

POLK CITY

SPECIAL CITY COMMISSION MEETING

March 26, 2018

Polk City Government Center
123 Broadway Boulevard SE

7:00 P.M.

AGENDA

CALL TO ORDER

Mayor Joe LaCascia

PLEDGE OF ALLEGIANCE

ROLL CALL

Sheandolen Dunn
Assistant to the City Manager

ESTABLISHMENT OF A QUORUM

ORDER OF BUSINESS

1. Discuss Additional Law Enforcement
2. Contract for Hartman Consultants for Professional Services for - FDEP Project

ADJOURNMENT

Please note: Pursuant to Section 286.0105, Florida Statutes, if a person decides to appeal any decision made by the City Commission with respect to any matter considered during this meeting, he or she will need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based.

In accordance with the American with Disabilities Act, a person with disabilities needing any special accommodations to participate in city meetings should contact the Office of the City Clerk, Polk City Government Center, 123 Broadway, Polk City, Florida 33868 Telephone (863) 984-1375. The City of Polk City may take action on any matter during this meeting, including items that are not set forth within this agenda.

Minutes of the City Commission meetings may be obtained from the City Clerk's office. The minutes are recorded, but are not transcribed verbatim. Persons requiring a verbatim transcript may arrange with the City Clerk to duplicate the recordings, or arrange to have a court reporter present at the meeting. The cost of duplication and/or court reporter will be at the expense of the requesting party.

**City Commission Special Meeting
March 26, 2018**

AGENDA ITEM #1: **Additional PCSO Deputy for Polk City**

 INFORMATION ONLY
 X ACTION REQUESTED

ISSUE: Discussion regarding Polk City having an additional PCSO Deputy.

ATTACHMENTS: N/A

ANALYSIS: At the February 19th meeting discussion took place regarding the possibility of having an additional Deputy in Polk City. After some discussion it was decided to hold a workshop for the Commission to discuss; that workshop was scheduled for March 26th at 7:00 pm – Sheandolen Dunn sent out a calendar invite on February 28, 2018 notifying the Commission. Since that time, the workshop will now be a special meeting for any action that may need to be taken regarding an additional Deputy.

There will be someone from the Sheriff's Office, along with Deputy Christina Poindexter, to answer questions and/or concerns the Commission may have.

STAFF RECOMMENDATION: Staff will answer any questions that may arise.

**City Commission Special Meeting
March 26, 2018**

**AGENDA ITEM #2: Professional Services Contract for Final Design and Permitting --
Reclaimed Water Reuse Relocation to Smith Road Sand Mine Site**

 INFORMATION ONLY
 X ACTION REQUESTED

ISSUE: Professional Services Contract for the Final Design and Permitting of the Reclaimed Water Reuse Location to Smith Road Sand Mine.

ATTACHMENTS: Contract for Services

ANALYSIS:

- At a workshop in February 2016 discussion took place regarding the 5-Year Capital Improvement Plan, which included the Relocation of the S.R. 33 Sprayfield to Smith Road. The discussion also focused on grants for various projects.
- At workshop in March 2016 the Commission authorized the City Manager to execute grant Applications for Capital Projects, and the relocation of the S.R. 33 Sprayfield was one of those grants.
- At a workshop in June 2016 Mr. Hartman discussed City the Conceptual Reuse Optimization Plan, which includes the Smith Road site taking wastewater from the S.R. 33 Sprayfield (updated from 2010).
- On September 7, 2017, Mr. Hartman advised the Commission was awarded the Funding to relocate the Sprayfield to the Sand Mine -- \$160,000 is design for relocation and \$128,000 is grants; the local portion is \$32,000). The City Commission approved it be put into the FY 2017/2018 Budget (pay off the local share for the design of the SRF Program, Project #53140. This was approved by a unanimous vote. in the amount of \$32,000).
- The RFQ was advertised and the City received two responses back. On March 19 the City Commission authorized the City Manager to negotiate a contract with Hartman Consultants.

The contract for this project is now coming before you for discussion and approval.

STAFF RECOMMENDATION: Approval of Contract with Hartman Consultants for the Final Design and Permitting of the Reclaimed Water Reuse Relocation to Smith Road Sand Mine Site.

Hartman Consultants, LLC

www.hartmanconsultant.com

HC #18014.00

March 20, 2018

Mrs. Patricia Jackson
City Manager
123 Broadway Boulevard, SE
Polk City, Florida 33868

**RE: Reclaimed Water Reuse Relocation to Smith Road Sand Mine Site
Final Design and Permitting
FDEP SRF Project Number 53140
SCWCG Grant Amount \$128,000 and Local Share \$32,200**

Dear Mrs. Jackson:

In accordance with 287.055 F.S. (Consultants' Competitive Negotiation Act), the advertisement for RFP's from Polk City with submittals due 2/28/2018 (see enclosed), the FDEP Design Loan Agreement WW531400 and Design Grant Agreement SG531401 dated January 2018 with a project performance period of September 5, 2017 through September 15, 2018 for "design activities"; the City of Polk selected Hartman Consultants, LLC (HC) (with 281 points) over Chastain-Skillman (with 245 points). Design activities shall mean the design of work defined in the approved planning document ("Polk City, Florida – Reclaimed Water Reuse Planning Document" dated 5/29/2017 by HC) that will result in plans and specifications, ready for permitting and bidding for an eligible construction project.

Final Design & Permitting – FDEP Project No. 53140

The tasks for this phase of the work are:

TASKS

- Project Coordination and FDEP SRF Administration
- Transmissivity, Leakance, Storage Capacity, Percolation Rates Limited Field and Lab Verification
- Hydrogeological Mounding Analysis (Modeling per FDEP Rules)
- Hydraulic Analysis and New System Curve Envelope
- Cardinal Hill Effluent Pumping Station Verification – Actual Performance to New System Curve with minor adjustments
- Hydrogeological Engineering Report required for FDEP permit application

- Force main route analysis and selection
- Force main route survey
- Basis of Design Memorandum
- Force Main Final Design
- Smith Road Site Survey Verification
- Hydrogeological Design
- Engineering Reuse Site Design
- Project Specifications
- FDEP Tampa Office Construction Permit Application and Application Fees
- Groundwater Monitoring Plan submittal to FDEP Tampa
- Monitor Well Design and Construction
- FDEP Tallahassee Design Review Submittal
- Responses to Tampa Office RAI's
- Responses to Tallahassee Office RAI's
- Tampa Office Construction Permit Approval Coordination
- Tallahassee SRF Construction Documents approval for bidding

SCHEDULE
(Design/Permitting Through September 2018)

<u>Date</u>	<u>Description</u>
March 26, 2018	Contract Approval
June/July, 2018	Submittal of FDEP Tampa Office Permit Application and to FDEP Tallahassee Office for Review of Documents
September, 2018	Expected Approval for Bidding FDEP Tallahassee Office and Intent to Issue the Construction Permit from FDEP Tampa Office

Tasks Not Included in this Phase

- Bidding and Award
- Construction Management
- Construction Inspection
- Construction Testing
- FDEP Construction Funding Services
- Financial Services
- Special Studies, if required
- Litigation Services, if required
- Record Drawings and Final Project Certification

Bidding, Award and Construction Services as well as Construction by selected Contractors constitute the final phase of the project.

Fee for Design and Permitting Phase

1. Ardaman & Associates, Inc.	\$ 44,691
2. True Engineering & Survey	\$ 49,996
3. Hartman Consultants, LLC.	\$ 48,103
4. Permit Fees, Costs, ODC's for Project Expenses and Administrative Support Services	\$ 17,210

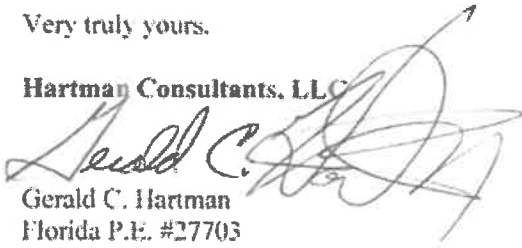
Design & Permitting Phase Total Fee \$ 160,000
(Not-to-Exceed upset limit for delineated Tasks)

The bidding, award and construction services are not authorized at this time, yet if FDEP funding occurs they are likely to be authorized after the FDEP Construction Loan and Construction Grant Agreement is approved.

If this agreement meets with the City's approval, please sign below and email and mail a copy to our office.

Very truly yours,

Hartman Consultants, LLC



Gerald C. Hartman
Florida P.E. #27703
BCEE #88-10034
ASA #7542

Authorization By:
City of Polk City

Mrs. Patricia Jackson
City Manager

Signature

Date

Attachments considered as a part of this agreement:

- "A" - Advertisement
- "B" - HC Standard Terms and Conditions
- "C" - Ardaman & Associates, Inc. Agreement
- "D" - HC W-9 Form
- "E" - FDEP Agreement

Attachment A

ADVERTISEMENT

PROFESSIONAL SERVICES POLK CITY POLK CITY WW 53140

Pursuant to the Consultants' Competitive Negotiations Act (CCNA) as defined in Florida Statute 287.055 Polk City, Florida is hereby providing public notice of the intent to select a professional services team to design and permit the above project which includes:

- Hydraulic analysis of the City's proposed effluent reuse system using the existing Cardinal Hill effluent pumping station and extending an 8" diameter force main from the current SR33 spray field to the Smith Road RIB site.
- Hydrogeological analysis of the Smith Road RIB site with design report and design for FDEP hydrogeological permitting.
- Survey of the pipeline route of some 13,000 LF and use of / modification of the existing survey of the Smith Road site.
- Modification, if necessary of the Cardinal Hill effluent pump station.
- Design of the 8" force main.
- Design of the Smith Road RIBS
- Coordination with SRF design review, disbursement, design approval for bidding – FDEP Tallahassee.
- Assisting the City in bidding and recommendation of award of the project.

