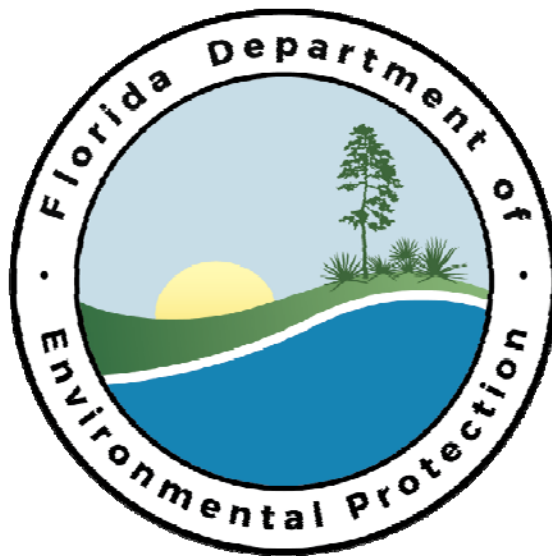


DW 42075

STATE OF FLORIDA
DEPARTMENT OF ENVIRONMENTAL PROTECTION

**STATE REVOLVING LOAN PROGRAM
FOR
DRINKING WATER FACILITIES

LOAN APPLICATION**



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

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LOAN APPLICATION

- (1) SUBMITTAL. Submit the application and attachments to the Department of Environmental Protection, MS 3505, State Revolving Fund Program, Marjorie Stoneman Douglas Building, 3900 Commonwealth Boulevard, Tallahassee, Florida 32399-3000. The application (and supporting documentation) may be submitted electronically to the Department's Project Manager.
- (2) COMPLETING THE APPLICATION.
 - (a) This application consists of five parts: (I) ADMINISTRATIVE INFORMATION; (II) PROJECT INFORMATION; (III) FINANCIAL INFORMATION; (IV) AUTHORIZATION AND ASSURANCES; and (V) SUPPLEMENTARY INFORMATION.
 - (b) All information provided on this application must be printed. Monetary amounts may be rounded.
 - (c) Forms and attachments to be submitted are denoted with italic print.
- (3) ASSISTANCE. Completing this application may require information that can be obtained from the Drinking Water State Revolving Fund Program staff. Please email SRF_Reporting@dep.state.fl.us for assistance in completing this application.

PART I - ADMINISTRATIVE INFORMATION

- (1) PROJECT SPONSOR City of Belleview
Federal Employer Identification Number 59-6002573
DUNS Number 172215225
- (2) AUTHORIZED REPRESENTATIVE (person authorized to sign or attest loan documents).
Name Christine Dobkowski Title Mayor
Telephone (352) 233-7214 Email Cdobkowski@bellevuefl.org
Mailing Address 5343 SE Abshier Blvd., Belleview, FL 34420
- (3) PRIMARY CONTACT (person to answer questions regarding this application).
Name Sandi McKamey Title City Administrator
Telephone (352) 233-2116 Email smckamey@bellevuefl.org
Employer City of Belleview
Mailing Address 5343 SE Abshier Blvd., Belleview, FL 34420
- (4) ADDITIONAL CONTACTS. If more than one additional person is to receive copies of Department correspondence, attach the information (*Attachment #N/A*).
Name Mark Brewer Title President
Telephone (941) 756-5800 Email president@angiebrewer.com
Employer Angie Brewer & Associates, LC
Mailing Address 9080 58th Drive East, Suite 200, Bradenton, FL 34202
- (5) PROJECT NUMBER (listed on the Department's priority list). 42075
- (6) INTERIM FINANCING. A local government project sponsor that has interim financing may be subject to certain conditions regarding such financing.

Is the project currently being funded with interim financing? ☐ Yes ☒ No

PART II – PROJECT INFORMATION

If you are applying for a planning or design loan for a project that will involve construction, complete only Subpart A below. If you are applying for a loan to construct a project that is already planned and designed, complete only Subpart B below.

A. PLANNING OR DESIGN PROJECT

Information should be provided for each separate facility to be planned and designed as appropriate. For design/build projects (not eligible for design loans) or those where multiple facilities, segments, or phases are involved, please attach information for activities, schedule, and cost for each. (*Attachment #N/A*)

- (1) **ACTIVITIES.** Attach a brief description of the scope of planning and design activities to be financed by this loan. Include a list of any engineering services to be performed. (*Attachment #N/A*) Are these activities the same as those scheduled on the *Request for Inclusion Form*? ☐ Yes ☐ No. If “No”, please explain. (*Attachment #N/A*)
- (2) **SCHEDULE.**
- (a) Provide proposed completion dates for the items. (Please call Department staff to discuss time frames needed to complete required tasks.)
- | | |
|------------------------------------|-----|
| Planning documentation | N/A |
| Engineering design | N/A |
| Certification of site availability | N/A |
| Permitting | N/A |
- (b) Do you anticipate that an interlocal agreement with another party will be necessary to implement the project? If “Yes”, please explain. (*Attachment # N/A*) ☐ Yes ☐ No
- (c) Is this a design/build project? ☐ Yes ☐ No
- (3) **COST.** Is the cost information submitted for the planning or design loan priority list current? If “No”, please explain and submit revised cost information using the appropriate page of the *Request for Inclusion Form*. (*Attachment # N/A*) Note that the disburseable amount will be limited to the priority list amount. ☐ Yes ☐ No

PLANNING OR DESIGN APPLICANTS PROCEED TO PART III.

B. CONSTRUCTION PROJECT

- (1) **ACTIVITIES.**
- (a) Attach a brief description of construction activities to be financed by this loan. Include a list of the contracts (by title) corresponding to the plans and specifications accepted by the Department (*Attachment #I*).
- Are these contracts the same as those scheduled on the *Request for Inclusion Form*? ☒ Yes ☐ No
- If “No”, please explain. (*Attachment #N/A*)
- (b) Have any of the contracts been bid? ☒ Yes ☐ No
- If “Yes”, indicate which contracts have been bid. (*Attachment #I*)
- (c) Was planning or design for this project financed in another SRF loan? ☐ Yes ☒ No
- If “Yes”, give the SRF loan number. N/A
- (d) Does this project involve an interlocal agreement with other local governments or other entities? ☐ Yes ☒ No
- If “Yes”, attach a copy of the Department letter accepting the interlocal agreement. (*Attachment #N/A*)
- Is the interlocal agreement, as accepted by the Department, fully executed and enforceable? ☐ Yes ☐ No

If "No", please explain (*Attachment #N/A*).

- (2) SCHEDULE. (month and year)
- (a) Anticipated notice to proceed for first construction contract. 06/2018
- (b) Anticipated completion of all construction contracts. 01/2019

- (3) COST. Is the cost information submitted for the priority list current? ☒ Yes ☐ No

If "No", please explain and submit revised cost information using the appropriate page of the *Request for Inclusion Form*. (*Attachment #N/A*) Note that the disbursement amount will be limited to the priority list amount.

PART III - FINANCIAL INFORMATION

Estimates of the capitalized interest, interest rate, pledged revenue coverage, limitations on annual loan amounts for large projects, applicability and amount of repayment reserves, amount of the loan service fee and any other information may be obtained by contacting staff in the State Revolving Fund Management Section.

- (1) PRINCIPAL. The requested amount of the loan which does not include capitalized interest is \$960,000 (\$634,524 principal forgiveness)

Note that the disbursement amount will be limited to the priority list amount and must be consistent with the project information provided under **PART II** of this application. Also note that the capitalized interest is an inexact estimate, and it is subject to adjustment by the Department to reflect actual disbursement timing. The principal amount of the loan does not include the loan service fee.

- (2) TERMS AND REPAYMENT.

- (a) Loans for planning and design shall be amortized over 10 years. Construction loans to local government project sponsors are amortized over the lesser of useful life of the project or 20 years unless the project is to serve a small community qualifying as financially disadvantaged. Construction loans to financially disadvantaged small communities may be amortized over the lesser of useful life of the project or 30 years. Construction loans to non-governmental project sponsors are amortized over the lesser of the useful life of the project or 20 years. Interest charges and principal are paid semiannually.

What is the useful life of the project? 20 (years)

Over how many years would you like to amortize the loan? 20 (years)

- (b) List all revenues that are to be pledged for repayment of this loan. The pledged revenues will be the gross revenues derived yearly from the operation of the City's water and wastewater systems after payment of the operation and maintenance expenses and the satisfaction of all yearly senior debt payment obligations.
- (c) Pledged revenue receipts or collections by the project sponsor must exceed the amount of the repayments due to the Department unless there are other collateral provisions. The excess revenue, or coverage, generally is 15% of each repayment.

What coverage is proposed for the loan? 15% (coverage percentage)

- (d) Is any other financial assistance being applied to this project? ☐ Yes ☒ No

If "Yes", please list. (*Attachment #N/A*)

- (3) ANNUAL FUNDING LIMIT. Large project funding (generally, loans in excess of \$10 million) may be provided in increments pursuant to the initial loan agreement and subsequent amendments.

- (4) INFORMATION ON LIENS.

- (a) Describe, if applicable, all debt obligations having a prior or parity lien on the revenues pledged to repay this loan. (*Attachment #2*) For example: City Name, Florida, Water and Sewer System Revenue Bonds, Series 1996, issued in the amount of \$10,000,000, pursuant to Ordinance No. 93-104, as amended and supplemented by Ordinance No. 96-156.

- (b) Using the Part V, *Schedule of Prior and Parity Liens*, provide debt service information, if applicable, on each prior and parity obligation.
- (c) For the listed obligations, provide a copy of the ordinance(s), resolution(s), official statement(s), or pages thereof, setting forth the definitions, use of proceeds, debt service schedule, pledged revenues, rate covenants, provisions for issuing additional debt, provisions for bond insurance, and debt rating. (*Attachment #2*).
- (d) Describe any other notes and loans payable from the revenues pledged to repay this loan. (*Attachment #2*).
- (5) ACTUAL AND PROJECTED REVENUES.
 - (a) Complete the Part V, *Schedule of Actual Revenues and Debt Coverage* for the past two fiscal years.
 - (b) Complete the Part V, *Schedule of Projected Revenues and Debt Coverage*, demonstrating the availability of pledged revenues for loan repayment.
- (6) AVAILABILITY OF PLEDGED REVENUES. All sources must be supported by a written legal opinion. (*Attachment #3*) The opinion must address the following:
 - (a) Availability of the revenues to repay the loan.
 - (b) Right to increase rates at which revenues shall be collected to repay the loan.
 - (c) Subordination of the pledge if pledged revenues are subject to a prior or parity lien.
- (7) LOAN SERVICE FEE. A loan service fee is assessed on each loan. The fee is not part of the loan. The fee along with interest thereon will be deducted from the first available repayments after the final amendment to the loan agreement.

PART IV – AUTHORIZATION AND ASSURANCES

- (1) AUTHORIZATION. Provide an authorizing resolution of the Applicant's governing body or other evidence of authorization (*Attachment #4*) for the following:
 - (a) Pledging revenues to repay the loan.
 - (b) Designation of the Authorized Representative(s) to file this application, provide assurances, execute the loan agreement, and represent the Applicant in carrying out responsibilities (including that of requesting loan disbursements) under the loan agreement.
- (2) ASSURANCES. The Applicant agrees to comply with the laws, rules, regulations, policies and conditions relating to the loan for this project. Applicants should seek further information from the Drinking Water State Revolving Fund Program staff as to the applicability of the requirements if the necessity for the assurances is of concern. Specifically, the Applicant certifies that it has complied, as appropriate, and will comply with the following requirements, as appropriate, in undertaking the Project:
 - (a) Assurances for capitalization grant projects.
 - 1. Complete all facilities for which funding has been provided.
 - 2. The Applicant is advised, pursuant to 40 CFR 35 Section 35.3575, that a number of Federal law, executive orders, and government-wide policies can apply to your project or activity that is receiving Federal financial assistance. The Applicant agrees to read those provisions regarding the application of Federal cross-cutting authorities (cross-cutters) to determine their applicability to your specific project or activity.
 - (b) Assurances for other projects. Please note that Florida Statutes are available at <http://www.leg.state.fl.us>. They are also available at the following physical address: Florida Department of State Division of Library and Information Services R.A. Gray Building 500 South Bronough Street Tallahassee, Florida 32399-0250.
 - 1. Chapter 161, Part I, F.S., "Beach and Shore Preservation Act" and Part III, "Coastal Zone Protection Act of 1985" which regulate coastal zone construction and all activities likely to affect the condition of the beaches or shore.
 - 2. Chapter 163, Part II, F.S., the "Local Government Comprehensive Planning and Land Development Regulation Act" which requires units of local government to establish and implement comprehensive planning programs to control future development.
 - 3. Chapter 186, F.S., State and Regional Planning, which requires conformance of projects with Regional Plans and the State Comprehensive Plan.

- I, the undersigned Authorized Representative of the Applicant, hereby certify that all information contained herein and in the attached is true, correct, and complete to the best of my knowledge and belief. I further certify that I have been duly authorized to file the application and to provide these assurances.

Attachments

PART V – SUPPLEMENTARY INFORMATION

SCHEDULE OF PRIOR AND PARITY LIENS (EXCLUDING SRF LOANS)

List annual debt service beginning two years before the anticipated loan agreement date and continue at least three additional fiscal years. Use additional pages as necessary.

	#1	#2	#3
Identify Each Obligation	N/A	N/A	N/A
Coverage	_____ %	_____ %	_____ %
Insured?	Yes No	Yes No	Yes No

[illegible]

PART V – SUPPLEMENTARY INFORMATION

SCHEDULE OF ACTUAL REVENUES AND DEBT COVERAGE

(Provide information for the two fiscal years preceding the anticipated date of the SRF loan)

	FY 2016	FY 2017
(a) Operating Revenues (Source)		
Charges for Service	\$ 2,557,669	\$ 2,553,277
Other		
(b) Interest Income	\$ 12,890	\$ 13,281
(c) Other Incomes or Revenues (Identify)		
	\$ -	\$ -
(d) Total Revenues	\$ 2,570,559	\$ 2,566,558
(e) Operating Expenses (excluding interest on debt, depreciation, and other non-cash items)	\$ 1,417,533	\$ 1,625,436
(f) Net Revenues (f = d - e)	\$ 1,153,026	\$ 941,122
(g) Debt Service (including any required coverage)	\$ 209,179	\$ 209,179
(h) Attach audited annual financial report(s), or pages thereof, or other documentation necessary to support the above information. Include any notes or comments from the audit reports regarding compliance with covenants of debt obligations having a prior or parity lien on the revenues pledged for repayment of the SRF Loan. (Attachment #5)		
(i) Attach worksheets reconciling this page with the appropriate financial statements (for example, backing out depreciation and interest payments from operating expenses). (Attachment #5)		
(j) If the net revenues were not sufficient to satisfy the debt service and coverage requirement, please explain what corrective action was taken. (Attachment # N/A)		

PART V – SUPPLEMENTARY INFORMATION

SCHEDULE OF PROJECTED REVENUES AND DEBT COVERAGE

Begin with the fiscal year preceding first anticipated semiannual loan payment and continuing for at least three additional years. Attach a separate page for previous State Revolving Fund loans.

	FY2018	FY 2019	FY 2020	FY 2021	FY 2022
(a) Operating Revenue	<u>\$ 2,657,211</u>	<u>\$ 2,710,886</u>	<u>\$ 2,765,646</u>	<u>\$ 2,821,512</u>	<u>\$ 2,878,507</u>
(b) Interest Income	<u>\$ 13,822</u>	<u>\$ 14,101</u>	<u>\$ 14,386</u>	<u>\$ 14,676</u>	<u>\$ 14,973</u>
(c) Other Income or Revenue (identify)					
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
(d) Total Revenues	<u>\$ 2,671,032</u>	<u>\$ 2,724,987</u>	<u>\$ 2,780,032</u>	<u>\$ 2,836,189</u>	<u>\$ 2,893,480</u>
(e) Operating Expenses (excluding interest on debt, depreciation, and other non-cash items)	<u>\$ 1,691,601</u>	<u>\$ 1,725,771</u>	<u>\$ 1,760,632</u>	<u>\$ 1,796,197</u>	<u>\$ 1,832,480</u>
(f) Net Revenues (f = d - e)	<u>\$ 979,431</u>	<u>\$ 999,216</u>	<u>\$ 1,019,400</u>	<u>\$ 1,039,992</u>	<u>\$ 1,061,000</u>
(g) Revenue (including coverage) pledged to debt service, excluding SRF loans	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
(h) Revenue (including coverage) pledged to outstanding SRF loans	<u>\$ 209,179</u>	<u>\$ 209,179</u>	<u>\$ 209,179</u>	<u>\$ 209,179</u>	<u>\$ 209,179</u>
(i) Revenue Available for this SRF Loan (i = f - g - h)	<u>\$ 770,252</u>	<u>\$ 790,037</u>	<u>\$ 810,221</u>	<u>\$ 830,813</u>	<u>\$ 851,821</u>
(j) Identify the source of the above information and explain methods used to develop the projections (Attachment #5). Include an explanation of any revenue and expense growth or other adjustments; for example, any rate increases, service growth, inflation adjustments, expense adjustments reflecting the cost of operating additional facilities, or other considerations.					
(k) For construction loans, are the above projections consistent with the accepted financial feasibility information?			Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	
If “No”, please explain. (Attachment #N/A)					

PART V – SUPPLEMENTARY INFORMATION

LIST OF ATTACHMENTS

LIST OF ATTACHMENTS. This application requires the submittal of *Attachments* to provide supplemental information. The application is not complete without the completed *List of Attachments*. Please list all attachments that you are including with this application form.

[illegible]

**City of Belleview
Water Meter Replacement Project
SRF Drinking Water Loan Application**

Attachment 1

Project Description/Contracts

Prepared by Angie Brewer & Associates, LC



121-100-04 A-6

City of Bellevue
Water Meter Replacement Project
Project Description

The City of Bellevue owns and operates its own water distribution and treatment system. This system includes roughly 3,457 active meters. Of those meters, an estimated 550 meters are Neptune radio-read, 1,691 are Sensus radio-read and 1,216 are manual-read. The Sensus radio-read and manual-read meters are 10-30 years old and are nearing or have exceeded their useful life.

The proposed City of Bellevue Water Meter Replacement project includes the replacement of approximately 2,907 water meters with new radio-read meters that are compatible with the existing radio-read equipment owned by the City.

Anticipated Construction Start: June 2018

Anticipated Construction End: January 2019

Contract Name:

In an effort to minimize costs, the City of Bellevue intends to piggyback off the contract between Seminole County and National Metering Services, Inc. A copy of the contract and all procurement documentation will be submitted to FDEP for approval prior to the commencement of work.

**City of Belleview
Water Meter Replacement Project
SRF Drinking Water Loan Application**

Attachment 2

Debt Obligations

Prepared by Angie Brewer & Associates, LC



121-100-04 A-6

City of Belleview
Water Meter Replacement Project
Debt Obligations

1. Florida Department of Environmental Protection Clean Water State Revolving Fund Loan WW64603P.
2. Florida Department of Environmental Protection Drinking Water State Revolving Fund Loan DW42700.
3. Florida Department of Environmental Protection Drinking Water State Revolving Fund Loan DW42701.

**City of Belleview
Water Meter Replacement Project
SRF Drinking Water Loan Application**

Attachment 6

Debt Obligations

Florida Department of Environmental Protection
Clean Water State Revolving Fund Loan
WW64603P

Prepared by Angie Brewer & Associates, LC



121-100-04 A-6

**STATE OF FLORIDA
DEPARTMENT OF ENVIRONMENTAL PROTECTION**

AND

CITY OF BELLEVIEW, FLORIDA

**CLEAN WATER STATE REVOLVING FUND
LOAN AGREEMENT
WW64603P**

Florida Department of Environmental Protection
Bureau of Water Facilities Funding
Twin Towers Office Building
2600 Blair Stone Road, MS 3505
Tallahassee, Florida 32399-2400

CLEAN WATER STATE REVOLVING FUND LOAN AGREEMENT

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CLEAN WATER STATE REVOLVING FUND LOAN AGREEMENT

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CLEAN WATER STATE REVOLVING FUND LOAN AGREEMENT

WW64603P

THIS AGREEMENT is executed by the STATE OF FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION (Department) and the CITY OF BELLEVIEW, FLORIDA, (Local Government) existing as a local governmental agency under the laws of the State of Florida.

WITNESSETH:

WHEREAS, pursuant to Section 403.1835, Florida Statutes, the Department is authorized to make loans to local governmental agencies to finance the planning, design, and construction of wastewater pollution control facilities; and

WHEREAS, the Local Government has made application for the financing of Preconstruction Activities, and the Department has determined that all requirements for a loan have been met.

NOW, THEREFORE, in consideration of the Department loaning money to the Local Government, in the principal amount and pursuant to the covenants hereinafter set forth, 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 agreement.
- (2) "Authorized Representative" shall mean the official of the Local Government authorized by ordinance or resolution to sign documents associated with the Loan.
- (3) "Capitalized Interest" shall mean the interest accruing 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.
- (4) "Construction Related Costs" shall mean costs for Project construction, equipment, materials, demolition, contingency, legal and technical services incurred after construction bid opening, and the incremental portion of the Loan repayment reserve disbursement (if applicable) and Capitalized Interest associated with the foregoing costs.
- (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) "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.

(7) "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.

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

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

(10) "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 Semiannual Loan Payments.

(11) "Loan Repayment Reserve Account" or "Loan Repayment Reserve" shall mean the account into which will be deposited the amount set aside to pay temporary and unexpected deficiencies, if any, in the Semiannual Loan Payment.

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

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

(14) "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.

(15) "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 Obligations and any senior obligations issued pursuant to Section 7.02 of this Agreement.

(16) "Preconstruction Activities" shall mean the planning, administrative, and engineering work necessary for the Local Government to qualify for Clean Water State Revolving Fund financing for construction of wastewater transmission, collection, reuse, and treatment facilities.

(17) "Project" shall mean the construction of facilities planned and designed through the Preconstruction Activities.

(18) "Semiannual Loan Payment" shall mean the payment due from the Local Government to the Department at six-month intervals, and it is comprised of principal, interest, and Grant Allocation Assessment. In addition, the Loan Service Fee and all of the associated interest are deducted from the first two payments.

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

(a) City of Belleview, Florida, Water and Sewer System Revenue Bonds, Series 1977, issued in the amount of \$325,000, pursuant to the Resolution dated December 16, 1975; and

(b) City of Belleview, Florida, Water and Sewer System Revenue Bonds, Series 1986A, issued in the amount of \$491,600, pursuant to Resolution No. 86-03; and

(c) City of Belleview, Florida, Water and Sewer System Revenue Bonds, Series 1989A, issued in the amount of \$450,200, pursuant to Resolution No. 89-18; and

(d) City of Belleview, Florida, Water and Sewer System Revenue Bonds, Series 1989B, issued in the amount of \$1,000,000, pursuant to Resolution No. 89-19; and

(e) Additional bonds issued on a parity with the bonds identified above pursuant to Section 3.04 of the Resolution dated December 16, 1975; and

(f) 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.

