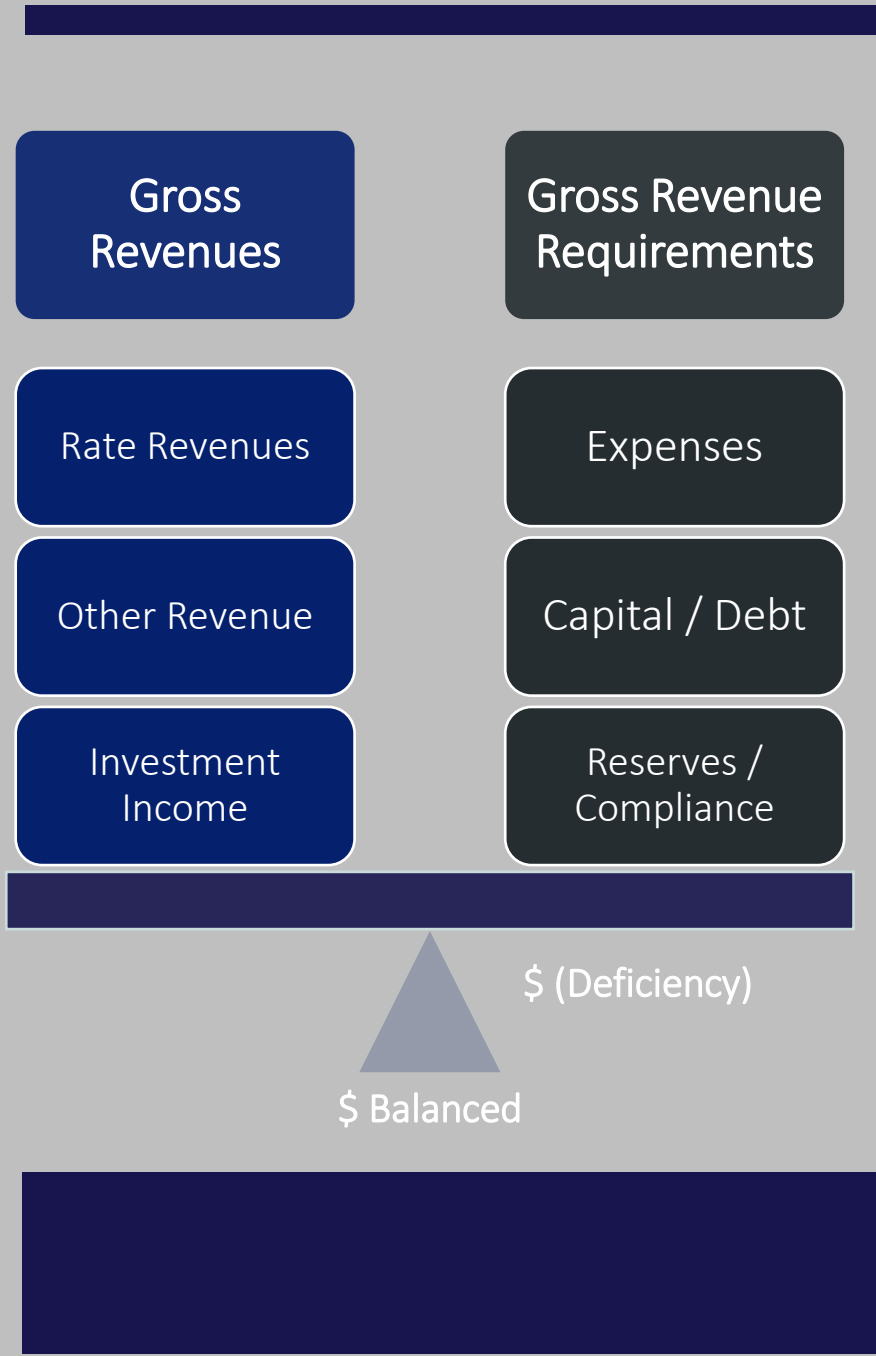
There being no further business to come before the Committee, Mr. Steinberg adjourned the meeting at 10:24 a.m. There were no objections.

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Chairperson/Vice-Chairperson



# **FY-2025 Irrigation Water System Revenue Sufficiency Study**



## Purpose of Study

- Support Budget Process
- Develop Capital Funding Plan
- Determine Revenue Requirements
- Promote Full Cost Recovery
- Rate Covenant Compliance
- Identify Potential Future Rate Adjustments



# Rate Structure Attributes

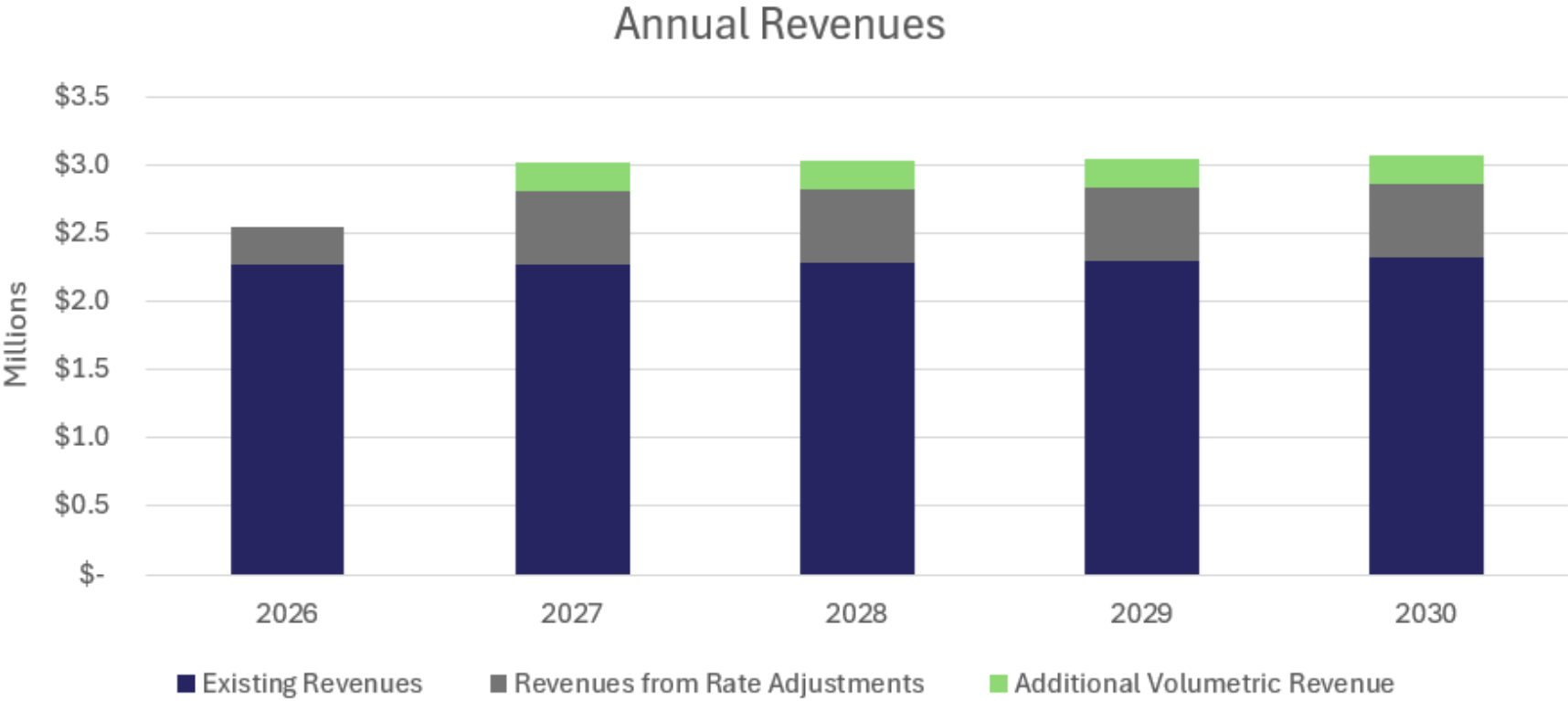
- Two customer classifications
  - Tier I – pressurized, treated water
  - Tier III – low-pressure service
- Tiers are reflective of cost of service
- Unutilized volumetric rate structure
  - Tier I customers only
  - Assumed implementation beginning FY27
- Estimated Flow
  - 0-90,000 Gallons: 86%
  - 90,001-140,000 Gallons: 11%
  - 140,001 Gallons and Above: 3%

## Fiscal Year 2025

	Tier I	Tier III
Fixed Charges (Includes 90,000 Gallons Per Month)		
Minimum Bill – Per Acre	\$198.18	\$46.75
Volumetric Charges (Per 1,000 Gallons)		
Tier 1 – 90,001 – 140,000 Gallons	\$2.21	n/a
Tier 2 – 140,001 Gallons and above	3.10	n/a

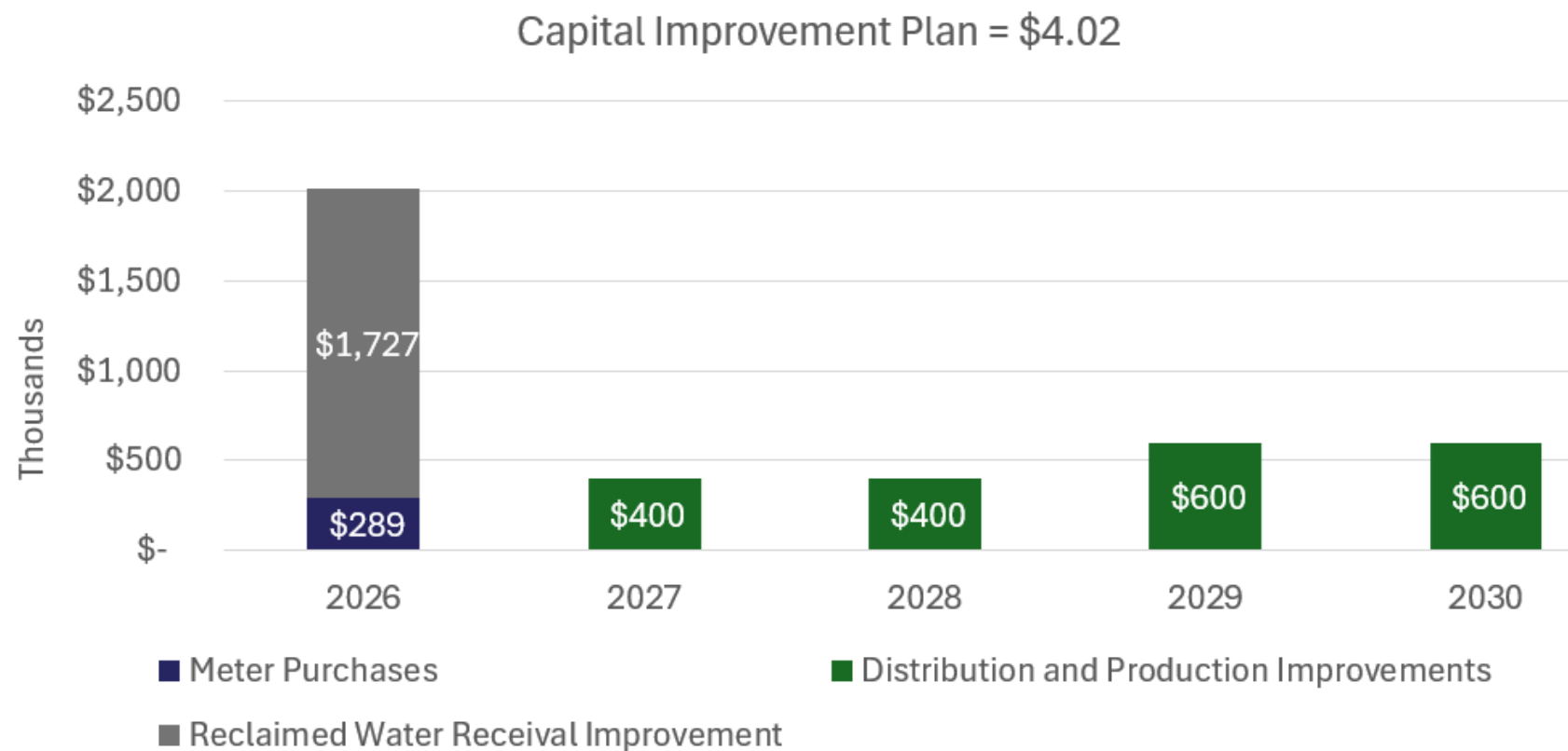
# Forecast of Revenues – Primary Data

- December 2022 to September 2025 Customer Billing Information
- WTP Flows as Proxy for Volumetric Sales
- Conservative Growth Assumptions Based on Available Parcels