The preliminary Smith Road site analysis by Ardaman & Associates revealed a 350,000 to 500,000 gpd capacity of a potential RIB system.

This project is funded through the SRF program – FDEP Tallahassee.

SRF requirements are to be met.

Interested firms should submit their letter of qualifications addressing:

- Distance from Polk City (miles)
- Number of active projects
- Fees on Hold
- Fees remaining in projects
- Proposed Team Members
- Volume of Work with Polk City
- Florida Licensed Project Team Members
- Past Performance with Polk City
- Three (3) References
- Name of Consultant
- Florida License Number
- Florida Corporation Number
- The percentage of availability of each team member on the Firm's Organizational Chart

Three (3) copies of the firm submittal are due to:

Mrs. Patricia Jackson, City Manager

City of Polk City

123 SE Broadway Boulevard, Polk City, Florida 33868

by Wednesday, February 28, 2018 at 2:00 PM

City of Polk City reserves the right to accept, reject or waive items in the submittal in the best interest of the City.

Attachment B

ATTACHMENT A
Hartman Consultants, LLC
STANDARD TERMS AND CONDITIONS
FOR PROFESSIONAL SERVICES

1. Scope of Services and Extent of Agreement- HC shall perform the Services as described in HC's Proposal to which these Terms and Conditions are attached for the specified Project, incorporated herein by reference.

No modification or changes to these Terms and Conditions may be made except by written instrument signed by the parties. CLIENT acknowledges that he/she/it has read these Terms and Conditions, understands them, agrees to be bound by them, and further agrees that they are the complete and exclusive statement of the AGREEMENT between the parties, superseding all proposals, oral or written understandings, or other prior agreements other than those above referred to and all other communications between the parties relating to the subject matter thereof.

2. Compensation- HC hereby agrees to accept and CLIENT agrees to pay the compensation on either a time (hourly) and expense basis in accordance with HC's rates in effect at the time of performance, or lump sum basis as set forth in HC's Proposal to perform the described Services.

If HC's services are performed on an HOURLY BASIS for all time rendered to the project, including project scoping by professional, technical, and clerical personnel in accordance with Attachment B HC Hourly Rate Schedule. Time required for personnel of HC to travel between HC office and the Site (or any other destination applicable to the project) is charged in accordance with the rates shown in the attached Hourly Rate Schedule.

3. Invoicing/Payment

- A. HC will submit invoices periodically, but not more frequently than every two weeks, for Project services performed during the period or upon completion of the Project, whichever is earlier.
- B. Invoices are due and payable in U.S. dollars within 20 days from date of invoice. All charges not paid within 20 days are subject to a service charge of 1-1/2 percent per month or a fraction thereof, plus all costs and expenses of collection, including without limitation, attorneys' fees. In addition to the foregoing, should CLIENT fail to pay any invoice within 45 days of the invoice date, HC may, in its sole discretion, upon 3 days written notice to CLIENT, stop work and recover from CLIENT payment for all services performed prior to the work stoppage, plus all amounts for interest, penalties and attorneys' fees that may be recoverable under applicable law including without limitation, prompt payment and/or lien

laws. HC will resume performance once CLIENT pays all outstanding amounts due plus any advance payment(s) or other security in HC's sole discretion deemed necessary by HC.

- C. CLIENT will be invoiced for external expenses, such as travel, lodgings, sub-contracted services, etc., at direct cost plus 10% administrative fee.
 - D. Payments shall include the HC invoice number and be mailed to the address on the proposal, to the attention of Accounts payable.
4. Changes- CLIENT and HC may make additions to the scope of work by written Change Order. CLIENT may omit work previously ordered by written instructions to HC. The provisions of these Terms and Conditions, with appropriate changes in HC's Compensation and Project Schedule, shall apply to all additions and omissions.
5. CLIENT Responsibilities- CLIENT represents, with the intent that HC rely thereon, that it has sufficient financial resources to pay HC as agreed to in these Terms and Conditions and, as applicable and necessary for HC to perform its services, CLIENT will:
- A. Provide all criteria and full information as to its requirements for HC's services, including scope of services approval or objectives, constraints, third party certification requirement(s), standards or budget limitation(s).
 - B. Assist HC by placing at its disposal all available information pertinent to the Project and/or HC's services including the actual or suspected presence of hazardous waste, materials or conditions at or beneath the Project site, record ("As-Built") drawings, surveys, previous reports, exploration logs of adjacent structures and any other data relative to the Project. Unless otherwise noted HC may rely upon such information.
 - C. Upon identification by HC and approval by CLIENT of the necessity and scope of information required, furnish HC with data, reports, surveys, and other materials and information required for this Project, all of which HC may rely upon in performing its services, except those included in HC's scope of services.
 - D. Guarantee access to the property and make all provisions for HC to enter upon public and private lands and clear all exploration location(s) for buried utilities structures as required for HC to perform its services under these Terms and Conditions.

- E. Examine all studies, reports, sketches, opinions of the construction costs, specifications, drawings, proposals and other documents presented by HC to CLIENT and promptly render in writing the decisions pertaining thereto within a period mutually agreed upon.
 - F. Designate in writing a person to act as CLIENT'S representative with respect to the services to be rendered under these Terms and Conditions. Such person shall have complete authority to transmit instructions, receive information, interpret and define CLIENT policies and decisions with respect to materials, equipment, elements and systems pertinent to HC services.
 - G. Give prompt written notice to HC whenever CLIENT observes or otherwise becomes aware of any development that affects the scope or timing of HC's services, or any defect in the Project or work of Contractor(s).
 - H. Furnish approvals and permits from all governmental authorities having jurisdiction over the Project and such approvals and consents from others as may be necessary for completion of the Project.
 - I. Furnish such legal and insurance counseling services as CLIENT may require for the Project.
 - J. Make all payment(s) to HC in a timely manner as required under these Terms and Conditions.
6. Schedule/Delays- HC shall commence performance upon receipt of the CLIENT's written authorization to proceed and shall perform its professional services in accordance with the schedule set forth in its Proposal, provided however, the performance of these Terms and Conditions, except for the CLIENT'S payment of money for services already rendered, shall be excused in the event performance of these Terms and Conditions is prevented or delays are occasioned by factors beyond HC's control, or by factors which could not reasonably have been foreseen at the time these Terms and Conditions was prepared and executed. The delayed parties' performance shall be extended by the period of delay plus a reasonable period to restart operations.
7. Document Ownership and Reuse
- A. All reports, drawings, specifications, manuals, learning and audio visual materials, boring logs, field data, laboratory test data, calculations, estimates, and other documents (collective "Work Product") prepared by HC are instruments of service

shall remain the property of HC, Such materials may be copyrighted by HC at its discretion. Unless otherwise notified by CLIENT, HC will retain all pertinent records relating to the Services performed for a period of two (2) years following submission of the report, design documents or other projects deliverable, during which period the records will be made available at HC's office to the CLIENT at reasonable times.

- B. Any reuse of the of the Work Product described above without written verification or adaptation by HC as appropriate, for the specific purpose intended, will be at CLIENT's sole risk and without liability or legal exposure to HC. CLIENT shall indemnify and hold harmless HC from all claims, damages, losses and expenses including attorneys' fees arising out of or resulting there from. Any future verification or adaptation of such Work Product will entitle HC to further compensation at rates to be agreed upon by CLIENT and HC.
 - C. Unless specified otherwise in HC's Proposal, HC will dispose of all materials and samples obtained in the investigation portion of the project 90 days after completion of the report. Further storage or transfer of samples will be made at CLIENT's expense.
 - D. CLIENT recognizes that site conditions where samples and data are gathered do vary with time and that particular subsurface conditions may differ from those encountered at the time and location where explorations or investigations are made and therefore, the data, interpretations, and recommendations of HC are based solely on the information available at the time of the investigation. HC shall not be responsible for the interpretation by others of the information it develops.
8. Standard of Performance- HC warrants it will perform its Services with that level of care and skill ordinarily exercised by other professionals practicing in the same discipline(s), under similar circumstances and at the time and place where the Services are performed, and makes no other warranty, express or implied, including the implied by law warranties of MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.
9. Limitation of Liability- In the event of any loss, damage, claim or expense to CLIENT resulting from HC's performance or non-performance of the professional services authorized under these Terms and Conditions, HC's liability whether based on any legal theory of contract, tort including negligence, strict liability or otherwise under these Terms and Conditions for professional acts, errors, or omissions shall be limited to the extent any such claims, damages, losses or expenses result from the negligent act, errors or omissions of HC or its employees occurring during performance under these Terms and Conditions. The total cumulative liability of HC arising out

of professional acts, errors, or omissions shall not exceed the greater of \$50,000 or the total compensation HC receives from CLIENT under these Terms and Conditions.

