

AGENDA

Key Colony Beach Utility Board

Tuesday, July 21, 2026 – 10:00 AM

Temporary Meeting Place for the City of Key Colony Beach

The Key Colony Inn – Back Patio, 700 W. Ocean Drive, Key Colony Beach & via Zoom Conferencing

[Zoom login information at the end of this agenda](#)

- 1. Call to Order, Pledge of Allegiance, Prayer, & Rollcall**
- 2. Approval of Agenda** *(Additions, changes, and deletions can be made via one motion and a second to approve by majority vote)*
- 3. Citizen Comments and Correspondence**
- 4. Approval of Minutes** - 06-16-2026 Utility Board Meeting Minutes – **Pgs. 1-4**
- 5. Review of Sludge Hauling for July – Pg. 5**
- 6. Items for Discussion & Recommendation of Approval**
 - a. After-the-Fact Review and Approval for the Purchase of a Digester Local Monitoring and Alarm System – **Pgs. 6-11**
 - b. Discussion/Recommendation for an increase in Residential and Commercial Wastewater Fees – **Pg. 12**
 - c. Discussion/Recommendation for Approval for a Replacement Proposal by Veolia for Membrane Replacements for \$383,220.00 – **Pgs. 13-38**
- 7. City Hall Staff Report – Pg. 39**
- 8. Sewer and Stormwater Grant Update**
- 9. Operator's Monthly Report**
 - a. June 2026 – **Pg. 40**
 - b. Maintenance Budget for re-use – **Pg. 41**
- 10. Treasurer's Report**
 - a. **June 2026 Wastewater Financial Reports**
 1. Balance Sheet – **Pgs. 42-44**
 2. Income Statement – **Pgs. 45-47**
 3. Discussion/Approval of Wastewater Warrant No. 0626 for \$405,104.53 – **Pg. 48**
 - b. **June 2026 Stormwater Financial Reports**
 1. Balance Sheet – **Pg. 49**
 2. Income Statement – **Pg. 50**
 3. Discussion/Approval of Stormwater Warrant No. 0626 for \$701.28 – **Pg. 51**
- 11. Any Other Business**
- 12. Next Meeting:** August 18, 2026- 10:00 AM – The Key Colony Inn
- 13. Adjournment**

Persons who need accommodations to attend or participate in this meeting should contact the City Clerk at 305-289-1212 at least 48 hours before the meeting to request such assistance.

NOTICE: *One or more members of the City Commission may be present at this meeting. The presence of Commissioners does not constitute a City Commission meeting, and no official action by the City Commission will be taken.*

This meeting will be held at the temporary meeting place for the City of Key Colony Beach, at The Inn, Back Patio, 700 W. Ocean Drive, Key Colony Beach, and via Zoom.

Join from PC, Mac, iPad, or Android:

<https://us02web.zoom.us/j/86793423353?pwd=19Bbl70dHdWXTTZiMHcwWbrLfWjjYb.1>

Passcode:001086

Phone one-tap:

+13052241968,,86793423353#,,,,*001086# US
+13126266799,,86793423353#,,,,*001086# US (Chicago)

Join via audio:

+1 305 224 1968 US
+1 312 626 6799 US (Chicago)
+1 646 931 3860 US
+1 929 205 6099 US (New York)
+1 301 715 8592 US (Washington DC)
+1 309 205 3325 US
+1 253 215 8782 US (Tacoma)
+1 346 248 7799 US (Houston)
+1 360 209 5623 US
+1 386 347 5053 US
+1 507 473 4847 US
+1 564 217 2000 US
+1 669 444 9171 US
+1 669 900 6833 US (San Jose)
+1 689 278 1000 US
+1 719 359 4580 US
+1 253 205 0468 US

Webinar ID: 867 9342 3353

Passcode: 001086

International numbers available: <https://us02web.zoom.us/j/krCJGSCjf>

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MINUTES

Key Colony Beach Utility Board

Tuesday, June 16, 2026 – 3:30 PM

Marble Hall, 600 W. Ocean Drive, Key Colony Beach & via Zoom Conferencing

1. **Call to Order, Pledge of Allegiance, Prayer, & Rollcall:** The Key Colony Beach Utility Board was called to order by Chair Fred Swanson at 3:30 PM, followed by the Pledge of Allegiance, Prayer, and Rollcall. **Present:** Vice-Chair Ed Carey, Gil Gilbertson, Chair Fred Swanson, Liz Kohout Stevens, Joe Schmidt (via Zoom). **Also present:** Commissioner Tom Harding, City Administrator John Bartus, Administrative Assistant Par Darnall, Building Official Tony Loreno, Plant Operator Shane Ellis.
2. **Swearing-in of Newly Appointed Board Member Liz Kohout Stephens:** City Clerk Roussin administered the Oath of Office.
3. **Approval of Agenda** (*Additions, changes, and deletions can be made via one motion and a second to approve by majority vote*)

There were no changes to the agenda, and Chair Swanson asked for a motion to approve.

MOTION: Motion made by Vice-Chair Carey to approve. Gil Gilbertson seconded the motion.

DISCUSSION: None.

ON THE MOTION: Rollcall vote. Unanimous approval.

4. **Citizen Comments and Correspondence:** None.
5. **Approval of Minutes**
 - a. 04-21-2026 Utility Board Meeting Minutes

There were no changes to the minutes, and Chair Swanson asked for a motion to approve.

MOTION: Motion made by Gil Gilbertson to approve. Vice-Chair Carey seconded the motion.

DISCUSSION: None.

ON THE MOTION: Rollcall vote. Unanimous approval.

6. **Items for Discussion & Recommendation of Approval**
 - a. Discussion/Approval of the Draft FY 26/27 Utility Board Budget

Chair Swanson introduced the agenda item and asked Commissioner Harding to elaborate. Commissioner Harding discussed the upcoming budget, including the timeline and process for budget preparation and approvals. Gil Gilbertson commented on the projected increase in sludge hauling costs. Commissioner Harding explained the process for evaluating actual spending against the approved budget, reviewing contractor expenditures, proposed work, and staff support. Commissioner Harding noted that the Miami-Dade CPI is currently 3.8 percent and that the increase used for the Florida Keys brings the guideline to 4.5 percent. He further stated that sludge hauling costs have increased significantly over the past two years. He shared a data analysis of sludge hauling since 2000 and provided historical context, including the impact of landfill issues in Miami-Dade County. Commissioner Harding explained his calculations for the remainder of the year, including population increases and storm-related system leakage. Commissioner Harding also discussed cost increases related to additional Utility Department staffing and the need to raise fees to budget appropriately. He suggested a \$10 monthly increase and recommended revisiting potential increases for commercial properties. Commissioner Harding asked for feedback

and suggestions and requested that the Board review potential projects included in the draft budget.

Commissioner Harding gave a presentation on the digester plant, the sludge dewatering process, and the overall process and potential costs of establishing a plant. He asked whether the City should consider building its own processing facility and provided additional comments on feasibility, the current process, and available space.

Gil Gilbertson asked about the increase in consulting costs. Commissioner Harding stated that the costs are primarily related to CPH and that most consulting fees are associated with grants and engineering consulting. Commissioner Harding asked for comments on commercial properties and whether rates should be increased by 13 percent to align with residential rates. Commissioner Harding further commented on possible locations within the wastewater plant and said the Board should first determine whether there is agreement to explore the concept. He also noted potential odor concerns and said the facility would need to be in a self-contained building. Chair Swanson spoke about the possibility of expanding into the boat trailer parking area. Commissioner Harding stated that feasibility would depend on available space and potential cost savings. He suggested preparing a conceptual business case and commented on possible water reuse and environmental benefits in addition to financial benefits. Gil Gilbertson noted that the Keys are hydrologic and stated that keeping water on the land could be beneficial. Chair Swanson asked that comments be put together for further review and asked City Administrator Bartus to report on related grants.

City Administrator Bartus reported on pending grants and an upcoming meeting about a potential agreement with other municipalities in the County. Mayor Foster confirmed that the Stormwater Grant had been awarded.

Joe Schmidt asked whether the City could dry sludge for other municipalities. Commissioner Harding confirmed that this could be explored and cited sludge-related work in Marathon and Big Pine Key.

There was no further discussion and Chair Swanson asked for a motion to approve the draft budget.

MOTION: Motion made by Vice-Chair Carey to approve the FY26/27 Draft Budget. Chair Swanson seconded the motion.

DISCUSSION: Chair Swanson commented on the need to continue to work on the draft. Commissioner Harding confirmed that further changes can be made. Chair Swanson commented on the high costs of emergency sludge hauling. Commissioner Harding gave further comment on the leak prevention process, relations to rain events, volume increases, and leak detection and repairs during the year.

ON THE MOTION: Rollcall vote. Unanimous approval.

Wastewater Plant Operator Shane Ellis provided additional comments on rain events, which increase volume, and on King's Tides, which, when combined with rain events, double the volume to consider when it comes to sludge hauling.

b. Review of April/May Sludge Hauling – See under a.

c. Discussion/Recommendation of Approval to Secure Engineering Studies for Limiting Potential Damage to the Wastewater Plant in the Event of a Tidal Surge

Chair Swanson introduced the agenda item and asked Gil Gilbertson to elaborate. After speaking with Plant Operator Shane Ellis, Gilbertson stated that the two most vulnerable buildings appear to be the MBR and ISAM buildings, both of which contain complex electronic equipment that could be damaged by saltwater intrusion. He discussed available engineering resources and advised Board members not to assume responsibility for areas outside their expertise. He recommended consulting an engineer or other qualified expert with appropriate insurance.

Gil Gilbertson further stated that the wastewater plant should be protected from damage during a major hurricane or tidal surge. He noted that if the plant were out of service, residents could be unable to live in the City for an extended period until repairs were completed. To mitigate that risk, he suggested that the Commission consider having an engineer work with Shane Ellis to evaluate vulnerabilities and identify the least expensive improvements

with the highest return on investment.

Vice-Chair Carey asked how long the plant had been down after Hurricane Irma. Commissioner Harding stated that the plant had been down for a few days due to minor flooding. He noted that a platform had been affected and that the generator helped bring the plant back online. He also stated that two lift stations were lost and that the MBR building was the most vulnerable, in addition to the lift stations.

Commissioner Harding noted that the tanks are not expected to move during a storm due to their weight. He stated that lift stations are already included on the list of items for review and that flood logs may be one of the most effective flood-protection measures. He commented that the plant performed relatively well after Hurricane Irma, but overtime and staff hours were very costly.

Chair Swanson stated that the Board should further consider what it intends to recommend before making a recommendation to the Commission. Chair Swanson also stated that he would follow up on the matter and bring the item back at a later meeting.

7. City Staff Report: City Clerk Roussin reported that the search for a Wastewater Plant Operator is ongoing.

8. Sewer and Stormwater Grant Update: Nothing further.

9. Operator's Monthly Report

- a. May 2026
- b. Maintenance Budget for re-use

Plant Operator Ellis reported that the high nitrogen test results are trending downward and that a problem affecting the averages had been corrected, which should allow the averages to continue decreasing.

Shane Ellis further advised that he has been in contact with Nuvonics about repairs to the ballasts and bulbs, which are not providing adequate disinfection. Commissioner Harding suggested approving on-site visits, if needed, to complete the repairs. Mayor Foster asked for clarification on the current risk to the plant.

Dennis Coates, Shane Ellis' US Water Supervisor, explained the communication issues and the underlying problem. He stated that there is minimal disinfection risk and outlined the steps intended to resolve the issue. Mayor Foster asked about warranty work, noted the importance of understanding the issue, particularly in light of DEP concerns, and ensuring that the matter remains under control. Dennis Coates acknowledged the concern, agreed that resolving the issue is important, and committed to following up with Commissioner Harding the following day.

10. Treasurer's Report

- a. **May 2026 Wastewater Financial Reports**
 - 1. Balance Sheet
 - 2. Income Statement
 - 3. Discussion/Approval of Wastewater Warrant No. 0526 for \$159,970.52
- b. **May 2026 Stormwater Financial Reports**
 - 1. Balance Sheet
 - 2. Income Statement
 - 3. Discussion/Approval of Stormwater Warrant No. 0426 for No. 0526 for \$29,509.03

Gil Gilbertson presented the Treasurer's Report and noted that, although not an accountant, the numbers appear similar to those previously reviewed. Chair Swanson stated that nothing stood out and asked for a motion to approve the Wastewater Warrant for \$159,970.52.

MOTION: Motion made by Vice-Chair Carey to approve. Gil Gilbertson seconded the motion.

DISCUSSION: None.

ON THE MOTION: Rollcall vote. Unanimous approval.

Chair Swanson asked for a motion to approve the May Stormwater Warrant in the amount of \$29,509.03.

MOTION: Motion made by Gil Gilbertson to approve the Stormwater Warrant. Joe Schmidt seconded the motion.

DISCUSSION: None.

ON THE MOTION: Rollcall vote. Unanimous approval.

11. Any Other Business

- a. Review of Summer Schedule: The Board discussed their ability to attend upcoming meetings and confirmed an established quorum for the July meeting.

12. Next Meeting: July 21, 2026 – 10:00 AM – The Inn

13. Adjournment: The meeting adjourned at 4:32 PM.

Respectfully submitted,

Silvia Roussin

City Clerk

	Date	Contractor	Description	Trucks/Loads	Gallons Pumped	Cost
Week 1						
Total Week 1				0	-	\$ -
Week 2						
	7/11/2026	Haack Environmental	Emergency Pump Out	14	54,500	\$ 61,875.00
Total Week2				14	54,500	\$ 61,875.00
Week 3						
Total Week 3				0	-	\$ -
Week 4						
Total Week 4				0	-	\$ -
Week 5						
Total Week 5				0	-	\$ -
Total July				14	54,500	\$ 61,875.00

CPH Corp
Attn: Mr. Jason Shepler -- VP of Environmental Services
580-1 Wells Rd
Orange Park, FL 32703

June 17, 2026

RE: City of Key Colony Beach
Digester Local Monitoring and Alarm System

Mr. Shepler:

Reynolds Construction (RC) appreciates the opportunity to assist the City of Key Colony Beach with providing a new Omni Site local monitoring system to the City's WRF aerobic digester tank.