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

(21) "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 bodies, 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) The Local Government knows of no reason why any future required permits or approvals associated with the Project are not obtainable.

(5) The Local Government shall undertake Preconstruction Activities and 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 in its operation of Project facilities.

(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 as is necessary for compliance.

(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, Loan Debt Service Account, and Loan Repayment Reserve Account.

(9) In the event the anticipated Pledged Revenues are shown by the Local Government's annual budget to be insufficient to make the Semiannual Loan Payments for such Fiscal Year when due, the Local Government shall include in such budget other legally available funds which will be sufficient, together with the Pledged Revenues, to make the Semiannual Loan Payments. Such other legally available 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 funds. Nothing in this covenant shall be construed as creating a pledge, lien, or charge upon any such other legally available funds, or 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 funds.

(10) Each year, beginning three months before the first Semiannual Loan Payment and ending with the year during which the final Loan repayment is made, the Local Government's Authorized Representative or its chief financial officer shall submit, no later than the date established in Section 10.07, a certification that: (a) Pledged Revenue collections satisfy, on a pro rata basis, the rate coverage requirement; (b) the Loan Debt Service Account contains the funds required; (c) the Loan Repayment Reserve Account contains the funds required; and (d) insurance, including that issued through the National Flood Insurance Program authorized under 42 U.S.C. secs. 4001-4128 when applicable, is in

effect for the facilities generating the Pledged Revenues, and adequately covers the customary risks to the extent that such insurance is available.

(11) 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.

(12) The Local Government agrees to complete the Preconstruction Activities and, if included by an amendment to this Agreement, the Project, in accordance with the Preconstruction Activities schedule set forth in Section 10.07 and a Project schedule added by amendment to this Agreement. Delays incident to strikes, riots, acts of God, and other events beyond the reasonable control of the Local Government are excepted. However, there shall be no resulting diminution or delay in the Semiannual Loan Payment or the Monthly Loan Deposit or funding of the Loan Repayment Reserve Account.

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

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 specifies 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:

Federal Resources, Including State Match, Awarded to the Recipient Pursuant to this Agreement Consist of the Following:					
Federal Program Number	Federal Agency	CFDA Number	CFDA Title	Funding Amount	State Appropriation Category
CS120001-030	EPA	66.458	Capitalization Grants for State Revolving Funds	\$906,513	140131

(2) Audits.

(a) In the event that the Local Government expends \$300,000 or more in Federal awards in its fiscal year, the Local Government must have a single or program-specific audit conducted in accordance with the provisions of OMB Circular A-133, as revised. Subsection 2.03(1) of this Agreement indicates that Federal funds are awarded through the Department of Environmental Protection by this Agreement. In determining the Federal awards expended in its fiscal year, the Local Government shall consider all

sources of Federal awards, including Federal resources received from the Department of Environmental Protection. The determination of amounts of Federal awards expended should be in accordance with the guidelines established by OMB Circular A-133, as revised. An audit of the Local Government conducted by the Auditor General in accordance with the provisions of OMB Circular A-133, as revised, will meet the requirements of this part.

(b) In connection with the audit requirements addressed in the preceding paragraph (a), the Local Government shall fulfill the requirements relative to auditee responsibilities as provided in Subpart C of OMB Circular A-133, as revised.

(c) If the Local Government expends less than \$300,000 in Federal awards in its fiscal year, an audit conducted in accordance with the provisions of OMB Circular A-133, as revised, is not required. In the event that the Local Government expends less than \$300,000 in Federal awards in its fiscal year and elects to have an audit conducted in accordance with the provisions of OMB Circular A-133, as revised, the cost of the audit must be paid from non-Federal resources (i.e., the cost of such an audit must be paid from Local Government resources obtained from other than Federal entities).

(d) The Local Government may access information regarding the Catalog of Federal Domestic Assistance (CFDA) via the internet at <http://aspe.os.dhhs.gov/cfda>.

(3) Report Submission.

(a) Copies of reporting packages for audits conducted in accordance with OMB Circular A-133, as revised, and required by Subsection 2.03(2) of this Agreement shall be submitted, when required by Section .320 (d), OMB Circular A-133, as revised, by or on behalf of the Local Government directly to each of the following:

(i) The Department of Environmental Protection at each of the following addresses:

Don W. Berryhill, P.E., Chief
Bureau of Water Facilities Funding
Florida Department of Environmental Protection
2600 Blair Stone Road, MS 3505
Tallahassee, Florida 32399-2400

Joe Aita, Audit Director
Office of the Inspector General
Florida Department of Environmental Protection
2600 Blair Stone Road, MS 40
Tallahassee, Florida 32399-2400

(ii) The Federal Audit Clearinghouse designated in OMB Circular A-133, as revised (the number of copies required by Sections .320 (d)(1) and (2), OMB Circular A-133, as revised, should be submitted to the Federal Audit Clearinghouse), at the following address:

Federal Audit Clearinghouse
Bureau of the Census
1201 East 10th Street
Jeffersonville, IN 47132

(iii) Other Federal agencies and pass-through entities in accordance with Sections .320(e) and (f), OMB Circular A-133, as revised.

(b) Pursuant to Section .320(f), OMB Circular A-133, as revised, the Local Government shall submit a copy of the reporting package described in Section .320(c), OMB Circular A-133, as revised, and any management letters issued by the auditor, to the Department of Environmental Protection at the two addresses listed under Subsection 2.03(3)(a) of this Agreement.

(c) Any reports, management letters, or other information required to be submitted to the Department of Environmental Protection pursuant to this Agreement shall be submitted timely in accordance with OMB Circular A-133, Florida Statutes, or Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General, as applicable.

(d) Local Governments, when submitting financial reporting packages to the Department of Environmental Protection for audits done in accordance with OMB Circular A-133, or 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) Project-Specific Audit.

Within 12 months after the amendment establishing final Project costs the Local Government shall submit to the Department a Project-specific audit report for the Loan related revenues and expenditures. The audit shall address Loan disbursements received, Project expenditures, and compliance with Loan Agreement covenants. The Local Government shall cause the auditor to notify the Department immediately if anything comes to the auditor's attention during the examination of records that would constitute a default under the Loan Agreement. The audit findings shall set aside or question any costs that are unallowable under Chapter 62-503, Florida Administrative Code. A final determination of whether such costs are allowed shall be made by the Department.

However, notwithstanding the preceding paragraph, a Project-specific audit shall not be required if the only disbursements of Loan proceeds under this Agreement, including amendments thereto, are for the administrative, planning, and engineering allowances and Loan Repayment Reserve.

(5) 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 the audit report is issued, and shall allow the Department of Environmental Protection, or its designee, Comptroller, or Auditor General access to such records upon request. The Local Government shall ensure that audit working papers are made available to the Department of Environmental Protection, or its designee, Comptroller, or Auditor General upon request for a period of three years from the date the audit report is issued, unless extended in writing by the Department of Environmental Protection.

(6) Monitoring.

In addition to reviews of audits conducted in accordance with OMB Circular A-133, as revised (see audit requirements above), monitoring procedures may include, but not be limited to, on-site visits by Department staff, limited scope audits as defined by OMB Circular A-133, as revised, 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 of Environmental

Protection. In the event the Department of Environmental Protection 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 Comptroller or Auditor General.

ARTICLE III - LOAN REPAYMENT 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 in Section 10.07 unless the date is revised by amendment 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 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. LOAN REPAYMENT RESERVE ACCOUNT.

A Loan Repayment Reserve Account shall be established with a Depository. The Local Government shall deposit into the account the reserve amount identified in Section 10.07 by the date set forth therein, unless the date or the amount is revised by amendment to this Agreement.

3.05. LOAN REPAYMENT RESERVE WITHDRAWALS.

The Loan Repayment Reserve Account shall be used by the Local Government to cure a temporary and unexpected deficiency in any Semiannual Loan Payment. The Local Government's chief financial officer shall promptly notify the Department upon any withdrawal from the account. Any unused portion of the Loan Repayment Reserve Account shall be applied to the final Semiannual Loan Payment(s) or used for discharging the Local Government's obligations pursuant to Section 8.01.

3.06. RESTORATION OF LOAN REPAYMENT RESERVE ACCOUNT.

A default causing the Local Government to use the Loan Repayment Reserve Account or the use of the account to prevent default shall result in the Local Government being responsible for making special deposits to restore the account. Special restoration deposits shall be made from the first moneys legally available to the Local Government for such purpose.

3.07. INVESTMENT OF LOAN REPAYMENT RESERVE MONEYS.

Moneys on deposit in the Loan Repayment Reserve 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 set for the final Semiannual Loan Payment provided, however, that moneys must be available for withdrawal, if necessary, pursuant to Section 3.05. All investment income and earnings shall be credited to the Loan Repayment Reserve Account.

3.08. ASSETS HELD IN TRUST.

The assets in each of the 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 - PROGRAM 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 in an amendment or new agreement which provides financing for construction of affected facilities.

4.03. RESERVED.

4.04. RESERVED.

4.05. 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.

4.06. COMPLETION MONEYS.

The Department covenants that the initial State Revolving Fund loan increment to finance Construction Related Costs will be made available to the Local Government at no greater than the combined rate of interest and Grant Allocation Assessment set forth in Section 10.03 provided the Local Government complies with the schedule in Section 10.07, requests and obtains a ranking of the Construction Related Costs on the fundable portion of the Department's construction loan priority list, and submits a complete Loan Application. If all Preconstruction Activities are not completed by the date specified in Section 10.07(5) due to any failing of the Local Government, then the commitment to provide the initial loan increment for Construction Related Costs at no greater than the combined rate of interest and Grant Allocation Assessment specified in Section 10.03 shall be terminated.

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 Preconstruction Activities. The Local Government also covenants that if additional Loan financing is provided for Construction Related Costs by amendment of this Agreement, it will obtain sufficient moneys from other sources as necessary to complete the Project.

4.07. CLOSE-OUT.

The Department may conduct a final inspection of the Preconstruction Activities records, or if this Agreement is amended to fund Construction Related Costs, the Department shall conduct a final inspection of the 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. After the Department establishes the final allowances and costs to be financed by the Loan, the itemized amounts may be adjusted by amendment. The Loan principal shall be reduced by any excess over the amount required to pay all approved allowances and costs. As a result of such adjustment, the Semiannual Loan Payment shall be reduced accordingly, as addressed in Section 10.05.

4.08. LOAN DISBURSEMENTS.

Disbursements shall be made only by the State Comptroller and only when the requests for such disbursements are accompanied by a Department certification that such withdrawals are proper expenditures. Disbursements shall be made directly to the Local Government for planning, engineering, and administration allowances and for establishing the Loan Repayment Reserve Account.

Requests by the Local Government for disbursements of the preconstruction funds shall be made using the Department's disbursement request form but shall not require documentation of actual costs incurred. One-half of the administrative and planning allowances shall be disbursed on request of the Local Government after the Loan Agreement is executed. The remaining one-half of the administrative and planning allowances and the initial one-half of the engineering allowance shall be disbursed on request of the Local Government after the Department has accepted the planning documents. The

remaining one-half of the engineering allowance shall be disbursed on request of the Local Government after the completed design documents have been accepted by the Department. Disbursements for Construction Related Costs shall occur only as a result of an amendment to this Agreement. The following allowance amounts will be disbursed after the specified milestone events unless the allowances are reduced pursuant to Section 10.06:

Milestone Event	Amount
Loan Agreement executed	\$ 155,575
Department acceptance of planning documents	440,055
Department acceptance of design documents	284,480
Total	\$ 880,110

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 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 therefor 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 materially and 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 Systems rates, fees and other charges.

ARTICLE VI - DEFAULTS AND REMEDIES

6.01. EVENTS OF DEFAULT.

Each of the following events is hereby declared an event of default:

(1) Failure to fund the Loan Repayment Reserve Account or 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 Subsections 6.01(1) and (7), failure to comply with the provisions of this Agreement or failure in the performance or observance of any of the covenants or actions required by this Agreement and such failure shall continue for a period of 60 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.

(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) Failure of the Local Government to give immediate written notice of default to the Department and such failure shall continue for a period of 30 days.

6.02. REMEDIES.

Upon an event of default and subject to the rights of others having prior liens on the Pledged Revenues, the Department may enforce its rights by 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 Comptroller 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 interest rate on the unpaid principal of the Loan to as much as 3.333 times the Loan interest rate for a default under Subsection 6.01(1).

6.03. DELAY AND WAIVER.

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 event 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 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 Obligations 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. Any of the Pledged Revenues may be released from the lien in favor of the Department on such Pledged Revenues if the Department makes a determination, 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 shall 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. However, no such consent is required with respect to issuance of Senior Revenue Obligations as defined in Section 1.01.

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, the entire principal amount of the Loan, Loan Service Fee, related interest, and Grant Allocation Assessment, 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.

8.02. 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 date that the Project-specific audit report, required under Subsection 2.03(4), is issued.

8.03. ACCESS TO WORK SITE.

The Local Government shall provide access to offices and other sites where Preconstruction 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, 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. A final amendment establishing the final allowances and costs financed by this Loan shall be completed after the Department's final inspection of relevant documents and records.

8.06. ANNULMENT OF AGREEMENT.

The Department may unilaterally annul this Agreement if the Local Government has not drawn any of the Loan proceeds within eighteen months after the effective date of this Agreement. If the Department unilaterally annuls this Agreement, the Department will provide written notification to the Local Government.

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.

ARTICLE IX - RESERVED

ARTICLE X - DETAILS OF FINANCING

10.01. PRINCIPAL AMOUNT OF LOAN.

The principal amount of the Loan is \$928,413, which includes \$906,513 to be disbursed to the Local Government and \$21,900 of Capitalized Interest.

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 combined rate of interest and Grant Allocation Assessment, 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 establishment of the schedule of actual disbursements.

10.02. LOAN SERVICE FEE.

The Loan Service Fee is \$17,602 for the Loan amount authorized to date. The fee represents two percent of the Loan amount excluding the Loan Repayment Reserve and Capitalized Interest amounts; that is, two percent of \$880,110. An additional Loan Service Fee amount will be assessed for any additional funding provided by amendment to the Agreement. The fee shall be adjusted downward if adjustment of Project costs results in a Loan decrease, provided that the decrease amendment is executed before the first Semiannual Loan Payment due date.

Interest shall accrue on the Loan Service Fee at the combined rate of interest and Grant Allocation Assessment, or rates, set for the Loan until the fee is paid. Loan Service Fee interest shall be compounded annually from the effective date of the Loan until six months before the first Semiannual Loan Payment is due at which time it is capitalized. The estimated Loan Service Fee capitalized interest is \$860.

10.03. INTEREST AND GRANT ALLOCATION ASSESSMENT RATES.

The combined rate of interest and Grant Allocation Assessment on the unpaid principal of the Loan amount specified in Section 10.01 is 1.81 percent per annum. Individually, the interest rate is 0.905 percent per annum and the Grant Allocation Assessment rate is 0.905 percent per annum. However, if this Agreement is not executed by the Local Government and returned to the Department before October 1, 2003 the interest and Grant Allocation Assessment rates may be adjusted. New interest and Grant Allocation Assessment rates may 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 Loan Service Fee and Loan Service Fee capitalized interest and the principle of level debt service. The Department will deduct the Loan Service Fee and all associated interest from the first two payments. The Loan principal and Semiannual Loan Payment amounts may be revised by amendment of the Agreement. After the final disbursement of Loan proceeds, the Loan principal will be adjusted to reflect the actual dates and amounts of disbursements. Accordingly, the Semiannual Loan Payment amount shall be adjusted, taking into consideration any previous payments.

Until the principal amount of the Loan is amended, the Semiannual Loan Payment shall be in the amount of \$28,320. The interest and Grant Allocation Assessment portions of each Semiannual Loan Payment shall be computed on the unpaid balance of the principal amount of the Loan, which principal amount includes Capitalized Interest. Interest (at the combined rate of Loan interest and Grant Allocation Assessment) shall also be computed on the unpaid balance of the Loan Service Fee and Loan Service Fee capitalized interest. The interest and Grant Allocation Assessment on the unpaid balance shall be computed as of the due date of each Semiannual Loan Payment.

Unless repayment is deferred by an amendment to this Agreement, Semiannual Loan Payments shall be received by the Department beginning on November 15, 2006, and semiannually thereafter on May 15 and November 15 of each year until all amounts due 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 \$946,875, which consists of the Loan principal plus the Loan Service Fee with its capitalized interest.

10.06. PROJECT RELATED COSTS.

The Local Government and the Department acknowledge that actual Project costs and Preconstruction Activities allowances have not been determined as of the effective date of this Agreement. An adjustment to Preconstruction Activities allowances may be made due to a reduction in the scope of work proposed for construction or based on construction contract bid prices. Failure to achieve Department acceptance of plans and specifications prior to the date specified in Section 10.07 may cause adjustment of the Preconstruction Activities allowances. Capitalized Interest will be recalculated based on actual dates and amounts of Loan disbursements. The final allowance amounts, and Project costs if financed by this Loan, shall be established in the final amendment. Changes in Preconstruction Activities allowances or Project costs may also occur as a result of the Local Government's audit or the Department's audit.

The Local Government agrees to the following estimates of Preconstruction Activities allowances and related costs:

Administrative Allowance	\$	53,340
Planning Allowance	\$	257,810
Engineering Allowance	\$	568,960
Subtotal	\$	880,110
Loan Repayment Reserve	\$	26,403
Subtotal (Disbursable Amount)	\$	906,513
Capitalized Interest	\$	21,900
TOTAL (Loan Principal Amount)	\$	928,413

The listed allowances are based on estimated Construction Related Costs of \$8,890,000, which excludes the Loan Repayment Reserve and Capitalized Interest amounts.

The Loan Repayment Reserve represents three percent of the Loan amount excluding the Capitalized Interest and Loan Repayment Reserve amounts; three percent of \$880,110 equals \$26,403 for the Loan amount authorized to date.

10.07. SCHEDULE.

All Preconstruction Activities shall be completed no later than the completion of all Preconstruction Activities date set forth below to preserve the Department's commitment to provide the initial State Revolving Fund loan increment for Construction Related Costs at no greater than the combined rate of interest and Grant Allocation Assessment specified in Section 10.03. Planning activities shall be completed in time to enable the Department to accept the planning documents as scheduled in Subsection (1) below.

- (1) Acceptance of the planning documents by the Department (Design Authorization) no later than August 15, 2004.
- (2) Design of all Project facilities proposed for loan funding no later than March 15, 2005.
- (3) Certification of availability of all sites for facilities proposed for loan funding no later than March 15, 2005.
- (4) Evidence that permitting requirements have been satisfied for all Project facilities proposed for construction loan funding no later than October 15, 2005.
- (5) Completion of all Preconstruction Activities for all Project facilities proposed for loan funding no later than November 15, 2005.
- (6) Unless deferred by amendment, establish the Loan Repayment Reserve Account and deposit \$26,403 no later than May 15, 2006.
- (7) Unless deferred by amendment, establish the Loan Debt Service Account and begin Monthly Loan Deposits no later than May 15, 2006.
- (8) Unless deferred by amendment, provide certifications under Subsection 2.01(10) beginning August 15, 2006, and annually thereafter no later than September 30 of each year until the final Semiannual Loan Payment is made.
- (9) Unless this Agreement is amended to provide construction financing, the first Semiannual Loan Payment in the amount of \$28,320 shall be due November 15, 2006.

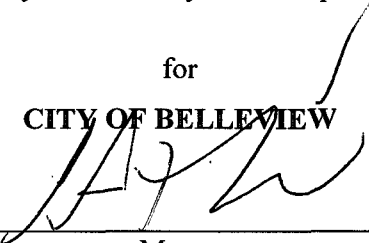
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ARTICLE XI - EXECUTION OF AGREEMENT

This Loan Agreement WW64603P shall be executed in three or more counterparts, any of which shall be regarded as an original and all of which constitute but one and the same instrument.

IN WITNESS WHEREOF, the Department has caused this Agreement to be executed on its behalf by the Secretary of the Department and the Local Government has caused this Agreement to be executed on its behalf by its Authorized Representative and by its affixed seal. The effective date of this Agreement shall be as set forth below by the Secretary of the Department.

for
CITY OF BELLEVUE



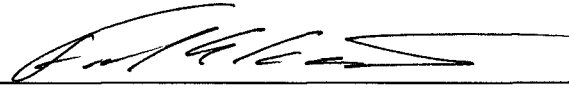
Mayor

Attest

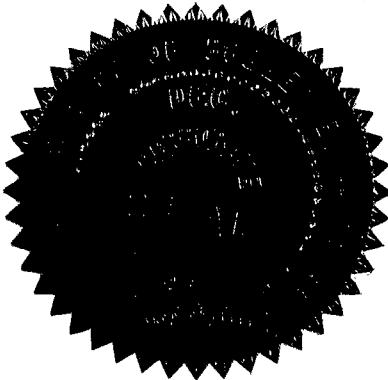
I attest to the opinion expressed in Section 2.02,
entitled Legal Authorization, and as to form and
legal sufficiency.




City Clerk



City Attorney



for
STATE OF FLORIDA
DEPARTMENT OF ENVIRONMENTAL PROTECTION



Secretary

AUG 22 2003

Date

**STATE REVOLVING FUND
AMENDMENT 1 TO LOAN AGREEMENT WW64603P
CITY OF BELLEVUE**

This amendment is executed by the STATE OF FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION (Department) and the CITY OF BELLEVUE, FLORIDA, existing as a local government agency (Local Government) under the laws of the State of Florida.

WITNESSETH:

WHEREAS, the Department and the Local Government entered into a State Revolving Fund Loan Agreement, Number WW64603P; and

WHEREAS, termination of the Department's commitment to provide additional financing at a combined rate of interest and Grant Allocation Assessment of 1.81 percent per annum is necessary because the Local Government failed to comply with the Project schedule as required under Sections 4.06 and 10.07 of the Loan Agreement; and

WHEREAS, the Loan Repayment Reserve Account is no longer required; and

WHEREAS, Loan repayment activities need rescheduling to give the Local Government additional time to complete preconstruction activities.

NOW, THEREFORE, the parties hereto agree as follows:

1. The Department's commitment to provide additional financing for Construction Related Costs at a combined rate of interest and Grant Allocation Assessment of 1.81 percent per annum is hereby terminated.
2. Unless repayment is further deferred by amendment of the Agreement, Semiannual Loan Payments as set forth in Section 10.05 shall be received by the Department beginning on November 15, 2007, and semiannually thereafter on May 15 and November 15 of each year until all amounts due under the Agreement have been fully paid.
3. The requirement for a Loan Repayment Reserve Account is deleted. All references in the Agreement to the Loan Repayment Reserve are no longer applicable.
4. The items scheduled under Subsections 10.07 (7) and (8) of the Agreement are rescheduled as follows:
 - (7) Establish the Loan Debt Service Account and begin Monthly Loan Deposits no later than May 15, 2007.
 - (8) The date for the initial certification required under Subsection 2.01(10) of the Agreement is August 15, 2007. Thereafter, the annual certification shall be submitted no later than September 30 of each year until the final Semiannual Loan Repayment is made.