10. Disclaimer of Consequential Damages- Notwithstanding anything to the contrary in these Terms and Conditions, HC shall have no liability to CLIENT for indirect, consequential or special damages including but not limited to, liability or damages for delays of any nature, loss of anticipated revenues or profits, costs of shutdown or startup and whether such damages are based on contract, tort including negligence, strict liability or otherwise.
11. Certifications- HC shall not be required to execute any certification with regard to work performed, tested, and/or observed under these Terms and Conditions unless:
 - A. HC concludes that it has performed, tested and/or observed sufficient work to provide a sufficient basis for it to issue the certification; and
 - B. HC believes that the work performed, tested or observed meets the certification criteria; and
 - C. HC gave its written approval of the certification's exact form before executing these Terms of Conditions.

Any certification by HC shall be interpreted and construed as an expression of professional opinion based upon the Services performed by HC, and does not constitute a warranty or guaranty, either expressed or implied.

Attachment C



Ardaman & Associates, Inc.
Geotechnical, Environmental and
Materials Consultants

September 13, 2017
File Number 16-10-0407

Gerald C. Hartman, PE
Hartman Consultants, LLC
300 S. Interlachen Avenue, Unit #503
Winter Park, FL 32789

Subject: Proposal for Professional Hydrogeological Services for Smith Road Rapid Infiltration Basin System Analysis, Phase II – City of Polk City, Florida

Dear Mr. Hartman:

As requested, Ardaman & Associates, Inc. (Ardaman) is pleased to present this proposal for professional hydrogeological services for the Smith Road Rapid Infiltration Basin (RIB) System Analysis. We understand that the proposed location of the multiple-cell RIB system is the former Smith Road sand mine currently owned by the City of Polk City, Florida. A preliminary assessment was performed to gather site information and estimate project needs, and a summary report of the findings was provided dated June 1, 2016. As the project moves on to the next phase, a limited field and laboratory testing will be performed to collect site specific information. A mounding analysis will be performed using the field information collected to estimate the acreage needed to accommodate the required effluent disposal rate of 500,000 gallons per day (gpd). If the mounding analysis shows that the site is suitable for the RIB system, an engineering report will be prepared for submission to the FDEP. Design services will be provided to assist the engineer in the site design for the project. Monitor wells will be installed in the last phase of the project to be used once the site goes into operation. A detailed scope of services, compensation summary, and project schedule are provided below.

SCOPE OF SERVICES

1. LIMITED FIELD AND LAB TESTING

Ardaman will perform three continuous standard penetration test (SPT) soil borings; one will be performed to 50 feet and two will be performed to 25 feet. Sieve analyses will be performed on six samples (2 from each boring) to determine grain size distribution and to estimate permeability. Additional soil samples (3) will be remolded in the lab and permeability tests will be performed on them. The lithologic results from the soil borings and the lab testing will provide hydrogeologic information needed to construct the groundwater flow model for the mounding analysis.

2. MOUNDING ANALYSIS

A groundwater flow model will then be prepared for a mounding analysis to determine the pond acreage required and available disposal capacity for the proposed site. A report detailing the mounding analysis will be provided for review before the permitting phase is begun.

Specifically, Ardaman will provide the following services:

- A. **Record Review** Ardaman will review existing site specific and regional soils and hydrogeologic information to obtain information necessary to construct the groundwater flow model. This review will include the site specific testing as well as regional data available from United States Geological Survey (USGS), Southwest Florida Water Management District (SWFWMD), and the DWRM2 groundwater flow model.
- B. **Mounding Analysis** Ardaman will prepare a three-dimensional groundwater flow model using MODFLOW, incorporating the gathered site specific and regional information to simulate the operation of the RIB system. The basins will be loaded in the simulation at the requested rate of 500,000 gpd. The model will be run to estimate the required basin acreage and simulate the changes in the groundwater levels to determine whether any adverse impacts will occur as a result of the loading. If the requested rate is not acceptable, Ardaman will determine a suitable rate for the site.
- C. **Report** Ardaman will prepare a letter report detailing the results of the mounding analysis including estimated basin acreage and site suitability.

3. ENGINEERING REPORT FOR PERMITTING

Ardaman will prepare an Engineering Report in support of the permit application to serve as the preliminary design report for FDEP review.

Specifically, Ardaman will provide the following information:

- A. **Land Use Requirements** Ardaman will provide maps displaying the current and future land use, potable and non-potable water supply well locations, and surface waters within the required distance from the RIB site. Well construction details and surface water classifications will be tabulated to accompany the maps and provide additional information requested in Rule 62-610.310(3)(a), F.A.C.
- B. **Soil Information** For projects described in Rule 62-610.310(2), F.A.C., the FDEP will accept an abbreviated report from the permittee addressing the soil characteristics at the proposed site, based upon the best available information in lieu of the more detailed soils information. Ardaman will use existing soils information gathered at the site as well as published soils information from the Soil Conservation Service to describe the physical characteristics of the soils at the percolation pond site such as texture, hydraulic conductivity, and available water capacity. Specific sites used for determining hydraulic conductivity will be shown on the soils map, and data will be submitted to substantiate that the proposed site is hydrologically capable of accommodating the design loading and application rate requirements described.
- C. **Hydrogeologic Survey** Ardaman will provide the data necessary for the FDEP to evaluate the capability of the proposed RIB site to perform successfully on a long-term basis. As listed in Rule 62-610.310 F.A.C., the information includes the following:
 - Groundwater Monitoring Plan – Based on gathered hydrologic information and the mounding analysis, Ardaman will provide a proposed groundwater monitoring plan including recommended monitor well locations and sampling schedule pursuant to Rules 62-522.600 F.A.C. and 62-610.412 F.A.C. Background water quality data may be requested by the FDEP as part of the monitoring plan, which is not included in the proposal.

- Hydrogeologic Characteristics - For projects described in Rule 62-610.310(2), F.A.C., the Department will accept an abbreviated report from the permittee covering the hydrogeologic characteristics at the proposed site, based upon the best available information, in lieu of the more detailed hydrogeologic information. Ardaman will describe the existing information regarding water table depth, potentiometric surface elevations, hydrologic characterization of aquifers and confining zones, head relationships between aquifers, historical range of water levels at the site, and direction and rate of existing groundwater movement.
 - Flood Prone Areas – Ardaman will map any flood prone areas on the proposed site and discuss flooding frequencies and magnitude, if necessary.
 - Mounding analysis – The mounding analysis performed to evaluate the proposed site suitability and pond size will be included in the Engineering Report.
- D. **Land Management** Based on information provided by the client, Ardaman will detail the intended proposed vegetative cover and management program and discuss the anticipated effluent characteristics including physical, chemical, and biological properties. The information will be used to detail water and nutrient balances for the proposed RIB system.
- E. **Project Evaluation** Ardaman will prepare an evaluation of the long-term effect of the proposed RIB system. Specifically, the evaluation will include discussions of changes in water table, flow direction, and water quality; justification of setback distances, loading rates, and cycles; evaluation of risks to public health and safety; projections of flow and effluent characteristics; mapping of onsite operational features, inclusion of technical information and design criteria (loading, flow metering, monitoring points, concentrations); and discussion of operation and control strategies.

4. DESIGN SERVICES

Ardaman will provide design services to assist the engineer in the site design for the project. A total of 40 hours of design assistance has been added to the budget. If additional assistance is required beyond the estimated 40 hours, a change order for additional work will be required.

5. MONITOR WELL DESIGN AND CONSTRUCTION

Monitor well design and construction will be provided by Ardaman for the groundwater monitoring system for the effluent disposal facility. It is estimated that four (4) monitor wells will may be required constructed to a depth of 50 feet. The site investigation and design requirements may change as the project advances. If additional monitor wells are required or deeper wells are needed, a change order for the additional work will be required.

COMPENSATION

Table 1 summarizes the work breakdown schedule and estimated costs. Monthly invoices will be based on time expended, materials/equipment used and units performed in accordance with the enclosed fee schedule. The maximum budget not to be exceeded without further written authorization is \$44,691. The budget does not include responses to request for additional information or permit application/preliminary design report review fees. If reviewed separately from the treatment facility, the preliminary design report review fee for the FDEP is \$1,200.00. The costs per task are provided below:

Task	Description	Estimated Costs
1	Limited Field and Lab Testing	\$5,700
2	Mounding Analysis	\$8,987
3	Engineering Report	\$15,046
4	Design Services	\$5,950
5	Monitor Well Design and Construction	\$9,008
	Total	\$44,691

SCHEDULE

Ardaman will start the project immediately upon receipt of the signed Proposal/Project Acceptance and Agreement and notice to proceed. Different phases of the project will be initiated with notice to proceed for each phase.

If the proposal meets with your approval, please sign the enclosed project acceptance form and return one for our records. Please do not hesitate to contact us if you have questions or need additional information.

Very truly yours,
ARDAMAN & ASSOCIATES, INC.