Reynolds has been on site with Nearshore Electric to review the existing conditions of tank and the current electrical setup. After input from the plant operator and a conference call with CPH, Nearshore, and Mr. Frank Wells of Evan Lily Engineering, Reynolds is pleased to provide the proposal below.

Based on job site reviews and current material costs, Reynolds proposes to complete the scope of work below for a total of

- \$29,880.37 (Twenty-nine thousand eight hundred eighty dollars and thirty-seven cents)

Scope of work includes.

- Install Omni Site Crystall Ball to monitor aerobic digester tank.
- Install a new SCADA control panel for digester level monitoring system.
- Installation of two (2) float-balls for HWL alarm and HHWL alarm to the operator.
- Installation of a new level transmitter.
- Installation of a new video camera to monitor the digester tank.
- Startup of new SCADA Omni Site system.

Scope of work does not include.

- Permitting/permit fees from the City of Key Colony
- Trenching and running conduit underground for new WINGS system.
- A new service agreement for the control panel, level transducer, CTs, and camera.
- Scope of work not clearly shown on the drawings or any email correspondences.

The above Pricing is good for thirty (30) days. Scope of work is anticipated to be completed in eight (8) days' time, and the Omni Site equipment has a lead time of one (1) month. Please provide Reynolds with directions on how to proceed at this time.

Respectfully Provided:
Reynolds Construction, LLC



Luke Johnson

Reynolds Construction 11107 4th Avenue Ocean Marathon, FL 33050		CHANGE PROPOSAL SUMMARY NO:																																																																		
PROJECT NAME: KCB WRF - Digester Local SCADA Monitor Install		PROJ. NO.:																																																																		
LOCATION: Key Colony Beach, FL		DATE: 06/11/26																																																																		
OWNER: City of Key Colony Beach		DRAWING NO.:																																																																		
ENGINEER:		SPEC. SECTION:																																																																		
REFERENCE	PCO NO.: 000	FIELD DIRECTIVE NO.: 0	RFI NO.: N/A																																																																	
OTHER:																																																																				
DESCRIPTION: KCB WRF - Digester Local SCADA Monitor Install - Reynolds to install a Omni Site WINGS system to monitor the aerobic digester levels. - Reynolds to assist the city with start-up and SCADA testing.																																																																				
PRICING INFORMATION																																																																				
1. DIRECT LABOR		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>See backup sheet for breakdown</td> <td style="text-align: center;">0</td> <td></td> <td style="text-align: right;">\$ 3,816.24</td> </tr> <tr> <td colspan="4">1.A PRODUCT LABOR:</td> </tr> <tr> <td colspan="4">1.B ☐ FOREMAN ☐ SUPERINTENDENT</td> </tr> <tr> <td>Safety</td> <td style="text-align: center;">0</td> <td style="text-align: right;">\$ 88.24</td> <td style="text-align: right;">\$ -</td> </tr> <tr> <td>QA/QC</td> <td style="text-align: center;">0</td> <td style="text-align: right;">\$ 86.28</td> <td style="text-align: right;">\$ -</td> </tr> <tr> <td colspan="4">1.C OFFICE ENGINEERING:</td> </tr> <tr> <td>Superintendent</td> <td style="text-align: center;">0</td> <td style="text-align: right;">\$ 133.00</td> <td style="text-align: right;">\$ -</td> </tr> <tr> <td>Project Engineer</td> <td style="text-align: center;">16</td> <td style="text-align: right;">\$ 92.75</td> <td style="text-align: right;">\$ 1,484.00</td> </tr> <tr> <td>Project Manager</td> <td style="text-align: center;">4</td> <td style="text-align: right;">\$ 133.00</td> <td style="text-align: right;">\$ 532.00</td> </tr> <tr> <td colspan="3">Labor Burden (included in Rates)</td> <td style="text-align: right;">\$ 5,832.24</td> </tr> </table>		See backup sheet for breakdown	0		\$ 3,816.24	1.A PRODUCT LABOR:				1.B ☐ FOREMAN ☐ SUPERINTENDENT				Safety	0	\$ 88.24	\$ -	QA/QC	0	\$ 86.28	\$ -	1.C OFFICE ENGINEERING:				Superintendent	0	\$ 133.00	\$ -	Project Engineer	16	\$ 92.75	\$ 1,484.00	Project Manager	4	\$ 133.00	\$ 532.00	Labor Burden (included in Rates)			\$ 5,832.24																									
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Contract Time Extension Costs		Days Requested	Daily Rate	COST
Contractor Extension Costs		0	0	\$ -
Subcontractor Extension Costs		0	0	\$ -
Total Time Extension Costs				\$ -

**(daily rate is subject to change per actual OH items)*

EXTENSION OF CONTRACT TIME:

N/A	This Proposal does not include any \$ for extension or acceleration but the right to ask for these costs at a later date is expressly reserved if determined to be necessary.
N/A	Extension cost is included in this proposal
N/A	Acceleration cost to maintain project schedule are included in this proposal. *

5. FEE STRUCTURE	Rate	COST	Overhead & Profit	SUBTOTAL
A. Contractor				
1. Direct Labor:		\$ 5,832.24	20%	\$ 6,998.69
2. Material & Equipment:		\$ 7,889.22	20%	\$ 9,467.07
3. Subcontractors:		\$ 11,574.00	10%	\$ 12,731.40
4. Bond & Insurance:	1.95%	\$ 569.34	20%	\$ 683.21
TOTAL COST OF THIS CHANGE PROPOSAL (All deductions shown in parentheses):				\$ 29,880.37

RECORD DOCUMENTS: As part of this Change Proposal, the Contractor shall provide applicable record drawing information affected by this change.

Signed: Luke Johnson
Title: Project Engineer
Contractor: Reynolds Construction, LLC

Date: 06/11/26

ACCEPTANCE BY OWNER

Signature of Owner's Authorized Representative: _____ Date: _____
Engineer to prepare necessary change order _____ Engineer to Re-negotiate change proposal as noted above _____ Other as above _____

OWNER:	CONTRACTOR: Reynolds Construction	PROJECT NO.:
ENGINEER:	FIELD:	DATE:
	OTHER:	



Nearshore Electric, Inc.

State Certified Electrical Contractor

#EC13001186

Scope of Work

Job #260601

Confidential

Contractor: Reynolds Construction LLC

Phone: (317) 832-5987 ~ Email: joshua.vondersaur@reynoldscon.com

Project: Aerobic Digester SCADA

Project Address Key Colony Beach WWTP
Marathon, FL 33050

June 9, 2026

To all concerned,

We are pleased to offer you our proposal for the electrical work required at Key Colony Beach WWTP in Marathon, Florida. All work performed by Nearshore Electric, Inc. shall conform to current codes, regulations, and project specifications. All work performed by Nearshore Electric, Inc. shall be warranted for a period of one year. The following breakdown describes the items and services that Nearshore Electric, Inc. shall provide as well as any exclusion from our scope of work.

INCLUDED IN BID:

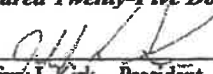
- ◆ Provide and install stainless steel uni-strut on existing handrail to accommodate new SCADA control panel
- ◆ Install SCADA control panel provided by others on uni-strut rack
- ◆ Provide and install 1" SCH80 PVC conduit from existing control panel to new SCADA control panel for power
- ◆ Provide and install #12 THWN copper wire from existing control panel to new SCADA control panel for power
- ◆ Provide and install 3amp din mounted breaker in existing control panel
- ◆ Install wiring from transformer to line side of new breaker
- ◆ Terminate power conductors to new breaker and SCADA control panel
- ◆ Provide and install 1" SCH80 PVC conduit from new SCADA control panel to existing control panel for current transformers (CT's) to monitor motor currents and common alarm signal
- ◆ Provide and install #14 THWN copper wire from SCADA panel to existing control panel and terminate conductors for CT's, common alarm signal
- ◆ Provide and install 1" SCH80 PVC conduit from new SCADA panel to digester tank for submersible level transducer
- ◆ Install level transducer and terminate conductors to new SCADA control panel
- ◆ Provide and install 1" PVC conduit from new SCADA panel to digester tank for 2-floatballs
- ◆ Provide and set floatball levels as directed by owner and terminate conductors in new SCADA control panel
- ◆ Install security camera at new SCADA control panel and set viewing angle as directed by owner
- ◆ Workers Comp/General Liability Insurance
- ◆ Taxes
- ◆ Warranty

EXCLUDED FROM BID:

- ◆ Permit fees
- ◆ SCADA control panel/level transducer/CT's/Camera/Service agreement
- ◆ Any Scope of work not clearly shown on drawings or within the bid documents and/or specifications is not included in this proposal.

We propose to furnish material and labor, complete in accordance with the above specifications, for the lump sum of:
Eleven Thousand Three Hundred Twenty-Five Dollars and No Cents \$11,325.00

Authorized Signature


Jeffrey L. Kirk ~ President

Date 6/9/2026



QUOTE

QUOTE #
Q279498

PREPARED
05/21/2026

EXPIRES
06/20/2026

OmniSite

Please address your PO to:
Logical Concepts, Inc. dba
OmniSite
203 West Morris Street
Indianapolis, IN 46225
Send to Gilson Engineering Sales
for processing.

PREPARED BY
Phil Terrani
pt@gilsoneng.com
(904) 200-1409

BILL TO

Evanlily Engineering
10273 Mc Laurin Rd E
Jacksonville FL 32256
United States

Contact: Frank Wells

Phone:

Email: frank.wells@evanlilyengineering.com

SHIP TO

Evanlily Engineering
10273 Mc Laurin Rd E
Jacksonville FL 32256
United States

JOB REF #	ESTIMATED LEAD TIME	SALES REP
OmniSite WINGS Quote Key Colony Project Marathon, Florida	1 Month	Phil Terrani pt@gilsoneng.com (904) 200-1409

ITEM	PART NUMBER	QUANTITY	UNIT PRICE	TOTAL
1	KIT-WINGS WINGS - Multimodal data collector and camera surveillance system with (5) AI, (8) DI, (1) DO, dual Ethernet NICs, 4G, WIFI, GPS, PLC-ETHERNET/IP gateway, color touchscreen, dual USB, backup battery, 120VAC. (Antenna required and sold separately.) Kit includes: WINGS panel mount, (1) submersible well camera with 60 ft. cable, (1) OmniSite I-Level submersible well level transmitter with 60 ft. cable, (2) pump amp probes, quick start guide, wire, fittings, and conduit. Unlike all other OmniSite products, WINGS does not use digital inputs for pump calculations, making them available for other uses. Note that certain cameras (Chinese and others) are banned on US Government projects. Our cameras come from allowed countries, including the USA. (Antenna required and sold separately.)	1	\$5,544.00	\$5,544.00
2	S-ENCL-WINGS-NEMA4X-KIT This 14 x 12 x 06 NEMA 4X enclosure is larger to house our new WINGS product (i.e. larger than XR50 and Crystal Ball enclosure) and includes extra space to mount OmniSite's optional Ethernet switch and expansion I/O (coming in Q3/Q4 2026), and the larger multi-element WINGS antenna. If you order this enclosure with your WINGS device, the antenna is pre-mounted on top at the factory by OmniSite. Includes the antenna with the 4 ft. coax length for this pre-mounted option	1	\$600.00	\$600.00
3	S-WS-WINGS-5MIN-CELLONLY WINGS 1 Year Cellular-Only 5-Minute Reporting Package - includes 5 minute Realtime data reporting for onboard I/O, peer-to-peer control with any product, and 100 camera images/month, and Ethernet IP PLC interface up to 100 variables/WINGS device. PLC variables can trigger camera, alerts, peer-to-peer, just like onboard I/O. Auto-roam SIM card will auto switch from ATT to VZW to T-Mobile to find service. Automatically enrolled in OmniSite's National Microbe Database.	1	\$689.00	\$689.00



QUOTE

QUOTE #
Q279498

PREPARED
05/21/2026

EXPIRES
06/20/2026

OmniSite

Please address your PO to:
Logical Concepts, Inc. dba
OmniSite
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PREPARED BY
Phil Terrani
pt@gilsoneng.com
(904) 200-1409

ITEM	PART NUMBER	QUANTITY	UNIT PRICE	TOTAL
4	S-OA-PLAN OmniAdvantage Annual Plan - Plan is purchased per unit. End of repair costs. OmniSite will repair any damaged unit at no cost. Includes free factory training, advanced phone apps, and other features. See OmniSite website for more details. Includes coverage for spare units on your shelf. Also includes 1 new spare unit of each type if you have more than 5 stations. If customer has less than 5 stations, it includes 1 refurbished unit.	1	\$165.00	\$165.00
5	S-OMNI-CONFIG Programming Service - OmniSite emails you a form to fill in and then OmniSite will completely configure the device on our GuardDog Platform. You just install and wire. Available for XR50, Crystal Ball, and WINGS.	1	\$249.00	\$249.00
6	Shipping Estimate Estimated Shipping Cost to Marathon, FL	1	\$150.00	\$150.00

NOTES

SUBTOTAL \$7,397.00
TAX (%) \$0.00

TOTAL
\$7,397.00

THANK YOU

Thank you for the opportunity. Please reach out with any questions.

<https://www.gilsoneng.com/WebCat6/pdf/GilcoTerms.pdf>

City of Key Colony Beach Treasurer's Report – July 13, 2026
Budget Workshop

Net summary: Use of reserves and rate increases for each budget

General Budget:

- Ad-Valorem Tax revenue increase of \$164,051.00, 4.63%
- Use of general reserves of \$792,684.00, Infrastructure funds depleted, Building Fund reserves of \$200,000.00 utilized, and remainder of First Horizon loan utilized.
 - Thus, spending down of reserves to keep Ad-Valorem Tax increase to a moderate level
- Planned payment method for new First Horizon loan debt monthly payments (non-Ad-Valorem revenue stream).

Wastewater:

- Operations costs of a net negative of \$256,000.00, with an increase of rates per month of \$10 for residential, and min commercial rate. Commercial water usage rate increase of 4.56%.
- Thus, use of some reserves along with a rate increase.