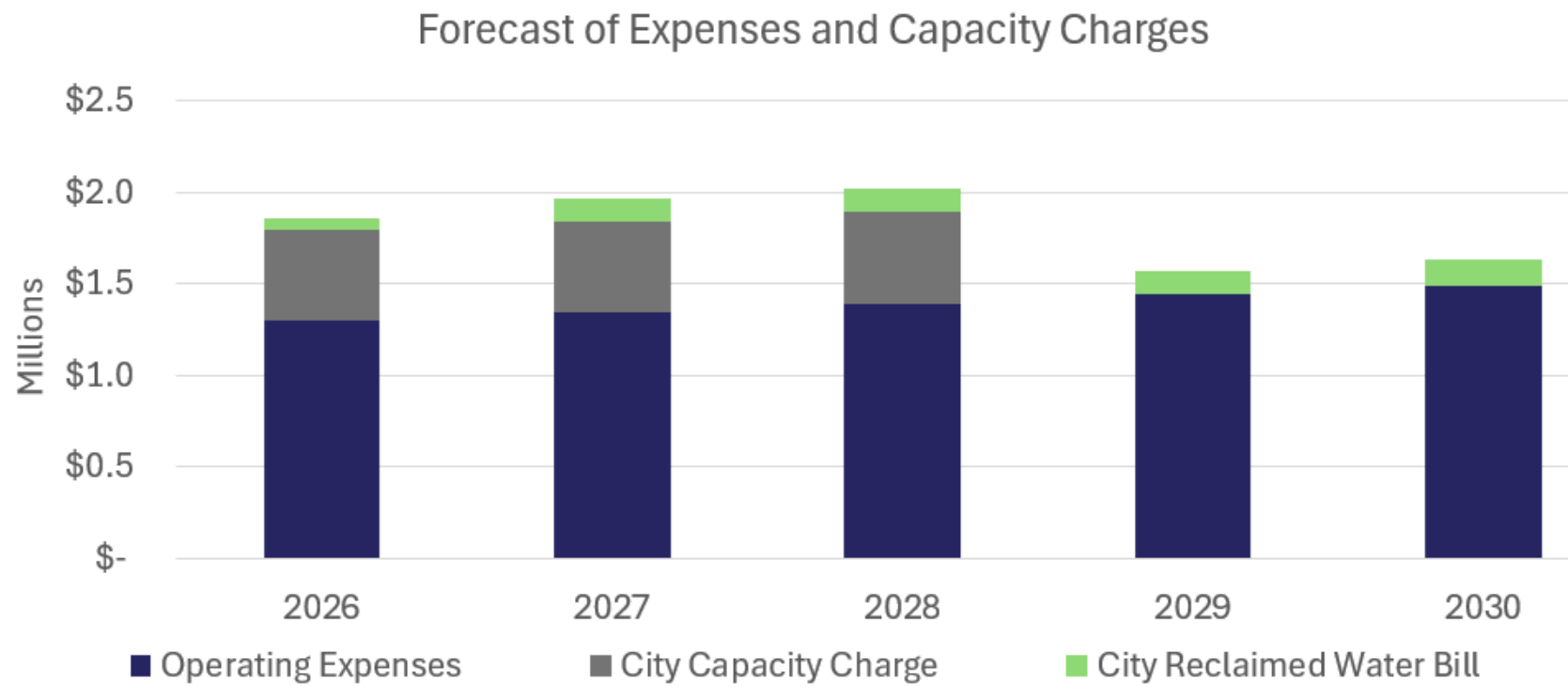
# Capital Improvement Plan – Primary Data

- R&R Fund = \$2.3M
  - Utilize Existing Cash
  - Planned Future Deposits
- Proposed Revenue Bonds
  - Principal = \$1.7 Million
  - Interest Rate = 4.89%
  - Repayment Term = 10 Year
  - Annual Payment = \$222,000

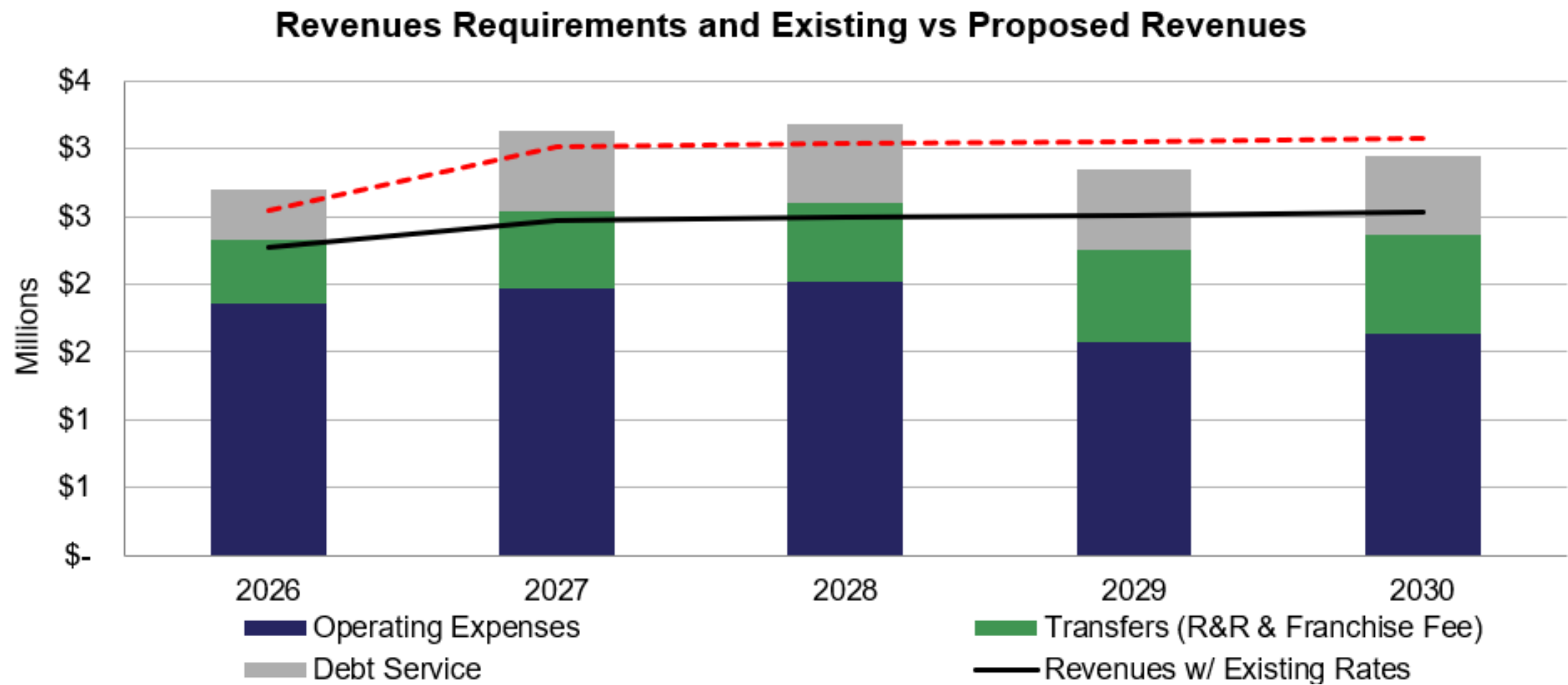


# Forecast of Expenses – Primary Data

- Operating Expenses
  - Budget – Fiscal Year 2026
  - Escalated for Future Years
  - 6% Franchise Fee
- Reclaimed Water Capacity Reservation from Port St. Lucie
  - \$500K x 3 Years
- Reclaimed Water Cost
  - Based on Agreement Terms & Estimated Rate Adjustments



# Revenue Requirements – Forecast Results

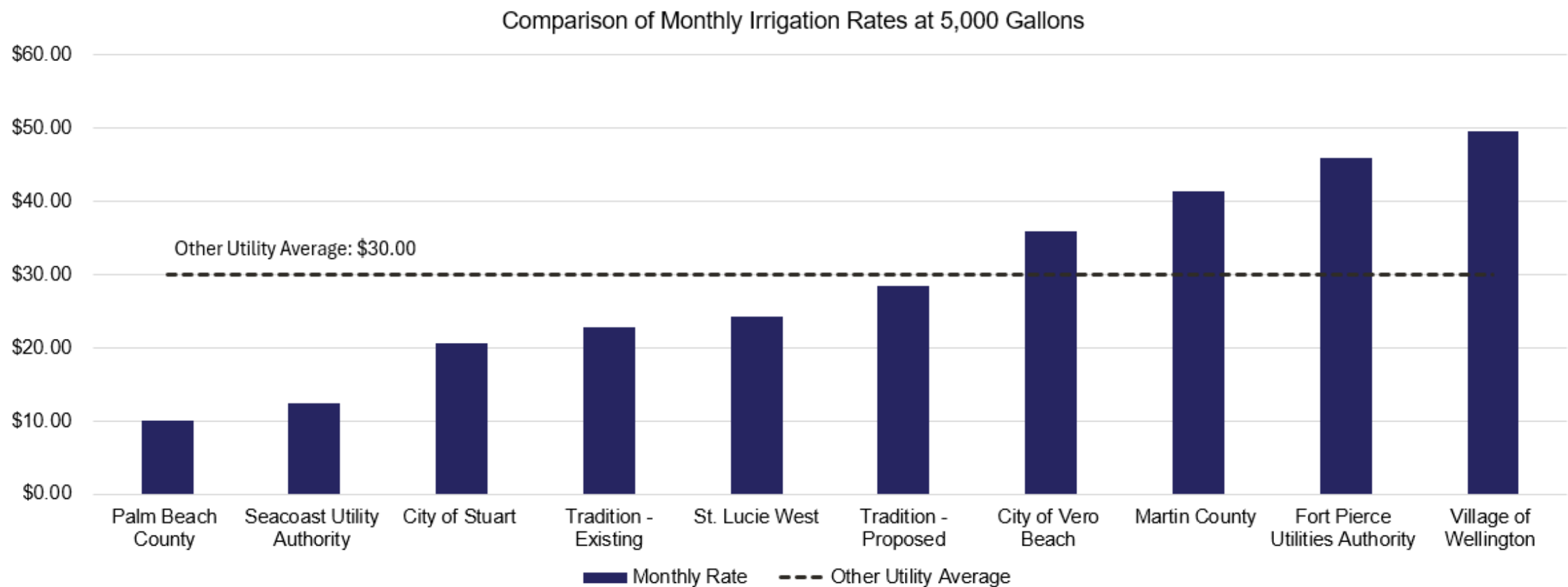


# Recommended Rate Adjustments

	Existing	Proposed
<b>Tier 1 – High Pressure Service</b>		
Fixed Charges (Includes 90,000 Gallons Per Month)	\$198.18	\$247.73
90,001 – 140,000 Gallons	\$2.21	\$2.76
140,001 Gallons and above	\$3.31	\$4.14
<b>Tier 2 – Low Pressure Service – Fixed Charges</b>	\$46.75	\$58.44