Douglas P. Dufresne, P.G.
Project Director
Florida License No. 1527

DPD/dpd
Enclosures

**TABLE 1
CITY OF POLK CITY
HYDROGEOLOGIC SERVICES FOR SMITH ROAD RAPID INFILTRATION BASIN SYSTEM ANALYSIS PHASE II
WORK BREAKDOWN SCHEDULE AND COST ESTIMATE**

TASK	Description	Project Director		Project Hydrogeologist III		Project Hydrogeologist I		GIS Specialist III		Totals	
		\$174.00 per hour		\$123.50 per hour		\$114.00 per hour		\$87.00 per hour		Estimated	
		Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost
1	Limited Field and Lab Testing										
	Support Field and Lab Services										\$5,700
	Task 1 Subtotals										\$5,700
2	Mounding Analysis										
	Records Review	2	\$348.00	8	\$988					10	\$1,336
	Groundwater Mounding Analysis	12	\$2,088.00	30	\$3,705			2	\$174	44	\$5,967
	Report	4	\$696.00	8	\$888					12	\$1,684
	Task 2 Subtotals	18	\$3,132	46	\$5,681			2	\$174	66	\$8,987
3	Engineering Report										
	Land Use Requirements	2	\$348.00	10	\$1,235	6	\$684	4	\$348	22	\$2,615
	Soil Information	2	\$348.00	6	\$741	4	\$456			12	\$1,545
	Hydrogeologic Survey										
	Groundwater Monitoring Plan	4	\$696.00	8	\$888					12	\$1,684
	Hydrogeologic Characteristics	4	\$696.00	12	\$1,482	12	\$1,368			28	\$3,546
	Flood Prone Areas	2	\$348.00	4	\$494	2	\$228	2	\$174	10	\$1,244
	Mounding Analysis	2	\$348	4	\$494					6	\$842
	Land Management	4	\$696	4	\$494					8	\$1,190
	Project Evaluation	8	\$1,392	8	\$888					16	\$2,380
	Task 3 Subtotals	28	\$4,672	56	\$6,916	24	\$2,736	6	\$522	114	\$15,048
4	Design Services										
	Design Services	20	\$3,480.00	20	\$2,470					40	\$5,950
	Task 4 Subtotals	20	\$3,480	20	\$2,470					40	\$5,950
5	Monitor Well Design and Construction										
	Monitor Well Design and Construction	2	\$348.00	4	\$494	16	\$1,824			22	\$2,666
	Observation										
	Support Field Services										\$5,500
	Report	2	\$348.00	4	\$494					6	\$842
	Task 5 Subtotals	4	\$696	8	\$888	16	\$1,824			28	\$9,008
	TOTALS	70	\$12,180	130	\$16,055	40	\$4,560	8	\$696	248	\$44,691

Attachment D

Request for Taxpayer Identification Number and Certification

Give Form to the
 requester. Do not
 send to the IRS.

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.
Gerald C. Hartman

2 Business name/disregarded entity name, if different from above.
Hartman Consultants, LLC

3 Check appropriate box for federal tax classification; check only one of the following seven boxes:
 Individual/sole proprietor or single-member LLC
 C Corporation
 S Corporation
 Partnership
 Trust/estate
 Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ S
 Note. For a single-member LLC that is disregarded, do not check LLC; check the appropriate box in the line above for the tax classification of the single-member owner.
 Other (see instructions) ▶

4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):
 Exempt payee code (if any) _____
 Exemption from FATCA reporting code (if any) _____
(Applies to accounts maintained outside the U.S.)

5 Address (number, street, and apt. or suite no.)
300 S. Interlachen Ave., #503

6 City, state, and ZIP code
Winter Park, FL 32789

7 List account number(s) here (optional)

Print or type
 See Specific Instructions on page 2.

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 Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the instructions for line 1 and the chart on page 4 for guidelines on whose number to enter.

Social security number

-			-						

or

Employer identification number

30	-	0796	767
----	---	------	-----

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 on page 3.

Sign Here Signature of U.S. person: *Gerald C. Hartman* Date: *10/4/2017*

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.
 Future developments. Information about developments affecting Form W-9 (such as legislation enacted after we release it) is at www.irs.gov/fw9.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following:

- Form 1099-INT (interest earned or paid)
- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)

- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
 - Form 1099-C (canceled debt)
 - Form 1099-A (acquisition or abandonment of secured property)
- Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.
- If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See *What is backup withholding?* on page 2.
- By signing the filled-out form, you:
- Certify that the TIN you are giving is correct (or you are waiting for a number to be issued).
 - Certify that you are not subject to backup withholding, or
 - Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and
 - Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. See *What is FATCA reporting?* on page 2 for further information.

Attachment E

**STATE OF FLORIDA
DEPARTMENT OF ENVIRONMENTAL PROTECTION**

AND

CITY OF POLK CITY, FLORIDA

**CLEAN WATER STATE REVOLVING FUND
DESIGN LOAN AGREEMENT**

WW531400

GRANT AGREEMENT

SG531401

Florida Department of Environmental Protection
State Revolving Fund Program
Marjory Stoneman Douglas Building
3900 Commonwealth Boulevard, MS 3505
Tallahassee, Florida 32399-3000

CLEAN WATER STATE REVOLVING FUND CONSTRUCTION LOAN AGREEMENT

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**CLEAN WATER STATE REVOLVING FUND CONSTRUCTION LOAN AGREEMENT
WW531400 & GRANT AGREEMENT SG531401**

THIS AGREEMENT is executed by the STATE OF FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION (Department) and the CITY OF POLK CITY, FLORIDA, (Local Government) existing as a local governmental agency under the laws of the State of Florida. Collectively, the Department and the Local Government shall be referred to as "Parties" or individually as "Party".

RECITALS

Pursuant to Section 403.1835, Florida Statutes, the Department is authorized to make loans to local governmental entities to finance or refinance the design of wastewater pollution control facilities; and

Pursuant to Section 403.1838, Florida Statutes, the Department is authorized to award grants to financially disadvantaged small communities; and

The Local Government applied for the financing of the Design Activities and the Department has determined that such Project meets all requirements for a Loan and Grant.

AGREEMENT

In consideration of the Department loaning money to the Local Government, in the principal amount and pursuant to the covenants set forth below, it is agreed as follows:

ARTICLE I - DEFINITIONS

1.01. WORDS AND TERMS.

Words and terms used herein shall have the meanings set forth below:

- (1) "Agreement" or "Loan Agreement" shall mean this construction loan agreement.
- (2) "Asset Management Plan" means a systematic management technique for utility systems that focuses on the long-term life cycle of the assets and their sustained performance, rather than on short-term, day-to-day aspects of the assets. This plan includes the identification of and costs for rehabilitating, repairing, or replacing all assets as well as the schedule to do so. The requirements for asset management plans are in Subsection 62-503.700(7), Florida Administrative Code.
- (3) "Authorized Representative" shall mean the official of the Local Government authorized by ordinance or resolution to sign documents associated with the Loan.
- (4) "Capitalized Interest" shall mean a finance charge that accrues at the Financing Rate on Loan proceeds from the time of disbursement until six months before the first Semiannual Loan Payment is due. Capitalized Interest is financed as part of the Loan principal.

(5) "Depository" shall mean a bank or trust company, having a combined capital and unimpaired surplus of not less than \$50 million, authorized to transact commercial banking or savings and loan business in the State of Florida and insured by the Federal Deposit Insurance Corporation.

(6) "Design Activities" shall mean the design of work defined in the approved planning document that will result in plans and specifications, ready for permitting and bidding, for an eligible construction project.

(7) "Final Amendment" shall mean the final agreement executed between the parties that establishes the final terms for the Loan such as the final Loan amount, the interest rate, Loan Service Fee, amortization schedule and Semiannual Loan Payment amount.

(8) "Financing Rate" shall mean the charges, expressed as a percent per annum, imposed on the unpaid principal of the Loan. The Financing Rate shall consist of an interest rate component and a Grant Allocation Assessment rate component.

(9) "Grant" shall mean funds awarded under SG531401 pursuant to this Agreement and any subsequent amendments. The Grant agreement is incorporated into this Loan agreement. Grant funds are not disbursed to the Local Government but are a portion of the Loan.

(10) "Grant Allocation Assessment" shall mean an assessment, expressed as a percent per annum, accruing on the unpaid balance of the Loan. It is computed similarly to the way interest charged on the Loan is computed and is included in the Semiannual Loan Payment. The Department will use Grant Allocation Assessment moneys for making grants to financially disadvantaged small communities pursuant to Section 403.1835 of the Florida Statutes.

(11) "Grant Portion" shall mean the portion of the Semiannual Loan Payment that is provided from State funds and will be the lesser of \$250,000 or the Grant percentage times the estimated grant eligible project costs divided by 40.

(12) "Gross Revenues" shall mean all income or earnings received by the Local Government from the ownership or operation of its Water and Sewer Systems, including investment income, all as calculated in accordance with generally accepted accounting principles. Gross Revenues shall not include proceeds from the sale or other disposition of any part of the Water or Sewer System, condemnation awards or proceeds of insurance, except use and occupancy or business interruption insurance, received with respect to the Water or Sewer System.

(13) "Loan" shall mean the amount of money to be loaned pursuant to this Agreement and subsequent amendments.

(14) "Loan Application" shall mean the completed form which provides all information required to support obtaining construction loan financial assistance.

(15) "Loan Debt Service Account" shall mean an account, or a separately identified component of a pooled cash or liquid account, with a Depository established by the Local

Government for the purpose of accumulating Monthly Loan Deposits and making the Semiannual Loan Payments.

(16) "Loan Service Fee" shall mean an origination fee which shall be paid to the Department by the Local Government.

(17) "Local Governmental Entity" means a county, municipality, or special district.

(18) "Monthly Loan Deposit" shall mean the monthly deposit to be made by the Local Government to the Loan Debt Service Account.