All other terms and provisions of the Loan Agreement shall remain in effect.

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This Amendment 1 to Loan Agreement WW64603P shall be executed in three or more counterparts, any of which shall be regarded as an original and all of which constitute but one and the same instrument.

IN WITNESS WHEREOF, the Department has caused this amendment to the Loan Agreement to be executed on its behalf by the Secretary of the Department and the Local Government has caused this amendment to be executed on its behalf by its Authorized Representative and by its affixed seal. The effective date of this amendment shall be as set forth below by the Secretary of the Department.

for

CITY OF BELLEVIEW

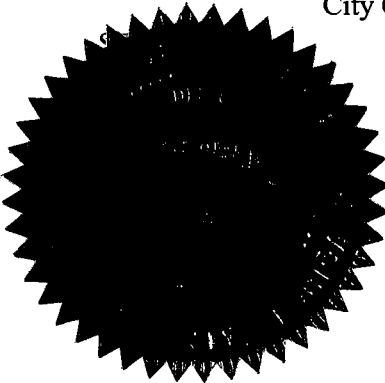
James C. Moore
Mayor

Attest

Approved as to Form and Legality

Darrell McKenney
City Clerk

[Signature]
City Attorney



for

**STATE OF FLORIDA
DEPARTMENT OF ENVIRONMENTAL PROTECTION**

Memo Drew
Secretary

FEB 20 2006
Date

Project # 6¹¹ 3P Sponsor Belleview
File Folder Agreement - Left

**STATE OF FLORIDA
DEPARTMENT OF ENVIRONMENTAL PROTECTION**

AND

CITY OF BELLEVIEW, FLORIDA

CLEAN WATER STATE REVOLVING FUND

DEBT PURCHASE AGREEMENT

(Amendment 2 to Loan Agreement)

WW64603P

Florida Department of Environmental Protection
Bureau of Water Facilities Funding
Twin Towers Office Building
2600 Blair Stone Road, MS 3505
Tallahassee, Florida 32399-2400

CLEAN WATER STATE REVOLVING FUND DEBT PURCHASE AGREEMENT

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CLEAN WATER STATE REVOLVING FUND DEBT PURCHASE AGREEMENT

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CLEAN WATER STATE REVOLVING FUND DEBT PURCHASE AGREEMENT

WW64603P

THIS DEBT PURCHASE AGREEMENT is executed by the STATE OF FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION (Department) and the CITY OF BELLEVIEW, FLORIDA, (Local Government or Project Sponsor) existing as a local governmental agency under the laws of the State of Florida.

WITNESSETH:

WHEREAS, pursuant to Section 403.1835, Florida Statutes, the Department is authorized to purchase debt obligations of local government agencies to finance or refinance the construction of wastewater pollution control facilities, the planning and design of which have been reviewed by the Department; and

WHEREAS, the Local Government has made application for the financing of the Project, and the Department has determined that such Project meets all requirements for debt purchase.

NOW, THEREFORE, in consideration of the Department purchasing the Local Government's debt, in the principal amount and pursuant to the covenants hereinafter set forth, 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 "Debt Purchase Agreement" shall mean this debt purchase agreement.
- (2) "Authorized Representative" shall mean the official of the Local Government authorized by ordinance or resolution to sign documents associated with the debt purchase.
- (3) "Capitalized Interest" shall mean a finance charge that accrues at the Financing Rate on the Debt from the time of disbursement until six months before the first Semiannual Payment is due. Capitalized Interest is financed as part of the Debt principal.
- (4) "Debt" shall mean the aggregate amount of the debt obligations purchased pursuant to this Agreement and subsequent amendments. The debt obligation purchased by this initial Agreement is a loan evidenced by that certain Promissory Note, of even date herewith, between the Local Government (the Borrower) and the Department (the Lender).
- (5) "Debt Purchase Application" shall mean the completed form which provides all information required to support the debt purchase.
- (6) "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 Deposits and making Semiannual Payments.

(7) "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.

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

(9) "Grant Allocation Assessment" shall mean an assessment, expressed as a percent per annum, accruing on the unpaid balance of the Debt. It is computed similarly to the way interest is charged and included in the Semiannual Payments. 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.

(10) "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.

(11) "Impact Fees" shall mean the fees and charges levied upon and collected from new users of the Sewer System as a contribution toward their equitable share of the cost of capital improvements required to serve new users of the Sewer System, together with the income from investment of such amounts to the extent such fees, charges, and income are legally available to pay debt service on this Loan.

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

(13) "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.

(14) "Pledged Revenues" shall mean the specific revenues pledged as security for repayment of the Debt and shall be the Gross Revenues, together with Impact Fees, 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 Obligations and any senior obligations issued pursuant to Section 7.02 of this Agreement.

(15) "Project" shall mean the labor, materials, and equipment to construct the "Wastewater Treatment Plant Expansion" project in accordance with the plans and specifications accepted by the Department.

The Project is in agreement with the planning documentation accepted by the Department effective September 2004. Approval of this Project is provided by the Florida Categorical Exclusion Notification dated August 13, 2004. This Project is a Capitalization Grant Project as defined in Chapter 62-503, Florida Administrative Code.

(16) "Semiannual Payment" shall mean the payment due from the Local Government to the Department at six-month intervals.

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

(a) City of Belleview, Florida, Water and Sewer Revenue Bonds, Series 1977, issued in the amount of \$325,000, pursuant to Resolution dated December 16, 1975; and

(b) City of Belleview, Florida, Water and Sewer Revenue Bonds, Series 1986A, issued in the amount of \$491,600, pursuant to Resolution No. 86-03; and

(c) City of Belleview, Florida, Water and Sewer Revenue Bonds, Series 1986B, issued in the amount \$450,200, pursuant to Resolution No. 86-03; and

(d) City of Belleview, Florida, Water and Sewer Revenue Bonds, Series 1988, issued in the amount \$1,000,000, pursuant to Resolution No. 88-01.

(e) Additional bonds issued on a parity with the bonds identified above pursuant to Section 3.04 of the Resolution dated December 16, 1975; and

(f) 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.

(18) "Service Fee" shall mean an origination fee that shall be paid to the Department by the Local Government.

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

(20) "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 bodies, 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 debt purchase or its operation of the Project.

(7) All Local Government representations to the Department, pursuant to the Debt Purchase 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 Debt Purchase Application or Agreement. To the extent that any assurance, representation, or covenant requires a future action, the Local Government shall take such action as is necessary for compliance.

(8) The Local Government shall maintain records using Generally Accepted Governmental 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, Pledged Revenues, disbursements under this Agreement.

(9) In the event the anticipated Pledged Revenues are shown by the Local Government's annual budget to be insufficient to make the Semiannual 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 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) Each year, beginning three months before the first Semiannual Payment and ending with the year during which the final repayment is made, the Local Government's Authorized Representative or its chief financial officer shall submit, pursuant to the schedule established in Section 10.07, a certification that: (a) Pledged Revenue collections satisfy, on a pro rata basis, the rate coverage requirement; (b) the Debt Service Account contains the funds required; and (c) insurance, including that issued through the National Flood Insurance Program authorized under 42 U.S.C. secs. 4001-4128 when applicable, in effect for the facilities generating the Pledged Revenues, adequately covers the customary risks to the extent that such insurance is available.

(11) Pursuant to Section 216.349 of the Florida Statutes, the Local Government shall not use the debt purchase proceeds for the purpose of lobbying the Florida Legislature, the Judicial Branch, or a State agency.

(12) The Local Government agrees to construct the Project 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 Payment or the Monthly Deposit.

(13) The Local Government covenants that this Agreement is entered into for the purpose of constructing, refunding, or refinancing the Project which will in all events serve a public purpose. The Local Government covenants that it will, under all conditions, complete and operate the Project to fulfill the public need.

2.02. LEGAL AUTHORIZATION.

Upon signing this Agreement, the Local Government's legal counsel covenants that:

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

(2) This Agreement specifies the revenues pledged for repayment of the Debt, 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 Debt Agreement consists of the following:

Federal Resources, Including State Match, Awarded to the Recipient Pursuant to this Agreement Consist of the Following:					
Federal Program Number	Federal Agency	CFDA Number	CFDA Title	Funding Amount	State Appropriation Category
CS120001-040	EPA	66.458	Capitalization Grants for State Revolving Funds	\$6,258,572	140131

(2) Audits.

(a) In the event that the Local Government expends \$500,000 or more in Federal awards in its fiscal year, the Local Government must have a single or program-specific audit conducted in accordance with the provisions of OMB Circular A-133, as revised. Subsection 2.03(1) of this Agreement indicates that Federal funds are awarded through the Department by this Agreement. In determining the Federal awards expended in its fiscal year, the Local Government shall consider all sources of Federal awards, including Federal resources received from the Department of Environmental Protection. The determination of amounts of Federal awards expended should be in accordance with the guidelines established by OMB Circular A-133, as revised. An audit of the Local Government conducted by the Auditor General in accordance with the provisions of OMB Circular A-133, as revised, will meet the requirements of this part.

(b) In connection with the audit requirements addressed in the preceding paragraph (a), the Local Government shall fulfill the requirements relative to auditee responsibilities as provided in Subpart C of OMB Circular A-133, as revised.

(c) If the Local Government expends less than \$500,000 in Federal awards in its fiscal year, an audit conducted in accordance with the provisions of OMB Circular A-133, as revised, is not required. In the event that the Local Government expends less than \$500,000 in Federal awards in its fiscal year and elects to have an audit conducted in accordance with the provisions of OMB Circular A-133, as revised, the cost of the audit must be paid from non-Federal resources (i.e., the cost of such an audit must be paid from Local Government resources obtained from other than Federal entities).

(d) The Local Government may access information regarding the Catalog of Federal Domestic Assistance (CFDA) via the internet at <http://aspe.os.dhhs.gov/cfda>.

(3) Report Submission.

(a) Copies of reporting packages for audits conducted in accordance with OMB Circular A-133, as revised, and required by Subsection 2.03(2) of this Agreement shall be submitted, when required by Section .320 (d), OMB Circular A-133, as revised, by or on behalf of the Local Government directly to each of the following:

(i) The Department at each of the following addresses:

Don W. Berryhill, P.E., Chief
Bureau of Water Facilities Funding
Florida Department of Environmental Protection
2600 Blair Stone Road, MS 3505
Tallahassee, Florida 32399-2400

Joe Aita, Audit Director
Office of the Inspector General
Florida Department of Environmental Protection
3900 Commonwealth Boulevard, MS 41
Tallahassee, Florida 32399-3123

(ii) The Federal Audit Clearinghouse designated in OMB Circular A-133, as revised (the number of copies required by Sections .320 (d)(1) and (2), OMB Circular A-133, as revised, should be submitted to the Federal Audit Clearinghouse), at the following address:

Federal Audit Clearinghouse
Bureau of the Census
1201 East 10th Street
Jeffersonville, IN 47132

- (iii) Other Federal agencies and pass-through entities in accordance with Sections .320(e) and (f), OMB Circular A-133, as revised.

(b) Pursuant to Section .320(f), OMB Circular A-133, as revised, the Local Government shall submit a copy of the reporting package described in Section .320(c), OMB Circular A-133, as revised, and any management letters issued by the auditor, to the Department at the two addresses listed under Subsection 2.03(3)(a) of this Agreement.

(c) 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 OMB Circular A-133, Florida Statutes, or Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General, as applicable.

(d) Local Governments, when submitting financial reporting packages to the Department for audits done in accordance with OMB Circular A-133, or 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) Project-Specific Audit.

Within 12 months after the amendment establishing final Project costs, the Local Government shall submit to the Department a Project-specific audit report for the Debt related revenues and expenditures. The audit shall address Debt disbursements received, Project expenditures, and compliance with Agreement covenants. The Local Government shall cause the auditor to notify the Department immediately if anything comes to the auditor's attention during the examination of records that would constitute a default under the Agreement. The audit findings shall set aside or question any costs that are unallowable under Chapter 62-503, Florida Administrative Code. A final determination of whether such costs are allowed shall be made by the Department.

(5) Record Retention.

The Local Government shall retain sufficient records demonstrating its compliance with the terms of this Agreement for a period of three years from the date the audit report is issued, 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 audit working papers are made available to the Department, or its designee, Chief Financial Officer, or Auditor General upon request for a period of three years from the date the audit report is issued, unless extended in writing by the Department.

(6) Monitoring.

In addition to reviews of audits conducted in accordance with OMB Circular A-133, as revised (see audit requirements above), monitoring procedures may include, but not be limited to, on-site visits by Department staff, limited scope audits as defined by OMB Circular A-133, as revised, 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 - ESCROW AGREEMENT AND ACCOUNT

3.02. DEBT SERVICE ACCOUNT.

The Local Government shall establish a Debt Service Account with a Depository and begin making Monthly 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 Payment, the Local Government shall make six Monthly Deposits. The first five deposits each shall be at least equal to one-sixth of the Semiannual Payment. The sixth Monthly Deposit shall be at least equal to the amount required to make the total on deposit in the Debt Service Account equal to the Semiannual 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 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 DEBT SERVICE ACCOUNTS MONEYS.

Moneys on deposit in the 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 Payments. The investment earnings shall be credited to the Debt Service Account and applied toward the Monthly Deposit requirements.

3.03. DEBT SERVICE ACCOUNT WITHDRAWALS.

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

3.04. ASSETS HELD IN TRUST.

The assets in each of the accounts created under this 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.

Project changes prior to bid opening shall be made by addendum to plans and specifications. Changes after bid opening shall be made by change order. The Local Government shall submit all addenda and all change orders to the Department for an eligibility determination. After execution of all construction, equipment and materials contracts, the Project contingency may be reduced.

4.02. TITLE TO PROJECT SITE.

The Local Government shall have an interest in real property sufficient for the construction and location of the Project free and clear of liens and encumbrances which would impair the usefulness of such sites for the intended use.

4.03. PERMITS AND APPROVALS.

The Local Government shall have obtained, prior to the Department's authorization to award construction contracts, all permits and approvals required for construction of the Project or portion of the Project funded under this Agreement.

4.04. ENGINEERING SERVICES.

A professional engineer, registered in the State of Florida, shall be employed by, or under contract with, the Local Government to oversee construction.

4.05. 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.

4.06. COMPLETION MONEYS.

In addition to the proceeds under this Agreement, the Local Government covenants that it has obtained, or will obtain, sufficient moneys from other sources to complete construction and place the Project in operation on, or prior to, the date specified in Article X. Failure of the Department to approve additional financing shall not constitute a waiver of the Local Government's covenants to complete and place the Project in operation.

4.07. 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 requirements under this Agreement, if any. Deadlines shall be incorporated into the Agreement by amendment. The Debt principal shall be reduced by any excess over the amount required to pay all approved costs. As a result of such adjustment, the Semiannual Payment shall be reduced accordingly, as addressed in Section 10.05.

4.08. DISBURSEMENTS.

Disbursements shall be made only by the State Chief Financial Officer and only when the requests for such disbursements are accompanied by a Department certification that such withdrawals are proper expenditures. Disbursements shall be made directly to the Local Government for allowance costs and reimbursement of the incurred construction costs and related services. Disbursement of the allowance costs shall be made upon the Department's receipt of a disbursement request form. 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.

(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 and applied to the project; that all funds received to date have been applied toward completing the Project; and that under the terms and provisions of the contracts, the Local Government is required to make such payments.

(3) A certification by the engineer responsible for overseeing construction stating that equipment, materials, labor and services represented by the construction invoices have been satisfactorily purchased, or received, and applied to the Project in accordance with construction contract documents; stating that payment is in accordance with construction contract provisions; stating that construction, up to the point of the requisition, is in compliance with the contract documents; and identifying all additions or deletions to the Project which have altered the Project's performance standards, scope, or purpose since the issue of the Department construction permit.

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

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 together with Impact Fees will be sufficient to provide, in each Fiscal Year, Pledged Revenues equal to or exceeding 1.15 times the sum of the Semiannual Payments due in such Fiscal Year. In addition, the Local Government shall satisfy the coverage requirements of all senior 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 therefor 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.

Each of the following events is hereby declared an event of default:

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

(2) Except as provided in Subsections 6.01(1) and 6.01(7), failure to comply with the provisions of this Agreement or failure in the performance or observance of any of the covenants or actions required by this Agreement and such failure shall continue for a period of 60 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.

(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) Failure of the Local Government to give immediate written notice of default to the Department and such failure shall continue for a period of 30 days.

6.02. REMEDIES.

Upon any event of default and subject to the rights of others having prior liens on the Pledged Revenues, the Department may enforce its rights by 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 Comptroller delinquency on repayments, the Department may intercept the delinquent amount plus six percent, expressed as an annual interest rate, penalty of the amount due to the Department 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. 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 to as much as 1.667 times the Financing Rate for a default under Subsection 6.01(1).

6.03. DELAY AND WAIVER.

No delay or omission by the Department to exercise any right or power accruing upon 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 event 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, 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 Obligations defined in Section 1.01 of this Agreement and any additional senior obligations issued with the Department's consent pursuant to Section 7.02. Any of the Pledged Revenues may be released from the lien on such Pledged Revenues in favor of the Department if the Department makes a determination, 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 shall 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 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, the entire principal amount of the Debt, and as applicable, Service Fee, interest, and Grant Allocation Assessment, 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. 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 Debt retirement.

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 three years after the date that the Project-specific audit report, required under Subsection 2.03(4), is issued.

8.03. ACCESS TO PROJECT SITE.

The Local Government shall provide access to Project sites and administrative offices to authorized representatives of the Department at any reasonable time. The Local Government shall cause its engineers and contractors to cooperate during Project inspections, including making available working copies of plans and specifications and supplementary materials.

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. This Agreement may be amended after all construction contracts are executed to re-establish the Project cost, amount of debt, Project schedule, and Semiannual Payment amount. A final amendment establishing the final Project costs shall be completed after the Department's final inspection of the Project records.

8.06. ANNULMENT OF AGREEMENT.

The Department may unilaterally annul this Agreement if the Local Government has not drawn any proceeds within eighteen months after the effective date of this Agreement. If the Department unilaterally annuls this Agreement, the Department will provide written notification to the Local Government.

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.

ARTICLE IX - CONSTRUCTION CONTRACTS AND INSURANCE

9.01. AUTHORIZATION TO AWARD CONSTRUCTION CONTRACTS.

The following documentation is required to receive the Department's authorization to award construction contracts:

- (1) Proof of advertising.
- (2) Award recommendation, bid proposal, and bid tabulation (certified by the responsible engineer).
- (3) Certified copy of the Local Government's tentative award resolution.
- (4) Certification of compliance with the conditions of the Department's approval of competitively or non-competitively negotiated procurement, if applicable.
- (5) Certification by the Authorized Representative that affirmative steps were taken to encourage Minority and Women's Business Enterprises participation in Project construction.
- (6) Current certifications for Minority and Women's Business Enterprises participating in the contract. If the goals as stated in the plans and specifications are not met, documentation of actions taken shall be submitted.

9.02. SUBMITTAL OF CONSTRUCTION CONTRACT DOCUMENTS.

After the Department's authorization to award construction contracts has been received, the Local Government shall submit contractor insurance certifications and notices to proceed with construction.

9.03. INSURANCE REQUIRED.

The Local Government shall cause the Project, as each part thereof is certified by the engineer responsible for overseeing construction as completed, and the Water and Sewer Systems (hereafter referred to as "Revenue Producing Facilities") to be insured by an insurance company or companies licensed to do business in the State of Florida against such damage and destruction risks as are customary for the operation of Revenue Producing Facilities of like size, type and location to the extent such insurance is obtainable from time to time against any one or more of such risks.

The proceeds of insurance policies received as a result of damage to, or destruction of, the Project or the other Revenue Producing Facilities, shall be used to restore or replace damaged portions of the facilities. If such proceeds are insufficient, the Local Government shall provide additional funds to restore or replace the damaged portions of the facilities. Repair, construction or replacement shall be promptly completed.

ARTICLE X - DETAILS OF FINANCING

10.01. PRINCIPAL AMOUNT OF DEBT.

The estimated principal is \$6,383,072, which consists of \$6,258,572 to be disbursed to the Local Government and \$124,500 of Capitalized Interest. This total consists of the following:

(a) \$946,013, including \$906,513 authorized for disbursement to the Local Government and \$39,500 of Capitalized Interest, at a combined rate of interest and Grant Allocation Assessment of 1.81 percent per annum (the interest rate is 0.905 percent per annum and the Grant Allocation Assessment rate is 0.905 percent per annum); and

(b) \$5,437,059, including \$5,352,059 authorized for disbursement to the Local Government and \$85,000 of Capitalized Interest, at a combined rate of interest and Grant Allocation Assessment of 1.86 percent per annum (the interest rate is 1.86 percent per annum and the Grant Allocation Assessment rate is 0 percent per annum).

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

10.02. SERVICE FEE.

The Service Fee is estimated as \$125,171 for the Debt amount authorized to date. The fee represents two percent of the Debt amount excluding the Capitalized Interest; that is, two percent of \$6,258,572. An additional Service Fee amount will be assessed for any additional funding provided by amendment to the Agreement. The fee shall be adjusted downward if adjustment of Project costs results in a decrease in debt, provided that the decrease amendment is executed before the first Semiannual Payment due date.

Finance charges (calculated using the Financing Rate) shall accrue on the Service Fee and its capitalized interest until they are paid. Service Fee finance charges shall be compounded annually from the effective date of the Agreement until six months before the first Semiannual Payment is due at which time it is capitalized. The estimated capitalized Service Fee interest for the fee amount assessed to date is \$5,030.

10.03. FINANCING RATE.

The Financing Rate on the unpaid principal of the Debt specified in Section 10.01 is 1.86 percent per annum. The Financing Rate equals the sum of the interest rate and the Grant Allocation Assessment Rate. The Interest Rate is 1.86 percent per annum and the Grant Allocation Assessment rate is 0 percent per annum. A new Financing Rate shall be established for any funds provided by amendment to this Agreement.

10.04. DEBT TERM.

The Debt shall be repaid in 60 Semiannual Payments.

10.05. DEBT REPAYMENT SCHEDULE.

The Semiannual Payment shall be computed based upon the principal amount of the Debt plus the estimated Service Fee and Service Fee capitalized interest, if any, using a level debt service basis. The Department will deduct the Service Fee and its associated interest from the first payments. The Semiannual Payment amount may be adjusted, by amendment of this Agreement, based upon revised information. After the final disbursement to the Local Government, the Semiannual Payment shall be

based upon the actual Project costs, the actual Service Fee, 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.