- Estimated to Produce \$207,000 of Additional Revenue
- Offsets Need for 10% Additional Rate Adjustment

# Rate Comparison w/ Neighboring Utilities



# Other Areas of Focus – FY2026 – FY2030

- 
- Negotiate a 3–5 year payment plan for the \$1.5M reclaimed water capacity charge.
  - Construct required reclaimed water infrastructure (meters, vaults, transmission lines, pumps, electrical, lake bank work).
  - Use debt financing (Proposed Revenue Bonds) to fund improvements.

- 
- Finish installation of required metering equipment for Tier One customers.
  - Begin applying the District's volumetric tier rate structure on October 1, 2026.
  - Support conservation and revenue stability through usage-based billing.

## Long-Term Capital & Renewal Funding

- Increase Renewal & Replacement Fund contributions to \$400k in FY 2027 and grow to \$550k by FY 2030.
- Continue annual distribution and storage system improvements (Goal of \$600k/year by FY2030).

- 
- Maintain a minimum of 300 days of cash on hand.
  - Annually monitor financial performance to ensure rates remain adequate.
  - Maintain compliance with existing bond covenant requirements.





# Thank You! Questions?

Ryan Smith  
Rate Consultant  
Ryper Water Analytics

# FISCAL YEAR 2026 IRRIGATION WATER SYSTEM REVENUE SUFFICIENCY STUDY

January --, 2026



**Ryper Water Analytics**

Utility Analytics, Data, & Rate Consultants



January   , 2026

Mr. Frank Sakuma  
District Manager  
Tradition CDD, Florida  
10521 SW Village Center Dr., Suite #203  
Port St. Lucie, FL 34987

Subject: **Fiscal Year 2026 Irrigation Water System Revenue Sufficiency Study**

Dear Mr. Sakuma:

Ryper Water Analytics, LLC ("Ryper") has completed the Fiscal Year 2026 Irrigation Water Revenue Sufficiency Study (the "Study" or "Report") for Tradition Community Development District (the "District") and has presented the results of our analyses, assumptions, and recommendations in this report for your consideration. The focus of the Study was to prepare a forecast of System operations and the corresponding expenditure and funding needs (the "revenue requirements") to evaluate the sufficiency of the irrigation water system (the "System") revenues to meet these requirements for the Fiscal Years 2026 through 2030 (the "Forecast Period").

In addition to the forecast and recommendations contained in this Study, it is further recommended that the District work toward achieving the following financial and operational goals over the Forecast Period (Fiscal Years 2026 through 2030). Monitoring progress toward these goals will support long-term financial stability, promote responsible use of irrigation resources, and ensure the System continues to meet the needs of its customers.

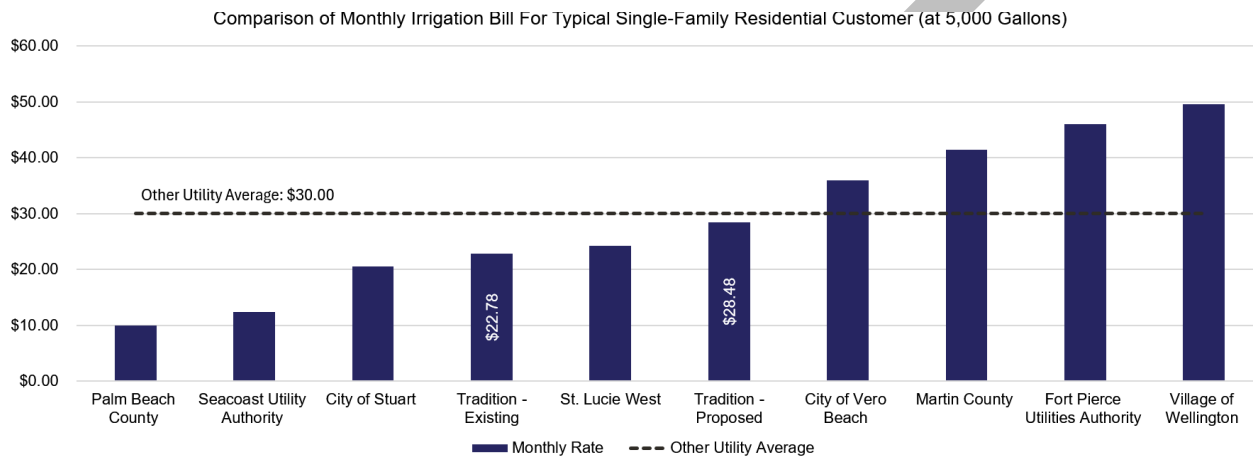
The following goals are recommended for ongoing monitoring:

1. **Rate Adjustment Implementation** – Increase all irrigation service rates by twenty-five percent (25.0%), effective for all bills rendered on or after April 1, 2026.
2. **Metering of Tier One (High-Pressure) Customers** – Install metering equipment (meters, vaults, backflow preventers, and necessary hardware) to support volumetric billing for all existing and new Tier One (high-pressure) irrigation customers. All equipment should be installed, tested, and operational prior to September 30, 2026.

3. **Commencement of Volumetric Billing** – Begin applying the District's existing volumetric tier structure to customer billing on October 1, 2026. The District currently bills irrigation customers based on base charges assessed on a per-acre basis; implementing volumetric billing will encourage conservation and generate additional revenue, reducing the need for further near-term rate adjustments.
4. **Reclaimed Water Capacity Charge Payment Structure** – Negotiate a multi-year payment arrangement with the City of Port St. Lucie for the \$1.5 million reclaimed water capacity reservation charge, with payments allocated over a two- to three-year period beginning in Fiscal Year 2026.
5. **Reclaimed Water System Infrastructure** – Construct the required reclaimed water receivable improvements, including meters, vaults, irrigation transmission lines, gate valves, pumps, electrical services, and applicable lake bank modifications (estimated to be \$1.73 million).
6. **Renewal and Replacement Funding Strategy** – Increase annual contributions to the Renewal and Replacement Fund to \$400,000 in Fiscal Year 2027, with planned annual increases through the remainder of the Forecast Period to reach approximately \$550,000 by Fiscal Year 2030.
7. **Annual Distribution and Storage System Improvements** – Continue to invest in the irrigation distribution / storage system and related improvements, with total expenditures averaging approximately \$500,000 per year during Fiscal Years 2027 through 2030.
8. **Capital Financing Strategy** – Secure **Irrigation System Revenue Bonds, Series 2026** (or similar debt financing) to fund the reclaimed water infrastructure improvements in the estimated amount of \$1,730,000.
9. **Liquidity and Operating Reserves** – Maintain a minimum of 200 days of cash on hand throughout the Forecast Period (one day of cash on hand equals annual operating expenses divided by 365).

Maintaining progress toward these goals will help ensure the System preserves its financial flexibility, continues to meet its' customers demands, and maintains appropriate investment in long-term capital infrastructure.

The following table illustrates a comparison of residential Irrigation water charges with other neighboring utilities in order to provide an indication of the competitiveness of the existing and proposed residential rates charged by District. Based on this analysis, the existing and proposed rates for service are considered comparable to those of the other utilities surveyed.



Based on our analysis and assumptions, as delineated in this Report, the recommended rate adjustment for Fiscal Year 2026 are expected to maintain the strong creditworthiness of the System and ensure adequate funding for the projected funding requirements of the System, including capital reinvestment.

Following this letter is the Report documenting our principal assumptions and findings for your consideration.

Respectively,

**Ryper Water Analytics, LLC**

*Ryan Smith*

Ryan Smith  
Rate Consultant

**TRADITION CDD, FLORIDA**  
**FISCAL YEAR 2026**  
**IRRIGATION WATER SYSTEM REVENUE SUFFICIENCY STUDY**  
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**TRADITION CDD, FLORIDA**  
**FISCAL YEAR 2026**  
**IRRIGATION WATER REVENUE SUFFICIENCY STUDY**

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## **TRADITION CDD, FLORIDA**

### **FISCAL YEAR 2026 IRRIGATION WATER REVENUE SUFFICIENCY STUDY**

#### **GENERAL**

Ryper Water Analytics, LLC (“Ryper”) has completed our financial forecast comprising the Fiscal Years 2026 through 2030 (the “Forecast Period”) and analysis of the irrigation quality water system (the “System”) (the “Analysis” or “Study”) on behalf of the Tradition Community Development District (the “District”), which is located in Port St. Lucie, Florida. The remainder of this report presents the results of our analyses, assumptions, and recommendations in this report (the “Report”). The principal goals and objectives of the Study were to:

- Evaluate the sufficiency of the System’s revenues derived from existing rates for irrigation water service to fund the projected expenditures and funding requirements identified for the Forecast Period.
- Identify a funding plan that will support: 1) the financing of the System’s capital improvement plan (“CIP”); 2) meeting the contractual requirements to purchase reclaimed water from the city of Port St. Lucie (the “City”); and 3) balancing the use of external and internal funding sources and identify the effects of the plan on System rates. The funding plan relies on internal sources derived from the use of capital reserves, funds generated from ongoing capital re-investment derived from annual operations, and additional indebtedness.

The financial forecast was developed based on information provided by District staff including, but not limited to: 1) financial information related to the capital improvement program and anticipated funding sources; 2) the Fiscal Year 2026 adopted operating budget; 3) the recently completed financial results for Fiscal Year 2025; 4) Fiscal Year-to-Date 2026 financial information; and 5) other operational, financial, or statistical information.

#### **FORECAST OF REVENUES**

Revenues for the System are generated from base charges for irrigation water service. Such revenues account for approximately 97% of gross revenues over the Forecast Period. While the remaining 3% of gross revenues are generated from engineering revenue fees and interest income on investments.