(19) "Operation and Maintenance Expense" shall mean the costs of operating and maintaining the Water and Sewer Systems determined pursuant to generally accepted accounting principles, exclusive of interest on any debt payable from Gross Revenues, depreciation, and any other items not requiring the expenditure of cash.

(20) "Parity Debt" shall mean any debt obligations issued that are on an equal commercial lien position with this Loan.

(21) "Design Grant" means financial assistance provided to a Local Government for design of its wastewater management project.

(22) "Pledged Revenues" shall mean the specific revenues pledged as security for repayment of the Loan and shall be the Gross Revenues derived yearly from the operation of the Water and Sewer Systems after payment of the Operation and Maintenance Expense and the satisfaction of all yearly payment obligations on account of the Senior Revenue Debt and any senior or parity obligations issued pursuant to Section 7.02 of this Agreement.

(23) "Project" shall mean the construction of Effluent Disposal facilities planned and designed through these Design Activities.

(24) "Semiannual Loan Payment" shall mean the payment due at six-month intervals.

(25) "Senior Revenue Obligations" shall mean the following debt obligations:

(a) City of Polk City, Florida, Water and Sewer System Capital Improvement and Refunding Revenue Bonds, Series 2011A, issued in the amount of \$9,720,000, pursuant to Resolution No. 2011-06; and

(b) Any refunding bonds issued to refund the obligations identified above provided such bonds shall not increase annual debt service during the repayment period of this Loan.

(26) "Sewer System" shall mean all facilities owned by the Local Government for collection, transmission, treatment and reuse of wastewater and its residuals.

(27) "Water System" shall mean all facilities owned by the Local Government for supplying and distributing water for residential, commercial, industrial, and governmental use.

1.02. CORRELATIVE WORDS.

Words of the masculine gender shall be understood to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, the singular shall include the plural and the word "person" shall include corporations and associations, including public entities, as well as natural persons.

ARTICLE II - WARRANTIES, REPRESENTATIONS AND COVENANTS

2.01. WARRANTIES, REPRESENTATIONS AND COVENANTS.

The Local Government warrants, represents and covenants that:

(1) The Local Government has full power and authority to enter into this Agreement and to comply with the provisions hereof.

(2) The Local Government currently is not the subject of bankruptcy, insolvency, or reorganization proceedings and is not in default of, or otherwise subject to, any agreement or any law, administrative regulation, judgment, decree, note, resolution, charter or ordinance which would currently restrain or enjoin it from entering into, or complying with, this Agreement.

(3) There is no material action, suit, proceeding, inquiry or investigation, at law or in equity, before any court or public body, pending or, to the best of the Local Government's knowledge, threatened, which seeks to restrain or enjoin the Local Government from entering into or complying with this Agreement.

(4) All permits, real property interests, and approvals required as of the date of this Agreement have been obtained for construction and use of the Project. The Local Government knows of no reason why any future required permits or approvals are not obtainable.

(5) The Local Government shall undertake the Project on its own responsibility, to the extent permitted by law.

(6) To the extent permitted by law, the Local Government shall release and hold harmless the State, its officers, members, and employees from any claim arising in connection with the Local Government's actions or omissions in its planning, engineering, administrative, and construction activities financed by this Loan or its operation of the Project.

(7) All Local Government representations to the Department, pursuant to the Loan Application and Agreement, were true and accurate as of the date such representations were made. The financial information delivered by the Local Government to the Department was current and correct as of the date such information was delivered. The Local Government shall comply with Chapter 62-503, Florida Administrative Code, and all applicable State and Federal laws, rules, and regulations which are identified in the Loan Application or Agreement. To the extent that any assurance, representation, or covenant requires a future action, the Local Government shall take such action to comply with this agreement.

(8) The Local Government shall maintain records using generally accepted accounting principles established by the Governmental Accounting Standards Board. As part of its bookkeeping system, the Local Government shall keep accounts of the Water and Sewer Systems separate from all other accounts and it shall keep accurate records of all revenues, expenses, and expenditures relating to the Water and Sewer Systems, and of the Pledged Revenues, Loan disbursement receipts, and Loan Debt Service Account.

(9) In the event the anticipated Pledged Revenues are shown by the Local Government's annual budget to be insufficient to make Semiannual Loan Payments for such Fiscal Year when due, the Local Government shall include in such budget other legally available non-ad valorem funds which will be sufficient, together with the Pledged Revenues, to make the Semiannual Loan Payments. Such other legally available non-ad valorem funds shall be budgeted in the regular annual governmental budget and designated for the purpose provided by this Subsection, and the Local Government shall collect such funds for application as provided herein. The Local Government shall notify the Department immediately in writing of any such budgeting of other legally available non-ad valorem funds. Nothing in this covenant shall be construed as creating a pledge, lien, or charge upon any such other legally available non-ad valorem funds; requiring the Local Government to levy or appropriate ad valorem tax revenues; or preventing the Local Government from pledging to the payment of any bonds or other obligations all or any part of such other legally available non-ad valorem funds.

(10) Pursuant to Section 216.347 of the Florida Statutes, the Local Government shall not use the Loan proceeds for the purpose of lobbying the Florida Legislature, the Judicial Branch, or a State agency.

(11) The Local Government agrees to construct the Design Activities, in accordance with the Project schedule. Delays incident to strikes, riots, acts of God, and other events beyond the reasonable control of the Local Government are excepted. If for any reason construction is not completed as scheduled, there shall be no resulting diminution or delay in the Semiannual Loan Payment or the Monthly Loan Deposit.

(12) The Local Government covenants that this Agreement is entered into for the purpose of completing design and engineering activities in order to construct facilities which will, in all events serve a public purpose.

(13) The Local Government shall update the revenue generation system annually to assure that sufficient revenues are generated for debt service, operation and maintenance, replacement of equipment, accessories, and appurtenances necessary to maintain the system design capacity and performance during its design life, and to make the system financially self-sufficient.

2.02. LEGAL AUTHORIZATION.

Upon signing this Agreement, the Local Government's legal counsel hereby expresses the opinion, subject to laws affecting the rights of creditors generally, that:

(1) This Agreement has been duly authorized by the Local Government and shall constitute a valid and legal obligation of the Local Government enforceable in accordance with its terms upon execution by both parties; and

(2) This Agreement identifies the revenues pledged for repayment of the Loan, and the pledge is valid and enforceable.

2.03. AUDIT AND MONITORING REQUIREMENTS.

The Local Government agrees to the following audit and monitoring requirements.

(1) The financial assistance authorized pursuant to this Loan Agreement consists of the following:

State Funding Line Item	CSFA	Program	Funding Source	Funding Amount	Appropriation Category
Original Agreement	37.077	Wastewater Treatment Facility Construction	Wastewater Treatment & Stormwater Management TF	\$160,000	140131
State Funding Line Item	CSFA	Program	Funding Source	Funding Amount	Appropriation Category
1614 of SFY 2017-2018 GAA	37.075	Small Community Wastewater Grant	Federal Grants Trust Fund	\$128,000	143276

(2) Audits.

(a) In the event that the Local Government expends a total amount of state financial assistance equal to or in excess of \$750,000 in any fiscal year of such Local Government, the Local Government must have a State single audit for such fiscal year in accordance with Section 215.97, Florida Statutes; applicable rules of the Department of Financial Services; and Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General. In determining the state financial assistance expended in its fiscal year, the Local Government shall consider all sources of state financial assistance, including state financial assistance received from the Department, other state agencies, and other nonstate entities. State financial assistance does not include Federal direct or pass-through awards and resources received by a nonstate entity for Federal program matching requirements.

(b) In connection with the audit requirements addressed in the preceding paragraph (a); the Local Government shall ensure that the audit complies with the requirements of Section 215.97(7), Florida Statutes. This includes submission of a financial reporting package as defined by Section 215.97(2), Florida Statutes, and Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General.

By Mail:

Audit Director

Florida Department of Environmental Protection
Office of the Inspector General
3900 Commonwealth Boulevard, MS 40
Tallahassee, Florida 32399-3123

or

Electronically:

FDEPSingleAudit@dep.state.fl.us

(b) Any reports, management letters, or other information required to be submitted to the Department pursuant to this Agreement shall be submitted timely in accordance with Florida Statutes, or Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General, as applicable.

(c) Local Governments, when submitting financial reporting packages to the Department for audits done in accordance with Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General, should indicate the date that the reporting package was delivered to the Local Government in correspondence accompanying the reporting package.

(4) Record Retention.

The Local Government shall retain sufficient records demonstrating its compliance with the terms of this Agreement for a period of five years from the date of the Final Amendment, and shall allow the Department, or its designee, Chief Financial Officer, or Auditor General access to such records upon request. The Local Government shall ensure that working papers are made available to the Department, or its designee, Chief Financial Officer, or Auditor General upon request for a period of five years from the date of the Final Amendment, unless extended in writing by the Department.

(5) Monitoring.

In addition to reviews of audits conducted in accordance with Section 215.97, F.S., as revised monitoring procedures may include, but not be limited to, on-site visits by Department staff and/or other procedures. By entering into this Agreement, the Local Government agrees to comply and cooperate with any monitoring procedures/processes deemed appropriate by the Department. In the event the Department determines that a limited scope audit of the Local Government is appropriate, the Local Government agrees to comply with any additional instructions provided by the Department to the Local Government regarding such audit. The Local Government further agrees to comply and cooperate with any inspections, reviews, investigations, or audits deemed necessary by the Chief Financial Officer or Auditor General.