Stormwater:

- Rate increase of \$4 per year
- Net use of reserves of \$59,960

Membrane Replacement Proposal

To:	City of Key Colony Beach, referred to here as Key Colony Beach or Buyer	Date:	July 08, 2026
		No. of Pages:	26 including cover
Attention:	Shane Ellis	Email:	sellis@uswatercorp.net
Plant Address:	600 8th Street, Key Colony Beach, FL, 33051 USA	Telephone No.:	
		Cell No.:	
		Fax No.:	
From:	Craig Brown, Regional Lifecycle Manager	Email:	craig.brown@veolia.com
		Telephone No.:	678 687 3393
CC:			
Subject:	Membrane replacement: 64 x ZW500Ds 300ft ² modules	Proposal No.:	707346-0
		Original Project No.:	500032
Plant Data:	Please provide corrections if inaccurate City of Key Colony Beach WWTP, ultrafiltration treatment of wastewater. 2 trains, 144 x ZW500Ds 300ft ² modules in 9 x ZW500Ds 16M LEAP cassettes (1 train with 4 cassettes, 1 train with 5 cassettes). Plant update in 2018.		

Legal Entity for Contracting:
 ZENON Environmental Corporation
 3600 Horizon Blvd., Trevoze, PA, 19053

Proposal Provisos

This proposal has been issued based on the information provided by the customer and on information currently available to Veolia Water Technologies & Solutions at the time of proposal issuance. Any changes or discrepancies in site conditions, including but not limited to changes in system influent water characteristics, changes in environmental health and safety (EH&S) conditions, changes in the reissued state/provincial disposal system permit, changes in buyer financial standing, buyer requirements, or any other relevant change or discrepancy in the factual basis upon which this proposal was created may lead to changes in the offering, including but not limited to changes in pricing, guarantees, quoted specifications, or terms and conditions.

Confidential and Proprietary Information

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1. Introduction

Veolia Water Technologies & Solutions is pleased to present this proposal at the request of City of Key Colony Beach to provide wastewater membrane modules to replace the 4-cassette train at the City of Key Colony Beach WWTP.

Veolia is a proven leader in delivering tangible value to our clients over the life of the plant. Our measure of success is how well we deliver solutions that help our clients meet their critical business objectives.

Through long-acquired technical experience, Veolia has clearly distinguished itself from other membrane manufacturers. A mature service culture and deep technical expertise are ready to serve and support Key Colony Beach through this next membrane lifecycle.

Veolia would like to note that under the current exceptional circumstances across global supply chains and logistics networks, Veolia may not be in a position to guarantee and comply with the planned schedule for product / project delivery or performance. Veolia reserves the right to modify the schedule / contract accordingly. Veolia will promptly inform you of any changes which may impact the contract or the project.

2. Veolia Scope & Price

Veolia's scope includes the material and services outlined in the table below. The sections that follow provide additional detail regarding each scope item.

Item Description	Part #	Quantity	Price
ZW500Ds 300ft ² membrane module, see membrane modules section	3151124	64	\$214,902
2-year full replacement membrane warranty, see warranty section		incl.	
Hardware, see hardware & consumables section		lot	
Off-site support, project management, see off-site support section		incl.	
International shipment, and fees, see delivery section		incl.	\$147,158
Freight, DDP project site, see delivery section	3095534	incl.	
Trade surcharge, see delivery section ^{Note 1}		incl.	
Material, off-site labor, delivery		Sub-total	\$362,039
On-site support, 2 FSRs 3x10-hr days on-site plus travel & living, see on-site support section	135491	1 Visit	\$21,160
On-site support		Sub-total	\$21,160
All figures are in USD and exclude taxes, which will be applied at the time of invoicing.		Total Price	\$383,220
Please make purchase order to ZENON Environmental Corporation			

Note 1: As of the date of this proposal, ZeeWeed membranes and components manufactured in Hungary are subject to a 10% tariff plus a 3.9% duty on ZeeWeed membranes not shipped in operational cassette frames. Tariffs, duties, and costs to administer tariffs have been included herein. Veolia reserves the right to adjust our pricing at the time of order based on any material changes to tariffs, duties, or other government-imposed costs that directly impact our pricing.

Proposal Notes:

- Veolia would like to note that under the current exceptional circumstances across global supply chains and logistics networks, Veolia may not be in a position to guarantee and comply with the planned schedule for product / project delivery or performance. Veolia reserves the right to modify the schedule / contract accordingly. Veolia will promptly inform you of any changes which may impact the contract or the project.
- Given the evolving geopolitical landscape and the potential for changes in tariffs, duties, and trade regulations, Veolia's pricing is based on the current market conditions and applicable foreign and domestic trade policies as of the date of this proposal. Veolia reserves the right to adjust our proposal pricing and schedule accordingly if any changes to tariffs, duties, or other government-imposed costs impact our pricing or time of performance.

At Veolia, we remain committed to our customers. We will continue to communicate any impacts as they become known.

- Veolia's proposed price for ZeeWeed membranes is subject to adjustment between the period from the expiry of the proposal validity up to shipment of membranes according to upward changes in the following indices:
 - 40%: PPI Industry Index for Hungary: [LINK to Industry Index](#)
 - 60%: PPI Chemical Industry for European Union: [LINK to EU Chemical PPI](#)

In the event that either index becomes unavailable, a suitable equivalent replacement index will be agreed between the parties. The buyer has the right to request that the supplier supports any price increase with market pricing data, within the bounds of commercial confidentiality.

- **Shipment/Collection Delays:** The membrane sale will be subject to price adjustment if not collected within 1 month of Readiness for Shipment. After the one month of Readiness for Shipment if Purchaser does not send agreement to receive or collect the membranes (depending on Incoterms), Seller is entitled to reallocate the membranes to another customer.

Invoicing Schedule	Approximate % of Sub-Total	Invoice Value, Excluding Tax
An invoice will be issued upon acceptance by Veolia of customer purchase order. Approximate percent calculation based on the material, off-site labor, delivery sub-total of the purchase order. Shipment of membranes is contingent on receipt of this initial milestone payment.	30%	\$108,618
An invoice for the balance of the material, off-site labor, delivery sub-total will be issued when membrane module shipping documents are supplied to the carrier.	70%	\$253,442
A final invoice for the on-site support sub-total will be issued upon completion of installation.	100%	\$21,160
		\$383,220

3. Material Description

The following materials are provided within Veolia's scope of supply.

3.1. Membrane Modules

64 x ZeeWeed 500Ds 300ft² wastewater membrane modules.

3.2. Hardware & Consumables

- 30 x spare #118 EPDM permeate spigot o-rings;
- 5 x spare ZW500D element end cap keys;
- 3 x spare ZW500D blank headers;
- 1 x O-ring lubricant (food grade);
- 1 x food grade anti-seize lubricant..

4. Veolia Support

4.1. Off-site Support

Project Management

Provide planning and off-site assistance during the membrane replacement project.

4.2. On-Site Technical Advisory Services

The proposal includes a provision for technical advisory services during installation and commissioning process to support Key Colony Beach's staff as outlined in the [Veolia scope & price](#) section. Please see the [customer installation](#) section for recommendations on the number of plant staff necessary to perform the work.

The following activities will be completed by plant staff in conjunction with Veolia on-site FSRs:

- Remove existing membranes/cassettes;
- Install the new membrane modules;
- Perform bubble test where applicable to test membrane integrity and review trans membrane pressure (TMP) on the installed membranes and compare to expected values for new membranes; complete repairs/adjustments necessary to provide new membrane performance.

Operating Responsibility -Key Colony Beach retains control of the work site and retains final responsibility for the installation and commissioning process.

Veolia will perform the services specified in the scope section of this document, but Veolia will not operate the system. For the purposes of this agreement, the term "operate the system" shall mean to run or control the functioning of the equipment or to otherwise conduct or manage the affairs of any aspect of water or wastewater treatment or other functions at Key Colony Beach's site, and shall include functions such as providing operators to adjust or control water treatment ("WT") equipment, wastewater treatment ("WWT") equipment or sludge management facilities

("SMF"), providing program oversight or directing on-site or contract operators to adjust or control WWT or SMF, providing personnel responsible for or providing oversight of water treatment residual quality, wastewater effluent quality, sludge quality, waste characterization, or waste disposal activities, or providing personnel with continual or daily operational responsibilities with respect to water or wastewater treatment, influent or effluent compliance monitoring, process monitoring, government reporting or notification, or permit compliance.

Waiting Time - Any overtime or waiting times required due to unforeseen site events outside the control of Veolia will be invoiced according to the prevailing Veolia service labor rates sheet, available on request.

Reporting - Before leaving site, Veolia will record observations and discuss with operators concerning the condition of the equipment, tasks accomplished during the visit, and key operating and maintenance issues requiring further attention. Veolia will provide a copy of a written report before leaving site and/or provide a service visit report to the plant operator within a reasonable timeframe of the Veolia service representative's return to the office. In any case, Key Colony Beach will be asked to sign a work order that describes the hours on site and tasks accomplished.

Veolia Duties for On-Site Services

- Veolia will coordinate its work under this agreement in a reasonable manner with the operating staff of the facility.
- Veolia will maintain public liability and property damage insurance covering all operations undertaken by Veolia and its sub-contractors with a limit of \$5,000,000 inclusive for any one accident or occurrence. If for any reason additional insurance coverage (e.g. general construction/erection all risk, general liability) is required above and beyond Veolia's standard insurance terms for on-site commissioning supervision, Key Colony Beach must inform Veolia in writing 60 days prior to work commencement at site. Key Colony Beach will be billed for all additional insurance costs and processing fees.
- Veolia will maintain workers compensation and employers' liability coverage as per statutory requirements.

5. Delivery

- **Freight**
 - **DDP** - Delivery will be by standard ocean/ground on the basis of DDP City of Key Colony Beach WWTP, 600 8th Street, Key Colony Beach, FL, USA or other named place of destination; Incoterms 2020. DDP = delivery duty paid. Partial shipments will be acceptable unless otherwise specified. Where delivery cannot be accepted at this destination, Key Colony Beach shall specify an alternate, equivalent destination without delay.
 - **Title & Risk** - Title and risk of loss or damage to membrane modules, and crating shall pass to Key Colony Beach upon delivery at the named place of destination.
- **International Shipment, Fees, and Duties**
 - **Origin:**
 - ZeeWeed membranes and components originate from the Veolia Water Hungary Kft, Bláthy Ottó u 4, Oroszlány, 2840 Hungary facility. Costs to transport membranes into North America are included in Veolia's quoted price.

- **Export Documents** - All ZeeWeed membrane module shipments into the USA require clearance documentation from the EPA. Veolia will prepare and provide the required EPA documentation to the Carrier.
- **MPF** - Merchandise processing fee is a fee assessed for formal custom entries based on 0.35% of the invoice value, with a minimum of USD \$32 per formal entry and a maximum of USD \$614. On the basis of DDP terms, this fee will be paid by Veolia within the quoted price.
- **Trade Surcharge** – A US Tariff of 10% applies to all materials that originate from the European Union and a US Customs duty of 3.9% applies to all ZeeWeed membranes shipped individually or in shipping frames; not in operational cassette frames. On the basis of DDP terms, these fees will be paid by Veolia within the quoted price. Any new or increased tariff or duty imposed after the date of this proposal is the responsibility of Key Colony Beach.
- **Taxes** - All applicable local, state, or federal taxes are the responsibility of Key Colony Beach.
- **Temperature** - UF membranes cannot be allowed to freeze or overheat and may require temperature-controlled freight and handling according to the season and the planned routing.
- **Packaging** – Membranes will be individually bagged, boxed and crated, ready for ocean shipment.
- **Unloading** - may require one of or a combination of a loading dock, extended forks and an experienced forklift driver at delivery destination. Please consult with Veolia at the time of purchase order (PO) preparation on this.

Shipping crate information (estimated)

Quantity	Description	Dimensions (in)	Weight (lb)
4	ZW500Ds 14M Crates	94 x 74 x 46	1218
2	ZW500Ds 4M Crate	93 X 38 X 28	426

Notes:

- Only crates for membrane transport have been shown above to identify the largest and heaviest items that will need to be unloaded;
- **Availability** - Standard lead times for membrane modules is typically greater than 26 weeks and dependent on need and availability. Definitive membrane module availability will be confirmed once a purchase order is received from Key Colony Beach and acknowledgement of a purchase order is issued by Veolia. Expediting options may be available for urgent needs.

6. Scope - Key Colony Beach

6.1. Installation Preparation

- Receive, off-load, handle and provide temperature-controlled storage of the equipment and materials required for Seller to perform the duties outlined in the Seller's scope of supply. Prior to off-loading, Buyer to confirm temperature indicators have not been tripped.
- Membranes must be stored in a sheltered area, protected from freezing, direct sunlight or extreme heat, and sealed as shipped until ready for use. Storage should be in a dark, dry, level area at a temperature of 5-35°C (41-95°F). Membranes have a shelf life of 1 year before requiring re-preservation and should not be stored longer than necessary prior to installation. Key Colony Beach is responsible for risk of loss of Seller's parts while in storage at the customer's plant.
- Inspect, evaluate and make repairs as required for the membrane tanks, mounting brackets, hoses and all connections prior to Veolia arriving at site.
- Provide all access structures (such as scaffolding) and mechanical lifting equipment including cranes, forklifts and scissor lifts.
- Assure availability of a copy of the operating manual, all process and instrumentation drawings, and all electrical drawings on site and accessible for reference.
- Maintain adequate insurance coverage for the risks of fire, theft, vandalism, floods and personal injury to authorized or unauthorized visitors.