The District currently maintains two customer classifications for irrigation water service. Tier One customers receive pressurized, treated water, which is produced at the District’s water production facility and delivered through a pressurized distribution network directly to each user. In contrast, Tier Three customers receive low-pressure service, under which they are permitted to withdraw untreated surface water from District-owned retention facilities for use on their irrigable parcels. These distinct classifications reflect the District’s cost of providing service to these customer classifications.



Although the System currently has a tiered volumetric rate structure in place for high pressure customers, it is not being utilized for billing purposes. Beginning in Fiscal Year 2027, the District staff has indicated that it will begin billing based on the existing volumetric tiers. Under this structure, Tier 1 applies to monthly high pressure irrigation consumption between 0 and 90,000 gallons, Tier 2 applies to consumption between 90,001 and 140,000 gallons, and Tier 3 applies to consumption exceeding 140,000 gallons, with adopted rates of \$2.21 per 1,000 gallons for Tier 2 and \$3.31 per 1,000 gallons for Tier 3. The implementation of volumetric billing will allow revenues to more accurately reflect customer usage, promote conservation among higher-volume users, and support the continued financial stability of the System over the Forecast Period.

The revenue forecast was based on: 1) a review of historical trends; 2) the Fiscal Year 2026 operating budget; 3) annual growth ranging from 5 to 19 new accounts; 4) assumed implementation of adopted rate; and 5) discussions with District staff. The revenue forecast can be categorized into three primary groups of revenues comprising of: 1) revenues derived from monthly service charges to customers; 2) miscellaneous fees; and 3) investment income revenues. As can be seen on the following table, it is projected that the System will experience an increase in existing rate revenues because of implementation of the existing volumetric tiers (billing for consumption above 90,000 gallons) commencing in Fiscal Year 2027. Specifically, existing rate revenues are projected to increase by approximately \$208,000. Tables 1, 2, and 11 show the calculation of the projected revenues, which include the effects of the adopted rate adjustments during the Forecast Period and are also summarized below:

Description	2026	2027	2028	2029	2030
Operating Revenues					
Existing Rate Revenues	\$2,166	\$2,373	\$2,401	\$2,418	\$2,446
Rate Adjustments	271	541	541	541	541
Other Revenues	35	35	35	35	35
Investment Income	69	54	49	52	55
Total Operating Revenues	\$2,541	\$3,004	\$3,027	\$3,047	\$3,077

[1] Amounts shown derived from information provided on Tables 1, 2, and 11 at the end of this Report.

## FORECAST OF EXPENDITURES

The expenditure forecast can be categorized into five primary groups: 1) operating expenses; 2) the payment of contractually obligated capacity reservation charges to the City; 3) franchise fee payment to the City; 4) transfers to the Renewal and Replacement Fund; and 5) debt service obligations. For the Forecast Period, operating expenditure accounted for the majority or 51%, reclaimed water capacity reservation charge accounted for 10%, transfers to the R&R fund accounted for 16%, the franchise fee payment accounted for 5%, and debt service accounted for the remaining 19% of the total revenue requirements.

## Operating Expenses

The forecast of the District's operating expenses was developed based upon: 1) a review of the recent trends in historical expenses; 2) the adopted Fiscal Year 2026 budget; 3) assumed growth rates/escalation factors based on industry trends in such costs; 4) inflationary data published by the Bureau of Labor Statistics and Congressional Budget Office; and 5) discussions with the District staff. The District's largest expense category was associated with operations, which accounted for over 41% of total operating expenses. The forecast of operating expenses relied upon various escalation factors ranging from approximately 2.41% to 6.0% depending on the assumed costs being escalated.

In addition to the District's direct operating expenses, the forecast recognized that the District will make annual payments to the City during Fiscal Years 2026 and 2027 for contractually obligated reclaimed water capacity. Based on discussions with District staff and its auditors, it has been assumed that these payments will be recognized as an intangible asset (capacity rights). However, for the purposes of this study, such amounts have been considered as a revenue requirement (claim on cash flow). Tables 3-5 presents the forecast of District operating expenses, Tables 8-10 present the recognition of the payment to the City as an operating expense and is summarized below:

Summary of Projected Operating Expenses– Forecast Period (,000s) [1]					
Description	2026	2027	2028	2029	2030
District Expenses					
Management	\$473	\$491	\$511	\$531	\$552
Personnel Services	57	59	60	62	64
Operations	526	608	631	656	681
Other	301	309	317	325	334
Total District Expenses	<u>\$1,357</u>	<u>\$1,467</u>	<u>\$1,520</u>	<u>\$1,574</u>	<u>\$1,631</u>
City Capacity Reservation Payments	\$750	\$750	\$0	\$0	\$0

[1] Amounts shown derived from information provided on Tables 3, 4, 5, 8, and 10 at the end of this Report.

As can be seen above, operating expenses are projected to increase by an average annual growth rate of approximately 4.7% per year. For additional detail concerning the forecast of District operating expenses, please reference Tables 3 through 5 at the end of this Report.

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## Franchise Fee Payments

The forecast of revenue requirements includes the projection of a franchise fee payment to the City. The District is contractually obligated to submit a sum on an annual basis equal to approximately six percent (6%) of the total irrigation rate revenue collected from District customers to the City. This transfer accounted for approximately 5% of the System's total revenue requirements for the Forecast Period. Table 7 at the end of this Report and summarized below provides the calculation of the franchise fee for the Forecast Period:

Summary of Projected Franchise Fee Payment– Forecast Period (,000s) [1]					
Description	2026	2027	2028	2029	2030
Franchise Fee Payment to District					
Irrigation Rate Revenues	\$2,437	\$2,915	\$2,943	\$2,960	\$2,988
Annual Deposit - Percent	6%	6%	6%	6%	6%
Annual Deposit - Amount	\$146	\$175	\$177	\$178	\$179

[1] Amounts shown derived from information provided on Table 7 at the end of this Report.

As can be seen above, franchise fee payments are projected to increase by an average annual compound growth rate of approximately 5.6% per year. For additional detail concerning the forecast of franchise fee payments, please refer to Table 7 at the end of this Report.

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## Renewal and Replacement Fund

The forecast of revenue requirements also includes the projection of transfers to the Renewal and Replacement Fund. Ryper and District staff engaged the District's consulting engineer to identify and prudent level of annual capital reinvestment. The District's consulting engineer recommended a minimum annual deposit to the Fund of approximately \$400,000. Based on discussions with District staff, this minimum requirement has been recognized in Fiscal Year 2027 along with annual increases for the remainder of the Forecast Period. These transfers accounted for approximately 16% of the System's total revenue requirements for the Forecast Period. Table 9 at the end of this Report and summarized below provides the calculation of transfers to the Renewal and Replacement Fund for the Forecast Period:

Summary of Renewal and Replacement Fund Transfers-- Forecast Period (,000s) [1]					
Description	2026	2027	2028	2029	2030
Renewal and Replacement Fund					
Irrigation Rate Revenues	\$2,437	\$2,915	\$2,943	\$2,960	\$2,988
Other Revenues	35	35	35	35	35
Less: Grants	0	0	0	0	0
Interest Income	69	54	49	52	55
Total Irrigation System Revenues	2541	3004	3027	3047	3077
Annual Deposit - Percent	13%	13%	13%	16%	18%
Annual Deposit - Amount	\$325	\$400	\$400	\$500	\$550

[1] Amounts shown derived from information provided on Table 9 at the end of this Report.

As can be seen above, Renewal and Replacement Fund transfers are projected to increase by an average annual compound growth rate of approximately 16.6% per year. For additional detail concerning the forecast of Renewal and Replacement Fund transfers, please refer to Table 9 at the end of this Report.

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## Capital Expenditures

Capital investment and funding is integral to the continuity and quality of service delivered to customers. These expenditures, coupled with the need to install infrastructure associated with receiving reclaimed water from the City and additional metering infrastructure to commence volumetric billings contributed to the CIP. The capital costs of the System were based on the existing capital improvement plan as identified by District staff, which encompasses the forecast period (Fiscal Year 2026 through Fiscal Year 2030). The table below provides a summary of the capital expenditures by type and corresponding sources of funding:

Description	2026	2027	2028	2029	2030
<b>Capital Projects</b>					
New Meters for Existing Customers	\$249	\$0	\$0	\$0	\$0
Meter Purchases - New Customers	39	0	0	0	0
Distribution System Improvement	0	400	400	400	400
Reclaimed Water Reveal Improvement	1,727	0	0	0	0
Unidentified Storage & Water Loss Projects	0	0	0	200	200
<b>Total Capital Projects</b>	<b>\$2,016</b>	<b>\$400</b>	<b>\$400</b>	<b>\$600</b>	<b>\$600</b>
<b>Funding Sources</b>					
O&M Account	\$0	\$0	\$0	\$0	\$0
R&R Fund	289	400	400	600	600
Impact Fee Account	0	0	0	0	0
Irrigation Revenue Bonds, Series 2026	1727	0	0	0	0
<b>Total Annual Revenues</b>	<b>\$2,016</b>	<b>\$400</b>	<b>\$400</b>	<b>\$600</b>	<b>\$600</b>

[1] Amounts shown derived from information provided on Table 6 at the end of this Report.

The overall amount of programmed capital expenditures for the System is approximately \$4.0 million during the Forecast Period which averages \$803 thousand annually. When compared to the annual depreciation expense of approximately \$134 thousand as reported in the Fiscal Year 2024 Financial Report, this level of funding demonstrates an active plan of capital investment. The capital improvement plan is shown in greater detail in Table 6 at the end of this report.

With respect to the sources of funding for the identified capital expenditures, approximately \$2.3 million are anticipated to be financed from internal sources derived from transfers to the Renewal and Replacement Fund and existing fund balances. It is anticipated that the remaining balance of the CIP (estimated at approximately \$1.73 million) will utilize external funding. For the purposes of this Study and based on discussions with District staff, it was assumed that additional debt will be required. It is proposed that the District will secure Irrigation Revenue Bonds, Series 2026. A discussion of these bonds are provided in the subsequent section of this Report.

It should be noted that the CIP is a planning document, which is presented on an appropriations basis, and the timing and completion of projects are subject to changes or delays. As a result, it is recommended that staff continue to annually re-evaluate the impact of the CIP and funding plan on the financial forecast and the need for additional rate adjustments.

## Debt Service

The annual debt service payment recognized as a component of the revenue requirements in the Financial Forecast include both the repayment of the System's outstanding bonds and proposed indebtedness associated with CIP financing for the District. The capital finance plan developed as a component of this Study assumed the acquisition of proposed Irrigation Revenue Bonds, Series. For the purposes of this Study, it was assumed that these bonds will have the following attributes:

Irrigation System Revenue Bonds, Series 2026: to provide funding for approximately \$1.73 million of reclaimed water receival facilities. These bonds were assumed to have a 10-year repayment (amortization) period, an average coupon rate of 4.89%, issuance related costs equal to 2.25%, and annual payments of approximately \$222,000 commencing in Fiscal Year 2027.

The following table provides a summary of the projected debt service payments assumed in the development of the revenue requirements recognized in this Report.