Each Semiannual Payment shall be in the amount of \$141,991 until the payment amount is adjusted by amendment. The interest and Grant Allocation Assessment portions of each Semiannual Payment shall be computed, using their respective rates, on the unpaid balance of the principal, including Capitalized Interest. Interest (at the Financing Rate) also shall be computed on the estimated Service Fee and Service Fee capitalized interest. The interest and Grant Allocation Assessment on the unpaid balance shall be computed as of the due date of each Semiannual Payment.

Semiannual Payments shall be received by the Department beginning on December 15, 2008 and semiannually thereafter on June 15 and December 15 of each year until all amounts due hereunder have been fully paid. Funds transfer shall be made by electronic means.

The Semiannual Payment amount is based on the total amount owed of \$6,513,273, which consists of the Debt principal plus the estimated Service Fee with its capitalized interest.

10.06. PROJECT COSTS.

The Local Government and the Department acknowledge that the actual Project costs have not been determined as of the effective date of this Agreement. Project cost adjustments may be made as a result of construction bidding or mutually agreed upon Project changes. Capitalized Interest will be recalculated based on actual dates and amounts of disbursements. If the Local Government receives other governmental financial assistance for this Project, the costs funded by such other governmental assistance will be deducted from the Debt. The Department shall establish the final Project costs after its final inspection of the Project records. Changes in Project costs may also occur as a result of the Local Government's Project audit or a Department audit. Funds disbursed in accordance with this Agreement shall be disbursed in the order in which they have been obligated without respect to budgetary line item estimates. All disbursements shall be made first from the original Loan amount until that amount has been disbursed. The combined rate of interest and Grant Allocation Assessment established for the original Loan amount shall apply to such disbursements for the purpose of determining the associated Capitalized Interest and repayment amounts. The combined rate of interest and Grant Allocation Assessment established for any additional increment of Loan funds shall be used to determine the Capitalized Interest and repayment amounts associated with the funds disbursed from that increment.

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

PROJECT COSTS

CATEGORY	COST(\$)
Administrative Allowance	53,340
Planning Allowance	257,810
Engineering Allowance	568,960
Construction and Demolition	4,676,924
Contingencies	233,846
Technical Services After Bid Opening	467,692
SUBTOTAL (Disbursable Amount)	6,258,572
Capitalized Interest	124,500
TOTAL (Debt Principal Amount)	6,383,072

10.07. PROJECT SCHEDULE.

The Local Government agrees by execution hereof:

- (1) Completion of Project construction is scheduled for June 15, 2008.
- (2) The Debt Service Account shall be established and Monthly Deposits shall begin no later than June 15, 2008.
- (3) The initial annual certification required under Subsection 2.01(10) of this Agreement shall be due September 15, 2008. Thereafter, the certification shall be submitted no later than September 30 of each year until the final Semiannual Repayment is made.
- (4) The first Semiannual Payment in the amount of \$141,991 shall be due December 15, 2008.

10.08. SPECIAL CONDITION.

Before any funds can be disbursed the Local Government must submit an approved authorizing resolution as specified under Part IV(1) of the Loan Application.

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ARTICLE XI - EXECUTION OF AGREEMENT

This Agreement WW64603P shall be executed in three or more counterparts, any of which shall be regarded as an original and all of which constitute but one and the same instrument.

IN WITNESS WHEREOF, the Department has caused this Agreement and Promissory Note to be executed on its behalf by the Director and the Local Government has caused this Agreement to be executed on its behalf by its Authorized Representative and by its affixed seal. The effective date of this Agreement shall be as set forth below by the Director.

for

CITY OF BELLEVIEW

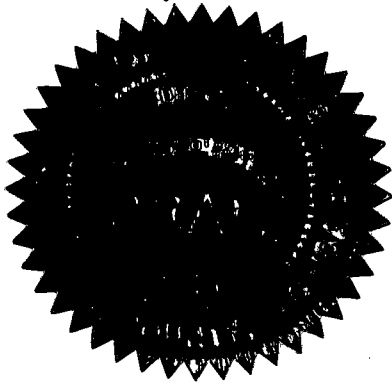
Sammy Moore
Mayor

I attest to the covenants of Section 2.02, entitled
Legal Authorization, and as to form and
correctness.

Attest

Daniel McKenney
City Clerk

[Signature]
City Attorney



for

**STATE OF FLORIDA
DEPARTMENT OF ENVIRONMENTAL PROTECTION**

[Signature]
Director

AUG 25 2006

Date

**STATE REVOLVING FUND
AMENDMENT 3 TO DEBT PURCHASE AGREEMENT WW64603P
CITY OF BELLEVIEW**

This amendment is executed by the STATE OF FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION (Department) and the CITY OF BELLEVIEW, FLORIDA, existing as a local government agency (Local Government) under the laws of the State of Florida.

WITNESSETH:

WHEREAS, the Department and the Local Government entered into a State Revolving Fund Debt Purchase Agreement, Number WW64603P, as amended, authorizing a Debt amount of \$6,258,572, excluding Capitalized Interest; and

WHEREAS, all contracts have been awarded for this Project and the Semiannual Payment, the Debt amount, and Project costs need revision based on final bid amounts as provided in Section 10.02.

NOW, THEREFORE, the parties hereto agree as follows:

1. The Debt amount authorized for disbursement is hereby reduced by \$3,158,572. The revised Debt amount is \$3,100,000.

2. The Service Fee is reduced \$63,171 and the adjusted total service fee for this Debt is \$62,000. The estimated Service Fee capitalized interest is revised to \$4,900.

3. The estimated principal amount of the Debt is hereby revised to \$3,220,900, which consists of \$3,100,000 authorized for disbursement to the Project Sponsor and \$120,900 of Capitalized Interest. This total consists of the following:

(a) \$946,013, including \$906,513 authorized for disbursement to the Project Sponsor and \$39,500 of Capitalized Interest, at a combined rate of interest and Grant Allocation Assessment of 1.81 percent per annum (the interest rate is 0.905 percent per annum and the Grant Allocation Assessment rate is 0.905 percent per annum); and

(b) \$2,274,887, including \$2,193,487 authorized for disbursement to the Local Government and \$81,400 of Capitalized Interest, at a combined rate of interest and Grant Allocation Assessment of 1.86 percent per annum (the interest rate is 0.93 percent per annum and the Grant Allocation Assessment rate is 0.93 percent per annum).

4. The Semiannual Payment amount is hereby revised and shall be in the amount of \$71,603. Such payment shall be received by the Department on December 15, 2008 and semiannually thereafter on June 15 and December 15 until all amounts due hereunder have been fully paid.

The Semiannual Payment amount is based on the total amount owed of \$3,287,800, which consists of the Debt principal plus the Service Fee and its capitalized interest (if any).

5. Section 10.06 PROJECT COSTS is revised as follows:

The Local Government and the Department acknowledge that the actual cost of the Project has not been determined. Project cost adjustments may be made as a result of mutually agreed upon Project changes. Capitalized Interest will be recalculated based on actual dates and amounts of disbursements. If the Local Government receives other governmental financial assistance for this Project, the costs funded by such other governmental assistance will be deducted from the Debt. The Department shall establish the final Project costs after its final inspection of the Project records. Changes in Project costs may also occur as a result of the Local Government's Project audit or a Department audit.

Estimated costs are as follows:

CATEGORY	COST (\$)
Administrative Allowance	53,340
Planning Allowance	257,810
Engineering Allowance	307,366
Construction and Demolition	2,294,004
Contingencies	20,025
Technical Services	167,455
SUBTOTAL (Disbursed to Local Government)	3,100,000
Capitalized Interest	120,900
TOTAL (Debt Principal Amount)	3,220,900

6. All other terms and provisions of the Debt Purchase Agreement shall remain in effect.

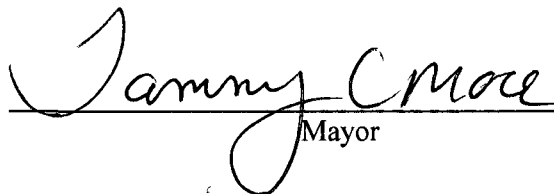
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This Amendment 3 to Debt Purchase Agreement WW64603P shall be executed in three or more counterparts, any of which shall be regarded as an original and all of which constitute but one and the same instrument.

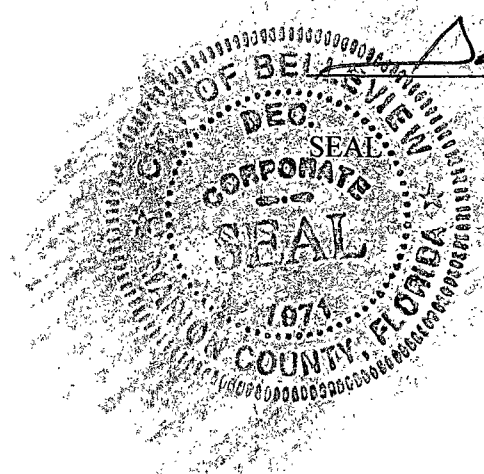
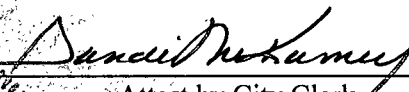
IN WITNESS WHEREOF, the Department has caused this amendment to the Debt Purchase Agreement to be executed on its behalf by the Deputy Director and the Local Government has caused this amendment to be executed on its behalf by its Authorized Representative and by its affixed seal. The effective date of this amendment shall be as set forth below by the Deputy Director.

for

CITY OF BELLEVIEW



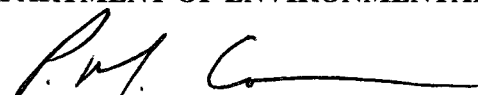
Mayor

Attest by City Clerk

for

**STATE OF FLORIDA
DEPARTMENT OF ENVIRONMENTAL PROTECTION**

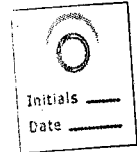


Deputy Director
Division of Water Resource Management

MAR 10 2008

Date

**STATE REVOLVING FUND
AMENDMENT 4 TO DEBT PURCHASE AGREEMENT WW64603P
CITY OF BELLEVIEW**



This amendment is executed by the STATE OF FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION (Department) and the CITY OF BELLEVIEW, FLORIDA, (Local Government) existing as a local government agency under the laws of the State of Florida.

WITNESSETH:

WHEREAS, the Department and the Local Government entered into a State Revolving Fund Debt Purchase Agreement, Number WW64603P, as amended, authorizing a Loan amount of \$3,100,000, excluding Capitalized Interest; and

WHEREAS, the Debt Amount and Project costs need adjustment to reflect actual costs; and

WHEREAS, the Semiannual Payment amount needs revision to reflect adjustment of Project costs and the two Semiannual Payments received by the Department from the Local Government; and

WHEREAS, revised provisions for audit and monitoring are needed; and

NOW, THEREFORE, the parties hereto agree as follows:

1. The Debt amount is hereby reduced by \$47,380, and the adjusted total disbursed amount for this loan is \$3,052,620.
2. The Loan Service Fee of \$62,000.00 was paid in full by the City in the December 15, 2008 and June 15, 2009 payments. This amount represents the Service Fee established in Amendment 3. Capitalized interest on the Loan Service Fee was \$4,925.47 for a total service fee charge of \$66,925.47.
3. The total amount to repay by the Local Government is \$3,194,737.14, which consists of \$3,052,620.00 disbursed to the Local Government, \$75,191.67 of accrued Capitalized Interest, and \$66,925.47 of service fee charges.
4. The total amount remaining to repay on the Debt is \$3,109,441.68, which amount accounts for the Department's receipt of two Semiannual Debt Payments and consists of the following:
 - (a) The unpaid principal of the original loan of \$949,002.98; and
 - (b) Amendment 2 unpaid principal of \$2,160,438.70.
5. The Semiannual Payment amount, adjusted to account for repayments received to date, is hereby revised and shall be in the amount of \$69,465.18. Such payments shall be received by the Department on December 15, 2009 and semiannually thereafter on June 15 and December 15 of each year until all amounts due hereunder have been fully paid.

6. Subsections 2.03(1), (2)(d) and (3)(a)(i) are hereby deleted and replaced as follows.

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

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

Federal Resources, Including State Match, Awarded to the Recipient Pursuant to this Agreement Consist of the Following:					
Federal Program Number	Federal Agency	CFDA Number	CFDA Title	Funding Amount	State Appropriation Category
CS120001-030	EPA	66.458	Capitalization Grants for State Revolving Funds	\$3,052,620	140131

(2) Audits.

(d) The Local Government may access information regarding the Catalog of Federal Domestic Assistance (CFDA) via the internet at <http://www.cfda.gov/>.

(3) Report Submission.

(a) Copies of reporting packages for audits conducted in accordance with OMB Circular A-133, as revised, and required by Subsection 2.03(2) of this Agreement shall be submitted, when required by Section .320 (d), OMB Circular A-133, as revised, by or on behalf of the Local Government directly to each of the following:

(i) The Department of Environmental Protection at each of the following addresses:

Robert E. Holmden, P.E., Chief
Bureau of Water Facilities Funding
Florida Department of Environmental Protection
2600 Blair Stone Road, MS 3505
Tallahassee, Florida 32399-2400

Joe Aita, Audit Director
Office of the Inspector General
Florida Department of Environmental Protection
3900 Commonwealth Boulevard, MS41
Tallahassee, Florida 32399-3123

7. Project Costs are revised as follows:

The Local Government and the Department acknowledge that changes in Project costs may occur as a result of the Local Government's Project audit or a Department audit pursuant to Chapter 62-503 of the Florida Administrative Code. Unless this Agreement is amended subsequent to an audit, the following Project disbursements shall be final.

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CATEGORY	DISBURSED (\$)
Administrative Allowance	53,340.00
Planning Allowance	257,810.00
Engineering Allowance	284,480.00
Construction and Demolition	2,282,160.00
Technical Services During Construction	174,830.00
SUBTOTAL (Total Disbursed)	3,052,620.00
Capitalized Interest	75,191.67
TOTAL (Principal Amount)	3,127,811.67

All other terms and provisions of the Loan Agreement shall remain in effect.

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This Amendment 4 to Debt Purchase Agreement WW64603P shall be executed in three or more counterparts, any of which shall be regarded as an original and all of which constitute but one and the same instrument.

IN WITNESS WHEREOF, the Department has caused this amendment to the Debt Purchase Agreement to be executed on its behalf by the Deputy Director, and the Local Government has caused this amendment to be executed on its behalf by its Authorized Representative and by its affixed seal. The effective date of this amendment shall be as set forth below by the Deputy Director.

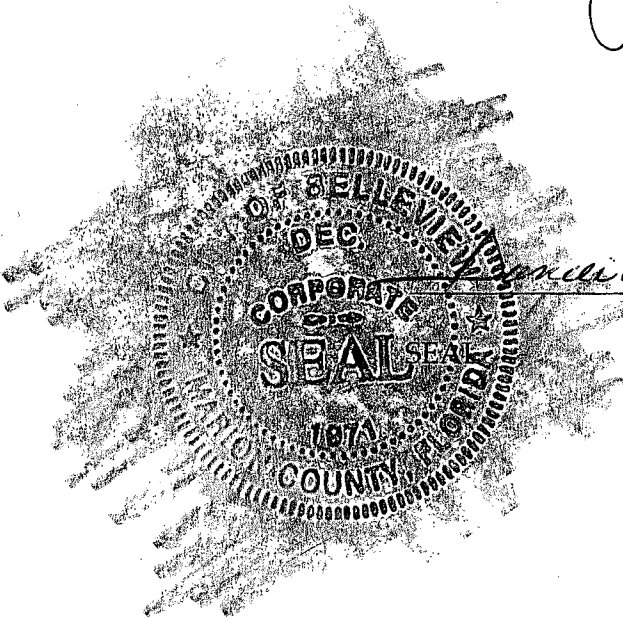
for

CITY OF BELLEVIEW

Sammy C More
Mayor

Attest

Debra M. Kimmey
City Clerk



for

STATE OF FLORIDA
DEPARTMENT OF ENVIRONMENTAL PROTECTION

P.M. Co
Deputy Director
Division of Water Resource Management

AUG 28 2009

Date

**City of Belleview
Water Meter Replacement Project
SRF Drinking Water Loan Application**

Attachment 6

Debt Obligations

Florida Department of Environmental Protection
Clean Water State Revolving Fund Loan
DW42700

Prepared by Angie Brewer & Associates, LC



121-100-04 A-6

**STATE OF FLORIDA
DEPARTMENT OF ENVIRONMENTAL PROTECTION**

AND

CITY OF BELLEVIEW, FLORIDA

**DRINKING WATER STATE REVOLVING FUND
CONSTRUCTION LOAN AGREEMENT**

DW420700

Florida Department of Environmental Protection
Bureau of Water Facilities Funding
Bob Martinez Center
2600 Blair Stone Road, MS 3505
Tallahassee, Florida 32399-2400

DRINKING WATER STATE REVOLVING FUND CONSTRUCTION LOAN AGREEMENT

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DRINKING WATER STATE REVOLVING FUND CONSTRUCTION LOAN AGREEMENT

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DRINKING WATER STATE REVOLVING FUND
CONSTRUCTION LOAN AGREEMENT
DW420700

THIS AGREEMENT is executed by the STATE OF FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION (Department) and the CITY OF BELLEVIEW, FLORIDA, (Project Sponsor) existing as a local governmental agency under the laws of the State of Florida.

WITNESSETH:

WHEREAS, pursuant to Section 403.8532, Florida Statutes, the Department is authorized to make loans to finance or refinance the construction of public water systems, the planning and design of which have been reviewed by the Department; and

WHEREAS, pursuant to OGC Case No: 09-0459, Emergency Order, the Department is authorized to allow Principal Forgiveness on Loans funded by the American Recovery and Reinvestment Act; and

WHEREAS, the Project Sponsor has made application for the financing of the Project, and the Department has determined that such Project meets all requirements for a Loan and Principal Forgiveness.

NOW, THEREFORE, in consideration of the Department loaning money to the Project Sponsor, in the principal amount and pursuant to the covenants hereinafter set forth, 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) "ARRA" shall mean the American Recovery and Reinvestment Act of 2009.
- (3) "Authorized Representative" shall mean the official of the Project Sponsor authorized by ordinance or resolution to sign documents associated with the Loan.
- (4) "Capitalized Interest" shall mean the interest accruing 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) "Gross Revenues" shall mean all income or earnings received by the Project Sponsor 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.

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

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

(9) "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 Project Sponsor for the purpose of accumulating Monthly Loan Deposits and making Semiannual Loan Payments.

(10) "Monthly Loan Deposit" shall mean the monthly deposit to be made by the Project Sponsor to the Loan Debt Service Account.

(11) "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.

(12) "Pledged Revenues" shall mean the specific revenues pledged as security for repayment of the Loan and shall be the System Development Charges and 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 Obligations and any senior obligations issued pursuant to Section 7.02 of this Agreement.

(13) "Principal Forgiveness" shall mean the amount of money awarded pursuant to this Agreement and subsequent amendments that is not to be repaid.

(14) "Project" shall mean the works financed by this Loan and shall consist of furnishing all labor, materials, and equipment to construct the supply, storage, and distribution project in accordance with the plans and specifications accepted by the Department for the "City of Belleview South US 441 Water Main Extension" contract.

The Project is in agreement with the "City of Belleview Water System Improvements Facilities Plan" accepted by the Department effective November 30, 2009. A Florida Finding of No Significant Impact was published on November 25, 2009 and no adverse comments were received. The Project is an Equivalency Project as defined in Chapter 62-552, Florida Administrative Code.

(15) "Semiannual Loan Payment" shall mean the payment due from the Project Sponsor to the Department at six-month intervals.

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

(a) City of Belleview, Florida, Water and Sewer Revenue Bonds, Series 1977, issued in the amount of \$325,000, pursuant to a Resolution of the City of Belleview adopted December 16, 1975; and

(b) City of Belleview, Florida, Water and Sewer Revenue Bonds, Series 1986B, issued in the amount of \$450,200, pursuant to Resolution No. 86-03, supplementing a Resolution adopted on December 16, 1975; and

(c) City of Belleview, Florida, Water and Sewer Revenue Bonds, Series 1986A, issued in the amount of \$491,600, pursuant to Resolution No. 86-03, supplementing a Resolution adopted on December 16, 1975; and

(d) City of Belleview, Florida, Water and Sewer Revenue Bonds, Series 1988, issued in the amount of \$1,000,000, pursuant to Resolution No. 88-01, supplementing a Resolution adopted on December 16, 1975; and

(e) Additional bonds issued on a parity with the bonds identified above pursuant to Section 3.04(H) of the Resolution of the City of Belleview adopted December 16, 1975; and

(f) 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.

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

(18) "System Development Charges" shall mean the fees and charges levied upon and collected from new users of the Water System as a contribution toward their equitable share of the cost of capital improvements required to serve new users of the Water System, together with the income from investment of such amounts to the extent such fees, charges, and income are legally available to pay debt service on this Loan.

(19) "Water System" shall mean all facilities owned by the Project Sponsor 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 bodies, as well as natural persons.

ARTICLE II - WARRANTIES, REPRESENTATIONS AND COVENANTS

2.01. WARRANTIES, REPRESENTATIONS AND COVENANTS.

The Project Sponsor warrants, represents and covenants that:

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

(2) The Project Sponsor 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 Project Sponsor's knowledge, threatened, which seeks to restrain or enjoin the Project Sponsor 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 Project Sponsor knows of no reason why any future required permits or approvals are not obtainable.

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

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

(7) All Project Sponsor representations to the Department, pursuant to the Grant Application and Agreement, were true and accurate as of the date such representations were made. The financial information delivered by the Project Sponsor to the Department was current and correct as of the date such information was delivered. The Project Sponsor shall comply with Chapter 62-552, Florida Administrative Code, and all applicable State and Federal laws, rules, and regulations which are identified in the Grant Application or Agreement. Minority and Women's Business Enterprise goals as stated in the plans and specifications apply to this Project. To the extent that any assurance, representation, or covenant requires a future action, the Project Sponsor shall take such action as is necessary for compliance.

(8) The Project Sponsor shall maintain records using Generally Accepted Governmental Accounting Standards established by the Governmental Accounting Standards Board. As part of its bookkeeping system, the Project Sponsor 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 Project Sponsor's annual budget to be insufficient to make the Semiannual Loan Payments for such Fiscal Year when due, the Project Sponsor 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 Project Sponsor shall collect such funds for application as provided herein. The Project Sponsor 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 Project Sponsor to levy or appropriate ad valorem tax revenues; or preventing the Project Sponsor 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) Each year, beginning three months before the first Semiannual Loan Payment and ending with the year during which the final Loan repayment is made, the Project Sponsor's Authorized Representative or its chief financial officer shall submit, pursuant to the schedule established in Section 10.07, a certification that: (a) Pledged Revenue collections satisfy the rate coverage requirement; (b) the Loan Debt Service Account contains the funds required; and (c) insurance in effect for the facilities generating the Pledged Revenues adequately covers the customary risks to the extent that such insurance is available.