6.2. Installation

- Provide 2 or more plant personnel to work continuously for the full duration of the Veolia site visits during installation and commissioning of the modules. Veolia recommends that the personnel be experienced with the ZeeWeed system.
- Key Colony Beach will afford Seller's personnel free access and egress of the facility for all authorized work. Key Colony Beach will provide reasonable access to workshop facilities with standard workshop tools and equipment as is necessary to meet any repair and maintenance requirements of the system during installation. Key Colony Beach will provide Seller's personnel reasonable access to the facility amenities, including washrooms and break rooms.
- Provide adequate illumination and emergency lighting for all areas in which the Seller will be executing the scope of supply. Provide all site utilities such as raw water, instrument quality air, potable water and power required for operation of the proposed equipment included in this scope of supply. Assure that adequate quantities of membrane cleaning and neutralizing chemicals are on hand for wash procedures including sodium hypochlorite, sodium bisulphite, citric acid and sodium hydroxide. Supply telephone/fax/modem access while Seller's staff members are on-site.
- Key Colony Beach will provide assistance to:
 - Remove cassettes from the system as required;

- Clean each cassette as it is removed from the system;
- Return the cassettes to the system;
- Key Colony Beach will:
 - Dispose of all retired membrane modules and cassette components;
 - Dispose of shipping and packaging materials unless specifically requested not to do so by Veolia;

7. Solution Design Notes

7.1. Permits

Regulatory Requirements

Key Colony Beach is responsible to review and report to the permit granting agency on the impact of any of the proposed changes on the regulatory permit. Veolia will provide the necessary manufacturer's technical support on regulatory issues.

Please speak with your regional lifecycle manager (RLM) if there are any regulatory requirements or concerns.

Utilization

Veolia understands that these modules are required as replacements for currently installed modules.

These modules are offered on the basis that the membrane modules will not be used to provide expanded flow beyond the current plant flow rating. Veolia makes no guarantees, implied or otherwise as to the performance of these modules in any other capacity than as replacement membranes.

Production Interruption

During installation of the ZeeWeed cassettes, trains may be shut down which will affect Key Colony Beach treatment capacity. After the purchase order is acknowledged, Veolia's project manager for the installation will consult with Key Colony Beach to jointly develop the installation plan and work schedule with due regard for membrane delivery to the plant and plant preparation.

7.2. Maintenance Notes for Replacement Membranes

At the time of any full plant or full train membrane replacement, it is recommended to evaluate whether it is the right time to address any tank coating repairs which may be required.

Preferential Flow

Mixing a small proportion of new modules in trains with large amounts of older modules is not recommended as it creates a risk of over-fluxing of new modules, which can shorten their lives. Veolia recommends that Key Colony Beach plan membrane module replacement on a complete cassette and complete train basis wherever possible to achieve both optimal performance and best value from the new membrane modules. In this case, by replacing all membrane modules in a train, this risk has been neutralized.

Membrane Slack

Veolia's membranes are supplied and shipped with an initial factory fiber slack designed to optimize membrane air scouring during operation as well as accommodate a degree of shrinkage. Membranes shrink in length early in their lifecycle when exposed to higher temperature water. The pace of shrinkage slows with age. With the installation of new membranes, the requirements for slack adjustment start a new cycle.

Due to the wide variety of operating environments in which our products can be utilized, it is difficult to generally predict the rate of shrinkage. If membranes operate in a condition of insufficient slack for an extended period of time, irreversible damage to the fiber-urethane bond may occur. Please refer below to the recommended inspection frequencies based on your plant's membrane tank operating temperature. Visual inspections should begin during the membrane installation and be repeated over time on the same cassette. Digital pictures will allow for comparative analysis of the fiber slack over time.

Maximum Operating Temperature	Recommended Slack Inspection Frequency
0-24 °C / 32-76 °F	every 2 years
25-30 °C / 77-86 °F	once per year
>30 °C / > 86 °F	twice per year

Bubble Test Pressure

The bubble test pressure for the purchased membranes is 2 psi horizontally and 3 psi vertically.

7.3. Technical

Hoses & Fittings

Veolia has assumed for this proposal that the current aeration and permeate cassette connections for the ZW500Ds cassettes do not need replacing at this time. If this is not so, please advise Veolia and request that they be added to this proposal.

Pre-Screen

Trash and non-biodegradable solids, such as hair, lint, grit and plastics may foul or damage the membranes if allowed to pass into the membrane chamber. Veolia recommends that an internally-fed screen with mesh or punched-hole openings less than or equal to 2 mm with no possibility of bypass or carryover be operated upstream of the new membranes to ensure effective operation and to maximize membrane life.

8. Health & Safety

Key Colony Beach

- Key Colony Beach will provide orientation to Seller's personnel to ensure site-specific safety protocols are known. Key Colony Beach will identify and inform Seller's personnel of any site-specific hazards present in the workplace that could impact the delivery of Seller's scope of supply and agrees to work with Seller to remove, monitor, and control the hazards to a practical level.
- Key Colony Beach will provide any site-specific or standard company operating procedures and practices for Seller's personnel to perform work on site, if required by Key Colony Beach's policies. Such programs may include, but are not limited to, general environmental health &

safety (EHS), HAZOP, fire protection, drug testing, incident notice, site conduct, standard first aid, chemical receiving, electrical safety, etc. Key Colony Beach will provide a certificate of program completion for Seller's personnel. This program will be fully documented, training materials will be provided, and attendance list will be kept.

- If any type of lifting devices will be used on site, Key Colony Beach will provide proof of its maintenance, inspection and certification documentation upon request and will assist the Veolia service representative to complete a safety inspection checklist.
- Where confined space entry may be required, Key Colony Beach will provide early notice and will collaborate with Veolia in planning adequate staffing and in advising the local fire/rescue department as required.
- No time or cost provision has been made for preparations such as safety record clearances, drug testing, insurance confirmations or pre-job-training in excess of 1 hour. Prior to finalizing the Purchase Order and the work schedule, Key Colony Beach will advise Veolia of any pre-job or pre-mobilization requirements. Where these requirements exceed 1 hour, this time will be charged to Key Colony Beach at rates set out in the prevailing Veolia labor rate sheet.
- Where certain short duration activities require two people for safety and the Veolia Service representative is alone at site, Key Colony Beach will cooperate as required to assure that correct safety precautions are taken.
- Key Colony Beach is responsible for the following environmental provisions:
 - Environmental use and discharge permits for all chemicals at Key Colony Beach's facility either listed in this document or proposed for use at a later date;
 - Any special permits required for Seller's or Key Colony Beach's employees to perform work related to the water treatment system at the facility;
 - All site testing, including soil, ground and surface water, air emissions, etc.;
 - Disposal of all solid and liquid waste from the Seller's system including waste materials generated during construction, start up and operation.
- Key Colony Beach is responsible for provision of health and safety facilities to Seller's field service representatives to the same extent that they are provided to Key Colony Beach's own employees, including provision of:
 - Eyewash and safety showers in the water treatment area;
 - Chemical spill response;
 - Security and fire protection systems per local codes.

Veolia

- All work on site will be performed in accordance with applicable law and will be performed reasonably, in a clean and safe manner. The Veolia service representative will abide by the more stringent of the applicable health, safety and environmental policies and procedures of either Key Colony Beach or Veolia.
- Veolia will provide all applicable safety training required by Veolia policies or by state or national

health and safety regulations. The Veolia service representative will have undergone workplace hazardous material information system (WHMIS) training and will come equipped with necessary personal protective equipment (PPE).

- Emergencies - In emergencies affecting the safety of persons, work or property at the site and adjacent thereto, Veolia will act, without previous instructions from Key Colony Beach, as the situation warrants. Veolia will notify Key Colony Beach immediately thereafter.

9. ZeeWeed Membrane Module Standard Warranty

This schedule sets out the warranty with respect to ZeeWeed membrane modules ("membrane modules"). No other warranties, expressed or implied are made in connection with the sale of these products, including, without limitation, warranties as to fitness for any purpose or use or merchantability of these products. The warranty provided herein will be the exclusive and sole remedy of Buyer. This warranty is not transferable.

1. Definitions

The following terms shall have the meaning set forth below when used in the warranty document:

- a. "Buyer" means the party purchasing the ZeeWeed Modules from the Seller
- b. "Seller" means a business component of, or legal entity within the Veolia business which is selling the ZeeWeed membranes.

2. Warranty Product

This warranty applies to only the membrane modules supplied under the contract of sale. Membrane module means the hollow fiber ultrafiltration membranes and the potted plastic headers. This warranty does not cover air piping to the membrane module, permeate piping from the membrane module, piping connection fittings, connecting hardware and cassette frames with their associated components including but not limited to spacers, aerator tubes, aerator assemblies, screen, module dummies or module blanks.

3. Scope of Warranty

The Seller warrants that its membrane module(s) will be free of defects due to faulty materials or errors in manufacturing workmanship.

Regular membrane module inspection and normal fiber repair shall be the responsibility of Buyer.

All replacement membrane modules will be shipped on the basis of INCOTERMS 2020 FCA Veolia manufacturing facility.

All ancillary costs including but not limited to bagging, boxing, crating, freight, freight insurance, applicable taxes, import duties, certifications, brokerage, receiving, forklift services, storage at site, reattachment hardware, hose/clamp/camlock replacement, crane services, installation, fiber repair materials, glycerin flushing, commissioning and waste disposal are the responsibility of Buyer.

4. Warranty Start Date

Membrane warranty will start on the earlier of:

- a. The date that installation of the original membrane module(s) has been substantially completed, or

- b. Three (3) months from the date of delivery of the original membrane module(s) to Buyer.

5. Warranty Duration

Total Warranty Duration: a total of 24 months of full replacement warranty coverage.

6. Notification Of Claim

All claims filed under this warranty shall be made in writing by Buyer within 30 days of identifying a defect.

Buyer shall provide the following information:

- a. A description of the defect giving rise to the claim;
- b. Photographs showing the manufacturing defect;
- c. The serial number(s) of the membrane module(s) which is (are) the subject of the warranty claim; and
- d. Operating data and repair history for the life of membrane modules which are the subject of a warranty claim.

7. Verification of Claim

After receipt of written notification of a defect, the Seller will promptly undertake such investigations as, in the Seller's opinion, are necessary to verify whether a defect exists. The Seller reserves the right to require additional data as necessary to validate claims. Buyer may, in the course of these investigations, be requested to return membrane module(s) to the Seller for examination (see [item 11](#)). The Seller may also conduct reasonable tests and inspections at Buyer's plant or premises. If the results of the investigation do not validate the defect claimed, Buyer will reimburse the Seller for all reasonable expenses associated with said investigation, including expenses for all tests, inspections, and associated travel.

8. Satisfaction of Claims

The Seller will have the right to satisfy claims under this warranty in a flexible manner. Such flexibility may include the repair of existing membrane modules or changes in operating protocols or membrane module replacement or by upgrading failed membrane modules with newer membrane module(s) that may embody design and efficiency improvements. Buyer consents to the supply of replacement membrane modules which may be of a different design than original membrane modules.

9. Operating Information

To maintain the membrane module warranty, membrane system operation records from initial start-up date until claim must be maintained by Buyer and made available to the Seller upon request. Records must be provided in sufficient detail as applicable to verify the subject of a warranty claim and can include but is not limited to, operation data including information on feed water quality, temperatures, flows, trans-membrane pressures, aeration rates, permeate quality, cleaning intervals, cleaning chemical concentrations, elapsed time since start-up, relevant analytical data and reporting of any screen bypass events.

Buyer shall maintain and share access to a single reference copy in electronic form of a membrane module map containing the history of activity by membrane module and the serial number for each

module. Buyer shall log its procedures performed related to a membrane module including relocation of membrane modules, repairs, replacements and any other noteworthy events.

Buyer authorizes the Seller to conduct any reasonable review of operation and maintenance records or to inspect facilities where membrane modules are installed, upon reasonable notice to Buyer. Such reviews and/or inspections are intended to also assist the Seller and Buyer in detection of membrane system faults and to optimize the care and operation of the membrane modules.

10. Limitation of Warranties

Occurrence of any of the following as reasonably determined by the Seller will void this warranty:

- a. A material failure to operate the membrane system in accordance with Seller's operations and maintenance manual supplied to Buyer as part of the contract, including material failure to adhere to the Seller's specified membrane module cleaning procedures and the use of anything other than Seller-approved membrane module cleaning agents.
- b. Failure to adhere to the preventive maintenance program as presented in the Seller's operations and maintenance manual, in published product manuals and in specifications.
- c. Failure to adhere to all transportation and storage requirements. ZeeWeed membrane modules may be stored up to 12 months from date of receipt and must be transported and stored in original intact packaging out of direct sunlight in ambient temperatures between 5-35 Degrees Celsius. Storage beyond 12 months from date of receipt requires a written request to Veolia to maintain membrane module warranties.
- d. Introduction of destructive foreign materials and chemical agents into the membrane module.
- e. Failure to maintain and provide system operating data and repair history for the life of membrane modules which are the subject of a warranty claim.
- f. Physical abuse or misuse, incorrect removal or installation of membrane modules by non-Seller personnel including fiber damage caused by operator error in handling of membrane modules or cassettes.
- g. Unauthorized alteration of any components or parts originally supplied by the Seller.
- h. Intentional damage.

11. Return Procedure

In the event that the return of a membrane module is required pursuant to this warranty, Buyer will first obtain a Return Goods Authorization (RGA) number from the Seller. Membrane module(s) shipped to the Seller for warranty examination must be shipped freight prepaid in environmentally controlled freight and storage with ambient air temperature between 5-35 degree Celsius. If Buyer desires temporary replacement membrane module(s) to replace those alleged to be defective and returned to the Seller for warranty examination, Buyer shall be responsible for the cost associated with any such replacements until examination of the returned membrane modules pursuant to this warranty is complete. Any membrane module examined by Seller as part of a warranty claim where the membrane module is subsequently found to be performing as warranted or where a membrane module failure is not covered under the warranty will be returned to Buyer, freight collect or disposed of by Seller and the cost associated with any membrane analysis and diagnostic work will be levied against the Buyer based on Veolia standard labor rates.

12. Disclaimer and Limitation on Liability

To the maximum extent permitted by law, in no event shall Seller be liable for any loss of profit or revenues, loss of production, loss of use of equipment or services or any associated equipment, interruption of business, cost of capital, cost of replacement water or power, downtime costs, increased operating costs, claims of Buyer's customers for such damages, or for any special, consequential, incidental, indirect, punitive or exemplary damages arising out of or relating to the performance or actual or alleged breach of the agreement, regardless of whether a claim is based in contract (including warranty or indemnity), extra-contractual liability, tort (including negligence or strict liability), statute, equity or any other legal theory.

10. Terms and Conditions of Sale

A - Specific Terms and Conditions of Sale

These terms take precedence over the general terms and conditions of sale.