ARTICLE III - LOAN DEBT SERVICE ACCOUNTS

3.01. LOAN DEBT SERVICE ACCOUNT.

The Local Government shall establish a Loan Debt Service Account with a Depository and begin making Monthly Loan Deposits no later than the date set forth for such action in Section 10.07 of this Agreement.

Beginning six months prior to each Semiannual Loan Payment, the Local Government shall make six Monthly Loan Deposits. The first five deposits each shall be at least equal to one-sixth of the Semiannual Loan Payment. The sixth Monthly Loan Deposit shall be at least equal to the amount required to make the total on deposit in the Loan Debt Service Account equal to the Semiannual Loan Payment amount, taking into consideration investment earnings credited to the account pursuant to Section 3.02.

Any month in which the Local Government fails to make a required Monthly Loan Deposit, the Local Government's chief financial officer shall notify the Department of such failure. In addition, the Local Government agrees to budget, by amendment if necessary, payment to the Department from other legally available non-ad valorem funds all sums becoming due before the same become delinquent. This requirement shall not be construed to give superiority to the Department's claim on any revenues over prior claims of general creditors of the Local Government, nor shall it be construed to give the Department the power to require the Local Government to levy and collect any revenues other than Pledged Revenues.

3.02. INVESTMENT OF LOAN DEBT SERVICE ACCOUNT MONEYS.

Moneys on deposit in the Loan Debt Service Account shall be invested pursuant to the laws of the State of Florida. Such moneys may be pooled for investment purposes. The maturity or redemption date of investments shall be not later than the date upon which such moneys may be needed to make Semiannual Loan Payments. The investment earnings shall be credited to the Loan Debt Service Account and applied toward the Monthly Loan Deposit requirements.

3.03. LOAN DEBT SERVICE ACCOUNT WITHDRAWALS.

The withdrawal of moneys from the Loan Debt Service Account shall be for the sole purpose of making the Semiannual Loan Payment or for discharging the Local Government's obligations pursuant to Section 8.01.

3.04. ASSETS HELD IN TRUST.

The assets in all accounts created under this Loan Agreement shall be held in trust for the purposes provided herein and used only for the purposes and in the manner prescribed in this Agreement; and, pending such use, said assets shall be subject to a lien and charge in favor of the Department.

ARTICLE IV - PROJECT INFORMATION

4.01. PROJECT CHANGES.

After the Department's environmental review has been completed, the Local Government shall promptly notify the Department, in writing, of any Project change that would require a modification to the environmental information document.

4.02. TITLE TO PROJECT SITE.

No later than the date established by Section 10.07, the Local Government shall have an interest in real property sufficient for the construction and location of any facility planned and designed through preconstruction activities free and clear of liens and encumbrances which would impair the usefulness of such sites for the intended use. If a limited site title certification is accepted at that date, the Department shall establish a date for submittal of a clear site title certification by amendment.

4.03. PROHIBITION AGAINST ENCUMBRANCES.

The Local Government is prohibited from selling, leasing, or disposing of any part of the Water or Sewer System which would materially reduce operational integrity or Gross Revenues so long as this Agreement, including any amendment thereto, is in effect unless the written consent of the Department is first secured.

4.04. COMPLETION MONEYS.

In addition to the proceeds of this or subsequent Loans, the Local Government covenants that it has obtained, or will obtain, sufficient moneys from other sources to complete the Design Activities.

4.05. CLOSE-OUT.

The Department shall conduct a final inspection of the Project and Project records. Following the inspection, deadlines for submitting additional disbursement requests, if any, shall be established, along with deadlines for uncompleted Loan requirements, if any. Deadlines shall be incorporated into the Loan Agreement by amendment. The amount of the Grant shall be fixed at the time of Project close-out and transferred as a one time payment against the Loan balance. The Loan principal, adjusted to the amount borrowed, shall be reduced by any excess over the amount required to pay all approved costs. As a result of such adjustment, the Semiannual Loan Payment shall be reduced accordingly, as addressed in Section 10.05.

4.06. LOAN DISBURSEMENTS.

Disbursements shall be made directly to the Local Government only, by the State Chief Financial Officer for reimbursement of incurred Design costs and related services. Disbursements for materials, labor, or services shall be made upon receipt of the following:

(1) A completed disbursement request form signed by the Authorized Representative. Such requests must be accompanied by sufficiently itemized summaries of the materials, labor, or services to identify the nature of the work performed; the cost or charges for such work; and the person providing the service or performing the work. Proof of payment will be required with the following disbursement request; and proof of payment.

(2) A certification signed by the Authorized Representative as to the current estimated costs of the Project; that the materials, labor, or services represented by the invoice have been satisfactorily purchased, performed, or received.

(3) Such other certificates or documents by engineers, attorneys, accountants, contractors, or suppliers as may reasonably be required by the Department.

Requests by the Local Government for disbursements of the Design funds shall be made using the Department's disbursement request form. The Department reserves the right to retain 25% of the funds until the information necessary for the Department to prepare the Environmental Information Document as described in Rule 62-503.751, Florida Administrative Code, has been provided.

ARTICLE V - RATES AND USE OF THE WATER AND SEWER SYSTEMS

5.01. RATE COVERAGE.

The Local Government shall maintain rates and charges for the services furnished by the Water and Sewer Systems which will be sufficient to provide, in each Fiscal Year, Pledged Revenues equal to or exceeding 1.15 times the sum of the Semiannual Loan Payments due in such Fiscal Year. In addition, the Local Government shall satisfy the coverage requirements of all Senior Revenue Debt and Parity Debt obligations.

5.02. NO FREE SERVICE.

The Local Government shall not permit connections to, or furnish any services afforded by, the Water or Sewer System without making a charge therefore based on the Local Government's uniform schedule of rates, fees, and charges.

5.03. MANDATORY CONNECTIONS.

The Local Government shall adopt, as necessary, and enforce requirements, consistent with applicable laws, for the owner, tenant or occupant of each building located on a lot or parcel of land which is served, or may reasonably be served, by the Sewer System to connect such building to the Sewer System.

5.04. NO COMPETING SERVICE.

The Local Government shall not allow any person to provide any services which would compete with the Water or Sewer System so as to adversely affect Gross Revenues.

5.05. MAINTENANCE OF THE WATER AND SEWER SYSTEMS.

The Local Government shall operate and maintain the Water and Sewer Systems in a proper, sound and economical manner and shall make all necessary repairs, renewals and replacements.

5.06. ADDITIONS AND MODIFICATIONS.

The Local Government may make any additions, modifications or improvements to the Water and Sewer Systems which it deems desirable and which do not materially reduce the operational integrity of any part of the Water or Sewer System. All such renewals, replacements, additions, modifications and improvements shall become part of the Water and Sewer Systems.

5.07. COLLECTION OF REVENUES.

The Local Government shall use its best efforts to collect all rates, fees and other charges due to it. The Local Government shall establish liens on premises served by the Water or Sewer System for the amount of all delinquent rates, fees and other charges where such action is permitted by law. The Local Government shall, to the full extent permitted by law, cause to discontinue the services of the Water and Sewer Systems and use its best efforts to shut off water service furnished to persons who are delinquent beyond customary grace periods in the payment of Water and Sewer System rates, fees and other charges.

ARTICLE VI - DEFAULTS AND REMEDIES

6.01. EVENTS OF DEFAULT.

Upon the occurrence of any of the following events (the Events of Default) all obligations on the part of Department to make any further disbursements hereunder shall, if Department elects, terminate. The Department may, at its option, exercise any of its remedies set forth in this Agreement, but Department may make any disbursements or parts of disbursements after the happening of any Event of Default without thereby waiving the right to exercise such remedies and without becoming liable to make any further disbursement:

(1) Failure to make any Monthly Loan Deposit or to make any installment of the Semiannual Loan Payment when it is due and such failure shall continue for a period of 30 days.

(2) Except as provided in Subsection 6.01(1) failure to comply with the provisions of this Agreement, failure in the performance or observance of any of the covenants or actions required by this Agreement or the Suspension of this Agreement by the Department pursuant to Section 8.14 below, and such failure shall continue for a period of 30 days after written notice thereof to the Local Government by the Department.

(3) Any warranty, representation or other statement by, or on behalf of, the Local Government contained in this Agreement or in any information furnished in compliance with, or in reference to, this Agreement, which is false or misleading, or if Local Government shall fail to keep, observe or perform any of the terms, covenants, representations or warranties contained in this Agreement, the Note, or any other document given in connection with the Loan (provided,

that with respect to non-monetary defaults, Department shall give written notice to Local Government, which shall have 30 days to cure any such default), or is unable or unwilling to meet its obligations thereunder.

(4) An order or decree entered, with the acquiescence of the Local Government, appointing a receiver of any part of the Water or Sewer System or Gross Revenues thereof; or if such order or decree, having been entered without the consent or acquiescence of the Local Government, shall not be vacated or discharged or stayed on appeal within 60 days after the entry thereof.

(5) Any proceeding instituted, with the acquiescence of the Local Government, for the purpose of effecting a composition between the Local Government and its creditors or for the purpose of adjusting the claims of such creditors, pursuant to any federal or state statute now or hereafter enacted, if the claims of such creditors are payable from Gross Revenues of the Water or Sewer System.