(11) Pursuant to Section 216.347 of the Florida Statutes, the Project Sponsor shall not use this Loan for the purpose of lobbying the Florida Legislature, the Judicial Branch, or a State agency.

(12) The Project Sponsor agrees to construct the Project in accordance with the Project schedule. Delays incident to strikes, riots, acts of God, and other events beyond the reasonable control of the Project Sponsor 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.

(13) The Project Sponsor covenants that this Agreement is entered into for the purpose of constructing, refunding, or refinancing the Project which will in all events serve a public purpose. The Project Sponsor covenants that it will, under all conditions, complete and operate the Project to fulfill the public need.

2.02. LEGAL AUTHORIZATION.

Upon signing this Agreement, the Project Sponsor'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 Project Sponsor and shall constitute a valid and legal obligation of the Project Sponsor enforceable in accordance with its terms upon execution by both parties; and

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

2.03. AUDIT AND MONITORING REQUIREMENTS.

The Project Sponsor agrees to the following audit and monitoring requirements.

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

Federal Resources, Including State Match, Awarded to the Recipient Pursuant to this Agreement Consist of the Following:					
Federal Program Number	Federal Agency	CFDA Number	CFDA Title	Funding Amount	State Appropriation Category
2F-95423109-0	EPA	66.458	Capitalization Grants for Drinking Water State Revolving Fund	\$709,130	140130

(2) Audits.

(a) In the event that the Project Sponsor expends \$500,000 or more in Federal awards in its fiscal year, the Project Sponsor must have a single or program-specific audit conducted in accordance with the provisions of OMB Circular A-133, as revised. Subsection 2.03(1) of this Agreement indicates that Federal funds are awarded through the Department by this Agreement. In determining the Federal awards expended in its fiscal year, the Project Sponsor shall consider all sources of Federal awards, including Federal resources received from the Department of Environmental Protection. The determination of amounts of Federal awards expended should be in accordance with the guidelines established by OMB Circular A-133, as revised. An audit of the Project Sponsor conducted by the Auditor General in accordance with the provisions of OMB Circular A-133, as revised, will meet the requirements of this part.

(b) In connection with the audit requirements addressed in the preceding paragraph (a), the Project Sponsor shall fulfill the requirements relative to auditee responsibilities as provided in Subpart C of OMB Circular A-133, as revised.

(c) If the Project Sponsor expends less than \$500,000 in Federal awards in its fiscal year, an audit conducted in accordance with the provisions of OMB Circular A-133, as revised, is not required. The Project Sponsor shall inform the Department of findings and recommendations pertaining to the State Revolving Fund in audits conducted by the Project Sponsor in which the \$500,000 threshold has not been met. In the event that the Project Sponsor expends less than \$500,000 in Federal awards in its fiscal year and elects to have an audit conducted in accordance with the provisions of OMB Circular A-133, as revised, the cost of the audit must be paid from non-Federal resources (i.e., the cost of such an audit must be paid from Project Sponsor resources obtained from other than Federal entities).

(d) The Project Sponsor may access information regarding the Catalog of Federal Domestic Assistance (CFDA) via the internet at www.cfda.gov/index?cck=1&au=&cck=.

(3) Report Submission.

(a) Copies of reporting packages for audits conducted in accordance with OMB Circular A-133, as revised, and required by Subsection 2.03(2) of this Agreement shall be submitted, when required by Section .320 (d), OMB Circular A-133, as revised, by or on behalf of the Project Sponsor directly to each of the following:

(i) The Department at the following address:

Joe Aita, Audit Director
Office of the Inspector General
Florida Department of Environmental Protection
3900 Commonwealth Boulevard, MS 41
Tallahassee, Florida 32399-3123

(ii) The Federal Audit Clearinghouse designated in OMB Circular A-133, as revised (the number of copies required by Sections .320 (d)(1) and (2), OMB Circular A-133, as revised, should be submitted to the Federal Audit Clearinghouse), at the following address:

Federal Audit Clearinghouse
Bureau of the Census
1201 East 10th Street
Jeffersonville, IN 47132

Submissions of the Single Audit reporting package for fiscal periods ending on or after January 1, 2008, **must be** submitted using the Federal Clearinghouse's Internet Data Entry System which can be found at <http://harvester.census.gov/fac/>

(iii) Other Federal agencies and pass-through entities in accordance with Sections .320(e) and (f), OMB Circular A-133, as revised.

(b) Pursuant to Section .320(f), OMB Circular A-133, as revised, the Project Sponsor shall submit a copy of the reporting package described in Section .320(c), OMB Circular A-133, as revised, and any management letters issued by the auditor, to the Department at the address listed under Subsection 2.03(3)(a) of this Agreement.

(c) 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 OMB Circular A-133, Florida Statutes, or Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General, as applicable.

(d) Project Sponsors, when submitting financial reporting packages to the Department for audits done in accordance with OMB Circular A-133, or 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 Project Sponsor in correspondence accompanying the reporting package.

(4) Project-Specific Audit.

Within 12 months after the amendment establishing final Project costs, the Project Sponsor shall submit to the Department a Project-specific audit report for the Loan related revenues and expenditures. The audit shall address Loan disbursements received, Project expenditures, and compliance with Loan Agreement covenants. The Project Sponsor shall cause the auditor to notify the Department immediately if anything comes to the auditor's attention during the examination of records that would constitute a default under the Loan Agreement. The audit findings shall set aside or question any costs that are unallowable under Chapter 62-503, Florida Administrative Code. A final determination of whether such costs are allowed shall be made by the Department.

(5) Record Retention.

The Project Sponsor shall retain sufficient records demonstrating its compliance with the terms of this Agreement for a period of five years from the date the audit report is issued, and shall allow the Department, or its designee, Chief Financial Officer, or Auditor General access to such records upon request. The Project Sponsor shall ensure that audit 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 the audit report is issued, unless extended in writing by the Department.

The Project Sponsor is hereby advised that the Federal and/or Florida Single Audit Act Requirements may further apply to lower tier transactions that may be a result of this Agreement. For federal financial assistance, the Project Sponsor shall utilize the guidance provided under OMB Circular A-133, Subpart B, Section __.210 for determining whether the relationship represents that of a subrecipient or vendor.

The Project Sponsor should confer with its chief financial officer, audit director or contact the Department for assistance with questions pertaining to the applicability of these requirements.

In addition, the Project Sponsor agrees to complete and submit the Certification of Applicability to Single Audit Act Reporting, Attachment A, attached hereto and made a part hereof, within four (4) months following the end of the Project Sponsor's fiscal year. Attachment A should be submitted to the Department's Grants Development and Review Manager at 3900 Commonwealth Boulevard, Mail Station 93, Tallahassee, Florida 32399-3000. The Grants Development and Review Manager is available to answer any questions at (850) 245-2361.

(6) Monitoring.

In addition to reviews of audits conducted in accordance with OMB Circular A-133, as revised (see audit requirements above), monitoring procedures may include, but not be limited to, on-site visits by Department staff, limited scope audits as defined by OMB Circular A-133, as revised, and/or other procedures. By entering into this Agreement, the Project Sponsor 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

Project Sponsor is appropriate, the Project Sponsor agrees to comply with any additional instructions provided by the Department to the Project Sponsor regarding such audit. The Project Sponsor 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 REPAYMENT ACCOUNT

3.01. LOAN DEBT SERVICE ACCOUNT.

The Project Sponsor 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 Project Sponsor 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 Project Sponsor fails to make a required Monthly Loan Deposit, the Project Sponsor's chief financial officer shall notify the Department of such failure. In addition, the Project Sponsor 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 Project Sponsor, nor shall it be construed to give the Department the power to require the Project Sponsor 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 Project Sponsor'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.

Project changes prior to bid opening shall be made by addendum to plans and specifications. Changes after bid opening shall be made by change order. The Project Sponsor shall submit all addenda and all change orders to the Department for an eligibility determination.

4.02. TITLE TO PROJECT SITE.

The Project Sponsor shall have an interest in real property sufficient for the construction and location of the Project free and clear of liens and encumbrances which would impair the usefulness of such sites for the intended use.

4.03. PERMITS AND APPROVALS.

The Project Sponsor shall have obtained, prior to the Department's authorization to award construction contracts, all permits and approvals required for construction of the Project or portion of the Project funded under this Agreement.

4.04. ENGINEERING SERVICES.

A professional engineer, registered in the State of Florida, shall be employed by, or under contract with, the Project Sponsor to oversee construction.

4.05. PROHIBITION AGAINST ENCUMBRANCES.

The Project Sponsor 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 amendments thereto, is in effect unless the written consent of the Department is first secured. The Project Sponsor may be required to reimburse the Department for the grant funded cost of any such part, taking into consideration any increase or decrease in value.

4.06. COMPLETION MONEYS.

In addition to the proceeds of this Loan, the Project Sponsor covenants that it has obtained, or will obtain, sufficient moneys from other sources to complete construction and place the Project in operation on, or prior to, the date specified in Article X. Failure of the Department to approve additional financing shall not constitute a waiver of the Project Sponsor's covenants to complete and place the Project in operation.

4.07. 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 or Grant requirements, if any. Deadlines shall be incorporated into the Loan Agreement by amendment. The Loan principal 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.

4.08. DISBURSEMENTS.

Disbursements shall be made only by the State Chief Financial Officer and only when the requests for such disbursements are accompanied by a Department certification that such withdrawals are proper expenditures. Disbursements shall be made directly to the Project Sponsor for reimbursement of the incurred construction costs and related services. The Principal Forgiveness on each disbursement will be 85 percent of the requested amount after subtracting costs that are ineligible for Principal Forgiveness. 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.
- (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 and applied to the project; that all funds received to date have been applied toward completing the Project; and that under the terms and provisions of the contracts, the Project Sponsor is required to make such payments.
- (3) A certification by the engineer responsible for overseeing construction stating that equipment, materials, labor and services represented by the construction invoices have been satisfactorily purchased, or received, and applied to the Project in accordance with construction contract documents; stating that payment is in accordance with construction contract provisions; stating that construction, up to the point of the requisition, is in compliance with the contract documents; and identifying all additions or deletions to the Project which have altered the Project's performance standards, scope, or purpose since the issue of the Department construction permit.
- (4) A report to the Department on the number of permanent and temporary jobs created and a statement on how the determination was made.
- (5) Such other certificates or documents by engineers, attorneys, accountants, contractors, or suppliers as may reasonably be required by the Department.

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

5.01. RATE COVERAGE.

The Project Sponsor shall maintain rates and charges for the services furnished by the Water and Sewer Systems which, together with System Development Charges, 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 Project Sponsor shall satisfy the coverage requirements of all senior and parity debt obligations.

5.02. NO FREE SERVICE.

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

5.03. MANDATORY CONNECTIONS.

The Project Sponsor 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 Project Sponsor 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 Project Sponsor 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 Project Sponsor 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 Project Sponsor shall use its best efforts to collect all rates, fees and other charges due to it. The Project Sponsor 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 Project Sponsor 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.

Each of the following events is hereby declared an event of default:

(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 Subsections 6.01(1) and 6.01(7), failure to comply with the provisions of this Agreement or failure in the performance or observance of any of the covenants or actions required by this Agreement and such failure shall continue for a period of 60 days after written notice thereof to the Project Sponsor by the Department.

(3) Any warranty, representation or other statement by, or on behalf of, the Project Sponsor contained in this Agreement or in any information furnished in compliance with, or in reference to, this Agreement, which is false or misleading.

(4) An order or decree entered, with the acquiescence of the Project Sponsor, 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 Project Sponsor, 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 Project Sponsor, for the purpose of effecting a composition between the Project Sponsor 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 Project Sponsor under federal or state bankruptcy or insolvency law now or hereafter in effect and, if instituted against the Project Sponsor, is not dismissed within 60 days after filing.

(7) Failure of the Project Sponsor to give immediate written notice of default to the Department and such failure shall continue for a period of 30 days.

6.02. REMEDIES.

Upon any event of default and subject to the rights of others having prior liens on the Pledged Revenues, the Department may enforce its rights by 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 Project Sponsor to fulfill this Agreement.

(2) By action or suit in equity, require the Project Sponsor 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 six percent, expressed as an annual interest rate, penalty of the amount due to the Department from any unobligated funds due to the Project Sponsor under any revenue or tax sharing fund established by the State, except as otherwise provided by the State Constitution. 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 interest rate on the unpaid principal of the Loan to as much as 1.667 times the Loan interest rate for a default under Subsection 6.01(1).

6.03. DELAY AND WAIVER.

No delay or omission by the Department to exercise any right or power accruing upon 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 event 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, on equal priority, will be prior and superior to any other lien, pledge or

assignment with the following exception. All obligations of the Project Sponsor under this Agreement shall be junior, inferior, and subordinate in all respects in right of payment and security to the Senior Revenue Obligations 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. Any of the Pledged Revenues may be released from the lien on such Pledged Revenues in favor of the Department if the Department makes a determination, 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 Project Sponsor 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 shall be granted if the Project Sponsor 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 Project Sponsor and will satisfy the coverage requirements of all other debt obligations secured by the Pledged Revenues. However, no such consent is required with respect to issuance of Senior Revenue Obligations as defined in Section 1.01.

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 Project Sponsor shall have paid, or shall have made provision for the timely payment of, the entire principal amount of the Loan and interest, 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.

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 Project Sponsor has received a disbursement and before five years have elapsed after the Department's final Project disbursement to the Project Sponsor.

8.03. ACCESS TO PROJECT SITE.

The Project Sponsor shall provide access to Project sites and administrative offices to authorized representatives of the Department at any reasonable time. The Project Sponsor shall cause its engineers and contractors to cooperate during Project inspections, including making available working copies of plans and specifications and supplementary materials.

8.04. ASSIGNMENT OF RIGHTS UNDER AGREEMENT.

The Department may assign any part of its rights under this Agreement after notification to the Project Sponsor. The Project Sponsor 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. This Agreement may be amended after all construction contracts are executed to re-establish the Project cost, Principal Forgiveness amount, Loan amount, Project schedule, and Semiannual Loan Payment amount. A final amendment establishing the final Project costs shall be completed after the Department's final inspection of the Project records.

8.06. ANNULMENT OF AGREEMENT.

The Department may unilaterally annul this Agreement if the Project Sponsor does not award construction contracts prior to January 15, 2010. If the Department unilaterally annuls this Agreement, the Department will provide written notification to the Project Sponsor.

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. FALSE CLAIMS.

The Project Sponsor must promptly refer to the EPA's Inspector General any credible evidence that a principal, employee, agent, sub-grantee contractor, subcontractor, loan recipient, or other person has submitted a false claim under the False Claims Act or has committed a criminal or civil violation of laws pertaining to fraud, conflict of interest, bribery, gratuity, or similar misconduct involving funds provided under this grant or sub-grants awarded by the grantee. The Project Sponsor is advised that providing false, fictitious or misleading information with respect to the receipt and disbursement of EPA grant funds may result in criminal, civil or administrative fines and/or penalties.

8.09. ARRA LOGO DISPLAY.

The Project Sponsor must display the ARRA logo in a manner that informs the public that the Project is an ARRA investment.

8.10. COMPLIANCE VERIFICATION.

(1) The Project Sponsor shall periodically interview a sufficient number of employees entitled to Davis-Bacon prevailing wages (covered employees) to verify that contractors or subcontractors are paying the appropriate wage rates. As provided in 29 CFR 5.6(a)(6), all interviews must be conducted in confidence. The Project Sponsor must use Standard Form 1445 or equivalent documentation to memorialize the interviews. Copies of the SF 1445 are available from EPA on request.

(2) The Project Sponsor shall establish and follow an interview schedule based on its assessment of the risks of noncompliance with Davis-Bacon posed by contractors or subcontractors and the duration of the contract or subcontract. At a minimum, the Project Sponsor must conduct interviews with a representative group of covered employees within two weeks of each contractor or subcontractor's submission of its initial weekly payroll data and two weeks prior to the estimated completion date for the contract or subcontract. Project Sponsors must conduct more frequent interviews if the initial interviews or other information indicates that there is a risk that the contractor or subcontractor is not complying with Davis-Bacon. Project Sponsors shall immediately conduct necessary interviews in response to an alleged violation of the prevailing wage requirements. All interviews shall be conducted in confidence.

(3) The Project Sponsor shall periodically conduct spot checks of a representative sample of weekly payroll data to verify that contractors or subcontractors are paying the appropriate wage rates. The Project Sponsor shall establish and follow a spot check schedule based on its assessment of the risks of noncompliance with Davis-Bacon posed by contractors or subcontractors and the duration of the contract or subcontract. At a minimum, the Project Sponsor must spot check payroll data within two weeks of each contractor or subcontractor's submission of its initial payroll data and two weeks prior to the completion date the contract or subcontract. Project Sponsors must conduct more frequent spot checks if the initial spot check or other information indicates that there is a risk that the contractor or subcontractor is not complying with Davis-Bacon. In addition, during the examinations the Project Sponsor shall verify evidence of fringe benefit plans and payments thereunder by contractors and subcontractors who claim credit for fringe benefit contributions.

(4) The Project Sponsor shall periodically review contractors and subcontractors use of apprentices and trainees to verify registration and certification with respect to apprenticeship and training programs approved by either the U.S Department of Labor (DOL) or a state, as appropriate, and that contractors and subcontractors are not using disproportionate numbers of, laborers, trainees and apprentices. These reviews shall be conducted in accordance with the schedules for spot checks and interviews described in items (2) and (3) above.

(5) Project Sponsors must immediately report potential violations of the Davis-Bacon prevailing wage requirements to the EPA Davis-Bacon contact Sheryl Parsons at Parsons.Sheryl@epamail.epa.gov and to the appropriate DOL Wage and Hour District Office listed at <http://www.dol.gov/esa/contacts/whd/america2.htm>.

ARTICLE IX - CONSTRUCTION CONTRACTS AND INSURANCE

9.01. AUTHORIZATION TO AWARD CONSTRUCTION CONTRACTS.

The following documentation is required to receive the Department's authorization to award construction contracts:

- (1) Proof of advertising.
- (2) Award recommendation, bid proposal, and bid tabulation (certified by the responsible engineer).
- (3) Certification of compliance with the conditions of the Department's approval of competitively or non-competitively negotiated procurement, if applicable.
- (4) Certification Regarding Disbarment, Suspension, Ineligibility and Voluntary Exclusion.
- (5) Certification by the Authorized Representative that affirmative steps were taken to encourage Minority and Women's Business Enterprises participation in Project construction.
- (6) Current certifications for Minority and Women's Business Enterprises participating in the contract. If the goals as stated in the plans and specifications are not met, documentation of actions taken shall be submitted.
- (7) Assurance that the Project Sponsor and contractors are in compliance with Section 1606 with labor standards, including prevailing wage rates established for its locality by the U.S. Department of Labor under the Davis-Bacon Act for Project construction.
- (8) Certification that all procurement is in compliance with Section 1605 of the ARRA, which states that all iron, steel, and manufactured goods used in the Project must be manufactured or assembled in the United States unless (a) a waiver is provided to the Project Sponsor by the Environmental Protection Agency (EPA) or (b) compliance would be inconsistent with United States obligations under international agreements.

9.02. SUBMITTAL OF CONSTRUCTION CONTRACT DOCUMENTS.

After the Department's authorization to award construction contracts has been received, the Project Sponsor shall submit:

- (1) Contractor insurance certifications.
- (2) Certified copy of the Project Sponsor's tentative award resolution.
- (3) Notices to proceed with construction.

9.03. INSURANCE REQUIRED.

The Project Sponsor shall cause the Project, as each part thereof is certified by the engineer responsible for overseeing construction as completed, and the Water and Sewer Systems (hereafter referred to as "Revenue Producing Facilities") to be insured by an insurance company or companies licensed to do business in the State of Florida against such damage and destruction risks as are customary for the operation of Revenue Producing Facilities of like size, type and location to the extent such insurance is obtainable from time to time against any one or more of such risks.

The proceeds of insurance policies received as a result of damage to, or destruction of, the Project or the other Revenue Producing Facilities, shall be used to restore or replace damaged portions of the facilities. If such proceeds are insufficient, the Project Sponsor shall provide additional funds to restore or replace the damaged portions of the facilities. Repair, construction or replacement shall be promptly completed.

ARTICLE X - DETAILS OF FINANCING

10.01. PRINCIPAL AMOUNT OF LOAN.

The total amount awarded is \$709,130. Of that, the estimated amount of Principal Forgiveness is \$602,761. The estimated principal amount of the Loan to be repaid is \$107,669, which consists of \$106,369 to be disbursed to the Project Sponsor and \$1,300 of Capitalized Interest.

Capitalized Interest is not disbursed to the Project Sponsor, 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. RESERVED.

10.03. FINANCING RATE.

The Financing Rate on the unpaid principal of the Loan amount specified in Section 10.01 is 2.57 percent per annum. However, if this Agreement is not executed by the Project Sponsor and returned to the Department before April 1, 2010, 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 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 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.

Each Semiannual Loan Payment shall be in the amount of \$3,459 until the payment amount is adjusted by amendment. The interest portion of each Semiannual Loan Payment shall be computed on the unpaid balance of the principal amount of the Loan, which includes Capitalized Interest. The interest 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 July 15, 2011 and semiannually thereafter on January 15 and July 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 Loan principal to be repaid of \$107,669.

10.06. PROJECT COSTS.

The Project Sponsor and the Department acknowledge that the actual Project costs have not been determined as of the effective date of this Agreement. Project cost adjustments may be made as a result of mutually agreed upon Project changes. Capitalized Interest will be recalculated based on actual dates and amounts of Loan disbursements. If the Project Sponsor receives other governmental financial assistance for this Project, the costs funded by such other governmental assistance will not be financed by this Loan. The Department shall establish the final Project costs after its final inspection of the Project records. Changes in Project costs may also occur as a result of the Project Sponsor's Project audit or a Department audit. The Project Sponsor agrees to the following estimates of Project costs:

PROJECT COSTS

CATEGORY	COST(\$)
Construction and Demolition	619,973
Technical Services After Bid Opening	89,157
SUBTOTAL (Disbursable Amount)	709,130
Less Principal Forgiveness	(602,761)
SUBTOTAL (Loan Amount)	106,369
Capitalized Interest	1,300
TOTAL (Loan Principal Amount)	107,669

10.07. SCHEDULE.

The Project Sponsor agrees by execution hereof:

- (1) Construction contracts shall be awarded no later than January 15, 2010.

- (2) Completion of Project construction is scheduled for January 15, 2011.
- (3) The Loan Debt Service Account shall be established and Monthly Loan Deposits shall begin no later than January 15, 2011.
- (4) The initial annual certification required under Subsection 2.01(10) of this Agreement shall be due April 15, 2011. Thereafter the certification shall be submitted no later than September 30 of each year until the final Semiannual Loan Payment is made.
- (5) The first Semiannual Loan Payment in the amount of \$3,459 shall be due July 15, 2011.