1 Legal Entity for Contracting

ZENON Environmental Corporation is the name of the Seller, and means a business component of, or legal entity within the Veolia Water Technologies & Solutions business (Veolia).

Please advise us if this Veolia entity is not set up in your purchasing system as a vendor and you do have another Veolia entity set up. We are keen to make the purchase process as convenient as possible for Key Colony Beach.

short form: Where a short reference is required in this document, for convenience, we are called simply **Veolia**.

2 Payment

Veolia prefers to receive payment by wire transfer.

Wire transfer information for ZENON Environmental Corporation send details to: SHD WATS REMIT-NAM vtc.vwts.remit-nam.all@veolia.com	
Bank of America Merrill Lynch C/O ZENON Environmental Corporation 901 Main Street Dallas, TX 75202	ACCT# 4426318136 ABA# 026009593 SWIFT# BOFAUS3N ACH# 111000012

Payment by courier check is also accepted, please contact your Veolia Representative for further details.

3 Payment Terms

On approved credit, payment terms are **net 30 days** from customer receipt of invoice. Please see the invoicing schedule in the price section. In the event an invoice is issued on shipment of goods from a Veolia Hungarian production facility, payment terms will be extended by an additional 45 days to account for the additional transit time to the delivery location.

4 Proposal Validity

Prices quoted and proposal terms are valid up to **thirty (30) days** after the date of issue of this proposal unless confirmed with a purchase order.

5 Bonds

Performance or payment bonds are not included in the price. These bonds can be purchased on request but will be at an additional cost.

6 Assignment of Membrane Warranty

The Buyer will be entitled to assign to a subsequent owner of the membranes the warranties of the Seller under this Agreement, provided that a prior written notification is sent to the Seller and the assignment agreement contains terms and conditions which provide the Seller with the protections of the warranties and limitations on liability contained in the Agreement. Subject to Buyer's compliance with the foregoing requirement, such warranty rights are expressly assignable by the Buyer to a subsequent owner of the membranes. Except as provided herein, Buyer is not entitled to extend or transfer this warranty to any other party.

7 Flight Booking

Prices quoted for installation which include airfare are either based on timely confirmation of a visit schedule or based on receipt of a purchase order in time to book any flights seven days in advance. Additional airfare charges related to late arrival of a purchase order will be extra and billed through to Key Colony Beach without mark-up.

8 Purchase Order Guidelines

Please confirm that your purchase order has covered the following points. This will ensure accurate and prompt order entry, product delivery, invoicing and accounts receivables processing and will prevent administrative delays for all parties.

- **Documentation** – Our strong preference is to receive a hard or digital copy of your purchase order (PO) rather than a PO number alone. Your PO can be sent by email to nsm.service.pocentral@veolia.com. If you are not able to provide a PO, please contact us for alternatives.
- **Veolia legal entity** – Please be sure your purchase order is issued in the name of the specific Veolia legal entity outlined in the quote. We will be glad to work with your purchasing department to set this entity up as an approved supplier/vendor. Please advise us if this Veolia entity is not set up in your purchasing system as a vendor and you do have another Veolia entity set up.
- **Quotation Number** – Please reference the quotation number in your PO.
- **Product** – Please note which product(s) you wish to purchase along with the quoted price, particularly if quantities or scope differ from the quotation.
- **Taxes** – Please provide any required tax exemption certificates. Please indicate if taxes have been added in your PO.
- **Payment Terms** – Please acknowledge the payment terms included with the quotation.
- **Bill-to Address** – Please include contact information for your accounts payable.
- **Ship-to Address** – Please clearly define the delivery location and the receiver's email & telephone. Please specify receiving hours and any special off-loading requirements.
- **Delivery Date** – Please include your requested delivery date.

B – General Terms and Conditions of Sale

Veolia's standard terms and conditions apply. See [Attachment A](#).

Note to purchasing agent: Veolia's standard set of commercial terms & conditions are written for moderate value transactions to allow an efficient and rapid provision of services and parts. Where corporate agreement terms have been previously agreed, these may be brought forward by either party and applied by mutual consent. If either of these terms sets are not immediately acceptable, please expect a typical 6-10 week cycle of mutual review to build agreement on changes.

11. Signed Agreement

Through the issue of this proposal, Veolia signals their intent to enter into an agreement with Key Colony Beach. Key Colony Beach and Veolia acknowledge that they have read and understood this agreement and agree to be bound by the terms and conditions specified in it.

Offered by ZENON
Legal Entity: Environmental Corporation

3600 Horizon Blvd.,
Trevose, PA, 19053

Accepted by City of Key Colony Beach, also
Legal Entity: known as Key Colony Beach or Buyer

Authorized
Signature by:

Title:

Signature

Date:

Signature:

x

Purchase Order No:

**If options were available,
which options selected**

Upon acceptance of this proposal, please forward the following by email with .pdf attachments referencing the legal entity above:

- 1) this signature page completed
- 2) a copy of your purchase order, and
- 3) any required tax exemption certificates

to: nam.service.pocentral@veolia.com

This agreement comes into force when Veolia has issued a formal acceptance of Key Colony Beach's Purchase order or formal acceptance of this Key Colony Beach signed agreement.

Doc. control: Author: DQ Technical review: N/A Commercial review: RM/CB DOA: Bikt

Attachment A Veolia Standard Terms and Conditions

1. **Exclusive Terms and Conditions.** Together with any other terms the Parties agree to in writing, these General Terms and Conditions – together with the last proposal in order of time issued by the Seller – form the exclusive terms (“Agreement”) whereby Buyer agrees to purchase, and Seller agrees to sell products and equipment (jointly “Equipment”) and to provide advice, instruction and other services in connection with the sale of that Equipment (“Services”). If Buyer sends to Seller other terms and conditions to which Seller may not respond, including but not limited to those contained in Buyer’s purchase order, such shall not apply. This Agreement may only be revised by a change order approved in writing by both Parties. All terms not defined herein shall be defined in Seller’s proposal.
2. **Equipment and Services.** The Equipment to be delivered and the Services to be provided shall be as set out in this Agreement. Unloading, handling, storage, installation, and operation of Buyer’s systems or the Equipment are the responsibility of Buyer. Buyer shall not require or permit Seller’s personnel to operate Buyer’s systems or the Equipment at Buyer’s site.
3. **Prices and Payment.** Buyer shall pay Seller for the Equipment and Services in accordance with the payment schedule (as set forth in Seller’s proposal or, if applicable, in any special conditions agreed to in writing by the Parties). Unless otherwise specified in writing, payment is due net thirty (30) days from the date of Seller’s invoice. Seller may require a Letter of Credit or other payment guarantee, in which case the stated amount of the guarantee will be adjusted by Buyer in the event of any currency-based adjustment to prices or payment amounts per the Payment Schedule, and Buyer shall deliver the adjusted guarantee within five (5) days of request by Seller. Buyer agrees to reimburse Seller for collection costs, including 2% (two percent) interest per month (not to exceed the maximum amount permitted by applicable law), should Buyer fail to timely pay. Buyer shall have no rights to make any deduction, retention, withholding or setoff relating to any payments due under this Agreement.
4. **Taxes and Duties.** Seller shall be responsible for all corporate taxes measured by net income due to performance of or payment for work under this Agreement (“Seller Taxes”). Buyer shall be responsible for all taxes, duties, fees, or other charges of any nature (including, but not limited to, consumption, gross receipts, import, property, sales, stamp, turnover, use, or value-added taxes, and all items of withholding, deficiency, penalty, addition to tax, interest, or assessment related thereto, imposed by any governmental authority on Buyer or Seller or its subcontractors) in relation to the Agreement or the performance of or payment for work under the Agreement other than Seller Taxes (“Buyer Taxes”). The Agreement prices do not include the amount of any Buyer Taxes. If Buyer deducts or withholds Buyer Taxes, Buyer shall pay additional amounts so that Seller receives the full Agreement price without reduction for Buyer Taxes. Buyer shall provide to Seller, within one month of payment, official receipts from the applicable governmental authority for deducted or withheld taxes. Buyer shall furnish Seller with evidence of tax exemption acceptable to taxing authorities if applicable, prior to execution of the Agreement by both Parties or issuance by the Seller of the order acceptance. Buyer’s failure to provide evidence of exemption at time of order will relieve Seller of any obligation to refund taxes paid by Seller.
5. **Delivery, Title, Risk of Loss.** Unless otherwise specified in this Agreement, Seller shall deliver all Equipment to Buyer FCA (Incoterms 2020) Seller’s facility. The time for delivery of the Equipment to Buyer shall be specified in this Agreement. Seller’s sole liability for any delay in delivery of the Equipment shall be as expressly set out in this Agreement. The place of delivery specified herein shall be firm and fixed, provided that Buyer may notify Seller no later than forty-five (45) days prior to the scheduled shipment date of the Equipment of an alternate point of delivery, Buyer shall compensate Seller for any additional cost in implementing the change. If any part of the Equipment cannot be delivered when ready due to any cause not attributable to Seller, Buyer shall designate a climate-controlled storage location, and Seller shall ship such Equipment to storage. Title and risk of loss shall thereupon pass to Buyer and amounts payable to Seller upon delivery or shipment shall be paid by Buyer along with expenses incurred by Seller. Services provided herein shall be charged at the rate prevailing at the time of actual use and Buyer shall pay any increase, and Buyer shall pay directly all costs for storage and subsequent transportation. Failure by Buyer to take delivery of the Equipment shall be a material breach of this Agreement.

Title and risk of loss to the Equipment shall be transferred from Seller to Buyer at the point of delivery upon handover in accordance with this Agreement. Title and risk of loss to the Services shall pass as they are performed.

- 6. Warranties and Remedies.** Seller warrants that Equipment shall be delivered free from defects in material, workmanship and title and that Services shall be performed in a competent, diligent manner in accordance with any mutually agreed specifications. Seller's warranty does not cover the results of improper handling, storage, installation, commissioning, operation or maintenance of the Equipment by Buyer or third parties, repairs or alterations made by Buyer without Seller's written consent, influent water which does not comply with agreed parameters, or fair wear and tear.

Unless otherwise expressly provided in this Agreement, the foregoing warranties are valid for:

- (a) Chemicals and services, for six (6) months from their date of delivery or the provision of Services;
- (b) Consumables, including filters and spiral wound membranes (other than spiral wound membranes for process treatment), the earlier of twelve (12) months from date of first use or fifteen (15) months from their date of delivery;
- (c) Spiral wound membranes for process fluid treatment, ninety (90) days from their date of first use;
- (d) Ultrafiltration membranes (ZW500, ZW700B, ZW1000, ZW1500), twelve (12) months from their date of delivery;
- (e) Equipment other than chemicals and consumables, the earlier of, fifteen (15) months from delivery or shipment to storage, or twelve (12) months from start-up/first use;
- (f) Software, ninety (90) days from the date of receipt;
- (g) Equipment not manufactured by Seller; the warranty shall be the manufacturer's transferable warranty only.

Any claim for breach of these warranties must be promptly notified in writing, and Buyer shall make the defective item available to the Seller, or the claim will be void. Seller's sole responsibility and Buyer's exclusive remedy arising out of or relating to the Equipment or Services or any breach of these warranties is limited to repair at Seller's facility or (at Seller's option) replace at Seller's facility the defective item of Equipment and re-perform defective Services. In performance of its obligations hereunder, Seller will not control the actual operation of either Buyer's systems or the Equipment at the Buyer's site.

Warranty repair, replacement or re-performance by Seller shall not extend or renew the applicable warranty period.

The warranties and remedies are conditioned upon (a) proper unloading, handling, storage, installation, use, operation, and maintenance of the Equipment and Buyer's facility and all related system in accordance with Seller's instructions and, in the absence, generally accepted industry practice, (b) Buyer keeping accurate and complete records of operation and maintenance during the warranty period and providing Seller access to those records, and (c) modification or repair of Equipment or Services only as authorized by Seller in writing. Failure to meet any such conditions renders the warranty null and void.

The Buyer will be entitled to assign to a subsequent owner of the Equipment the warranties of the Seller under this Agreement, provided that a prior written notification is sent to the Seller and the assignment agreement contains terms and conditions which provide the Seller with the protections of the warranties and limitations on liability contained in the Agreement. Subject to Buyer's compliance with the foregoing requirement, such warranty rights are expressly assignable by the Buyer to a subsequent owner of the Equipment. Except as provided herein, Buyer is not entitled to extend or transfer this warranty to any other party. The warranties and remedies set forth in this article are in lieu of and exclude all other warranties and remedies, statutory, express or implied, including any warranty of merchantability or of fitness for a particular purpose.

Unless otherwise expressly stipulated in this Agreement, Seller gives no warranty or guarantee as to process results or performance of the Equipment, including but not limited to product quality, flow, production, capacity, membrane life, chemical consumption, regulatory compliance or energy consumption.

- 7. General Indemnity.** Seller shall indemnify and hold harmless Buyer from claims for physical damage to third party property or injury to persons, including death, to the extent caused by the negligence of Seller or its officers, agents, employees, and/or assigns while engaged in activities under this Agreement. Buyer shall likewise indemnify and hold harmless Seller from claims for physical damage to third party property or injury to persons, including death, to the extent caused by the negligence of the Buyer, its officers, agents, employees, and/or assigns. In the event such damage or injury is caused by the joint or concurrent negligence of Seller and Buyer,

the loss shall be borne by each Party in proportion to its negligence. For the purposes of this article (i) "Third party" shall not include Buyer or any subsequent owner of the Equipment, their subsidiaries, parents, affiliates, agents, successors or assigns including any operation or maintenance contractor, or their insurer; and (ii) no portion of the Equipment is "third party property".