Summary of Projected Debt Service Payments – Forecast Period (,000s) [1]					
Description	2026	2027	2028	2029	2030
Debt Service Payments					
Irrigation Bonds – Series 2017	\$368	\$368	\$367	\$370	\$368
Irrigation Bonds – Series 2026	0	222	222	222	222
Total Debt Service Payments	\$368	\$368	\$367	\$370	\$368

[1] Amounts shown derived from information provided on Table 10 at the end of this Report.

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## PRINCIPAL FINDINGS

### Revenue Requirements

Based on the key assumptions of the Study, Ryper has determined that the projected rates for retail irrigation water service are not sufficient to generate the revenues needed to fund the projected needs of the System. Table 10 at the end of this Report and summarized below are the projected revenue requirements for the System:

Summary of Projected Revenue Requirements – Forecast Period (,000s) [1]					
Description	2026	2027	2028	2029	2030
Revenue Requirements					
Operating Expenses	\$1,357	\$1,467	\$1,520	\$1,574	\$1,631
PSL Reclaimed Water Capacity Res.	750	750	0	0	0
Debt Service	368	590	589	593	591
Transfer – R&R Fund	325	400	400	500	550
Transfer - Franchise	146	175	177	178	179
Gross Revenue Requirements	2,946	3,382	2,686	2,845	2,951
Less: Other Revenues	(35)	(35)	(35)	(35)	(35)
Less: Investment Income	(69)	(54)	(49)	(52)	(55)
Net Revenue Requirements	2,842	3,294	2,601	2,758	2,861
Rate Revenues Under Existing Rates	\$2,166	\$2,373	\$2,401	\$2,418	\$2,446
Surplus / (Deficiency) - Amount	(676)	(920)	(200)	(339)	(415)
Surplus / (Deficiency) - Percent	(31.2%)	(38.8%)	(8.3%)	(14.0%)	(17.0%)
<b>Recommended Rate Adjustments</b>	<b>25.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Rate Revenues Under Proposed Rates</b>	<b>\$2,437</b>	<b>\$2,915</b>	<b>\$2,943</b>	<b>\$2,960</b>	<b>\$2,988</b>
<b>Surplus / (Deficiency) - Amount</b>	<b>(405)</b>	<b>(379)</b>	<b>341</b>	<b>202</b>	<b>126</b>
<b>Surplus / (Deficiency) - Percent</b>	<b>(16.6%)</b>	<b>(13.0%)</b>	<b>11.6%</b>	<b>6.8%</b>	<b>4.2%</b>

[1] Amounts shown derived from information provided on Table 10 at the end of this Report.

As can be seen above, it is recommended that the District implements a twenty-five percent (25%) rate adjustment for all bills rendered during and after April of 2026 (mid Fiscal Year implementation). Such rate adjustment was calculated to recover additional requirements associated with the projected growth in operating expenses from inflation, deposits to the R&R Fund, Franchise Fee payments, and debt service obligations.

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## Projected Fund Balances

In order to provide additional information, Table 11 at the end of this Report and summarized below is a summary of the projected cash balances by System fund for each year of the Forecast Period:

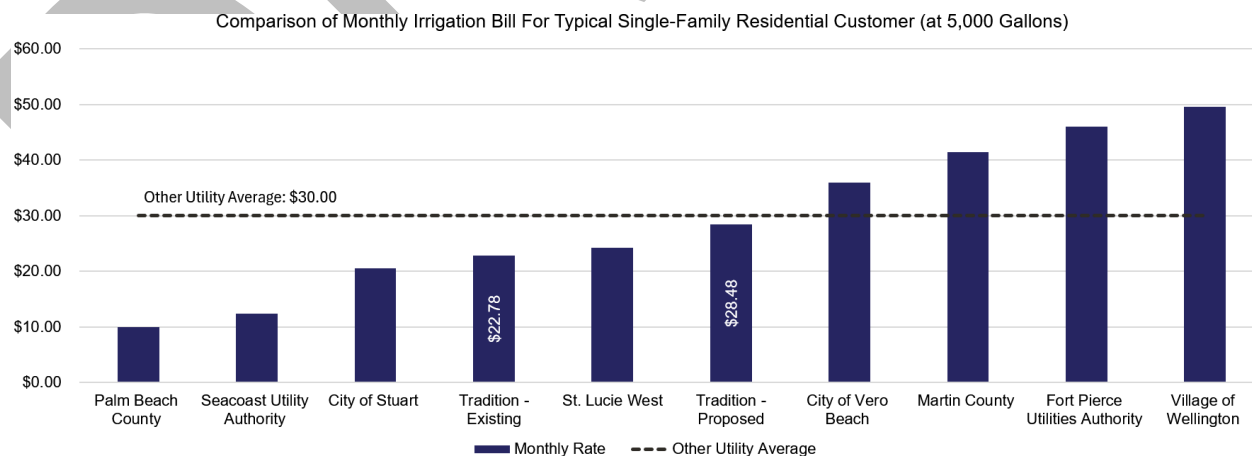
Summary of Projected End of Year Fund Balances – Forecast Period (,000s) [1]					
Description	2026	2027	2028	2029	2030
Estimated End of Year Balance					
O&M Account	\$969	\$590	\$931	\$1,134	\$1,260
R&R Fund	236	236	236	136	86
Impact Fee Account	0	0	0	0	0
Sinking Fund	92	147	147	148	148
Debt Service Reserve Fund	371	371	371	371	371
Customer Deposits	0	0	0	0	0
Total Balance	\$1,668	\$1,345	\$1,686	\$1,789	\$1,865

[1] Amounts shown derived from information provided on Table 11 at the end of this Report.

It is anticipated that the use of existing cash reserves to finance the capital needs of the System will be required. Cash balances are projected to dip to a minimum of \$1.35 million in Fiscal Year 2027 before returning to current levels. It should be noted that at the end of this Forecast Period the District is projected to have 417 days of cash on hand. Which is consistent with the median days of cash on hand for A and AA credit utilities as published by FitchRatings.

## Customer Bill Comparison

For the purposes of this analysis, a comparison of residential Irrigation water charges with other neighboring utilities was prepared to provide an indication of the competitiveness of the existing and proposed residential rates charged by District. Based on this analysis summarized below, the existing and proposed rates for service are considered comparable with those of the other surveyed utilities.





## CONCLUSIONS AND RECOMMENDATIONS

Based on the assumptions, considerations, and analyses as summarized herein, we are of the opinion that the District should work to implement or meet the following objectives:

1. **Rate Adjustment Implementation** – Increase all irrigation service rates by twenty-five percent (25.0%), effective for all bills rendered on or after April 1, 2026.
2. **Metering of Tier One (High-Pressure) Customers** – Install metering equipment (meters, vaults, backflow preventers, and necessary hardware) to support volumetric billing for all existing and new Tier One (high-pressure) irrigation customers. All equipment should be installed, tested, and operational prior to September 30, 2026.
3. **Commencement of Volumetric Billing** – Begin applying the District's existing volumetric tier structure to customer billing on October 1, 2026. The District currently bills irrigation customers based on base charges assessed on a per-acre basis; implementing volumetric billing will encourage conservation and generate additional revenue, reducing the need for further near-term rate adjustments.
4. **Reclaimed Water Capacity Charge Payment Structure** – Negotiate a multi-year payment arrangement with the City of Port St. Lucie for the \$1.5 million reclaimed water capacity reservation charge, with payments allocated over a two- to three-year period beginning in Fiscal Year 2026.
5. **Reclaimed Water System Infrastructure** – Construct the required reclaimed water receivable improvements, including meters, vaults, irrigation transmission lines, gate valves, pumps, electrical services, and applicable lake bank modifications (estimated to be \$1.73 million).
6. **Renewal and Replacement Funding Strategy** – Increase annual contributions to the Renewal and Replacement Fund to \$400,000 in Fiscal Year 2027, with planned annual increases through the remainder of the Forecast Period to reach approximately \$550,000 by Fiscal Year 2030.
7. **Annual Distribution and Storage System Improvements** – Continue to invest in the irrigation distribution / storage system and related improvements, with total expenditures averaging approximately \$500,000 per year during Fiscal Years 2027 through 2030.
8. **Capital Financing Strategy** – Secure **Irrigation System Revenue Bonds, Series 2026** (or similar financing) to fund the reclaimed water infrastructure improvements in the estimated amount of \$1,730,000.
9. **Liquidity and Operating Reserves** – Maintain a minimum of 200 days of cash on hand throughout the Forecast Period (one day of cash on hand equals annual operating expenses divided by 365).

10. **Continued Monitoring of Financial Performance** - It should be noted that the projected results and assumptions contained in this Study may vary from actual results. As such, District staff should continue to annually evaluate if the adopted rate adjustments are sufficient to meet the needs of the System.
11. **Bond Resolution Covenant Compliance** - Based on recognition of the adopted rate adjustments, the System is expected to maintain compliance with the rate covenants of the Resolution No. 2017-02 (the “Bond Resolution”).

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**TRADITION CDD, FLORIDA**  
**FISCAL YEAR 2026**  
**IRRIGATION WATER REVENUE SUFFICIENCY STUDY**  
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5	Summary of Operating Expense Escalation Assumptions
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7	Calculation of Annual Payment of Franchise Fee
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Tradition Community Development District  
Fiscal Year 2026 Irrigation Revenue Sufficiency Study