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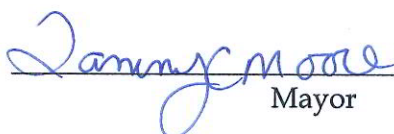
ARTICLE XI - EXECUTION OF AGREEMENT

This Loan Agreement DW420700 shall be executed in three or more counterparts, any of which shall be regarded as an original and all of which constitute but one and the same instrument.

IN WITNESS WHEREOF, the Department has caused this Agreement to be executed on its behalf by the Deputy Director and the Project Sponsor has caused this Agreement to be executed on its behalf by its Authorized Representative and by its affixed seal. The effective date of this Agreement shall be as set forth below by the Deputy Director.

for

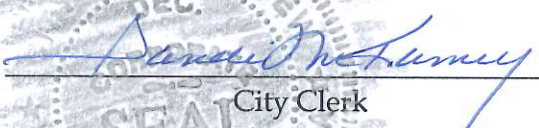
CITY OF BELLEVIEW



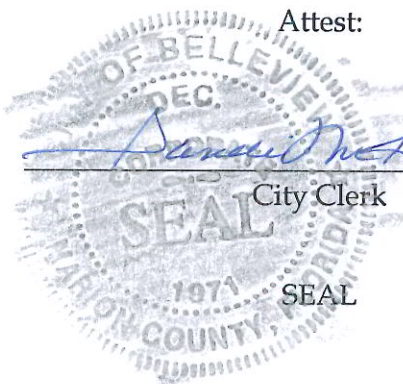
Mayor


Attest:

I attest to the opinion expressed in Section
2.02, entitled Legal Authorization.



City Clerk

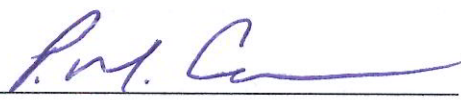




City Attorney

for

STATE OF FLORIDA
DEPARTMENT OF ENVIRONMENTAL PROTECTION



Deputy Director
Division of Water Resource Management

JAN 25 2010

Date

Attachment included as part of this Agreement:

Attachment A - Certification of Applicability to Single Audit Act Reporting

ATTACHMENT A

CERTIFICATION OF APPLICABILITY TO SINGLE AUDIT ACT REPORTING

Local Government's Name: _____

Local Government's Fiscal Year Period: FROM: _____ TO: _____

Total State Financial Assistance Expended during Local Government's most recently completed Fiscal Year: \$ _____

Total Federal Financial Assistance Expended during Local Government's most recently completed Fiscal Year: \$ _____

Please identify grants to be included in the Single Audit that are provided by the Department of Environmental Protection

CSFA#CFDA# DEP LOAN AGREEMENT NUMBER

CERTIFICATION STATEMENT:

I hereby certify that the above information is correct:

Name

Date

Title

**DRINKING WATER STATE REVOLVING FUND
AMENDMENT 1 TO LOAN AGREEMENT DW420700
CITY OF BELLEVIEW**

This amendment is executed by the STATE OF FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION (Department) and the CITY OF BELLEVIEW, FLORIDA, (Project Sponsor) existing as a local government agency under the laws of the State of Florida.

WITNESSETH:

WHEREAS, the Department and the Project Sponsor entered into a Drinking Water State Revolving Fund Loan Agreement, Number DW420700, authorizing a Loan amount of \$709,130, excluding Capitalized Interest and including a Principal Forgiveness amount of \$602,761; and

WHEREAS, the Project costs need adjustment to reflect actual costs; and

WHEREAS, the Semiannual Loan Payment amount needs revision to reflect adjustment of the Capitalized Interest and account for payments made to date; and

WHEREAS, revised provisions for audit and monitoring are needed.

NOW, THEREFORE, the parties hereto agree as follows:

1. The total disbursed amount is \$709,130 which includes \$602,761 in Principal Forgiveness and a balance of \$106,369 in Loan.
2. The total amount to repay is \$107,493.46, which consists of \$106,369.00 disbursed to the Project Sponsor and \$1,124.46 of accrued Capitalized Interest both at an interest rate of 2.57 percent per annum.
3. The total amount remaining to repay, which amount accounts for the Department's receipt of four Semiannual Loan Payments is \$98,854.28.
4. The Semiannual Loan Payment amount, adjusted to account for repayments received to date, is hereby revised and shall be in the amount of \$3,447.18. Such payments shall be received by the Department on July 15, 2013 and semiannually thereafter on January 15 and July 15 of each year until all amounts due hereunder have been fully paid.
5. Subsection 2.03(3)(a)(i) of the Agreement is deleted and replaced as follows:
 - (3) Report Submission.
 - (a) Copies of reporting packages for audits conducted in accordance with OMB Circular A-133, as revised, and required by Subsection 2.03(2) of this Agreement shall be submitted,

when required by Section .320 (d), OMB Circular A-133, as revised, by or on behalf of the Project Sponsor directly to each of the following:

- (i) The Department at the following address:

Valerie Peacock, Audit Director
Office of the Inspector General
Florida Department of Environmental Protection
3900 Commonwealth Boulevard, MS 41
Tallahassee, Florida 32399-3123

6. The Project Sponsor and the Department acknowledge that changes in Project costs may occur as a result of the Project Sponsor's Project audit or a Department audit pursuant to Chapter 62-552 of the Florida Administrative Code. Unless this Agreement is amended subsequent to an audit, the following Project disbursements shall be final.

CATEGORY	DISBURSED (\$)
Construction and Demolition	623,174.00
Technical Services During Construction	85,956.00
SUBTOTAL (Total Disbursed)	709,130.00
Less Principal Forgiveness	(602,761.00)
Adjusted Loan Amount	106,369.00
Capitalized Interest	1,124.46
TOTAL (Loan Principal Amount)	107,493.46

7. The Project-specific audit required under Subsection 2.03(4) of the Agreement shall be submitted within twelve months after the effective date of this amendment.

8. All other terms and provisions of the Loan Agreement shall remain in effect.

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

This Amendment 1 to Loan Agreement DW420700 shall be executed in three or more counterparts, any of which shall be regarded as an original and all of which constitute but one and the same instrument.

IN WITNESS WHEREOF, the Department has caused this amendment to the Loan Agreement to be executed on its behalf by the Program Administrator of the Department, and the Project Sponsor has caused this amendment to be executed on its behalf by its Authorized Representative and by its affixed seal. The effective date of this amendment shall be as set forth below by the Program Administrator of the Department of Environmental Protection, State Revolving Fund.

for

CITY OF BELLEVIEW

Christine K. DalPoushi

Mayor

Attest:

Attest as to form and legality:

Doreen DeKorney
City Clerk

[Signature]

City Attorney

for

**STATE OF FLORIDA
DEPARTMENT OF ENVIRONMENTAL PROTECTION**

Angela Kuecht

Program Administrator
State Revolving Fund

MAR 25 2013

Date

**City of Belleview
Water Meter Replacement Project
SRF Drinking Water Loan Application**

Attachment 6

Debt Obligations

Florida Department of Environmental Protection
Clean Water State Revolving Fund Loan
DW42701

Prepared by Angie Brewer & Associates, LC



121-100-04 A-6

**STATE OF FLORIDA
DEPARTMENT OF ENVIRONMENTAL PROTECTION**

AND

CITY OF BELLEVIEW, FLORIDA

**DRINKING WATER STATE REVOLVING FUND
CONSTRUCTION LOAN AGREEMENT
DW420701**

Florida Department of Environmental Protection
Bureau of Water Facilities Funding
Bob Martinez Center
2600 Blair Stone Road, MS 3505
Tallahassee, Florida 32399-2400

DRINKING WATER STATE REVOLVING FUND CONSTRUCTION LOAN AGREEMENT

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DRINKING WATER STATE REVOLVING FUND CONSTRUCTION LOAN AGREEMENT

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DRINKING WATER STATE REVOLVING FUND
CONSTRUCTION LOAN AGREEMENT
DW420701

THIS AGREEMENT is executed by the STATE OF FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION (Department) and the CITY OF BELLEVIEW, FLORIDA, (Project Sponsor) existing as a local governmental agency under the laws of the State of Florida.

WITNESSETH:

WHEREAS, pursuant to Section 403.8532, Florida Statutes, the Department is authorized to make loans to finance or refinance the construction of public water systems, the planning and design of which have been reviewed by the Department; and

WHEREAS, the Project Sponsor has made application for the financing of the Project, and the Department has determined that such Project meets all requirements for a loan.

NOW, THEREFORE, in consideration of the Department loaning money to the Project Sponsor, in the principal amount and pursuant to the covenants hereinafter set forth, 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) "ARRA" shall mean the American Recovery and Reinvestment Act of 2009.
- (3) "Associated Loan" shall mean the money awarded to the Project Sponsor for the Project by the Department pursuant to the Associated Loan Agreement and amendments thereto.
- (4) "Associated Loan Agreement" shall mean the Drinking Water SRF Loan Agreement, Number DW420700, including amendments thereto, between the Project Sponsor and the Department.
- (5) "Authorized Representative" shall mean the official of the Project Sponsor authorized by ordinance or resolution to sign documents associated with the Loan.
- (6) "Capitalized Interest" shall mean the interest accruing 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.

(7) "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.

(8) "Gross Revenues" shall mean all income or earnings received by the Project Sponsor 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.

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

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

(11) "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 Project Sponsor for the purpose of accumulating Monthly Loan Deposits and making Semiannual Loan Payments.

(12) "Loan Service Fee" shall mean an origination fee which shall be paid to the Department by the Project Sponsor.

(13) "Monthly Loan Deposit" shall mean the monthly deposit to be made by the Project Sponsor to the Loan Debt Service Account.

(14) "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.

(15) "Pledged Revenues" shall mean the specific revenues pledged as security for repayment of the Loan and the Associated Loan and shall be the System Development Charges and 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 Obligations and any senior obligations issued pursuant to Section 7.02 of this Agreement.

(16) "Project" shall mean the works financed by this Loan and the Associated Loan and shall consist of furnishing all labor, materials, and equipment to construct the transmission project in accordance with the plans and specifications accepted by the Department for "City of Belleview South US 441 Water Main Extension" contract.

The Project is in agreement with the "City of Belleview Water System Improvements Facilities Plan", dated November 30, 2009. A Florida Finding of No Significant Impact was

published on November 25, 2009 and no adverse comments were received. The Project is an Equivalency Project as defined in Chapter 62-552, Florida Administrative Code.

(17) "Semiannual Loan Payment" shall mean the payment due from the Project Sponsor to the Department at six-month intervals.

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

(a) City of Belleview, Florida, Water and Sewer Revenue Bonds, Series 1977, issued in the amount of \$325,000, pursuant to a Resolution of the City of Belleview adopted December 16, 1975; and

(b) City of Belleview, Florida, Water and Sewer Revenue Bonds, Series 1986B, issued in the amount of \$450,200, pursuant to Resolution No. 86-03, supplementing a Resolution adopted on December 16, 1975; and

(c) City of Belleview, Florida, Water and Sewer Revenue Bonds, Series 1986A, issued in the amount of \$491,600, pursuant to Resolution No. 86-03, supplementing a Resolution adopted on December 16, 1975; and

(d) City of Belleview, Florida, Water and Sewer Revenue Bonds, Series 1988, issued in the amount of \$1,000,000, pursuant to Resolution No. 88-01, supplementing a Resolution adopted on December 16, 1975; and

(e) Additional bonds issued on a parity with the bonds identified above pursuant to Section 3.04(H) of the Resolution of the City of Belleview adopted December 16, 1975; and

(f) 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.

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

(20) "System Development Charges" shall mean the fees and charges levied upon and collected from new users of the Water System as a contribution toward their equitable share of the cost of capital improvements required to serve new users of the Water System, together with the income from investment of such amounts to the extent such fees, charges, and income are legally available to pay debt service on this Loan.

(21) "Water System" shall mean all facilities owned by the Project Sponsor 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 bodies, as well as natural persons.

ARTICLE II - WARRANTIES, REPRESENTATIONS AND COVENANTS

2.01. WARRANTIES, REPRESENTATIONS AND COVENANTS.

The Project Sponsor warrants, represents and covenants that:

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

(2) The Project Sponsor 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 Project Sponsor's knowledge, threatened, which seeks to restrain or enjoin the Project Sponsor 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 Project Sponsor knows of no reason why any future required permits or approvals are not obtainable.

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

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

(7) All Project Sponsor 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 Project Sponsor to the Department was current and correct as of the date such information was delivered. The Project Sponsor shall comply with Chapter 62-552, Florida Administrative Code, and all applicable State and Federal laws, rules, and regulations which are identified in the Loan Application or Agreement. Minority and Women's Business Enterprise goals as stated in the plans and specifications apply to this Project. To the extent that any assurance, representation, or covenant requires a future action, the Project Sponsor shall take such action as is necessary for compliance.

(8) The Project Sponsor shall maintain records using generally accepted accounting principles established by the Governmental Accounting Standards Board. As part of its bookkeeping system, the Project Sponsor 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 Project Sponsor's annual budget to be insufficient to make the Semiannual Loan Payments for such Fiscal Year when due, the Project Sponsor 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 Project Sponsor shall collect such funds for application as provided herein. The Project Sponsor 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 Project Sponsor to levy or appropriate ad valorem tax revenues; or preventing the Project Sponsor 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) Each year, beginning three months before the first Semiannual Loan Payment and ending with the year during which the final Loan repayment is made, the Project Sponsor's Authorized Representative or its chief financial officer shall submit, pursuant to the schedule established in Section 10.07, a certification that: (a) Pledged Revenue collections satisfy the rate coverage requirement; (b) the Loan Debt Service Account contains the funds required; and (c) insurance in effect for the facilities generating the Pledged Revenues adequately covers the customary risks to the extent that such insurance is available.

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

(12) The Project Sponsor agrees to construct the Project in accordance with the Project schedule. Delays incident to strikes, riots, acts of God, and other events beyond the reasonable control of the Project Sponsor 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.

(13) The Project Sponsor covenants that this Agreement is entered into for the purpose of constructing, refunding, or refinancing the Project which will in all events serve a public purpose. The Project Sponsor covenants that it will, under all conditions, complete and operate the Project to fulfill the public need.

2.02. LEGAL AUTHORIZATION.

Upon signing this Agreement, the Project Sponsor'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 Project Sponsor and shall constitute a valid and legal obligation of the Project Sponsor enforceable in accordance with its terms upon execution by both parties; and

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

2.03. AUDIT AND MONITORING REQUIREMENTS.

The Project Sponsor agrees to the following audit and monitoring requirements.

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

Federal Resources, Including State Match, Awarded to the Recipient Pursuant to this Agreement Consist of the Following:					
Federal Program Number	Federal Agency	CFDA Number	CFDA Title	Funding Amount	State Appropriation Category
FS984522-090	EPA	66.468	Capitalization Grants for Drinking Water State Revolving Fund	\$842,973	140129

(2) Audits.

(a) In the event that the Project Sponsor expends \$500,000 or more in Federal awards in its fiscal year, the Project Sponsor must have a single or program-specific audit conducted in accordance with the provisions of OMB Circular A-133, as revised. Subsection 2.03(1) of this Agreement indicates that Federal funds are awarded through the Department by this Agreement. In determining the Federal awards expended in its fiscal year, the Project Sponsor shall consider all sources of Federal awards, including Federal resources received from the Department of Environmental Protection. The determination of amounts of Federal awards expended should be in accordance with the guidelines established by OMB Circular A-133, as revised. An audit of the Project Sponsor conducted by the Auditor General in accordance with the provisions of OMB Circular A-133, as revised, will meet the requirements of this part.

(b) In connection with the audit requirements addressed in the preceding paragraph (a), the Project Sponsor shall fulfill the requirements relative to auditee responsibilities as provided in Subpart C of OMB Circular A-133, as revised.

(c) If the Project Sponsor expends less than \$500,000 in Federal awards in its fiscal year, an audit conducted in accordance with the provisions of OMB Circular A-133, as revised, is not required. The Project Sponsor shall inform the Department of findings and recommendations pertaining to the State Revolving Fund in audits conducted by the Project Sponsor in which the \$500,000 threshold has not been met. In the event that the Project Sponsor expends less than \$500,000 in Federal awards in its fiscal year and elects to have an audit conducted in accordance with the provisions of OMB Circular A-133, as revised, the cost of the audit must be paid from non-Federal resources (i.e., the cost of such an audit must be paid from Project Sponsor resources obtained from other than Federal entities).

(d) The Project Sponsor may access information regarding the Catalog of Federal Domestic Assistance (CFDA) via the internet at www.cfda.gov/index?cck=1&au=&cck=.

(3) Report Submission.

(a) Copies of reporting packages for audits conducted in accordance with OMB Circular A-133, as revised, and required by Subsection 2.03(2) of this Agreement shall be submitted,

when required by Section .320 (d), OMB Circular A-133, as revised, by or on behalf of the Project Sponsor directly to each of the following:

- (i) The Department at the following address:

Joe Aita, Audit Director
Office of the Inspector General
Florida Department of Environmental Protection
3900 Commonwealth Boulevard, MS 41
Tallahassee, Florida 32399-3123

- (ii) The Federal Audit Clearinghouse designated in OMB Circular A-133, as revised (the number of copies required by Sections .320 (d)(1) and (2), OMB Circular A-133, as revised, should be submitted to the Federal Audit Clearinghouse), at the following address:

Federal Audit Clearinghouse
Bureau of the Census
1201 East 10th Street
Jeffersonville, IN 47132

Submissions of the Single Audit reporting package for fiscal periods ending on or after January 1, 2008, **must be** submitted using the Federal Clearinghouse's Internet Data Entry System which can be found at <http://harvester.census.gov/fac/>

- (iii) Other Federal agencies and pass-through entities in accordance with Sections .320(e) and (f), OMB Circular A-133, as revised.

(b) Pursuant to Section .320(f), OMB Circular A-133, as revised, the Project Sponsor shall submit a copy of the reporting package described in Section .320(c), OMB Circular A-133, as revised, and any management letters issued by the auditor, to the Department at the address listed under Subsection 2.03(3)(a) of this Agreement.

(c) 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 OMB Circular A-133, Florida Statutes, or Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General, as applicable.

(d) Project Sponsors, when submitting financial reporting packages to the Department for audits done in accordance with OMB Circular A-133, or 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 Project Sponsor in correspondence accompanying the reporting package.

(4) Project-Specific Audit.

Within 12 months after the amendment establishing final Project costs, the Project Sponsor shall submit to the Department a Project-specific audit report for the Loan related revenues and expenditures. The audit shall address Loan disbursements received, Project expenditures, and compliance with Loan Agreement covenants. The Project Sponsor shall

cause the auditor to notify the Department immediately if anything comes to the auditor's attention during the examination of records that would constitute a default under the Loan Agreement. The audit findings shall set aside or question any costs that are unallowable under Chapter 62-503, Florida Administrative Code. A final determination of whether such costs are allowed shall be made by the Department.

(5) Record Retention.

The Project Sponsor shall retain sufficient records demonstrating its compliance with the terms of this Agreement for a period of five years from the date the audit report is issued, and shall allow the Department, or its designee, Chief Financial Officer, or Auditor General access to such records upon request. The Project Sponsor shall ensure that audit 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 the audit report is issued, unless extended in writing by the Department.

The Project Sponsor is hereby advised that the Federal and/or Florida Single Audit Act Requirements may further apply to lower tier transactions that may be a result of this Agreement. For federal financial assistance, the Project Sponsor shall utilize the guidance provided under OMB Circular A-133, Subpart B, Section __.210 for determining whether the relationship represents that of a subrecipient or vendor.

The Project Sponsor should confer with its chief financial officer, audit director or contact the Department for assistance with questions pertaining to the applicability of these requirements.

In addition, the Project Sponsor agrees to complete and submit the Certification of Applicability to Single Audit Act Reporting, Attachment A, attached hereto and made a part hereof, within four (4) months following the end of the Project Sponsor's fiscal year. Attachment A should be submitted to the Department's Grants Development and Review Manager at 3900 Commonwealth Boulevard, Mail Station 93, Tallahassee, Florida 32399-3000. The Grants Development and Review Manager is available to answer any questions at (850) 245-2361.

(6) Monitoring.

In addition to reviews of audits conducted in accordance with OMB Circular A-133, as revised (see audit requirements above), monitoring procedures may include, but not be limited to, on-site visits by Department staff, limited scope audits as defined by OMB Circular A-133, as revised, and/or other procedures. By entering into this Agreement, the Project Sponsor 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 Project Sponsor is appropriate, the Project Sponsor agrees to comply with any additional instructions provided by the Department to the Project Sponsor regarding such audit. The Project Sponsor 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 REPAYMENT ACCOUNT

3.01. LOAN DEBT SERVICE ACCOUNT.

The Project Sponsor 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 Project Sponsor 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 Project Sponsor fails to make a required Monthly Loan Deposit, the Project Sponsor's chief financial officer shall notify the Department of such failure. In addition, the Project Sponsor 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 Project Sponsor, nor shall it be construed to give the Department the power to require the Project Sponsor 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 Project Sponsor'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.

Project changes prior to bid opening shall be made by addendum to plans and specifications. Changes after bid opening shall be made by change order. The Project Sponsor shall submit all addenda and all change orders to the Department for an eligibility determination. After execution of all construction, equipment and materials contracts, the Project contingency may be reduced.

4.02. TITLE TO PROJECT SITE.

The Project Sponsor shall have an interest in real property sufficient for the construction and location of the Project free and clear of liens and encumbrances which would impair the usefulness of such sites for the intended use.

4.03. PERMITS AND APPROVALS.

The Project Sponsor shall have obtained, prior to the Department's authorization to award construction contracts, all permits and approvals required for construction of the Project or portion of the Project funded under this Agreement.

4.04. ENGINEERING SERVICES.

A professional engineer, registered in the State of Florida, shall be employed by, or under contract with, the Project Sponsor to oversee construction.

4.05. PROHIBITION AGAINST ENCUMBRANCES.

The Project Sponsor 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 amendments thereto, is in effect unless the written consent of the Department is first secured.

4.06. COMPLETION MONEYS.

In addition to the proceeds of this Loan, the Project Sponsor covenants that it has obtained, or will obtain, sufficient moneys from other sources to complete construction and place the Project in operation on, or prior to, the date specified in Article X. Failure of the Department to approve additional financing shall not constitute a waiver of the Project Sponsor's covenants to complete and place the Project in operation.

4.07. 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 Loan principal 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.

4.08. LOAN DISBURSEMENTS.

Disbursements shall be made only by the State Chief Financial Officer and only when the requests for such disbursements are accompanied by a Department certification that such withdrawals are proper expenditures. Disbursements shall be made directly to the Project Sponsor for engineering and administrative allowances, and reimbursement of the incurred construction costs and related services. Disbursement of the allowances shall be made upon the Department's receipt of a disbursement request form. 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.