- 8. Compliance with Laws and Permits.** All permits, authorizations, and licenses which are required to construct, install and/or operate Buyer's facility or equipment, to use the Equipment, or to manage and dispose of any wastes, discharges, and residues resulting from Buyer's use of the Equipment, shall be obtained and maintained by Buyer at Buyer's sole expense. Buyer is responsible for compliance with all laws and regulations applicable to the storage, use, handling, installation, maintenance, removal, registration, and labeling of all Equipment after delivery of the Equipment, as well as for the proper management and disposal of all wastes, discharges, and residues.
- 9. Buyer's Site Conditions.** Buyer warrants that any data furnished to the Seller concerning conditions at Buyer's site (including but not limited to any existing Buyer facility, equipment or processes, influent water or other substances to be treated or measured with the Equipment) is accurate and complete, and the Seller reserves the right to utilize the most appropriate design compatible with generally accepted engineering practices, and to make changes in details of design, manufacture and arrangement of Equipment unless precluded by any limitations specified in this Agreement. Seller shall notify Buyer of (1) any conditions at Buyer's site which materially differ from those indicated in the data furnished by Buyer, (2) any previously unknown physical conditions at Buyer's site of an unusual nature, not revealed by previous investigations and differing from those ordinarily encountered in the type of work provided for in this Agreement, and (3) the presence of any Hazardous Materials (as defined below), the existence of a contaminated soil, unexploded ordinance, or archaeological remains. If such conditions cause an increase in Seller's cost or in the time required for the performance of Seller's obligations, Seller shall be entitled to an equitable adjustment in the Agreement price and an extension in the time for performance.
- 10. Hazardous Materials and Wastes.** In the event that Seller encounters any Hazardous Materials (meaning toxic substances, hazardous substances, pollutants, contaminants, regulated wastes, or hazardous wastes as such terms may be defined or classified in any law, statute, directive, ordinance or regulations promulgated by any applicable governmental entity) at Buyer's site, other than Hazardous Materials introduced by Seller or that are otherwise the express responsibility of Seller under this Agreement, Buyer shall immediately take whatever precautions are required to legally eliminate such Hazardous Materials so that the Seller's work under this Agreement may safely proceed. At no time shall Seller be deemed to have taken title to or the responsibility for the management or disposal of any wastes, Hazardous Materials, influent water, any resultant product streams, wastewater streams, discharges, cleaning materials, or any other materials or substances processed by the Equipment or otherwise located at Buyer's site. Seller does not take responsibility for and hereby expressly disclaims responsibility for the characterization or disposal of wastes, Hazardous Materials, or for the identification, selection, or management of disposal facilities for any wastes.
- 11. Excusable Delays.** Seller shall not be liable nor in breach or default of its obligations under this Agreement to the extent performance of such obligations is delayed or prevented, directly or indirectly, due to causes beyond the reasonable control of Seller, including, but not limited to: acts of God, natural disasters, unusually severe weather, fire, terrorism, war (declared or undeclared) epidemics, material shortages, insurrection, act (or omissions) of Buyer or Buyer's contractors/suppliers or agents, any act (or omission) by any governmental authority, strikes, labor disputes, transportation shortages, or vendor non-performance. The delivery or performance date shall be extended for a period equal to the time lost by reason of delay or non-performance, plus such additional time as may be necessary to overcome the effect of the delay or non-performance. If delivery or performance is delayed for a period exceeding 180 (one hundred and eighty) days, either Party may terminate this Agreement without further liability provided that Seller shall be paid an amount equal to that which would be payable to Seller under the article entitled "Termination". If Seller is delayed by any acts (or omissions) of Buyer, or by the prerequisite work of Buyer's other contractors or suppliers, Seller shall be entitled to an equitable adjustment in schedule, price and/or performance, as applicable.
- 12. Emergencies.** If the safety of Seller's personnel is threatened or likely to be threatened by circumstances outside the reasonable control of Seller, including but not limited to war, armed conflict, civil unrest, riots, terrorism, kidnapping, presence of or exposure to hazardous materials, unsafe working conditions, or by the threat of such circumstances or a lack of adequate protections against such circumstances, Seller shall be entitled to take all necessary steps to ensure the security and safety of its personnel including the evacuation of personnel until such

circumstances no longer apply. Any such occurrence shall be considered an excusable delay event. Buyer shall reasonably assist in the event of any such evacuation.

- 13. Confidentiality, Intellectual Property.** Both Parties agree to keep confidential the other Party's proprietary non-public information, if any, which may be acquired in connection with this Agreement. Buyer will not, without Seller's advance written consent, subject Equipment to testing, analysis, or any type of reverse engineering. Seller retains all intellectual property rights including copyright which it has in all drawings and data or other deliverables (including the Equipment) supplied or developed under this Agreement. Buyer agrees that it will not file patent applications on the Equipment or any development or enhancement of the Equipment, or of processes and methods of using the Equipment, without Seller's express prior written permission. Buyer further agrees that in any event any such patents will not be asserted against Seller or its other buyers based upon purchase and use of such Equipment. Seller grants to Buyer a non-exclusive, non-terminable, royalty free license to use the intellectual property embedded in Equipment delivered to and paid for by the Buyer, as well as any drawings, design or data delivered to and paid for by the Buyer, for the purposes of owning, financing, using, operating and maintaining the relevant Equipment at Buyer's site. Such license may only be assigned to a subsequent owner of the Equipment or to an operations and maintenance subcontractor. Such license does not extend to the re-creation of the Equipment or the manufacture of spares or consumables by Buyer or third parties.

Any software Seller owns and provides pursuant to this Agreement shall remain Seller's property. Seller provides to Buyer a limited, non-exclusive and terminable royalty free project-specific license to such software for the use, operation or maintenance at Buyer's site of any Equipment purchased hereunder to which the software is a necessary component. Buyer agrees not to copy, sub-license, translate, transfer, reverse engineer, or decode the software.

Seller shall indemnify and hold harmless Buyer from any rightful claim of any third party that any Equipment or Service infringe a patent in effect in the USA, or country of delivery (provided there is a corresponding patent issued by the USA), or USA copyright or copyright registered in the country of delivery. If the Buyer notifies the Seller promptly of the receipt of any such claim, does not take any position adverse to the Seller regarding such claim and gives the Seller information, assistance and exclusive authority to settle and defend the claim, the Seller shall, at its own expense and choice, either (i) settle or defend the claim and pay all damages and costs awarded in it against the Buyer, or (ii) procure for the Buyer the right to continue using the Equipment or Service, or (iii) modify or replace the Equipment or Service so that it becomes non-infringing, or (iv) remove the infringing Equipment and refund the price. The above paragraph shall not apply to any misuse of Equipment or Equipment which is manufactured to the Buyer's design, or to alleged infringement arising from the combination, operation, or use of any Equipment or Services with other equipment or services when such combination is part of any allegedly infringing subject matter. The foregoing list of sub-sections (i), (ii), (iii), and (iv) and related terms state the entire liability of the Seller for intellectual property infringement by any Equipment or Service.

- 14. Limitations on Liability.** Notwithstanding anything else contained in this Agreement, to the maximum extent permitted by law, and regardless of whether a claim is based in contract (including warranty or indemnity), extra-contractual liability, tort (including negligence or strict liability), statute, equity or any other legal theory:
- (a) THE TOTAL LIABILITY OF THE SELLER AND OF ITS INSURER FOR ALL CLAIMS ARISING OUT OF OR RELATING TO THE PERFORMANCE OR BREACH OF THIS AGREEMENT OR USE OF ANY EQUIPMENT OR SERVICES SHALL NOT EXCEED THE TOTAL PRICE PAID BY BUYER UNDER THIS AGREEMENT OR (IN THE CASE OF AN AGREEMENT FOR SERVICES WITH A TERM OF MORE THAN ONE YEAR) THE ANNUAL PRICE PAYABLE BY BUYER UNDER THIS AGREEMENT;
 - (b) IN NO EVENT SHALL SELLER BE LIABLE FOR ANY LOSS OF PROFIT OR REVENUES, LOSS OF PRODUCTION, LOSS OF USE OF EQUIPMENT OR SERVICES OR ANY ASSOCIATED EQUIPMENT, INTERRUPTION OF BUSINESS, COST OF CAPITAL, COST OF REPLACEMENT WATER OR POWER, DOWNTIME COSTS, INCREASED OPERATING COSTS, CLAIMS OF BUYER'S CUSTOMERS FOR SUCH DAMAGES, OR FOR ANY SPECIAL, CONSEQUENTIAL, INCIDENTAL, INDIRECT, PUNITIVE OR EXEMPLARY DAMAGES;
 - (c) SELLER'S LIABILITY SHALL END UPON EXPIRATION OF THE APPLICABLE WARRANTY PERIOD, PROVIDED THAT BUYER MAY CONTINUE TO ENFORCE A CLAIM FOR WHICH IT HAS GIVEN NOTICE PRIOR TO THAT DATE BY COMMENCING AN ACTION OR ARBITRATION, AS APPLICABLE UNDER THIS AGREEMENT, BEFORE EXPIRATION OF ANY STATUTE OF LIMITATIONS OR OTHER LEGAL TIME

LIMITATION BUT IN NO EVENT – TO THE EXTENT PERMITTED BY APPLICABLE LAW – LATER THAN FIVE (5) MONTHS AFTER EXPIRATION OF SUCH WARRANTY PERIOD.

For the purposes of this article, "Seller" shall mean Seller, its affiliates, subcontractors and suppliers of any tier, and their respective agents and employees, individually or collectively. If Buyer is supplying Seller's Equipment or Services to a third party, Buyer shall require the third party to agree to be bound by this article. If Buyer does not obtain this agreement for Seller's benefit for any reason, Buyer shall indemnify and hold Seller harmless from all liability arising out of claims made by the third party in excess of the limitations and exclusion of this article.

- 15. Termination.** This Agreement and any performance pursuant to it may be terminated by either Party, and the consequences of such termination shall be as set out in the next paragraph, if the other Party

- (a) Becomes insolvent, makes an assignment for the benefit of its creditors, has a receiver or trustee appointed for the benefit of its creditors, or files for protection from creditors under any bankruptcy or insolvency laws; or
- (b) Fails to make any payment when due or to establish any payment security required by this Agreement or commits a material breach or defaults in its material obligations under this Agreement, and such default is not cured within thirty (30) days of written notice from the other Party.

Upon the termination of this Agreement by Buyer for cause (i) Seller shall reimburse Buyer the difference between that portion of the Agreement price allocable to the terminated scope and the actual amounts reasonably incurred by Buyer to complete that scope, and (ii) Buyer shall pay to Seller (a) the portion of the Agreement price allocable to Equipment completed, and (b) amounts for Services performed before the effective date of termination. Upon the termination of this Agreement by Seller for cause Buyer shall pay to Seller within thirty (30) days of receipt of invoice the price of all Equipment or Services delivered at the date of termination, plus an amount equal to all costs and expenses incurred in the engineering, sourcing, financing, procurement, manufacture, storage and transportation of the Equipment including materials, work in progress and any cancellation charges assessed against Seller by Seller's suppliers including reasonable overhead and profit on all such costs and expenses. Alternatively, if any schedule of termination payments has been agreed between the Parties, Buyer shall pay to Seller within thirty (30) days of receipt of invoice the amounts set out in that schedule.

Seller shall have the right to suspend performance upon written notice to Buyer in any case where Seller would have the right to terminate the Agreement under this article, without prejudice to Seller's right to terminate this Agreement for cause. Any cost incurred by Seller in accordance with any such suspension (including storage costs) shall be payable by Buyer upon submission of the Seller's invoice(s). Performance of the Seller's obligations shall be extended for a period of time reasonably necessary to overcome the effects of such suspension.

- 16. Governing Law, Dispute Resolution.** This Agreement shall be governed by the substantive laws of the State of New York. In the event of a dispute concerning this Agreement, the complaining Party shall notify the other Party in writing thereof. Management level representatives of both Parties shall meet at an agreed location to attempt to resolve the dispute in good faith. Should the dispute not be resolved within thirty (30) days after such notice, the complaining Party shall seek remedies exclusively through arbitration. The seat of arbitration shall be the federal district court closest to the Buyer and the rules of the arbitration will be the Commercial Arbitration Rules of the American Arbitration Association, which are incorporated by reference into this article.

Notwithstanding the foregoing, each Party shall have the right to commence an action or proceeding in a court of competent jurisdiction, subject to the terms of this Agreement, in order to seek and obtain a restraining order or injunction to enforce the confidentiality intellectual property provisions set forth in the first two paragraphs of article 13; nuclear use restrictions set forth in article 17, or to seek interim or conservatory measures not involving monetary damages.

- 17. No Nuclear Use.** Equipment and Services sold by Seller are not intended for use in connection with any nuclear facility or activity, the Buyer warrants that it shall not use or permit others to use the Equipment or Services for such purposes, without the advance written consent of Seller. If, in breach of this, any such use occurs, Seller (and its parent, affiliates, suppliers and subcontractors) disclaims all liability for any nuclear or other damage, injury or contamination, and, in addition to any other rights of Seller, Buyer shall indemnify and hold Seller (and its parent, affiliates, suppliers and subcontractors) harmless against all such liability.

- 18. Export Control.** Seller's obligations are conditioned upon Buyer's compliance with all USA and other applicable trade control laws and regulations. Buyer shall not trans-ship, re-export, divert or direct Equipment (including

software and technical data) other than in and to the ultimate country of destination declared by Buyer and specified as the country of ultimate destination on Seller's invoice.

19. **Changes.** Each Party may at any time propose changes in the schedule or scope of Equipment or Services. All changes to the Equipment or Services shall be subject to mutual agreement via a written change order or variation, which shall only become effective once signed by both Parties. The scope, Agreement price, schedule, and other provisions will be equitably adjusted to reflect additional costs or obligations incurred by Seller resulting from a change, after Seller's proposal date, in Buyer's site-specific requirements or procedures, or in industry specifications, codes, standards, applicable laws or regulations. It shall be acceptable and not considered a change if Seller delivers Equipment (including Equipment replacement under warranty) that bears a different, superseding or new part or version number compared to the part or version number listed in the Agreement, provided that in no circumstance shall this affect any other of Seller's obligations including those set forth in article 6.
20. **Conflicts; Survival, Assignment.** If there is any conflict between this Agreement and any written proposal or quotation provided by Seller, then the terms and conditions set forth in this Agreement shall prevail. If any term or condition of this Agreement or any accompanying terms and conditions are held invalid or illegal, then such terms and conditions shall be reformed to be made legal or valid, or deleted, but the remaining terms and conditions shall remain in full force and effect, and this Agreement shall be interpreted and implemented in a manner which best fulfills Parties' intended agreement. Those provisions which by their nature remain applicable after termination shall survive the termination of this Agreement for any reason. Seller may assign or novate its rights and obligations under the Agreement, in whole or in part, to any of its affiliates or may assign any of its accounts receivable under this Agreement to any party without Buyer's consent, and the Buyer hereby agrees, by signing this Agreement, to such assignment and to execute any document that may be necessary to complete Seller's assignment or novation. This Agreement shall not otherwise be assigned by either Party without the other Party's prior written consent, and any assignment without such consent shall be void.