Calculation of Projected Irrigation Customers and Rate Revenues

Line No.	Description	Flow Frequency [1]	Historical 2025	2026	Projected - Fiscal Year Ending September 30,			
					2027	2028	2029	2030
<b>Tier I Customers - High Pressure Service</b>								
1	Estimated Account Growth		-	19	-	1	-	1
2	Total Average Accounts		62	81	81	82	82	83
3	Total Irrigated Acres		838	861	861	871	871	882
4	Average Irrigatable Acres Per Account		13.51	10.62	10.62	10.62	10.62	10.62
Average Revenue Per Account								
5	Base Fee - Per Acre		\$ 198.18	\$ 198.18	\$ 198.18	\$ 198.18	\$ 198.18	\$ 198.18
6	Calculated Volumetric Revenue		\$ 1,992,660	\$ 2,046,526	\$ 2,046,526	\$ 2,071,791	\$ 2,071,791	\$ 2,097,057
Calculation of Volumetric Revenue								
7	Tier 1 - 0 - 90,000 Gallons	86.19%	519,091	525,148	525,148	531,631	531,631	538,115
8	Tier 2 - 90,001 to 140,000 Gallons	10.60%	63,822	64,566	64,566	65,364	65,364	66,161
9	Tier 3 - 140,001 Gallons and Up	3.21%	19,329	19,555	19,555	19,796	19,796	20,038
10	Total Volumetric Sales (Kgal)		602,242	609,269	609,269	616,791	616,791	624,313
11	Estimated Monthly Volumetric Sales Per Acre (Gallons)		59,896	59,000	59,000	59,000	59,000	59,000
Volumetric Rates								
12	Tier 1 - 0 - 90,000 Gallons		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13	Tier 2 - 90,001 to 140,000 Gallons		\$ -	\$ -	\$ 2.21	\$ 2.21	\$ 2.21	\$ 2.21
14	Tier 3 - 140,001 Gallons and Up		\$ -	\$ -	\$ 3.31	\$ 3.31	\$ 3.31	\$ 3.31
15	Calculated Volumetric Revenue		\$ -	\$ -	\$ 207,418	\$ 209,979	\$ 209,979	\$ 212,540
16	Calculated Annual Class Revenue		\$ 1,992,660	\$ 2,046,526	\$ 2,253,944	\$ 2,281,770	\$ 2,281,770	\$ 2,309,597
<b>Tier III Customers - Low Pressure Service</b>								
17	Estimated Account Growth		-	5	-	-	1	-
18	Total Average Accounts		2	7	7	7	8	8
19	Total Irrigated Acres		121	213	213	213	243	243
20	Average Irrigatable Acres Per Account		60.51	30.42	30.42	30.42	30.42	30.42
Average Revenue Per Account								
21	Base Fee - Per Acre		\$ 46.75	\$ 46.75	\$ 46.75	\$ 46.75	\$ 46.75	\$ 46.75
22	Calculated Volumetric Revenue		\$ 67,892	\$ 119,471	\$ 119,471	\$ 119,471	\$ 136,538	\$ 136,538
Calculation of Volumetric Revenue								
23	Tier 1 - 0 - 90,000 Gallons	90.00%	542,018	548,342	548,342	555,112	555,112	561,882
24	Tier 2 - 90,001 to 140,000 Gallons	7.00%	42,157	42,649	42,649	43,175	43,175	43,702
25	Tier 3 - 140,001 Gallons and Up	3.00%	18,067	18,278	18,278	18,504	18,504	18,729
26	Total Volumetric Sales (Kgal)		25,000	25,000	25,000	25,000	25,000	25,000
Volumetric Rates								
27	Tier 1 - 0 - 90,000 Gallons		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
28	Tier 2 - 90,001 to 140,000 Gallons		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
29	Tier 3 - 140,001 Gallons and Up		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
30	Calculated Volumetric Revenue		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
31	Calculated Annual Class Revenue		\$ 67,892	\$ 119,471	\$ 119,471	\$ 119,471	\$ 136,538	\$ 136,538
32	Total Irrigation Accounts		64	88	88	89	90	91
33	Total Irrigatable Acres		959	1,074	1,074	1,084	1,115	1,125
34	Calculated Revenues		\$ 2,060,552	\$ 2,165,996	\$ 2,373,414	\$ 2,401,241	\$ 2,418,308	\$ 2,446,134
35	Adjustments - Placeholder		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
36	<b>Projected Irrigation Rate Revenues</b>		<b>\$ 2,060,552</b>	<b>\$ 2,165,996</b>	<b>\$ 2,373,414</b>	<b>\$ 2,401,241</b>	<b>\$ 2,418,308</b>	<b>\$ 2,446,134</b>

## Footnotes:

- [1] Amounts shown represents estimated flow billed in each volumetric tier. It should be noted estimates were developed based on a review of the monthly water produced and irrigable acres as identified by District staff. Actual amounts may vary.

Tradition Community Development District  
Fiscal Year 2026 Irrigation Revenue Sufficiency Study

Summary of Projected Other Operating Revenues

Line No.	Description	2026 Budget	Adjustments	Recognized 2026	Escalation Reference	Projected - Fiscal Year Ending September 30,			
						2027	2028	2029	2030
	Irrigation Fund								
1	Service Charge - Irrigation	\$ 2,000,000	\$ (2,000,000)	\$ -	Eliminate	\$ -	\$ -	\$ -	\$ -
2	Engineering Revenue Fees	\$ 35,000	\$ -	\$ 35,000	Constant	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000
3	Total System Other Operating Revenues	\$ 2,035,000	\$ (2,000,000)	\$ 35,000		\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000

Tradition Community Development District  
Fiscal Year 2026 Irrigation Revenue Sufficiency Study

Summary of Operating Expense Budget and Recognized Operating Expenses

		Fiscal Year Ending September 30,		
Line No.	Description	2025 Actuals	Proposed	Final
			2026 Budget	Amended [1] 2026
IRRIGATION BUDGET				
1	Field Operations	\$0	\$0	\$0
2	Trustee Services	\$5,000	\$5,000	\$0
3	Management	\$389,076	\$400,749	\$0
4	Engineering	\$40,000	\$50,000	\$0
5	Professional Services, Other	\$5,000	\$5,000	\$0
6	Development Coordinator	\$64,821	\$66,765	\$0
7	City Franchise Fee	\$165,000	\$120,000	(\$120,000)
8	Travel And Per Diem	\$400	\$400	\$0
9	Telephone	\$1,930	\$1,930	\$0
10	Postage And Shipping	\$253	\$253	\$0
11	Bank Fees	\$1,250	\$1,250	\$0
12	Bad Debt	\$65,000	\$60,000	\$0
13	Office Supplies	\$250	\$250	\$0
14	Field Supplies (Other)	\$2,000	\$2,000	\$0
15	Dues, Licenses, Fees	\$2,300	\$2,300	\$0
16	Vehicle, Gas, & Repair	\$1,000	\$1,000	\$0
17	Electric	\$105,000	\$110,250	\$0
18	Water	\$170	\$170	\$0
19	Other Utilities	\$1,550	\$1,550	\$0
20	General Insurance	\$21,102	\$24,267	\$0
21	General Repair & Maintenance	\$215,000	\$247,250	\$0
22	Landscaping Maintenance	\$11,000	\$11,000	\$0
23	Hvac	\$4,500	\$4,500	\$0
24	Renewal And Replacement	\$250,000	\$250,000	(\$250,000)
25	Other System Improvements	\$100,000	\$125,000	\$0
26	Operating Reserves/Misc	\$80,000	\$100,000	\$0
27	Contingency	\$7,411	\$76,091	\$0
28	TOTAL IRRIGATION BUDGET	1,539,013	1,666,975	(370,000)

Tradition Community Development District  
Fiscal Year 2026 Irrigation Revenue Sufficiency Study

Calculation of Projected Operating Expenses

Line		Fiscal Year Ending September 30,					
No.	Description	2026	Esc. Reference [1]	2027	2028	2029	2030
	IRRIGATION BUDGET						
1	Field Operations	\$ -	Inflation	\$ -	\$ -	\$ -	\$ -
2	Trustee Services	\$ 5,000	Inflation	\$ 5,130	\$ 5,263	\$ 5,400	\$ 5,541
3	Management	\$ 400,749	Labor	\$ 416,779	\$ 433,450	\$ 450,788	\$ 468,820
4	Engineering	\$ 50,000	Inflation	\$ 51,300	\$ 52,634	\$ 54,002	\$ 55,406
5	Professional Services, Other	\$ 5,000	Labor	\$ 5,200	\$ 5,408	\$ 5,624	\$ 5,849
6	Development Coordinator	\$ 66,765	Labor	\$ 69,436	\$ 72,213	\$ 75,102	\$ 78,106
7	City Franchise Fee	\$ -	Inflation	\$ -	\$ -	\$ -	\$ -
8	Travel And Per Diem	\$ 400	Inflation	\$ 410	\$ 421	\$ 432	\$ 443
9	Telephone	\$ 1,930	Inflation	\$ 1,980	\$ 2,032	\$ 2,084	\$ 2,139
10	Postage And Shipping	\$ 253	Inflation	\$ 260	\$ 266	\$ 273	\$ 280
11	Bank Fees	\$ 1,250	Inflation	\$ 1,283	\$ 1,316	\$ 1,350	\$ 1,385
12	Bad Debt	\$ 60,000	Rates	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000
13	Office Supplies	\$ 250	Inflation	\$ 257	\$ 263	\$ 270	\$ 277
14	Field Supplies (Other)	\$ 2,000	Inflation	\$ 2,052	\$ 2,105	\$ 2,160	\$ 2,216
15	Dues, Licenses, Fees	\$ 2,300	Inflation	\$ 2,360	\$ 2,421	\$ 2,484	\$ 2,549
16	Vehicle, Gas, & Repair	\$ 1,000	Vehicles	\$ 1,040	\$ 1,082	\$ 1,125	\$ 1,170
17	Electric	\$ 110,250	Electric	\$ 114,043	\$ 117,966	\$ 122,024	\$ 126,221
18	Water	\$ 170	Inflation	\$ 174	\$ 179	\$ 184	\$ 188
19	Other Utilities	\$ 1,550	Inflation	\$ 1,590	\$ 1,632	\$ 1,674	\$ 1,718
20	General Insurance	\$ 24,267	Insurance	\$ 25,602	\$ 27,010	\$ 28,495	\$ 30,063
21	General Repair & Maintenance	\$ 247,250	ENR	\$ 259,538	\$ 272,437	\$ 285,978	\$ 300,191
22	Landscaping Maintenance	\$ 11,000	Inflation	\$ 11,286	\$ 11,579	\$ 11,881	\$ 12,189
23	Hvac	\$ 4,500	Inflation	\$ 4,617	\$ 4,737	\$ 4,860	\$ 4,987
24	Renewal And Replacement	\$ -	ENR	\$ -	\$ -	\$ -	\$ -
25	Other System Improvements	\$ 125,000	Inflation	\$ 128,250	\$ 131,585	\$ 135,006	\$ 138,516
26	Operating Reserves/Misc	\$ 100,000	Inflation	\$ 102,600	\$ 105,268	\$ 108,005	\$ 110,813
27	Contingency	\$ 76,091	Inflation	\$ 78,069	\$ 80,099	\$ 82,182	\$ 84,318
28	Reclaimed Water from Port St. Lucie	\$ 59,963	Input	\$ 124,124	\$ 128,468	\$ 132,965	\$ 137,618
29	TOTAL OPERATING EXPENSES	\$ 1,356,938		\$ 1,467,379	\$ 1,519,834	\$ 1,574,347	\$ 1,631,003

Footnotes:

[1] Amounts shown derived from information provided on Table 5.