(6) Any bankruptcy, insolvency or other similar proceeding instituted by, or against, the Local Government under federal or state bankruptcy or insolvency law now or hereafter in effect and, if instituted against the Local Government, is not dismissed within 60 days after filing.

(7) Any charge is brought alleging violations of any criminal law in the implementation of the Project or the administration of the proceeds from this Loan against one or more officials of the Local Government by a State or Federal law enforcement authority, which charges are not withdrawn or dismissed within 60 days following the filing thereof.

(8) Failure of the Local Government to give immediate written notice of its knowledge of a potential default or an event of default to the Department and such failure shall continue for a period of 30 days.

6.02. REMEDIES.

All rights, remedies, and powers conferred in this Agreement and the transaction documents are cumulative and are not exclusive of any other rights or remedies, and they shall be in addition to every other right, power, and remedy that Department may have, whether specifically granted in this Agreement or any other transaction document, or existing at law, in equity, or by statute. Any and all such rights and remedies may be exercised from time to time and as often and in such order as Department may deem expedient. Upon any of the Events of Default and subject to the rights of others having prior liens on the Pledged Revenues, the Department may enforce its rights by, *inter alia*, any of the following remedies:

(1) By mandamus or other proceeding at law or in equity, cause to establish rates and collect fees and charges for use of the Water and Sewer Systems, and to require the Local Government to fulfill this Agreement.

(2) By action or suit in equity, require the Local Government to account for all moneys received from the Department or from the ownership of the Water and Sewer Systems and to account for the receipt, use, application, or disposition of the Pledged Revenues.

(3) By action or suit in equity, enjoin any acts or things which may be unlawful or in violation of the rights of the Department.

(4) By applying to a court of competent jurisdiction, cause to appoint a receiver to manage the Water and Sewer Systems, establish and collect fees and charges, and apply the revenues to the reduction of the obligations under this Agreement.

(5) By certifying to the Auditor General and the Chief Financial Officer delinquency on loan repayments, the Department may intercept the delinquent amount plus a penalty from any unobligated funds due to the Local Government under any revenue or tax sharing fund established by the State, except as otherwise provided by the State Constitution. The Department may impose a penalty in an amount not to exceed an interest rate of 18 percent per annum on the amount due in addition to charging the cost to handle and process the debt. Penalty interest shall accrue on any amount due and payable beginning on the 30th day following the date upon which payment is due.

(6) By notifying financial market credit rating agencies and potential creditors.

(7) By suing for payment of amounts due, or becoming due, with interest on overdue payments together with all costs of collection, including attorneys' fees.

(8) By accelerating the repayment schedule or increasing the Financing Rate on the unpaid principal of the Loan to as much as 1.667 times the Financing Rate.

6.03. DELAY AND WAIVER.

Department in exercising any rights or remedies hereunder, shall operate as a waiver of any rights or remedies of Department, and no single or partial exercise of any rights or remedies hereunder shall operate as a waiver or preclude the exercise of any other rights or remedies hereunder. No delay or omission by the Department to exercise any right or power accruing upon an Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein, and every such right and power may be exercised as often as may be deemed expedient. No waiver or any default under this Agreement shall extend to or affect any subsequent Events of Default, whether of the same or different provision of this Agreement, or shall impair consequent rights or remedies.

ARTICLE VII - THE PLEDGED REVENUES

7.01. SUPERIORITY OF THE PLEDGE TO THE DEPARTMENT.

From and after the effective date of this Agreement, the Department shall have a lien on the Pledged Revenues, which along with any other Department State Revolving Fund liens on the Pledged Revenues, of equal priority, will be prior and superior to any other lien, pledge or assignment with the following exception. All obligations of the Local Government under this Agreement shall be junior, inferior, and subordinate in all respects in right of payment and security to the Senior Revenue Debt defined in Section 1.01 of this Agreement and to any additional senior obligations issued with the Department's consent pursuant to Section 7.02. The Department may release its lien on such Pledged Revenues in favor of the Department if the

Department makes a determination in its sole discretion, based upon facts deemed sufficient by the Department, that the remaining Pledged Revenues will, in each Fiscal Year, equal or exceed 1.15 times the debt service coming due in each Fiscal Year under the terms of this Agreement.

7.02. ADDITIONAL DEBT OBLIGATIONS.

The Local Government may issue additional debt obligations on a parity with, or senior to, the lien of the Department on the Pledged Revenues provided the Department's written consent is obtained. Such consent may be granted if the Local Government demonstrates at the time of such issuance that the Pledged Revenues, which may take into account reasonable projections of growth of the Water and Sewer Systems and revenue increases, plus revenues to be pledged to the additional proposed debt obligations will, during the period of time Semiannual Loan Payments are to be made under this Agreement, equal or exceed 1.15 times the annual combined debt service requirements of this Agreement and the obligations proposed to be issued by the Local Government and will satisfy the coverage requirements of all other debt obligations secured by the Pledged Revenues.

ARTICLE VIII - GENERAL PROVISIONS

8.01. DISCHARGE OF OBLIGATIONS.

All payments required to be made under this Agreement shall be cumulative and any deficiencies in any Fiscal Year shall be added to the payments due in the succeeding year and all years thereafter until fully paid. Payments shall continue to be secured by this Agreement until all of the payments required shall be fully paid to the Department. If at any time the Local Government shall have paid, or shall have made provision for the timely payment of, principal amount of the Loan, and as applicable, Loan Service Fee, interest, and Grant Allocation Assessment charges, the pledge of, and lien on, the Pledged Revenues to the Department shall be no longer in effect. Deposit of sufficient cash, securities, or investments, authorized by law, from time to time, may be made to effect defeasance of this Loan. However, the deposit shall be made in irrevocable trust with a banking institution or trust company for the sole benefit of the Department. There shall be no penalty imposed by the Department for early retirement of this Loan.

The Department may pay off its remaining Grant obligation at any time if funds permit. This shall not affect the Local Government's share of the Semiannual Loan Payments.

8.02. PROJECT RECORDS AND STATEMENTS.

Books, records, reports, engineering documents, contract documents, and papers shall be available to the authorized representatives of the Department and the U.S. Environmental Protection Agency's Inspector General for inspection at any reasonable time after the Local Government has received a disbursement and until five years after the Final Amendment date.

8.03. ACCESS TO PROJECT SITE.

The Local Government shall provide access to offices and other sites where Design Activities or Project work (if financed by this Loan) is ongoing, or has been performed, to

authorized representatives of the Department at any reasonable time. The Local Government shall cause its engineers and contractors to provide copies of relevant records and statements for inspection.

8.04. ASSIGNMENT OF RIGHTS UNDER AGREEMENT.

The Department may assign any part of its rights under this Agreement after notification to the Local Government. The Local Government shall not assign rights created by this Agreement without the written consent of the Department.

8.05. AMENDMENT OF AGREEMENT.

This Agreement may be amended in writing, except that no amendment shall be permitted which is inconsistent with statutes, rules, regulations, executive orders, or written agreements between the Department and the U.S. Environmental Protection Agency (EPA). A Final Amendment establishing the final costs financed by this Loan and the actual Loan Service Fee shall be completed after the Department's final inspection of relevant documents and records.

8.06. ABANDONMENT OF AGREEMENT BY LOCAL GOVERNMENT.

The Local Government must draw Loan proceeds within eighteen months after the effective date of this Agreement, or by the date set in Section 10.07 to establish the Loan Debt Service Account, whichever date occurs first. Failure by the Local Government to do so shall constitute its abrogation and abandonment of the rights hereunder, and the Department may then, upon written notification to the Local Government, terminate this Agreement.

8.07. SEVERABILITY CLAUSE.

If any provision of this Agreement shall be held invalid or unenforceable, the remaining provisions shall be construed and enforced as if such invalid or unenforceable provision had not been contained herein.

8.08. USE AS MATCHING FUNDS.

The EPA has provided a class deviation from the provisions of 40 CFR 35.3125(b)(1) to allow these second tier funds to be used as local matching requirements for most EPA grant funded treatment works projects, including special Appropriations Act projects.

8.09. ASSET MANAGEMENT PLAN.

The Florida Administrative Code (F.A.C.) requires recipients of Construction Grants for Small Community Wastewater Facilities to develop and implement an Asset Management Plan. Grants under chapter 62-505.300(1)(d), F.A.C.:

Are available at the construction phase of a Project only if the Local Government adopts and implements, prior to the final disbursement of the associated State

Revolving Fund construction loan, an Asset Management Plan that meets all requirements of subsection 62-503.700(7), F.A.C.

The Asset Management Plan shall include, at a minimum, the following elements: i) an inventory of all the assets within the Local Government's system; ii) an evaluation of the current age, condition, and anticipated useful life of each asset; iii) the current value of the assets; iv) the cost to operate and maintain all assets; v) a capital improvement plan based on a survey of industry standards, life expectancy, life cycle analysis, and remaining useful life; vi) an analysis of funding needs; vii) an analysis of population growth and wastewater or stormwater flow projections, as applicable, for the sponsor's planning area, and a model, if applicable, for impact fees; commercial, industrial and residential rate structures; industrial pretreatment fees and parameters; viii) the establishment of an adequate funding rate structure; ix) a threshold rate set to ensure the proper operation of the utility (if the sponsor transfers any of the utility proceeds to other funds, the rates must be set higher than the threshold rate to facilitate the transfer and proper operation of the utility); and x) a plan to preserve the assets, as well as the renewal, replacement, and repair of the assets as necessary (such plan should incorporate a risk-benefit analysis to determine the optimum renewal or replacement time).