Seller may (i) manufacture and source the Equipment and any part thereof globally in the country or countries of its choosing; and (ii) may subcontract portions of the Services, so long as Seller remains responsible for such.
21. **No Third Party Beneficiary.** Except as specifically set forth in the article entitled "Limitations on Liability" and "No Nuclear Use", this Agreement is not intended to, and does not, give to any person who is not a party to this Agreement any rights to enforce any provisions contained in this Agreement.
22. **Entire Agreement.** This Agreement embodies the entire agreement between Buyer and Seller and supersedes any previous documents, correspondence or agreements between them. No modification, amendment, revision, waiver, or other change shall be binding on either Party unless agreed in writing by the Party's authorized representative. Any oral or written representation, warranty, course of dealing, or trade usage not specified herein shall not be binding on either Party. Each Party agrees that it has not relied on, or been induced by, any representations of the other Party not contained in this Agreement.

Attachment B ZENON Environmental W-9

Form W-9 (Rev. March 2024) Department of the Treasury Internal Revenue Service	Request for Taxpayer Identification Number and Certification Go to www.irs.gov/FormW9 for instructions and the latest information.	Give form to the requester. Do not send to the IRS.
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Before you begin, For guidance related to the purpose of Form W-9, see Purpose of Form, below.

Print or type. See Speedic instructions on page 3.	<table style="width: 100%;"> <tr> <td style="width: 65%;"> 1 Name of entity/individual. An entry is required. (For a sole proprietor or disregarded entity, enter the owner's name on line 1, and enter the business/disregarded entity's name on line 2.) Zenon Environmental Corporation </td> <td style="width: 35%;"> 4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) 5 Exemption from Foreign Account Tax Compliance Act (FATCA) reporting code (if any) _____ (Applies to accounts maintained outside the United States.) </td> </tr> <tr> <td colspan="2"> 2 Business name/disregarded entity name, if different from above. </td> </tr> <tr> <td colspan="2"> 3a Check the appropriate box for federal tax classification of the entity/individual whose name is entered on line 1. Check only one of the following seven boxes. ☐ Individual/sole proprietor ☒ C corporation ☐ S corporation ☐ Partnership ☐ Trust/estate ☐ LLC. Enter the tax classification (C = C corporation, S = S corporation, P = Partnership). Note: Check the "LLC" box above and, in the entry space, enter the appropriate code (C, S, or P) for the tax classification of the LLC, unless it is a disregarded entity. A disregarded entity should instead check the appropriate box for the tax classification of its owner. ☐ Other (see instructions) </td> </tr> <tr> <td colspan="2"> 3b If on line 3a you checked "Partnership" or "Trust/estate," or checked "LLC" and entered "P" as its tax classification, and you are providing this form to a partnership, trust, or estate in which you have an ownership interest, check this box if you have any foreign partners, owners, or beneficiaries. See instructions. ☐ </td> </tr> <tr> <td colspan="2"> 5 Address (number, street, and apt. or suite no.). See instructions. 3600 Horizon Blvd 6 City, state, and ZIP code Trevose, PA 19053 </td> </tr> <tr> <td colspan="2"> 7 List account number(s) here (optional) </td> </tr> <tr> <td colspan="2"> Requester's name and address (optional) </td> </tr> </table>	1 Name of entity/individual. An entry is required. (For a sole proprietor or disregarded entity, enter the owner's name on line 1, and enter the business/disregarded entity's name on line 2.) Zenon Environmental Corporation	4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) 5 Exemption from Foreign Account Tax Compliance Act (FATCA) reporting code (if any) _____ (Applies to accounts maintained outside the United States.)	2 Business name/disregarded entity name, if different from above.		3a Check the appropriate box for federal tax classification of the entity/individual whose name is entered on line 1. Check only one of the following seven boxes. ☐ Individual/sole proprietor ☒ C corporation ☐ S corporation ☐ Partnership ☐ Trust/estate ☐ LLC. Enter the tax classification (C = C corporation, S = S corporation, P = Partnership). Note: Check the "LLC" box above and, in the entry space, enter the appropriate code (C, S, or P) for the tax classification of the LLC, unless it is a disregarded entity. A disregarded entity should instead check the appropriate box for the tax classification of its owner. ☐ Other (see instructions)		3b If on line 3a you checked "Partnership" or "Trust/estate," or checked "LLC" and entered "P" as its tax classification, and you are providing this form to a partnership, trust, or estate in which you have an ownership interest, check this box if you have any foreign partners, owners, or beneficiaries. See instructions. ☐		5 Address (number, street, and apt. or suite no.). See instructions. 3600 Horizon Blvd 6 City, state, and ZIP code Trevose, PA 19053		7 List account number(s) here (optional)		Requester's name and address (optional)	
1 Name of entity/individual. An entry is required. (For a sole proprietor or disregarded entity, enter the owner's name on line 1, and enter the business/disregarded entity's name on line 2.) Zenon Environmental Corporation	4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) 5 Exemption from Foreign Account Tax Compliance Act (FATCA) reporting code (if any) _____ (Applies to accounts maintained outside the United States.)														
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5 Address (number, street, and apt. or suite no.). See instructions. 3600 Horizon Blvd 6 City, state, and ZIP code Trevose, PA 19053															
7 List account number(s) here (optional)															
Requester's name and address (optional)															

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. See also *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number 	OR Employer identification number 3 8 - 2 5 4 9 3 2 6
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Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
- I am not subject to backup withholding because (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
- I am a U.S. citizen or other U.S. person (defined below); and
- The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and, generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign Here	Signature of U.S. person 	Date 01/17/2026
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General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/FormW9.

What's New

Line 3a has been modified to clarify how a disregarded entity completes this line. An LLC that is a disregarded entity should check the appropriate box for the tax classification of its owner. Otherwise, it should check the "LLC" box and enter its appropriate tax classification.

New line 3b has been added to this form. A flow-through entity is required to complete this line to indicate that it has direct or indirect foreign partners, owners, or beneficiaries when it provides the Form W-9 to another flow-through entity in which it has an ownership interest. This change is intended to provide a flow-through entity with information regarding the status of its indirect foreign partners, owners, or beneficiaries, so that it can satisfy any applicable reporting requirements. For example, a partnership that has any indirect foreign partners may be required to complete Schedules K-2 and K-3. See the Partnership Instructions for Schedules K-2 and K-3 (Form 1065).

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS is giving you this form because they

Cal. No. 10231X
Form W-9 (Rev. 3-2024)

ZENON ENVIRONMENTAL CORPORATION**ADDENDUM TO FORM W-9**

Zenon Environmental Corporation owns or leases various properties in its business activities in addition to the Trevoise, PA property listed as the official Tax mailing address on lines 5 and 6 of Form W-9.

Specifically, Zenon Environmental Corporation operates from the following address:

**3239 Dundas Street West
Oakville, Ontario, L6M 4B2 Canada**

This address should be used for your billing records.

STAFF REPORT FOR THE UTILITY BOARD

July 21, 2026

- The recruitment process for the new Wastewater Plant Operator has concluded, and an applicant has accepted the City's employment offer. The new Operator is scheduled to begin employment on September 1, 2026.
- The City is still awaiting a funding decision on its CDBG grant application.
- Third-quarter wastewater utility bills have been mailed.
- In addition to these projects, staff continues to perform day-to-day operations, including utility billing, processing payments and deposits, accounts payable, and recording financial transactions in QuickBooks.

OPERATOR REPORT

June 2026

Plant Update:

1. No callouts for June.
2. June 11th Lost communication to UV-A. Switched to UV-B.
3. June 19th Reynolds and Nearshore Electric onsite to replaced RO turbo pump. Sent burnt pump to PSI for repairs.
4. No gallons hauled this month due to irregular low off season

1. Monthly averages for Total Nitrogen= 2.3 mg/L, and Total Phosphorus= 0.04 mg/L.

R.O. Update:

1. Maintenance Budget for Re-Use (attached)

Collection system:

5. June 6th Causeway South high level alarm. Haack Ind. onsite to pump out well for US Water maintenance staff to make repairs to pump.

MAINTENANCE BUDGET FOR RE-USE									
			Month of June 2026		Budgeted	Actual	Actual		
					Cost per Year	Cost/Month	Cost/year		
RO Power Cost KWH X 0.777200					\$7,185	\$444.86	\$2,142.26		
Irrigation Pumps Power Cost KWH X 0.777200						\$40.81	\$150.08		
Chemicals RO System Include Anti-scalent					\$15,000.00		\$1,045.00		
Extra Testing for DEP, TSS, FECAL,					\$11,000.00	\$956.08	\$4,499.23		
Main & Repairs to system including pre filter cartridges.					\$11,000.00	\$260.25	\$1,451.25	Prefilters	
Consulting					\$5,300	\$4,600	\$4,600		
Insurance RO system/building					\$1,700	\$141.66	\$566.64		
Reserves					\$8,000	\$666.66	\$2,666.64		
		Hours	Cost \$						
R.O. Power meter	5723.818		\$444.86	\$0.08					
Irrg pump Power Meter	525.04		\$40.81	\$0.08					
Monthly Total	6248.858		\$485.66		\$59,185	\$7,110.31	\$17,121.10	Total for year	
					\$4,932				
		Monthly Total	Total/year	Total to date					
Gallons	505,076		4,344,076	151,271,986					
Cost / Gal	\$0.014078		\$0.003941						
Cost /Thousand Gal	\$14.08		\$3.94						
Pre Filters	\$260.25	Per set							
\$17.35 each X 15 per set.									

City of Key Colony Beach Waste Water Treatment Plant
Balance Sheet
As of June 30, 2026

	Jun 30, 26
ASSETS	
Current Assets	
Checking/Savings	
101-000 · Revenue Fund	2,119,339.31
102-000 · Operating & Maintenance Fund	
102-020 · Operating Account #6006	89,161.45
102-030 · WW Res SRF Loan Pmt Acct #0301	352,109.04
Total 102-000 · Operating & Maintenance Fund	441,270.49
163-000 · Restricted - Replace & Ext Fund	
163-100 · Iberia MM Acct #9842	548,378.89
Total 163-000 · Restricted - Replace & Ext Fund	548,378.89
Total Checking/Savings	3,108,988.69
Accounts Receivable	
1200 · Accounts Receivable	(16,761.04)
Total Accounts Receivable	(16,761.04)
Other Current Assets	
1499 · Undeposited Funds	5,103.06
Total Other Current Assets	5,103.06
Total Current Assets	3,097,330.71
Fixed Assets	
166-000 · Utility Plant	
166-060 · Improvement other than building	45,250.00
166-010 · Construction in Progress	516,107.31
161-020 · Land	9,087.37
166-030 · Building	335,742.29
166-040 · Treatment Plant	1,007,299.10
166-041 · Treatment Plant Renovations	11,663,106.25
166-050 · Equipment	324,300.34
166-080 · Sewer Lines-Second Section	1,881,084.05
166-090 · Furnitures and Fixtures	10,127.46

City of Key Colony Beach Waste Water Treatment Plant
Balance Sheet
As of June 30, 2026

	Jun 30, 26
Total 166-000 · Utility Plant	15,792,104.17
167-000 · Less Accumulated Depreciation	(7,900,309.86)
Total Fixed Assets	7,891,794.31
TOTAL ASSETS	10,989,125.02
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
202-000 · Accounts Payable	15,718.43
Total Accounts Payable	15,718.43
Other Current Liabilities	
205-000 · Contracts Payable	
205-003 · Contractor Const. Retainage	25,221.39
Total 205-000 · Contracts Payable	25,221.39
207-000 · Due to Gen Fund	34,232.15
220-000 · Deposit on Connection Fees	32,375.00
Total Other Current Liabilities	91,828.54
Total Current Liabilities	107,546.97
Long Term Liabilities	
231-020 · Florida State Revolving Loan	3,381,345.49
Total Long Term Liabilities	3,381,345.49
Total Liabilities	3,488,892.46
Equity	
Invested in Capital Assets-	
253-070 · Net of Debt	4,510,448.82
Total Invested in Capital Assets-	4,510,448.82
Restricted	

City of Key Colony Beach Waste Water Treatment Plant
Balance Sheet
As of June 30, 2026

	Jun 30, 26
253-000 · Plant Improvements	
253-020 · RO Plant Reserves	20,000.00
253-030 · Lateral Reserve	70,000.00
253-080 · Other Plant Improvements	385,151.64
253-050 · ZeeWeed Membrane	245,000.00
253-060 · Reuse Membranes	60,000.00
Total 253-000 · Plant Improvements	780,151.64
Total Restricted	780,151.64
3000 · Opening Bal Equity	855.00
3900 · Unrestricted	2,656,295.82
Net Income	(447,518.72)
Total Equity	7,500,232.56
TOTAL LIABILITIES & EQUITY	10,989,125.02