Tradition Community Development District  
Fiscal Year 2026 Irrigation Revenue Sufficiency Study

Summary of Operating Expense Escalation Assumptions

Line No.	Description	Alloc. Reference	Fiscal Year Ending September 30,				
			2026	2027	2028	2029	2030
1	General Inflation (CPI)	Inflation	102.60%	102.60%	102.60%	102.60%	102.60%
2	Proposed Rate Adjustments	Rates	125.00%	100.00%	100.00%	100.00%	100.00%
3	Annual COL Adjustments to Labor	Labor	104.00%	104.00%	104.00%	104.00%	104.00%
4	Bureau of Labor Statistics - Electricity	Electric	103.44%	103.44%	103.44%	103.44%	103.44%
5	Bureau of Labor Statistics - Industrial Chemicals	Chem	103.42%	103.42%	103.42%	103.42%	103.42%
6	Bureau of Labor Statistics - Gasoline	Fuel	103.81%	103.81%	103.81%	103.81%	103.81%
7	Property/General Insurance Liability	Insurance	105.50%	105.50%	105.50%	105.50%	105.50%
8	Employee Health and Workmans Comp Insurance	Health	106.00%	106.00%	106.00%	106.00%	106.00%
9	ENR - Construction Cost Index	ENR	104.97%	104.97%	104.97%	104.97%	104.97%
10	Constant - No Escalation	Constant	100.00%	100.00%	100.00%	100.00%	100.00%



Tradition Community Development District  
Fiscal Year 2026 Irrigation Revenue Sufficiency Study

Summary of Capital Improvement Plan and Capital Finance Plan

Line No.		Description	Start Year	Length	Escalation Factor	Original Cost	Funding Source	Fiscal Year Ending September 30,					Total
								2026	2027	2028	2029	2030	
Capital Improvement Plan													
1		New Meters For Existing Non-Metered Customers	2026	1	Constant	\$ 249,445	R&R Fund	\$ 249,445	\$ -	\$ -	\$ -	\$ -	\$ 249,445
2		Meter Purchases - New Customers	2026	1	Constant	\$ 39,198	R&R Fund	\$ 39,198	\$ -	\$ -	\$ -	\$ -	\$ 39,198
3		Distribution System Improvements	2027	4	Constant	\$ 1,600,000	R&R Fund	\$ -	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 1,600,000
4		Unidentified Storage and Water Loss Projects Reclaimed Water Infrastructure (from City)	2029	2	Constant	\$ 400,000	R&R Fund	\$ -	\$ -	\$ -	\$ 200,000	\$ 200,000	\$ 400,000
5		16" Pvc Iq Line (Tradition Connection)	2026	1	Constant	\$ 336,000	Debt-1	\$ 336,000	\$ -	\$ -	\$ -	\$ -	\$ 336,000
6		16" Gate Valve (Tradition Connection)	2026	1	Constant	\$ 28,000	Debt-1	\$ 28,000	\$ -	\$ -	\$ -	\$ -	\$ 28,000
7		Restoration Of Row	2026	1	Constant	\$ 78,400	Debt-1	\$ 78,400	\$ -	\$ -	\$ -	\$ -	\$ 78,400
8		Directional Bores	2026	1	Constant	\$ 84,000	Debt-1	\$ 84,000	\$ -	\$ -	\$ -	\$ -	\$ 84,000
9		Master Inflow Meter	2026	1	Constant	\$ 105,000	Debt-1	\$ 105,000	\$ -	\$ -	\$ -	\$ -	\$ 105,000
10		Tradition Surface Water Pump Station (1 Mg)	2026	1	Constant	\$ 980,000	Debt-1	\$ 980,000	\$ -	\$ -	\$ -	\$ -	\$ 980,000
11		Electrical Services To Pump Stations	2026	1	Constant	\$ 49,000	Debt-1	\$ 49,000	\$ -	\$ -	\$ -	\$ -	\$ 49,000
12		Lake Bank Modifications	2026	1	Constant	\$ 66,500	Debt-1	\$ 66,500	\$ -	\$ -	\$ -	\$ -	\$ 66,500
13		Total Capital Improvement Plan				\$ 4,015,543		\$ 2,015,543	\$ 400,000	\$ 400,000	\$ 600,000	\$ 600,000	\$ 4,015,543
Capital Improvement Program Funding													
14		Operation and Maintenance Account					Op. Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15		Renewal and Replacement Fund					R&R Fund	\$ 288,643	\$ 400,000	\$ 400,000	\$ 600,000	\$ 600,000	\$ 2,288,643
16		Impact Fee Account					Impact Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17		Irrigation Revenue Bonds, Series 2026 (Private Placement)					Debt-1	\$ 1,726,900	\$ -	\$ -	\$ -	\$ -	\$ 1,726,900
18		Total Capital Improvement Program Funding						\$ 2,015,543	\$ 400,000	\$ 400,000	\$ 600,000	\$ 600,000	\$ 4,015,543

Tradition Community Development District  
Fiscal Year 2026 Irrigation Revenue Sufficiency Study

Calculation of Annual Payment of Franchise Fee

Line No.	Description	Fiscal Year Ending September 30,				
		2026	2027	2028	2029	2030
	<b>Irrigation Franchise Fee Payment to City</b>					
1	Irrigation Rate Revenues [1]	\$ 2,436,746	\$ 2,914,913	\$ 2,942,740	\$ 2,959,807	\$ 2,987,633
2	Total Irrigation System Operating Revenues	\$ 2,436,746	\$ 2,914,913	\$ 2,942,740	\$ 2,959,807	\$ 2,987,633
3	Recommended Annual Deposit - Percent	6.00%	6.00%	6.00%	6.00%	6.00%
4	Recommended Annual Deposit - Amount	\$ 146,205	\$ 174,895	\$ 176,564	\$ 177,588	\$ 179,258

Footnotes:

[1] Amounts shown derived from information provided on Table 10.

Tradition Community Development District  
Fiscal Year 2026 Irrigation Revenue Sufficiency Study

Calculation of Irrigation Quality Water from Port St. Lucie

Line No.	Description	Fiscal Year Ending September 30,				
		2026	2027	2028	2029	2030
<b>One-Time Fee</b>						
1	Base Charge (One-Time)	\$ 750,000	\$ 750,000	\$ -	\$ -	\$ -
2	Funded from Debt - Percent	0.00%	0.00%	0.00%	100.00%	100.00%
3	Funded from Cash - Percent	0.00%	0.00%	0.00%	0.00%	0.00%
4	Funded from Operations (Expense) - Percent	100.00%	100.00%	100.00%	0.00%	0.00%
5	Funded from Debt - Amount	\$ -	\$ -	\$ -	\$ -	\$ -
6	Funded from Cash - Amount	\$ -	\$ -	\$ -	\$ -	\$ -
7	Funded from Operations - Amount	\$ 750,000	\$ 750,000	\$ -	\$ -	\$ -
<b>Bill Calculation</b>						
8	Base Facility Charge	\$ 3,690	\$ 3,690	\$ 3,690	\$ 3,690	\$ 3,690
9	Usage Fee	\$ 6,300	\$ 6,300	\$ 6,300	\$ 6,300	\$ 6,300
10	Billing Fee	\$ 3.88	\$ 3.88	\$ 3.88	\$ 3.88	\$ 3.88
11	Estimated Future Rate Adjustments	0.00%	3.50%	3.50%	3.50%	3.50%
12	Monthly Bill	\$ 9,994	\$ 10,344	\$ 10,706	\$ 11,080	\$ 11,468
13	Applicable Months	6	12	12	12	12
14	Annual Bill	\$ 59,963	\$ 124,124	\$ 128,468	\$ 132,965	\$ 137,618

Tradition Community Development District  
Fiscal Year 2026 Irrigation Revenue Sufficiency Study

Calculation of Annual Transfer to Renewal and Replacement Fund

Line No.	Description	Fiscal Year Ending September 30,				
		2026	2027	2028	2029	2030
	<b>Deposit to Renewal and Replacement Fund [1]</b>					
1	Irrigation Rate Revenues	\$ 2,436,746	\$ 2,914,913	\$ 2,942,740	\$ 2,959,807	\$ 2,987,633
2	Other Revenues	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000
3	Less: Insurance Reimbursements and Grants	\$ -	\$ -	\$ -	\$ -	\$ -
4	Interest Income	\$ 69,123	\$ 53,702	\$ 49,254	\$ 52,144	\$ 54,806
5	Total Irrigation System Operating Revenues	\$ 2,540,869	\$ 3,003,615	\$ 3,026,994	\$ 3,046,951	\$ 3,077,440
6	Recommended Annual Deposit - Percent	12.79%	13.32%	13.21%	16.41%	17.87%
7	Recommended Annual Deposit - Amount	\$ 325,000	\$ 400,000	\$ 400,000	\$ 500,000	\$ 550,000

Footnotes:

[1] Amounts shown derived from information provided on Table 10.

Tradition Community Development District  
Fiscal Year 2026 Irrigation Revenue Sufficiency Study

Summary of Projected Irrigation System Net Revenue Requirements and Annual Surplus / Deficiencies

Line No.	Description	Fiscal Year Ending September 30,				
		2026	2027	2028	2029	2030
	Revenue Requirements					
1	Operating Expenses [1]	\$ 1,356,938	\$ 1,467,379	\$ 1,519,834	\$ 1,574,347	\$ 1,631,003
2	City Capacity Reservation Charge [2]	\$ 750,000	\$ 750,000	\$ -	\$ -	\$ -
	Debt Service					
	Existing Debt Service					
3	Irrigation System Revenue Bonds, Series 2017	\$ 368,025	\$ 367,525	\$ 366,825	\$ 370,438	\$ 368,350
4	Total Existing Debt Service	\$ 368,025	\$ 367,525	\$ 366,825	\$ 370,438	\$ 368,350
	Additional Debt Service					
5	Irrigation System Revenue Bonds, Series 2026	\$ -	\$ 222,448	\$ 222,448	\$ 222,448	\$ 222,448
6	Total Additional Debt Service	\$ -	\$ 222,448	\$ 222,448	\$ 222,448	\$ 222,448
	Transfers					
7	Renewal and Replacement Fund [3]	\$ 325,000	\$ 400,000	\$ 400,000	\$ 500,000	\$ 550,000
8	Franchise Fee Payment to City [4]	\$ 146,205	\$ 174,895	\$ 176,564	\$ 177,588	\$ 179,258
9	Gross Revenue Requirements	\$ 2,946,168	\$ 3,382,247	\$ 2,685,672	\$ 2,844,822	\$ 2,951,059
10	Less: Other Revenues [5]	\$ (35,000)	\$ (35,000)	\$ (35,000)	\$ (35,000)	\$ (35,000)
11	Less: Investment Income [6]	\$ (69,123)	\$ (53,702)	\$ (49,254)	\$ (52,144)	\$ (54,806)
12	Net Revenue Requirements	\$ 2,842,045	\$ 3,293,545	\$ 2,601,418	\$ 2,757,678	\$ 2,861,253
13	Rate Revenues Under Existing Rates	\$ 2,165,996	\$ 2,373,414	\$ 2,401,241	\$ 2,418,308	\$ 2,446,134
14	Existing Surplus/(Deficiency) - Amount	\$ (676,049)	\$ (920,131)	\$ (200,177)	\$ (339,370)	\$ (415,118)
15	Existing Surplus/(Deficiency) - Percent	(31.21%)	(38.77%)	(8.34%)	(14.03%)	(16.97%)
	<b>Calculation of Additional Revenues from Rate Adjustments</b>					
16	Recommended Rate Adjustment	25.00%	0.00%	0.00%	0.00%	0.00%
17	Current Year Rate Adjustment	25.00%	0.00%	0.00%	0.00%	0.00%
	Effective Months of Fiscal Year	6	12	12	12	12
18	Revenues From Prior Year Rate Adjustments	\$ -	\$ 541,499	\$ 541,499	\$ 541,499	\$ 541,499
19	Revenues From Current Year Rate Adjustments	\$ 270,750	\$ -	\$ -	\$ -	\$ -
20	<b>Proposed Rate Revenues After Rate Adjustments</b>	<b>\$ 2,436,746</b>	<b>\$ 2,914,913</b>	<b>\$ 2,942,740</b>	<b>\$ 2,959,807</b>	<b>\$ 2,987,633</b>
21	<b>Proposed Surplus/(Deficiency) - Amount</b>	<b>\$ (405,299)</b>	<b>\$ (378,632)</b>	<b>\$ 341,322</b>	<b>\$ 202,129</b>	<b>\$ 126,381</b>
22	<b>Proposed Surplus/(Deficiency) - Percent</b>	<b>(16.63%)</b>	<b>(12.99%)</b>	<b>11.60%</b>	<b>6.83%</b>	<b>4.23%</b>

Footnotes:

- [1] Amounts shown derived from information provided on Table 4.  
 [2] Amounts shown derived from information provided on Table 8.  
 [3] Amounts shown derived from information provided on Table 9.  
 [4] Amounts shown derived from information provided on Table 7.  
 [5] Amounts shown derived from information provided on Table 2.  
 [6] Amounts shown derived from information provided on Table 11.