(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 and applied to the project; that all funds received to date have been applied toward completing the Project; and that under the terms and provisions of the contracts, the Project Sponsor is required to make such payments.

(3) A certification by the engineer responsible for overseeing construction stating that equipment, materials, labor and services represented by the construction invoices have been satisfactorily purchased, or received, and applied to the Project in accordance with construction contract documents; stating that payment is in accordance with construction contract provisions; stating that construction, up to the point of the requisition, is in compliance with the contract documents; and identifying all additions or deletions to the Project which have altered the Project's performance standards, scope, or purpose since the issue of the Department construction permit.

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

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

5.01. RATE COVERAGE.

The Project Sponsor shall maintain rates and charges for the services furnished by the Water and Sewer Systems which, together with System Development Charges, 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 Project Sponsor shall satisfy the coverage requirements of all senior and parity debt obligations.

5.02. NO FREE SERVICE.

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

5.03. MANDATORY CONNECTIONS.

The Project Sponsor 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 Project Sponsor 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 Project Sponsor 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 Project Sponsor 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 Project Sponsor shall use its best efforts to collect all rates, fees and other charges due to it. The Project Sponsor 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 Project Sponsor 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.

Each of the following events is hereby declared an event of default:

(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 Subsections 6.01(1) and 6.01(7), failure to comply with the provisions of this Agreement or failure in the performance or observance of any of the covenants or actions required by this Agreement and such failure shall continue for a period of 60 days after written notice thereof to the Project Sponsor by the Department.

(3) Any warranty, representation or other statement by, or on behalf of, the Project Sponsor contained in this Agreement or in any information furnished in compliance with, or in reference to, this Agreement, which is false or misleading.

(4) An order or decree entered, with the acquiescence of the Project Sponsor, 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 Project Sponsor, 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 Project Sponsor, for the purpose of effecting a composition between the Project Sponsor 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 Project Sponsor under federal or state bankruptcy or insolvency law now or hereafter in effect and, if instituted against the Project Sponsor, is not dismissed within 60 days after filing.

(7) Failure of the Project Sponsor to give immediate written notice of default to the Department and such failure shall continue for a period of 30 days.

6.02. REMEDIES.

Upon any event of default and subject to the rights of others having prior liens on the Pledged Revenues, the Department may enforce its rights by 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 Project Sponsor to fulfill this Agreement.

(2) By action or suit in equity, require the Project Sponsor 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 six percent, expressed as an annual interest rate, penalty of the amount due to the Department from any unobligated funds due to the Project Sponsor under any revenue or tax sharing fund established by the State, except as otherwise provided by the State Constitution. 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 interest rate on the unpaid principal of the Loan to as much as 1.667 times the Loan interest rate for a default under Subsection 6.01(1).

6.03. DELAY AND WAIVER.

No delay or omission by the Department to exercise any right or power accruing upon 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 event 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, on equal priority, will be prior and superior to any other lien, pledge or assignment with the following exception. All obligations of the Project Sponsor under this Agreement shall be junior, inferior, and subordinate in all respects in right of payment and security to the Senior Revenue Obligations 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. Any of the Pledged Revenues may be released from the lien on such Pledged Revenues in favor of the Department if the Department makes a determination, 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 Project Sponsor 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 shall be granted if the Project Sponsor 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 Project Sponsor and will satisfy the coverage requirements of all other debt obligations secured by the Pledged Revenues. However, no such consent is required with respect to issuance of Senior Revenue Obligations as defined in Section 1.01.

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 Project Sponsor shall have paid, or shall have made provision for the timely payment of, the entire principal amount of the Loan and interest, 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.

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 Project Sponsor has received a disbursement and until five years after the date that the Project-specific audit report, required under Subsection 2.03(4), is issued.

8.03. ACCESS TO PROJECT SITE.

The Project Sponsor shall provide access to Project sites and administrative offices to authorized representatives of the Department at any reasonable time. The Project Sponsor shall cause its engineers and contractors to cooperate during Project inspections, including making available working copies of plans and specifications and supplementary materials.

8.04. ASSIGNMENT OF RIGHTS UNDER AGREEMENT.

The Department may assign any part of its rights under this Agreement after notification to the Project Sponsor. The Project Sponsor 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. This Agreement may be amended after all construction contracts are executed to re-establish the Project cost, Loan amount, Project schedule, and Semiannual Loan Payment amount. A final amendment establishing the final Project costs shall be completed after the Department's final inspection of the Project records.

8.06. ANNULMENT OF AGREEMENT.

The Department may unilaterally annul this Agreement if the Project Sponsor has not drawn any of the Loan proceeds by January 15, 2011. If the Department unilaterally annuls this Agreement, the Department will provide written notification to the Project Sponsor.

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. RESERVED.

8.09. RESERVED.

8.10. COMPLIANCE VERIFICATION.

(1) The Local Government shall periodically interview a sufficient number of employees entitled to Davis-Bacon prevailing wages (covered employees) to verify that contractors or subcontractors are paying the appropriate wage rates. As provided in 29 CFR 5.6(a)(6), all interviews must be conducted in confidence. The Local Government must use Standard Form 1445 or equivalent documentation to memorialize the interviews. Copies of the SF 1445 are available from EPA on request.

(2) The Local Government shall establish and follow an interview schedule based on its assessment of the risks of noncompliance with Davis-Bacon posed by contractors or subcontractors and the duration of the contract or subcontract. At a minimum, the Local Government must conduct interviews with a representative group of covered employees within two weeks of each contractor or subcontractor's submission of its initial weekly payroll data and two weeks prior to the estimated completion date for the contract or subcontract. Local Governments must conduct more frequent interviews if the initial interviews or other information indicates that there is a risk that the contractor or subcontractor is not complying

with Davis-Bacon. Local Governments shall immediately conduct necessary interviews in response to an alleged violation of the prevailing wage requirements. All interviews shall be conducted in confidence.

(3) The Local Government shall periodically conduct spot checks of a representative sample of weekly payroll data to verify that contractors or subcontractors are paying the appropriate wage rates. The Local Government shall establish and follow a spot check schedule based on its assessment of the risks of noncompliance with Davis-Bacon posed by contractors or subcontractors and the duration of the contract or subcontract. At a minimum, the Local Government must spot check payroll data within two weeks of each contractor or subcontractor's submission of its initial payroll data and two weeks prior to the completion date the contract or subcontract. Local Governments must conduct more frequent spot checks if the initial spot check or other information indicates that there is a risk that the contractor or subcontractor is not complying with Davis-Bacon. In addition, during the examinations the Local Government shall verify evidence of fringe benefit plans and payments thereunder by contractors and subcontractors who claim credit for fringe benefit contributions.

(4) The Local Government shall periodically review contractors and subcontractors use of apprentices and trainees to verify registration and certification with respect to apprenticeship and training programs approved by either the U.S Department of Labor (DOL) or a state, as appropriate, and that contractors and subcontractors are not using disproportionate numbers of, laborers, trainees and apprentices. These reviews shall be conducted in accordance with the schedules for spot checks and interviews described in items (2) and (3) above.

(5) Local Governments must immediately report potential violations of the Davis-Bacon prevailing wage requirements to the EPA Davis-Bacon contact Sheryl Parsons at Parsons.Sheryl@epamail.epa.gov and to the appropriate DOL Wage and Hour District Office listed at <http://www.dol.gov/esa/contacts/whd/america2.htm>.

ARTICLE IX - CONSTRUCTION CONTRACTS AND INSURANCE

9.01. AUTHORIZATION TO AWARD CONSTRUCTION CONTRACTS.

The following documentation is required to receive the Department's authorization to award construction contracts:

- (1) Proof of advertising.
- (2) Award recommendation, bid proposal, and bid tabulation (certified by the responsible engineer).
- (3) Certification of compliance with the conditions of the Department's approval of competitively or non-competitively negotiated procurement, if applicable.
- (4) Certification Regarding Disbarment, Suspension, Ineligibility and Voluntary Exclusion.

(5) Certification by the Authorized Representative that affirmative steps were taken to encourage Minority and Women's Business Enterprises participation in Project construction.

(6) Current certifications for Minority and Women's Business Enterprises participating in the contract. If the goals as stated in the plans and specifications are not met, documentation of actions taken shall be submitted.

(7) Assurance that the Local Government and contractors are in compliance with Section 1606 with labor standards, including prevailing wage rates established for its locality by the U.S. Department of Labor under the Davis-Bacon Act for Project construction.

(8) Certification that all procurement is in compliance with Section 1605 of the ARRA, which states that all iron, steel, and manufactured goods used in the Project must be manufactured or assembled in the United States unless (a) a waiver is provided to the Project Sponsor by the Environmental Protection Agency (EPA) or (b) compliance would be inconsistent with United States obligations under international agreements.

9.02. SUBMITTAL OF CONSTRUCTION CONTRACT DOCUMENTS.

After the Department's authorization to award construction contracts has been received, the Project Sponsor shall submit:

- (1) Contractor insurance certifications,
- (2) Executed Contract(s).
- (3) Notices to proceed with construction.

9.03. INSURANCE REQUIRED.

The Project Sponsor shall cause the Project, as each part thereof is certified by the engineer responsible for overseeing construction as completed, and the Water and Sewer Systems (hereafter referred to as "Revenue Producing Facilities") to be insured by an insurance company or companies licensed to do business in the State of Florida against such damage and destruction risks as are customary for the operation of Revenue Producing Facilities of like size, type and location to the extent such insurance is obtainable from time to time against any one or more of such risks.

The proceeds of insurance policies received as a result of damage to, or destruction of, the Project or the other Revenue Producing Facilities, shall be used to restore or replace damaged portions of the facilities. If such proceeds are insufficient, the Project Sponsor shall provide additional funds to restore or replace the damaged portions of the facilities. Repair, construction or replacement shall be promptly completed.

ARTICLE X - DETAILS OF FINANCING

10.01. PRINCIPAL AMOUNT OF LOAN.

The estimated principal amount of the Loan is \$845,573, which consists of \$842,973 to be disbursed to the Project Sponsor and \$2,600 of Capitalized Interest.

Capitalized interest is not disbursed to the Project Sponsor, but is amortized via periodic loan repayments to the Department as if it were actually disbursed. Capitalized interest is computed at the interest 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 \$16,859 for the Loan amount authorized to date. The fee represents two percent of the Loan amount excluding Capitalized Interest; that is, two percent of \$842,973. An additional Loan Service Fee amount will be assessed for any additional funding provided by amendment to this Agreement. The fee shall be adjusted downward if adjustment of Project costs results in a Loan decrease, provided that the decrease amendment is executed before the first Semiannual Loan Payment due date.

Interest shall accrue on the Loan Service Fee at the rate, or rates, set for the Loan until the fee is paid. Loan Service Fee interest shall be compounded annually from the effective date of the Loan until six months before the first Semiannual Loan Payment is due at which time it is capitalized. The estimated Loan Service Fee capitalized interest is \$100.

10.03. INTEREST RATE.

The rate of interest on the unpaid principal of the Loan amount specified in Section 10.01 is 2.61 percent per annum; however, if this Agreement is not executed by the Project Sponsor and returned to the Department before January 1, 2011, the interest rate may be adjusted. A separate interest rate shall be established for any additional 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 Loan Service Fee and Loan Service Fee capitalized interest and the principle of level debt service. The Department will deduct the Loan Service Fee and all associated interest from the first two payments. 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 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.

Each Semiannual Loan Payment shall be in the amount of \$27,816 until the payment amount is adjusted by amendment. The interest portion of each Semiannual Loan Payment shall be computed on the unpaid balance of the principal amount of the Loan, including Capitalized Interest. Interest also shall be computed on the unpaid balance of the Loan Service Fee and Loan Service Fee capitalized interest. Interest shall be computed as of the due date of each Semiannual Loan Payment.

Semiannual Loan Payments shall be received by the Department beginning on July 15, 2011 and semiannually thereafter on January 15 and July 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 \$862,532, which consists of the Loan principal plus the Loan Service Fee with its capitalized interest.

10.06. PROJECT COSTS.

The Project Sponsor and the Department acknowledge that the actual Project costs have not been determined as of the effective date of this Agreement. Project cost adjustments may be made as a result of mutually agreed upon Project changes. Capitalized Interest will be recalculated based on actual dates and amounts of Loan disbursements. If the Project Sponsor receives other governmental financial assistance for this Project, the costs funded by such other governmental assistance will not be financed by this Loan. The Department shall establish the final costs after its final inspection of the Project records. Changes in Project costs may also occur as a result of the Project Sponsor's Project audit or a Department audit. The Project Sponsor agrees to the following estimates of Project costs:

PROJECT COSTS

LINE ITEM	TOTAL COSTS	ARRA Loan DW420700	Companion DW420701
Administrative Allowance	12,000	0	12,000
Engineering Allowance	100,509	0	100,509
Construction	1,276,301	619,973	656,328
Technical Services	99,478	89,157	10,321
Contingency	63,815	0	63,815
Subtotal (Disbursable Amount)	1,552,103	709,130	842,973
Estimated Principal Forgiveness	(602,761)	(602,761)	0
Subtotal (Loan Amount)	949,342	106,369	842,973
Estimated Capitalized Interest	3,900	1,300	2,600
Total (Loan Principal Amount)	953,242	107,669	845,573

10.07. SCHEDULE.

The Project Sponsor agrees by execution hereof:

- (1) Completion of Project construction is scheduled for January 15, 2011.
- (2) The Loan Debt Service Account shall be established and Monthly Loan Deposits shall begin no later than January 15, 2011.
- (3) The initial annual certification required under Subsection 2.01(10) of this Agreement shall be due April 15, 2011. Thereafter the certification shall be submitted no later than September 30 of each year until the final Semiannual Loan Payment is made.
- (4) The first Semiannual Loan Payment in the amount of \$27,816 shall be due July 15, 2011.

10.08. SPECIAL CONDITIONS.

- (1) Project costs, as provided for in this Loan and the Associated Loan shall be reviewed, and may be adjusted, once the final Project costs have been established.
- (2) Prior to any funds being released, the Local Government shall submit a revised Legal Opinion authorizing the principal amount of the loan, addressing the availability of pledged revenues, the right to increase rates, and subordination of the pledge.

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ARTICLE XI - EXECUTION OF AGREEMENT

This Loan Agreement DW420701 shall be executed in three or more counterparts, any of which shall be regarded as an original and all of which constitute but one and the same instrument.

IN WITNESS WHEREOF, the Department has caused this Agreement to be executed on its behalf by the Deputy Director and the Project Sponsor has caused this Agreement to be executed on its behalf by its Authorized Representative and by its affixed seal. The effective date of this Agreement shall be as set forth below by the Deputy Director.

for

CITY OF BELLEVIEW


Mayor

I attest to the opinion expressed in Section
2.02, entitled Legal Authorization.

Attest

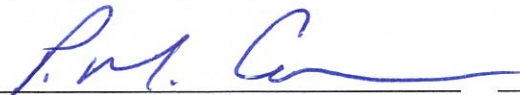

City Clerk

SEAL


City Attorney

for

STATE OF FLORIDA
DEPARTMENT OF ENVIRONMENTAL PROTECTION



Deputy Director
Division of Water Resource Management

OCT 29 2010

Date

Attachment included as part of this Agreement:

Attachment A - Certification of Applicability to Single Audit Act Reporting

**DRINKING WATER STATE REVOLVING FUND
AMENDMENT 1 TO LOAN AGREEMENT DW420701
CITY OF BELLEVIEW**

This amendment is executed by the STATE OF FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION (Department) and the CITY OF BELLEVIEW, FLORIDA, (Project Sponsor) existing as a local government agency under the laws of the State of Florida.

WITNESSETH:

WHEREAS, the Department and the Project Sponsor entered into a Drinking Water State Revolving Fund Loan Agreement, Number DW420701, authorizing a Loan amount of \$842,973, excluding Capitalized Interest; and

WHEREAS, the Loan amount and Project costs need adjustment to reflect actual costs; and

WHEREAS, the Semiannual Loan Payment amount needs revision to reflect adjustment of the Loan amount and account for payments made to date; and

WHEREAS, revised provisions for audit and monitoring are needed.

NOW, THEREFORE, the parties hereto agree as follows:

1. The Loan amount is hereby reduced by \$258,643, and the adjusted total disbursed Loan amount is \$584,330.
2. The Loan Service Fee is \$16,859.00, and capitalized Loan Service Fee interest is \$94.03.
3. The total amount to repay is \$601,283.03, which consists of \$584,330.00 disbursed to the Project Sponsor and \$16,953.03 of Service Fee charges.
4. The total amount remaining to repay, which amount accounts for the Department's receipt of four Semiannual Loan Payments, is \$515,445.14 at an interest rate of 2.61 percent per annum.
5. The Semiannual Loan Payment amount, adjusted to account for repayments received to date, is hereby revised and shall be in the amount of \$18,035.12. Such payments shall be received by the Department on July 15, 2013 and semiannually thereafter on January 15 and July 15 of each year until all amounts due hereunder have been fully paid.
6. Subsections 2.03(1) and (3)(a)(i) of the Agreement are deleted and replaced as follows:

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

Federal Resources, Including State Match, Awarded to the Recipient Pursuant to this Agreement Consist of the Following:					
Federal Program Number	Federal Agency	CFDA Number	CFDA Title	Funding Amount	State Appropriation Category
FS984522- 090	EPA	66.468	Capitalization Grants for Drinking Water State Revolving Fund	\$584,330	140129

(3) Report Submission.

(a) Copies of reporting packages for audits conducted in accordance with OMB Circular A-133, as revised, and required by Subsection 2.03(2) of this Agreement shall be submitted, when required by Section .320 (d), OMB Circular A-133, as revised, by or on behalf of the Project Sponsor directly to each of the following:

(i) The Department at the following address:

Valerie Peacock, Audit Director
Office of the Inspector General
Florida Department of Environmental Protection
3900 Commonwealth Boulevard, MS 41
Tallahassee, Florida 32399-3123

7. The Project Sponsor and the Department acknowledge that changes in Project costs may occur as a result of the Project Sponsor's Project audit or a Department audit pursuant to Chapter 62-552 of the Florida Administrative Code. Unless this Agreement is amended subsequent to an audit, the following Project disbursements shall be final.

CATEGORY	DISBURSED(\$)
Administrative Allowance	12,000.00
Engineering Allowance	85,000.00
Construction and Demolition	473,808.00
Technical Services During Construction	13,522.00
SUBTOTAL (Total Disbursed)	584,330.00
Capitalized Interest	0.00
TOTAL (Loan Principal Amount)	584,330.00

8. The Project-specific audit required under Subsection 2.03(4) of the Agreement shall be submitted within twelve months after the effective date of this amendment

9. All other terms and provisions of the Loan Agreement shall remain in effect.

This Amendment 1 to Loan Agreement DW420701 shall be executed in three or more counterparts, any of which shall be regarded as an original and all of which constitute but one and the same instrument.

IN WITNESS WHEREOF, the Department has caused this amendment to the Loan Agreement to be executed on its behalf by the Program Administrator of the Department, and the Project Sponsor has caused this amendment to be executed on its behalf by its Authorized Representative and by its affixed seal. The effective date of this amendment shall be as set forth below by the Program Administrator of the Department of Environmental Protection, State Revolving Fund.

for

CITY OF BELLEVIEW

Christine K. Dolbrousk
Mayor

Attest:

Danette H. Harnay
City Clerk
SEAL

Attest as to form and legality:

[Signature]
City Attorney

for

**STATE OF FLORIDA
DEPARTMENT OF ENVIRONMENTAL PROTECTION**

Angela Kuecht
Program Administrator
State Revolving Fund

MAR 25 2013
Date

**City of Belleview
Water Meter Replacement Project
SRF Drinking Water Loan Application**

Attachment 3

Legal Opinion Letter

Prepared by Angie Brewer & Associates, LC



121-100-04 A-6

April 3, 2018

Ms. Angela Knecht
Program Administrator
State Revolving Fund Management
3900 Commonwealth Blvd., Mail Station 3505
Tallahassee, Florida 32399-3000

Re: DW42075 - City of Belleview, Florida
Water Meter Replacement Project

Dear Ms. Knecht:

I am the duly appointed Attorney for the City of Belleview. The City proposes to enter into a Loan Agreement in the amount of \$979,200 (excluding capitalized interest), of which \$634,524 is principal forgiveness which leaves the amount for repayment of \$344,676 from the State Revolving Fund for construction of the City of Belleview Water Meter Replacement Project. The loan will be secured by the gross revenues derived yearly from the operation of the City's water and wastewater systems after payment of the operation and maintenance expenses and the satisfaction of all yearly senior debt payment obligations. The pledged revenues are legally available to pledge. The City of Belleview has the legal authority to increase rates to ensure repayment of the loan.

There are no senior liens pledged to these revenues. The pledge on revenues is subject to a prior lien with the following issues:

- Florida Department of Environmental Protection Clean Water State Revolving Fund Loan WW64603P.
- Florida Department of Environmental Protection Drinking Water State Revolving Fund Loan DW42700.
- Florida Department of Environmental Protection Drinking Water State Revolving Fund Loan DW42701.

Sincerely,

NAME OF ATTORNEY

**City of Belleview
Water Meter Replacement Project
SRF Drinking Water Loan Application**

Attachment 4

Authorizing Resolution

Prepared by Angie Brewer & Associates, LC



121-100-04 A-6

DRAFT

RESOLUTION No. _____

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF BELLEVIEW, FLORIDA, RELATING TO THE FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION STATE REVOLVING FUND LOAN PROGRAM; MAKING FINDINGS; AUTHORIZING THE LOAN APPLICATION; AUTHORIZING THE LOAN AGREEMENT; ESTABLISHING PLEDGED REVENUES; DESIGNATING AN AUTHORIZED REPRESENTATIVE; PROVIDING ASSURANCES; PROVIDING FOR CONFLICTS, SEVERABILITY, AND AN EFFECTIVE DATE.

WHEREAS, Florida Statutes provide for loans to local government agencies to finance the construction of water treatment facilities; and

WHEREAS, Florida Administrative Code rules require authorization to apply for loans, to establish pledged revenues, to designate an authorized representative; to provide assurances of compliance with loan program requirements; and to enter into a loan agreement; and

WHEREAS, the State Revolving Fund loan priority list designates Project No. DW42075 as eligible for available funding; and

WHEREAS; the City of Belleview, Florida, intends to enter into a loan agreement with the Florida Department of Environmental Protection under the State Revolving Fund for project financing.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF BELLEVIEW, FLORIDA, AS FOLLOWS:

SECTION I. The foregoing findings are incorporated herein by reference and made a part hereof.

SECTION II. The City of Belleview, Florida, is authorized to apply for a loan to finance the Project.

SECTION III. The revenues pledged for the repayment of the loan are the gross revenues derived yearly from the operation of the City's water and wastewater systems after payment of the operation and maintenance expenses and after payment of debt service on the following:

- Florida Department of Environmental Protection Clean Water State Revolving Fund Loan WW64603P.
- Florida Department of Environmental Protection Drinking Water State Revolving Fund Loan DW42700.
- Florida Department of Environmental Protection Drinking Water State Revolving Fund Loan DW42701.