**City of Key Colony Beach Waste Water Treatment Plant
Income Statement-Budget & Actual**

	<u>Jun 26</u>	<u>Oct '25 - Jun 26</u>	<u>FY26 Budget</u>	<u>\$ Over Budget</u>
Ordinary Income/Expense				
Income				
343-536 · Property Inquiry Fees	90.00	760.00	400.00	360.00
343-561 · Return Check Charges	0.00	25.00		
343-500 · Sewer Service	0.00	979,649.44	1,300,357.00	(320,707.56)
343-501 · Sewer Service-Commercial	9,827.80	89,625.73	120,004.00	(30,378.27)
343-535 · Change of Record Fees	1,000.00	14,944.00	14,000.00	944.00
343-550 · Reuse Water Reimbursement	0.00	0.00	60,000.00	(60,000.00)
343-560 · Delinquent Charges	0.00	3,660.00	250.00	3,410.00
Total Income	<u>10,917.80</u>	<u>1,088,664.17</u>	<u>1,495,011.00</u>	<u>(406,346.83)</u>
Expense				
535-635 · Shipping and Freight	0.00	767.83	0.00	767.83
66010 · Bank Service Charges	0.00	25.00	0.00	25.00
535-000 · OPERATING EXPENSES				
535-061 · WASTEWATER SAMPLING CDC	0.00	7,858.89		
535-080 · Internet	251.77	1,994.69	2,800.00	(805.31)
535-070 · Computer Equipment/Maintenance	160.00	1,297.63	2,000.00	(702.37)
535-030 · Electricity	10,423.59	86,217.67	134,000.00	(47,782.33)
535-035 · Insurance	13,304.00	13,976.66	46,000.00	(32,023.34)
535-040 · Telephone	887.85	6,711.89	6,110.00	601.89
535-050 · Water	38.83	388.92	400.00	(11.08)
535-060 · Systems Operator	25,830.09	225,655.23	310,000.00	(84,344.77)
535-280 · Supplies & Chemicals	10,752.21	65,420.97	111,000.00	(45,579.03)
535-440 · Plant Maintenance & Repairs	163,400.00	333,311.42	122,777.00	210,534.42
535-449 · Reverse Osmosis System				
535-031 · R.O. Irrigation Pumps Electric	139.50	5,923.41	0.00	5,923.41
535-456 · R.O. Insurance	19,231.00	19,231.00	1,700.00	17,531.00
535-455 · R.O. Consulting	0.00	0.00	13,750.00	(13,750.00)
535-453 · R.O. Testing	0.00	0.00	4,000.00	(4,000.00)
535-452 · R.O. Chemicals	0.00	2,918.00	6,000.00	(3,082.00)
535-451 · R.O. Electric	0.00	2,250.00	8,743.00	(6,493.00)
535-450 · R.O. Maintenance & Repair	0.00	10,650.00	17,500.00	(6,850.00)
Total 535-449 · Reverse Osmosis System	<u>19,370.50</u>	<u>40,972.41</u>	<u>51,693.00</u>	<u>(10,720.59)</u>
535-460 · System Maintenance & Repairs	4,784.16	51,833.79	150,000.00	(98,166.21)
535-510 · Sludge Hauling	8,512.50	329,809.00	200,000.00	129,809.00

**City of Key Colony Beach Waste Water Treatment Plant
Income Statement-Budget & Actual**

	<u>Jun 26</u>	<u>Oct '25 - Jun 26</u>	<u>FY26 Budget</u>	<u>\$ Over Budget</u>
535-520 · Contingency Expense	0.00	4,380.00	0.00	4,380.00
Total 535-000 · OPERATING EXPENSES	257,715.50	1,169,829.17	1,136,780.00	33,049.17
535-600 · GENERAL & ADMINISTRATIVE				
535-651 · Grant Development	2,843.75	12,787.50	0.00	12,787.50
535-670 · Service Contract	0.00	0.00	20,344.00	(20,344.00)
535-696 · Maintenance by City Employees	843.51	3,449.77	3,500.00	(50.23)
535-675 · Structure & Grounds Maintenance	0.00	2,443.66	6,000.00	(3,556.34)
535-610 · Salaries	28,210.02	89,460.58	55,750.00	33,710.58
535-615 · Payroll Taxes	2,158.07	7,973.51	4,265.00	3,708.51
535-616 · Retirement Benefits	0.00	0.00	7,822.00	(7,822.00)
535-617 · Medical Coverage	0.00	0.00	15,250.00	(15,250.00)
535-620 · Accounting	334.62	12,871.67	14,100.00	(1,228.33)
535-630 · Printing, Postage, Office	193.64	2,250.17	2,700.00	(449.83)
535-645 · Contingency	0.00	0.00	5,000.00	(5,000.00)
535-650 · Consulting	1,336.50	29,442.69	12,000.00	17,442.69
535-660 · Miscellaneous Office	0.00	189.04	500.00	(310.96)
535-680 · Legal Fees	0.00	0.00	1,000.00	(1,000.00)
535-690 · Legal Advertising	0.00	0.00	600.00	(600.00)
Total 535-600 · GENERAL & ADMINISTRATIVE	35,920.11	160,868.59	148,831.00	12,037.59
535-700 · DEBT RETIREMENT				
535-704 · Debt Repay Interest	0.00	11,021.02		
535-705 · Debt Repay-Principal	0.00	124,372.71	272,000.00	(147,627.29)
Total 535-700 · DEBT RETIREMENT	0.00	135,393.73	272,000.00	(136,606.27)
Total Expense	293,635.61	1,466,884.32	1,557,611.00	(90,726.68)
Net Ordinary Income	(282,717.81)	(378,220.15)	(62,600.00)	(315,620.15)
Other Income/Expense				
Other Income				
536-910 · Sewer Connection Fees	0.00	0.00	5,200.00	(5,200.00)
536-915 · Miscellaneous Income				
536-917 · Miscellaneous Income	117.83	1,217.83	400.00	817.83
536-920 · Interest Income				
536-923 · Interest Income 9842	1,238.04	11,531.46		
536-922 · Interest Income 6006	425.72	2,403.45		
536-921 · Interest Income 7106	4,860.58	50,227.34		
536-920 · Interest Income - Other	846.24	7,550.48	116,000.00	(108,449.52)

**City of Key Colony Beach Waste Water Treatment Plant
Income Statement-Budget & Actual**

	<u>Jun 26</u>	<u>Oct '25 - Jun 26</u>	<u>FY26 Budget</u>	<u>\$ Over Budget</u>
Total 536-920 · Interest Income	7,370.58	71,712.73	116,000.00	(44,287.27)
535-865 · GRANTS	0.00	366,843.87	250,000.00	116,843.87
Total Other Income	7,488.41	439,774.43	371,600.00	68,174.43
Other Expense				
537-000 · Capital Reserves - Reuse Water				
535-849 · ReUse Membrane Reserve	0.00	0.00	8,000.00	(8,000.00)
Total 537-000 · Capital Reserves - Reuse Water	0.00	0.00	8,000.00	(8,000.00)
535-800 · CAPITAL EXPENSES				
535-844 · Capital Plant	27,479.78	509,073.00	540,000.00	(30,927.00)
535-846 · Capital System	0.00	0.00	112,000.00	(112,000.00)
Total 535-800 · CAPITAL EXPENSES	27,479.78	509,073.00	652,000.00	(142,927.00)
535-850 · RESERVE FUNDING				
535-848 · ZeeWeed Membrane Reserve	0.00	0.00	40,000.00	(40,000.00)
Total 535-850 · RESERVE FUNDING	0.00	0.00	40,000.00	(40,000.00)
Total Other Expense	27,479.78	509,073.00	700,000.00	(190,927.00)
Net Other Income	(19,991.37)	(69,298.57)	(328,400.00)	259,101.43
Net Income	<u>(302,709.18)</u>	<u>(447,518.72)</u>	<u>(391,000.00)</u>	<u>(56,518.72)</u>

UTILITY BOARD of KEY COLONY BEACH FLORIDA				WW WARRANT #0626	
ACCT#	PAYABLE TO:	AMOUNT	FOR		
535-040	AT&T	\$ 1,016.25	Telephone, & Internet		
535-050	FKAA	\$ 38.83	Water		
535-030	FKEC	\$ 9,315.67	Electricity		
535-510	Haaok Environmental, LLC	\$ 66,712.50	Sludge Hauling		
535-280	Hawkins, Inc.	\$ 12,099.91	chemicals		
535-460	3rd Generation Plumbing	\$ 1,850.00	System maintenance & Repairs		
535-440	Zenon Environmental Corporation	\$ 163,375.00	Plant maintenance		
535-440	Reynolds Construction	\$ 21,587.20	Plant maintenance		
535-844	Reynolds Construction	\$ 27,479.78	Capital Expenses		
535-280	PSI Technologies	\$ 996.50	Supplies & Chemicals		
535-440	Sunbelt Rentals	\$ 656.62	Plant maintenance & repairs		
535-650	CPH	\$ 1,279.50	Consulting		
535-460	USA Bluebook	\$ 1,455.65	System maintenance & Repairs		
535-456	Wright National Flood Insurance	\$ 19,231.00	600 8th Street, Reverse Osmois Building		
535-035	Wright National Flood Insurance	\$ 13,304.00	600 8th Street, Operations Building		
535-452	Komline Harn	\$ 2,918.00	R.O. Chemicals		
535-280	Speciality Hardware	\$ 95.12	Supplies & Chemicals		
		TOTAL \$	343,411.53		
US WATER INVOICES FOR APPROVAL					
ACCOUNT #	VENDOR	AMOUNT	DESCRIPTION		
535-060	US WATER CORPORATION	\$ 25,830.09	Operations		
535-061	US WATER CORPORATION	\$ 787.25	TSS & Fecal Coliform - extra testing		
		TOTAL \$	26,617.34		
CITY OF KEY COLONY BEACH					
535-070	City of Key Colony Beach	\$ 160.00	Computer Support		
535-080	City of Key Colony Beach	\$ 123.37	Internet		
535-630	City of Key Colony Beach	\$ 193.64	Copier		
535-650	City of Key Colony Beach	\$ 2,843.75	Consulting/Grant Development		
539-999	City of Key Colony Beach	\$ 843.51	Reimbursement for PW employees		
535-620	City of Key Colony Beach	\$ 334.62	May Accounting fees		
535-440	City of Key Colony Beach	\$ 25.00	FDEP tank registration		
535-280	City of Key Colony Beach	\$ 183.68	Home Depot-Supplies and Chemicals		
535-610	City of Key Colony Beach	\$ 28,210.02	Salaries		
535-615	City of Key Colony Beach	\$ 2,158.07	Payroll taxes		
		TOTAL \$	35,075.66		
GRAND TOTAL OF WW WARRANT 0626:					
		\$	405,104.53		

Key Colony Beach Storm Water Fund
Balance Sheet
As of June 30, 2026

	Jun 30, 26
ASSETS	
Current Assets	
Checking/Savings	
101-001 · Stormwater Utilities#8300070128	638,108.89
Total Checking/Savings	638,108.89
Accounts Receivable	
131-001 · Due from General Fund	3,048.80
Total Accounts Receivable	3,048.80
Total Current Assets	641,157.69
Fixed Assets	
166-901 · Stormwater System	3,771,742.00
166-902 · Construction in Progress	466,096.45
17000 · Accumulated Depreciation	-590,843.60
Total Fixed Assets	3,646,994.85
TOTAL ASSETS	4,288,152.54
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 · Accounts Payable	8,456.11
Total Accounts Payable	8,456.11
Total Current Liabilities	8,456.11
Total Liabilities	8,456.11
Equity	
30000 · Opening Balance Equity	618,490.00
32000 · Retained Earnings	3,503,161.50
Net Income	158,044.93
Total Equity	4,279,696.43
TOTAL LIABILITIES & EQUITY	4,288,152.54

Key Colony Beach Storm Water Fund
INCOME STATEMENT Budget & Actual

	<u>Jun 26</u>	<u>Oct '25 - Jun 26</u>	<u>FY26 Budget</u>	<u>\$ Over Budget</u>
Ordinary Income/Expense				
Income				
363-100 · Stormwater Fees				
363-101 · Collected Stormwater Fees	3,049	126,014	118,930	7,084
363-105 · Delinquent Charges/Overdue Acct	0	0	50	-50
Total Income	<u>3,049</u>	<u>126,014</u>	<u>118,980</u>	<u>7,034</u>
Expense				
513-031 · Legal and Professional Services	0	0	1,000	-1,000
513-032 · Accounting and Auditing	0	0	1,000	-1,000
513-033 · Consulting	840	18,226	100,000	-81,774
513-041 · Postage	0	0	250	-250
535-050 · Utilities				
535-051 · Electric	125	1,394	0	1,394
Total 535-050 · Utilities	<u>125</u>	<u>1,394</u>	<u>0</u>	<u>1,394</u>
535-610 · Salaries, Payroll Taxes, ETC...	0	0	4,000	-4,000
535-660 · Miscellaneous Office	0	0	500	-500
538-046 · Maint/ Repairs for STORMWATER	0	65,890	40,000	25,890
Total Expense	<u>985</u>	<u>85,510</u>	<u>146,750</u>	<u>-61,240</u>
Net Ordinary Income	<u>2,064</u>	<u>40,504</u>	<u>-27,770</u>	<u>68,274</u>
Other Income/Expense				
Other Income				
361-100 · Interest Income	1,441	7,325	9,000	-1,675
373-871 · Stewardship Grant	0	338,274	925,000	-586,726
536-915 · Miscellaneous IncomeADMIN COSTS	0	0	100	-100
Total Other Income	<u>1,441</u>	<u>345,599</u>	<u>934,100</u>	<u>-588,501</u>
Other Expense				
535-800 · CAPITAL EXPENSES				
535-811 · Drainage Improvements	0	5,814		
535-821 · Detention Pond	7,492	222,243		
535-800 · CAPITAL EXPENSES · Other	0	0	482,756	-482,756
Total 535-800 · CAPITAL EXPENSES	<u>7,492</u>	<u>228,057</u>	<u>482,756</u>	<u>-254,699</u>
587-000 · RESERVE FUNDING				
587-100 · Stormwater Reserves	0	0	15,000	-15,000
Total 587-000 · RESERVE FUNDING	<u>0</u>	<u>0</u>	<u>15,000</u>	<u>-15,000</u>
Total Other Expense	<u>7,492</u>	<u>228,057</u>	<u>497,756</u>	<u>-269,699</u>
Net Other Income	<u>-6,051</u>	<u>117,542</u>	<u>436,344</u>	<u>-318,802</u>
Net Income	<u>-3,967</u>	<u>158,046</u>	<u>408,574</u>	<u>-250,528</u>

UTILITY BOARD

of KEY COLONY BEACH FLORIDA

SW WARRANT #0626

INVOICE #	PAYABLE TO:	AMOUNT	FOR
177266	CPH	\$ 540.00	Consulting Services
4/23/26-5/21/26	FKEC	\$ 161.28	Electricity
TOTAL		\$ 701.28	

GRAND TOTAL OF SW WARRANT 0626: \$ 701.28