Tradition Community Development District  
Fiscal Year 2026 Irrigation Revenue Sufficiency Study

Calculation of Projected Fund Balances and Interest Income

Line No.	Description	Fiscal Year Ending September 30,				
		2026	2027	2028	2029	2030
<b>Irrigation System - Summary of Ending Fund Balances</b>						
1	Operation and Maintenance Account	\$ 968,686	\$ 590,053	\$ 931,375	\$ 1,133,505	\$ 1,259,885
2	Renewal and Replacement Fund	\$ 236,357	\$ 236,357	\$ 236,357	\$ 136,357	\$ 86,357
3	Impact Fee Account	\$ -	\$ -	\$ -	\$ -	\$ -
4	Sinking Fund	\$ 92,006	\$ 147,493	\$ 147,318	\$ 148,222	\$ 147,700
5	Debt Service Reserve Fund	\$ 371,025	\$ 371,025	\$ 371,025	\$ 371,025	\$ 371,025
6	Customer Deposits	\$ 95	\$ 95	\$ 95	\$ 95	\$ 95
7	Total Ending Fund Balances	\$ 1,668,168	\$ 1,345,023	\$ 1,686,170	\$ 1,789,203	\$ 1,865,062
<u>Operation and Maintenance Account</u>						
8	Beginning Year Fund Balance	\$ 1,555,258	\$ 968,686	\$ 590,053	\$ 931,375	\$ 1,133,505
Transfers In						
9	Operations [1]	\$ -	\$ -	\$ 341,322	\$ 202,129	\$ 126,381
10	Remaining Bond Proceeds	\$ 18,727	\$ -	\$ -	\$ -	\$ -
11	Total Transfers In	\$ 18,727	\$ -	\$ 341,322	\$ 202,129	\$ 126,381
Transfers Out						
12	Operations [1]	\$ (405,299)	\$ (378,632)	\$ -	\$ -	\$ -
13	Capital Improvement Program Funding	\$ -	\$ -	\$ -	\$ -	\$ -
14	Payment to Port St. Lucie - Reclaimed Water	\$ -	\$ -	\$ -	\$ -	\$ -
15	Transfer to Renewal & Replacement Fund	\$ (200,000)	\$ -	\$ -	\$ -	\$ -
16	Total Transfers Out	\$ (605,299)	\$ (378,632)	\$ -	\$ -	\$ -
Calculation of Interest Income						
17	Estimated Annual Interest Rate	3.75%	3.50%	3.25%	3.00%	3.00%
18	Annual Interest Earnings	\$ 47,324	\$ 27,278	\$ 24,723	\$ 30,973	\$ 35,901
19	Interest Earnings Recognized As Operating Revenues	\$ (47,324)	\$ (27,278)	\$ (24,723)	\$ (30,973)	\$ (35,901)
20	End of Year Fund Balance	\$ 968,686	\$ 590,053	\$ 931,375	\$ 1,133,505	\$ 1,259,885

Tradition Community Development District  
Fiscal Year 2026 Irrigation Revenue Sufficiency Study

Calculation of Projected Fund Balances and Interest Income

Line No.	Description	Fiscal Year Ending September 30,				
		2026	2027	2028	2029	2030
	<u>Renewal and Replacement Fund</u>					
21	Beginning Year Fund Balance	\$ -	\$ 236,357	\$ 236,357	\$ 236,357	\$ 136,357
	Transfers In					
22	Operations	\$ 325,000	\$ 400,000	\$ 400,000	\$ 500,000	\$ 550,000
23	Transfer from Operating Fund [2]	\$ 200,000	\$ -	\$ -	\$ -	\$ -
24	Total Transfers In	\$ 525,000	\$ 400,000	\$ 400,000	\$ 500,000	\$ 550,000
	Transfers Out					
25	Capital Improvement Program Funding [3]	\$ (288,643)	\$ (400,000)	\$ (400,000)	\$ (600,000)	\$ (600,000)
26	Total Transfers Out	\$ (288,643)	\$ (400,000)	\$ (400,000)	\$ (600,000)	\$ (600,000)
	Calculation of Interest Income					
27	Estimated Annual Interest Rate	3.75%	3.50%	3.25%	3.00%	3.00%
28	Annual Interest Earnings	\$ 4,432	\$ 8,272	\$ 7,682	\$ 5,591	\$ 3,341
29	Interest Earnings Recognized As Operating Revenues	\$ (4,432)	\$ (8,272)	\$ (7,682)	\$ (5,591)	\$ (3,341)
30	End of Year Fund Balance	\$ 236,357	\$ 236,357	\$ 236,357	\$ 136,357	\$ 86,357

Tradition Community Development District  
Fiscal Year 2026 Irrigation Revenue Sufficiency Study

Calculation of Projected Fund Balances and Interest Income

Line No.	Description	Fiscal Year Ending September 30,				
		2026	2027	2028	2029	2030
	<u>Sinking Fund</u>					
	Average Annual Debt Service					
31	Existing Debt	\$ 368,025	\$ 367,525	\$ 366,825	\$ 370,438	\$ 368,350
32	Proposed Debt	\$ -	\$ 222,448	\$ 222,448	\$ 222,448	\$ 222,448
33	Total Average Annual Debt Service	\$ 184,013	\$ 294,987	\$ 294,637	\$ 296,443	\$ 295,399
	Calculation of Interest Income					
34	Estimated Annual Interest Rate	3.75%	3.50%	3.25%	3.00%	3.00%
35	Annual Interest Earnings	\$ 3,450	\$ 5,162	\$ 4,788	\$ 4,447	\$ 4,431
36	Interest Earnings Recognized As Operating Revenues	\$ (3,450)	\$ (5,162)	\$ (4,788)	\$ (4,447)	\$ (4,431)
37	Estimated Aveage Annual Fund Balance	\$ 92,006	\$ 147,493	\$ 147,318	\$ 148,222	\$ 147,700
	<u>Debt Service Reserve Fund</u>					
38	Beginning Year Fund Balance	\$ 371,025	\$ 371,025	\$ 371,025	\$ 371,025	\$ 371,025
	Transfers In					
39	Reserve Account Deposit	\$ -	\$ -	\$ -	\$ -	\$ -
40	Total Transfers In	\$ -	\$ -	\$ -	\$ -	\$ -
	Transfers Out					
41	Operations	\$ -	\$ -	\$ -	\$ -	\$ -
42	Total Transfers Out	\$ -	\$ -	\$ -	\$ -	\$ -
	Calculation of Interest Income					
43	Estimated Annual Interest Rate	3.75%	3.50%	3.25%	3.00%	3.00%
44	Annual Interest Earnings	\$ 13,913	\$ 12,986	\$ 12,058	\$ 11,131	\$ 11,131
45	Interest Earnings Recognized As Operating Revenues	\$ (13,913)	\$ (12,986)	\$ (12,058)	\$ (11,131)	\$ (11,131)
46	End of Year Fund Balance	\$ 371,025	\$ 371,025	\$ 371,025	\$ 371,025	\$ 371,025



Tradition Community Development District  
Fiscal Year 2026 Irrigation Revenue Sufficiency Study

Calculation of Projected Fund Balances and Interest Income

Line No.	Description	Fiscal Year Ending September 30,				
		2026	2027	2028	2029	2030
	<u>Customer Deposits</u>					
47	Beginning Year Fund Balance	\$ 95	\$ 95	\$ 95	\$ 95	\$ 95
48	Transfers In Operations	\$ -	\$ -	\$ -	\$ -	\$ -
49	Total Transfers In	\$ -	\$ -	\$ -	\$ -	\$ -
50	Transfers Out Operations	\$ -	\$ -	\$ -	\$ -	\$ -
51	Refunding of Customer Deposits	\$ -	\$ -	\$ -	\$ -	\$ -
52	Total Transfers Out	\$ -	\$ -	\$ -	\$ -	\$ -
	<u>Calculation of Interest Income</u>					
53	Estimated Annual Interest Rate	3.75%	3.50%	3.25%	3.00%	3.00%
54	Annual Interest Earnings	\$ 4	\$ 3	\$ 3	\$ 3	\$ 3
55	Interest Earnings Recognized As Operating Revenues	\$ (4)	\$ (3)	\$ (3)	\$ (3)	\$ (3)
56	End of Year Fund Balance	\$ 95	\$ 95	\$ 95	\$ 95	\$ 95
57	Estimated Total Unrestricted Interest Income	<u>\$ 69,123</u>	<u>\$ 53,702</u>	<u>\$ 49,254</u>	<u>\$ 52,144</u>	<u>\$ 54,806</u>

Footnotes:

- [1] Amounts shown derived from information provided on Table 10.  
 [2] Amounts shown derived from information provided on Table 9.  
 [3] Amounts shown derived from information provided on Table 6.

Tradition Community Development District  
Fiscal Year 2026 Irrigation Revenue Sufficiency Study

Calculation of Projected Water Annual Debt Service Coverage Ratios

Line No.	Description	Fiscal Year Ending September 30,				
		2026	2027	2028	2029	2030
	Pledged Revenues					
1	Rate Revenues	\$ 2,436,746	\$ 2,914,913	\$ 2,942,740	\$ 2,959,807	\$ 2,987,633
2	Other Operating Revenues	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000
3	Interest Income	\$ 69,123	\$ 53,702	\$ 49,254	\$ 52,144	\$ 54,806
4	Total Pledged Revenues	\$ 2,540,869	\$ 3,003,615	\$ 3,026,994	\$ 3,046,951	\$ 3,077,440
5	Less: Operating Expenses	\$ (1,356,938)	\$ (1,467,379)	\$ (1,519,834)	\$ (1,574,347)	\$ (1,631,003)
6	Net Revenues Available for Debt Service	\$ 1,183,930	\$ 1,536,236	\$ 1,507,160	\$ 1,472,604	\$ 1,446,437
	Calculation of All-In Annual Debt Service Coverage Ratio					
7	Irrigation System Revenue Bonds, Series 2017	\$ 368,025	\$ 367,525	\$ 366,825	\$ 370,438	\$ 368,350
8	Irrigation System Revenue Bonds, Series 2026	\$ -	\$ 222,448	\$ 222,448	\$ 222,448	\$ 222,448
9	Annual Debt Service	\$ 368,025	\$ 589,973	\$ 589,273	\$ 592,886	\$ 590,798
	Annual Debt Service Coverage Ratio					
10	Calculated Ratio	321.7%	260.4%	255.8%	248.4%	244.8%
11	Minimum Requirement	115.0%	115.0%	115.0%	115.0%	115.0%