Failure to adopt and implement such an Asset Management Plan prior to the final disbursement of the associated State Revolving Fund construction loan will reduce the Construction Grant percentage to 0%.

8.10. PUBLIC RECORDS ACCESS.

(1) The Local Government shall comply with Florida Public Records law under Chapter 119, F.S. Records made or received in conjunction with this Agreement are public records under Florida law, as defined in Section 119.011(12), F.S. The Local Government shall keep and maintain public records required by the Department to perform the services under this Agreement.

(2) This Agreement may be unilaterally canceled by the Department for refusal by the Local Government to either provide to the Department upon request, or to allow inspection and copying of all public records made or received by the Local Government in conjunction with this Agreement and subject to disclosure under Chapter 119, F.S., and Section 24(a), Article I, Florida Constitution.

(3) IF THE LOCAL GOVERNMENT HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE LOCAL GOVERNMENT'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS AGREEMENT, CONTACT THE DEPARTMENT'S CUSTODIAN OF PUBLIC RECORDS AT (850) 245-2118, by email at public.services@dep.state.fl.us, or at the mailing address below:

Department of Environmental Protection
ATTN: Office of Ombudsman and Public Services
Public Records Request
3900 Commonwealth Blvd, MS 49
Tallahassee, FL 32399

8.11. SCRUTINIZED COMPANIES.

The Local Government certifies that it and any of its affiliates are not scrutinized companies as identified in Section 287.135, F.S. In addition, the Local Government agrees to observe the requirements of Section 287.135, F.S., for applicable sub-agreements entered into for the performance of work under this Agreement. Pursuant to Section 287.135, F.S., the Department may immediately terminate this Agreement for cause if the Local Government, its affiliates, or its subcontractors are found to have submitted a false certification; or if the Local Government, its affiliates, or its subcontractors are placed on any applicable scrutinized companies list or engaged in prohibited contracting activity during the term of the agreement. As provided in Subsection 287.135(8), F.S., if federal law ceases to authorize these contracting prohibitions then they shall become inoperative.

8.14. SUSPENSION.

The Department may suspend any or all of its obligations to Loan or provide financial accommodation to the Local Government under this Agreement in the following events, as determined by the Department:

- (1) The Local Government abandons or discontinues the Project before its completion,
- (2) The commencement, prosecution, or timely completion of the Project by the Local Government is rendered improbable or the Department has reasonable grounds to be insecure in Local Government's ability to perform, or
- (3) The implementation of the Project is determined to be illegal, or one or more officials of the Local Government in responsible charge of, or influence over, the Project is charged with violating any criminal law in the implementation of the Project or the administration of the proceeds from this Loan.

The Department shall notify the Local Government of any suspension by the Department of its obligations under this Agreement, which suspension shall continue until such time as the event or condition causing such suspension has ceased or been corrected, or the Department has re-instated the Agreement.

Local Government shall have no more than 30 days following notice of suspension hereunder to remove or correct the condition causing suspension. Failure to do so shall constitute a default under this Agreement.

Following suspension of disbursements under this Agreement, the Department may require reasonable assurance of future performance from Local Government prior to re-instating the Loan. Such reasonable assurance may include, but not be limited to, a payment mechanism using two party checks, escrow or obtaining a Performance Bond for the work remaining.

Following suspension, upon failure to cure, correct or provide reasonable assurance of future performance by Local Government, the Department may exercise any remedy available to it by this Agreement or otherwise and shall have no obligation to fund any remaining Loan balance under this Agreement.

ARTICLE IX - RESERVED

ARTICLE X - DETAILS OF FINANCING

10.01. PRINCIPAL AMOUNT OF LOAN.

The total amount awarded is \$160,000. Of that, the estimated Grant amount is \$128,000 based on initial estimated Project costs. The estimated principal amount of the Loan to be repaid is \$32,200, which consists of \$32,000 to be disbursed to the Local Government and \$200 of Capitalized Interest. The Grant amount will be transferred by the Department as a payment to the Loan when the first repayment is due.

Capitalized Interest is not disbursed to the Local Government, but is amortized via periodic Loan repayments to the Department as if it were actually disbursed. Capitalized Interest is computed at the Financing Rate, or rates, set for the Loan. It accrues and is compounded annually from the time when disbursements are made until six months before the first Semiannual Loan Payment is due. Capitalized Interest is estimated prior to establishing the schedule of actual disbursements.

10.02. LOAN SERVICE FEE.

The Loan Service Fee is estimated as \$3,200 for the Loan amount authorized to date. The fee represents two percent of the Loan amount excluding Capitalized Interest amount; that is, two percent of \$160,000. The Loan Service Fee is estimated at the time of execution of the loan agreement and shall be revised with any increase or decrease amendment. The Loan Service Fee is based on actual Project costs and assessed in the final loan amendment.

Capitalized Interest is computed on the assessed Loan Service Fee at the Financing Rate, or rates and included in the Final Amendment. It accrues and is compounded annually from the Final Amendment date until six months before the first Semiannual Loan Payment is due. A service fee assessed in a Final Amendment occurring later than six months before the first Semiannual Loan Payment date would not accrue Capitalized Interest charges.

10.03. FINANCING RATE.

The Financing Rate on the unpaid principal of the Loan amount specified in Section 10.01 is 0.76 percent per annum. The Financing Rate equals the sum of the interest rate and the Grant Allocation Assessment Rate. The interest rate is 0.38 percent per annum and the Grant Allocation Assessment rate is 0.38 percent per annum. However, if this Agreement is not executed by the Local Government and returned to the Department before January 1, 2018, the Financing Rate may be adjusted. A new Financing Rate shall be established for any funds provided by amendment to this Agreement.

10.04. LOAN TERM.

The Loan shall be repaid in 40 Semiannual Loan Payments.

10.05. REPAYMENT SCHEDULE.

The Semiannual Loan Payment shall be computed based upon the principal amount of the Loan plus the estimated Loan Service Fee and the principle of level debt service. The Semiannual Loan Payment amount may be adjusted, by amendment of this Agreement, based upon revised information. After the final disbursement of Loan proceeds, the Semiannual Loan Payment shall be based upon the actual Project costs, the actual Loan Service Fee and Loan Service Fee capitalized interest, if any, and actual dates and amounts of disbursements, taking into consideration any previous payments. Actual Project costs shall be established after the Department's inspection of the completed Project and associated records. The Department will deduct the Loan Service Fee and any associated interest from the first available repayments following the Final Amendment.

Each Semiannual Loan Payment shall be in the amount of \$956 until the payment amount is adjusted by amendment. The interest and Grant Allocation Assessment portions of each Semiannual Loan Payment shall be computed, using their respective rates, on the unpaid balance of the principal amount of the Loan, which includes Capitalized Interest. Interest (at the Financing Rate) also shall be computed on the estimated Loan Service Fee. The interest and Grant Allocation Assessment on the unpaid balance shall be computed as of the due date of each Semiannual Loan Payment.

Semiannual Loan Payments shall be received by the Department beginning on September 15, 2019 and semiannually thereafter on March 15 and September 15 of each year until all amounts due hereunder have been fully paid. Funds transfer shall be made by electronic means.

The Semiannual Loan Payment amount is based on the total amount owed of \$35,400, which consists of the Loan principal, and the estimated Loan Service Fee.

10.06. PROJECT COSTS.

The Local Government and the Department acknowledge that actual Project costs and Design Activities costs have not been determined as of the effective date of this Agreement. An adjustment to the Design Activities cost may be made based on engineering bid prices. Failure to provide information for preparation of the Environmental Information Document prior to the date specified in Section 10.07 may cause adjustment of the Design Activities costs. Capitalized Interest will be recalculated based on actual dates and amounts of Loan disbursements. If the Local Government receives other governmental financial assistance for this Project, the costs funded by such other governmental assistance will not be financed by this Loan. The final Grant percentage will be based on the as-bid Grant eligible Project costs. The final Grant amount will be based on final Grant eligible Project costs. The final amount shall be established in the Final Amendment. Changes in Project costs may also occur as a result of an audit.

The Local Government agrees to the following estimates of Project costs:

PROJECT COSTS

<u>CATEGORY</u>	<u>PROJECT COSTS (\$)</u>
Design Activities	160,000
Less Grant (SG531401) Funding	(128,000)
Capitalized Interest	200
TOTAL PRINCIPAL TO REPAY	32,200
GRANT PERCENTAGE	80%

10.07. SCHEDULE.

All Design Activities shall be completed no later than the completion dates set forth below to enable the Department to accept the engineering documents.

(1) Invoices submitted for work performed on or after September 5, 2017 shall be eligible for reimbursement.

(2) Completion of all Design Activities for all Project facilities proposed for loan funding no later than September 15, 2018.

(3) Unless deferred by amendment, establish the Loan Debt Service Account and begin Monthly Loan Deposits no later than March 15, 2019.

(4) The first Semiannual Loan Payment in the amount of \$956 shall be due September 15, 2019.

10.08. SPECIAL CONDITION.

Prior to any funds being released, the Local Government shall submit a certified copy of the Resolution which authorizes the application, establishes the Pledged Revenues, and designates an Authorized Representative for signing the application and executing the Loan Agreement.

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