SECTION IV. The Mayor is hereby designated as the authorized representative to provide the assurances and commitments required by the loan application.

SECTION V. The Mayor is hereby designated as the authorized representative to execute the loan agreement and any subsequent amendments which will become a binding obligation in accordance with its terms when signed by both parties.

SECTION VI. The City Administrator is authorized to represent the City of Belleview in carrying out responsibilities under the loan agreement. The City Administrator is authorized to delegate responsibility to appropriate staff to carry out technical, financial, and administrative activities associated with the loan agreement.

SECTION VII. The legal authority for borrowing moneys to construct this Project is Section 166.111, Florida Statutes and Section 403.8532, Florida Statutes.

SECTION VIII. All Resolutions or part of Resolutions in conflict with any of the provisions of this Resolution are hereby repealed.

SECTION IX. If any section or portion of a section of this Resolution proves to be invalid, unlawful, or unconstitutional, it shall not be held to invalidate or impair the validity, force, or effect of any other section or part of this Resolution.

SECTION X. Effective Date. This Resolution shall become effective immediately upon its adoption.

PASSED AND RESOLVED by a _____ vote of the City Commission of the City of Belleview, Florida on _____, 2018.

ATTEST:

CHRISTINE DOBKOWSKI
Mayor/Commissioner

MARGARET DEGENNARO,
City Clerk

**APPROVED AS TO FORM AND
LEGALITY:**

City Attorney

**City of Belleview
Water Meter Replacement Project
SRF Drinking Water Loan Application**

Attachment 5

Financial Notes

Prepared by Angie Brewer & Associates, LC



121-100-04 A-6

City of Belleview
Water Meter Replacement Project
Financial Notes

Schedule of Actual Revenues and Debt Coverage (Page 7 of 9)

The figures included in this table were derived from the *City of Belleview, Florida Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2016* and from the *City of Belleview, Florida Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2017*. Select pages from these reports have been included in this attachment.

Schedule of Projected Revenues and Debt Coverage (Page 8 of 9)

All revenues and expenses were increased yearly based on the current CPI of 2.2%

Conclusions

Based on the information presented in this application, the gross revenues currently generated by the water and wastewater systems are sufficient to support the anticipated annual SRF loan debt payments.



**SRF PROJECT COST WORKSHEET / LOAN CALCULATION
AMOUNT FOR AMORTIZATION**

Planning and/or SSES _____	\$ _____	0
Design _____	\$ _____	0
Construction, Demolition and Related Procurement _____	\$ _____	800,000
Eligible Land _____	\$ _____	0
Contingency (10% of construction and land) _____	\$ _____	80,000
Legal and Technical Services during Construction _____	\$ _____	80,000
Interim Financing (excluding SRF capitalized interest) _____	\$ _____	0
Cost of Refinancing (such as underwriter fees) _____	\$ _____	0
Start-up Services _____	\$ _____	0
Allowance _____	\$ _____	0
Subtotal _____	\$ _____	960,000
Service Fee (2% of subtotal; obtain percent amount from Department)	\$ _____	19,200
Loan Repayment Reserve (3% of subtotal) _____	\$ _____	0
Amount of Principal Forgiveness (66.09625%) _____	\$ _____	-634,524
Total Cost _____	\$ _____	344,676
Capitalized Interest Years to construct 0.5	\$ _____	1,456
Total Cost for Amortization and Priority List _____	\$ _____	346,132

Angie Brewer & Associates, L.C.

Estimated SRF Amortization Schedule



Enter Values	
Loan Amount	\$ 346,132.09
Annual Interest Rate	1.69%
Loan Period in Years	20
Number of Payments Per Year	2
Start Date of Loan	1/15/2019
Optional Extra Payments	

Lender Name: FDEP

Loan Summary	
Scheduled Payment	\$ 10,233.91
Scheduled Number of Payments	40
Actual Number of Payments	40
Total Early Payments	\$ -
Total Interest	\$ 63,224.40
Annual Payment	\$ 20,467.82
Annual Payment with Coverage	\$ 23,538.00
Total Payments	\$ 409,270.75




Pmt No.	Payment Date	Beginning Balance	Scheduled Payment	Extra Payment	Total Payment	Principal	Interest	Ending Balance
1	7/15/2019	\$ 346,132.09	\$ 10,233.91	\$ -	\$ 10,233.91	\$ 7,309.43	\$ 2,924.48	\$ 338,822.66
2	1/15/2020	338,822.66	10,233.91	-	10,233.91	7,371.19	2,862.73	331,451.48
3	7/15/2020	331,451.48	10,233.91	-	10,233.91	7,433.47	2,800.45	324,018.01
4	1/15/2021	324,018.01	10,233.91	-	10,233.91	7,496.27	2,737.64	316,521.74
5	7/15/2021	316,521.74	10,233.91	-	10,233.91	7,559.61	2,674.30	308,962.13
6	1/15/2022	308,962.13	10,233.91	-	10,233.91	7,623.48	2,610.43	301,338.65
7	7/15/2022	301,338.65	10,233.91	-	10,233.91	7,687.89	2,546.02	293,650.76
8	1/15/2023	293,650.76	10,233.91	-	10,233.91	7,752.85	2,481.07	285,897.92
9	7/15/2023	285,897.92	10,233.91	-	10,233.91	7,818.35	2,415.56	278,079.57
10	1/15/2024	278,079.57	10,233.91	-	10,233.91	7,884.41	2,349.51	270,195.16
11	7/15/2024	270,195.16	10,233.91	-	10,233.91	7,951.02	2,282.89	262,244.14
12	1/15/2025	262,244.14	10,233.91	-	10,233.91	8,018.20	2,215.71	254,225.94
13	7/15/2025	254,225.94	10,233.91	-	10,233.91	8,085.95	2,147.97	246,139.99
14	1/15/2026	246,139.99	10,233.91	-	10,233.91	8,154.27	2,079.65	237,985.73
15	7/15/2026	237,985.73	10,233.91	-	10,233.91	8,223.16	2,010.75	229,762.57
16	1/15/2027	229,762.57	10,233.91	-	10,233.91	8,292.64	1,941.27	221,469.93
17	7/15/2027	221,469.93	10,233.91	-	10,233.91	8,362.70	1,871.21	213,107.22
18	1/15/2028	213,107.22	10,233.91	-	10,233.91	8,433.36	1,800.55	204,673.86
19	7/15/2028	204,673.86	10,233.91	-	10,233.91	8,504.61	1,729.30	196,169.25
20	1/15/2029	196,169.25	10,233.91	-	10,233.91	8,576.47	1,657.44	187,592.78
21	7/15/2029	187,592.78	10,233.91	-	10,233.91	8,648.93	1,584.98	178,943.84
22	1/15/2030	178,943.84	10,233.91	-	10,233.91	8,722.01	1,511.90	170,221.84
23	7/15/2030	170,221.84	10,233.91	-	10,233.91	8,795.70	1,438.21	161,426.13
24	1/15/2031	161,426.13	10,233.91	-	10,233.91	8,870.02	1,363.90	152,556.12
25	7/15/2031	152,556.12	10,233.91	-	10,233.91	8,944.96	1,288.95	143,611.16
26	1/15/2032	143,611.16	10,233.91	-	10,233.91	9,020.54	1,213.38	134,590.62
27	7/15/2032	134,590.62	10,233.91	-	10,233.91	9,096.75	1,137.16	125,493.87
28	1/15/2033	125,493.87	10,233.91	-	10,233.91	9,173.61	1,060.30	116,320.26
29	7/15/2033	116,320.26	10,233.91	-	10,233.91	9,251.12	982.79	107,069.14
30	1/15/2034	107,069.14	10,233.91	-	10,233.91	9,329.28	904.63	97,739.86
31	7/15/2034	97,739.86	10,233.91	-	10,233.91	9,408.10	825.81	88,331.76
32	1/15/2035	88,331.76	10,233.91	-	10,233.91	9,487.59	746.32	78,844.17
33	7/15/2035	78,844.17	10,233.91	-	10,233.91	9,567.75	666.16	69,276.41
34	1/15/2036	69,276.41	10,233.91	-	10,233.91	9,648.59	585.32	59,627.82
35	7/15/2036	59,627.82	10,233.91	-	10,233.91	9,730.11	503.80	49,897.70
36	1/15/2037	49,897.70	10,233.91	-	10,233.91	9,812.32	421.59	40,085.38
37	7/15/2037	40,085.38	10,233.91	-	10,233.91	9,895.23	338.68	30,190.15
38	1/15/2038	30,190.15	10,233.91	-	10,233.91	9,978.83	255.08	20,211.32
39	7/15/2038	20,211.32	10,233.91	-	10,233.91	10,063.15	170.77	10,148.17
40	1/15/2039	10,148.17	10,233.91	-	10,148.17	10,062.43	85.74	0.00

Reconciliation Worksheet

	FY2018	FY 2019	FY 2020	FY 2021	FY 2022
Net Revenues	<u>\$ 979,431</u>	<u>\$ 999,216</u>	<u>\$ 1,019,400</u>	<u>\$ 1,039,992</u>	<u>\$ 1,061,000</u>
Revenue (including coverage) pledged to debt service, excluding SRF loans	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Revenue (including coverage) pledged to outstanding SRF loans	<u>\$ 209,179</u>	<u>\$ 209,179</u>	<u>\$ 209,179</u>	<u>\$ 209,179</u>	<u>\$ 209,179</u>
Revenue (including coverage) pledged to proposed SRF loans*	<u>\$ 23,538</u>	<u>\$ 23,538</u>	<u>\$ 23,538</u>	<u>\$ 23,538</u>	<u>\$ 23,538</u>
Revenue Remaining	<u>\$ 746,714</u>	<u>\$ 766,499</u>	<u>\$ 786,683</u>	<u>\$ 807,275</u>	<u>\$ 828,283</u>


The planning process for this project has established that the gross revenues currently generated by the water and wastewater systems are sufficient to support the estimated annual SRF loan debt payments.

*Proposed SRF loans calculations includes anticipated principal forgiveness.

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Median Household Income

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Bellevue city, Florida

Population

2016 Population Estimate (as of July 1, 2016)

4,869

Source: 2016 Population Estimates



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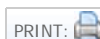
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Economic News Release



Consumer Price Index Summary

Transmission of material in this release is embargoed until
8:30 a.m. (EDT) March 13, 2018 USDL-18-0373

Technical information: (202) 691-7000 • cpi_info@bls.gov • www.bls.gov/cpi
Media Contact: (202) 691-5902 • PressOffice@bls.gov

CONSUMER PRICE INDEX - FEBRUARY 2018

The Consumer Price Index for All Urban Consumers (CPI-U) increased 0.2 percent in February on a seasonally adjusted basis after rising 0.5 percent in January, the U.S. Bureau of Labor Statistics reported today. Over the last 12 months, the all items index rose **2.2** percent before seasonal adjustment.

The indexes for shelter, apparel, and motor vehicle insurance all rose and contributed to the 1-month seasonally adjusted increase in the all items index. The food index was unchanged in February, as a decline in the index for food at home offset an increase in the food away from home index. The energy index increased slightly, with its component indexes mixed.

The index for all items less food and energy increased 0.2 percent in February following a 0.3-percent increase in January. Along with shelter, apparel, and motor vehicle insurance, the indexes for household furnishings and operations, education, personal care, and airline fares also increased in February. In contrast, the indexes for communication, new vehicles, medical care, and used cars and trucks declined over the month.

The all items index rose 2.2 percent for the 12 months ending February, a slightly larger increase than the 2.1-percent rise for the 12 months ending January. The index for all items less food and energy rose 1.8 percent over the past year, while the energy index increased 7.7 percent and the food index advanced 1.4 percent.

Table A. Percent changes in CPI for All Urban Consumers (CPI-U): U.S. city average

	Seasonally adjusted changes from preceding month							Un- adjusted 12-mos. ended Feb. 2018
	Aug. 2017	Sep. 2017	Oct. 2017	Nov. 2017	Dec. 2017	Jan. 2018	Feb. 2018	
All items.....	.4	.5	.1	.3	.2	.5	.2	2.2
Food.....	.1	.1	.1	.0	.2	.2	.0	1.4
Food at home.....	-.1	.0	.1	-.1	.2	.1	-.2	.5
Food away from home (1).. <td>.3</td> <td>.3</td> <td>.1</td> <td>.2</td> <td>.2</td> <td>.4</td> <td>.2</td> <td>2.6</td>	.3	.3	.1	.2	.2	.4	.2	2.6
Energy.....	3.3	4.7	-1.4	3.2	-.2	3.0	.1	7.7
Energy commodities.....	7.2	9.6	-3.0	5.8	-.7	5.8	-.9	12.8
Gasoline (all types)....	7.4	10.0	-3.2	6.0	-.8	5.7	-.9	12.6
Fuel oil.....	5.2	6.4	1.4	5.6	.9	9.5	-3.6	20.7
Energy services.....	-.1	.0	.4	.5	.4	-.8	1.4	2.6
Electricity.....	.0	.1	.4	.5	.2	-.2	.4	2.2
Utility (piped) gas service.....	-.5	-.4	.4	.7	1.0	-2.6	4.7	3.8
All items less food and energy.....	.2	.1	.2	.1	.2	.3	.2	1.8

Commodities less food and energy commodities....	-.1	-.2	.0	-.1	.2	.4	.1	-.5
New vehicles.....	.0	-.3	-.2	.2	.5	-.1	-.5	-1.5
Used cars and trucks....	-.1	-.3	.7	.5	.7	.4	-.3	-.1
Apparel.....	.0	.1	-.2	-.9	-.3	1.7	1.5	.4
Medical care commodities	-.2	-.5	.0	.5	.9	-.1	-.3	1.6
Services less energy services.....	.3	.2	.3	.2	.3	.3	.2	2.6
Shelter.....	.4	.2	.3	.2	.3	.2	.2	3.1
Transportation services	.4	.3	.4	.1	.3	.8	1.0	4.5
Medical care services...	.2	.1	.3	-.1	.2	.6	.0	1.8

1 Not seasonally adjusted.

Food

The food index was unchanged in February, as the index for food away from home rose 0.2 percent and the food at home index declined 0.2 percent. All six major grocery store food group indexes declined in February. The index for fruits and vegetables declined 0.5 percent after rising 0.5 percent in January. The index for dairy and related products declined 0.3 percent in February after being unchanged in January.

The index for meats, poultry, fish, and eggs fell 0.2 percent in February. The index for eggs increased 2.0 percent, but the indexes for beef and pork declined. The indexes for cereals and bakery products, nonalcoholic beverages, and other food at home all declined 0.1 percent in February.

The index for food at home rose 0.5 percent over the last 12 months. Of the six major grocery store food group indexes, three increased over the last 12 months (fruits and vegetables; meats, poultry, fish, and eggs; and other food at home), while the remaining indexes (dairy and related products, nonalcoholic beverages, and cereals and bakery products) declined. The index for food away from home increased 2.6 percent over the last 12 months.

Energy

The energy index increased 0.1 percent in February following a 3.0-percent increase in January. The gasoline index declined in February, falling 0.9 percent after rising 5.7 percent the prior month. (Before seasonal adjustment, gasoline prices increased 1.6 percent in February.) The fuel oil index declined 3.6 percent after a sharp increase in January. In contrast, the index for natural gas rose 4.7 percent in February, its largest 1-month increase since March 2014. The electricity index also rose in February, increasing 0.4 percent.

The energy index rose 7.7 percent over the past year, with all the component indexes increasing. The gasoline index rose 12.6 percent and the fuel oil index increased 20.7 percent. The index for natural gas increased 3.8 percent, and the electricity index rose 2.2 percent.

All items less food and energy

The index for all items less food and energy increased 0.2 percent in February. The shelter index increased 0.2 percent, with the indexes for rent and owners' equivalent rent both rising 0.2 percent and the index for lodging away from home unchanged. The apparel index continued to rise, increasing 1.5 percent in February following a 1.7-percent rise in January. The index for motor vehicle insurance also continued to increase sharply, rising 1.7 percent in February.

The index for household furnishings and operations rose 0.3 percent in February. The education index increased 0.2 percent, as did the index for personal care. The indexes for alcoholic beverages and tobacco also increased in February.

The medical care index declined 0.1 percent in February, with its component indexes mixed. The hospital services index fell 0.5 percent and the index for prescription drugs decreased 0.4 percent, but the physicians' services index rose 0.2 percent. The communication index fell 0.6 percent in February. The index for new vehicles declined 0.5 percent, its largest 1-month decrease since August 2009. The index for used cars and trucks fell 0.3 percent in February after rising in each of the last 4 months. The recreation index was unchanged in February.

The index for all items less food and energy rose 1.8 percent over the past 12 months, the same figure as the prior 2 months. The shelter index rose 3.1 percent over the span, and the index for medical care advanced 1.8 percent. Indexes that declined over the past year include communication, new vehicles, airline fares, and used cars and trucks.

Not seasonally adjusted CPI measures

The Consumer Price Index for All Urban Consumers (CPI-U) increased 2.2 percent over the last 12 months to an index level of 248.991 (1982-84=100). For the month, the index increased 0.5 percent prior to seasonal adjustment.

The Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) increased 2.3 percent over the last 12 months to an index level of 242.988 (1982-84=100). For the month, the index increased 0.4 percent prior to seasonal adjustment.

The Chained Consumer Price Index for All Urban Consumers (C-CPI-U) increased 2.0 percent over the last 12 months. For the month, the index increased 0.4 percent on a not seasonally adjusted basis. Please note that the indexes for the past 10 to 12 months are subject to revision.

The Consumer Price Index for March 2018 is scheduled to be released on Wednesday, April 11, 2018, at 8:30 a.m. (EDT).

Technical Note

Brief Explanation of the CPI

The Consumer Price Index (CPI) measures the change in prices paid by consumers for goods and services. The CPI reflects spending patterns for each of two population groups: all urban consumers and urban wage earners and clerical workers. The all urban consumer group represents about 93 percent of the total U.S. population. It is based on the expenditures of almost all residents of urban or metropolitan areas, including professionals, the self-employed, the poor, the unemployed, and retired people, as well as urban wage earners and clerical workers. Not included in the CPI are the spending patterns of people living in rural nonmetropolitan areas, farming families, people in the Armed Forces, and those in institutions, such as prisons and mental hospitals. Consumer inflation for all urban consumers is measured by two indexes, namely, the Consumer Price Index for All Urban Consumers (CPI-U) and the Chained Consumer Price Index for All Urban Consumers (C-CPI-U).

The Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) is based on the expenditures of households included in the CPI-U definition that meet two requirements: more than one-half of the household's income must come from clerical or wage occupations, and at least one of the household's earners must have been employed for at least 37 weeks during the previous 12 months. The CPI-W population represents about 29 percent of the total U.S. population and is a subset of the CPI-U population.

The CPIs are based on prices of food, clothing, shelter, fuels, transportation, doctors' and dentists' services, drugs, and other goods and services that people buy for day-to-day living. Prices are collected each month in 75 urban areas across the country from about 5,000 housing units and approximately 22,000 retail establishments (department stores, supermarkets, hospitals, filling stations, and other types of stores and service establishments). All taxes directly associated with the purchase and use of items are included in the index. Prices of fuels and a few other items are obtained every month in all 75 locations. Prices of most other commodities and services are collected every month in the three largest geographic areas and every other month in other areas. Prices of most goods and services are obtained by personal visits or telephone calls by the Bureau's trained representatives.

In calculating the index, price changes for the various items in each location are aggregated using weights, which represent their importance in the spending of the appropriate population group. Local data are then combined to obtain a U.S. city average. For the CPI-U and CPI-W, separate indexes are also published by size of city, by region of the country, for cross-classifications of regions and population-size classes, and for 23 selected local areas. Area indexes do not measure differences in the level of prices among cities; they only measure the average change in prices for each area since the base period. For the C-CPI-U, data are issued only at the national level. The CPI-U and CPI-W are considered final when released, but the C-CPI-U is issued in preliminary form and subject to three subsequent quarterly revisions.

The index measures price change from a designed reference date. For most of the CPI-U and the CPI-W, the reference base is 1982-84 equals 100. The reference base for the C-CPI-U is December 1999 equals

100. An increase of 7 percent from the reference base, for example, is shown as 107.000. Alternatively, that relationship can also be expressed as the price of a base period market basket of goods and services rising from \$100 to \$107.

Sampling Error in the CPI

The CPI is a statistical estimate that is subject to sampling error because it is based upon a sample of retail prices and not the complete universe of all prices. BLS calculates and publishes estimates of the 1-month, 2-month, 6-month, and 12-month percent change standard errors annually for the CPI-U. These standard error estimates can be used to construct confidence intervals for hypothesis testing. For example, the estimated standard error of the 1-month percent change is 0.03 percent for the U.S. all items CPI. This means that if we repeatedly sample from the universe of all retail prices using the same methodology, and estimate a percentage change for each sample, then 95 percent of these estimates will be within 0.06 percent of the 1-month percentage change based on all retail prices. For example, for a 1-month change of 0.2 percent in the all items CPI-U, we are 95 percent confident that the actual percent change based on all retail prices would fall between 0.14 and 0.26 percent. For the latest data, including information on how to use the estimates of standard error, see <https://www.bls.gov/cpi/tables/variance-estimates/home.htm>.

Calculating Index Changes

Movements of the indexes from 1 month to another are usually expressed as percent changes rather than changes in index points, because index point changes are affected by the level of the index in relation to its base period, while percent changes are not. The following table shows an example of using index values to calculate percent changes:

	Item A	Item B	Item C
Year I	112.500	225.000	110.000
Year II	121.500	243.000	128.000
Change in index points	9.000	18.000	18.000
Percent change	$9.0/112.500 \times 100 = 8.0$ $18.0/225.000 \times 100 = 8.0$ $18.0/110.000 \times 100 = 16.4$		

Use of Seasonally Adjusted and Unadjusted Data

The Consumer Price Index (CPI) produces both unadjusted and seasonally adjusted data. Seasonally adjusted data are computed using seasonal factors derived by the X-13ARIMA-SEATS seasonal adjustment method. These factors are updated each February, and the new factors are used to revise the previous 5 years of seasonally adjusted data. For more information on data revision scheduling, please see the Factsheet on Seasonal Adjustment at www.bls.gov/cpi/seasonal-adjustment/questions-and-answers.htm and the Timeline of Seasonal Adjustment Methodological Changes at www.bls.gov/cpi/seasonal-adjustment/timeline-seasonal-adjustment-methodology-changes.htm.

For analyzing short-term price trends in the economy, seasonally adjusted changes are usually preferred since they eliminate the effect of changes that normally occur at the same time and in about the same magnitude every year—such as price movements resulting from weather events, production cycles, model changeovers, holidays, and sales. This allows data users to focus on changes that are not typical for the time of year. The unadjusted data are of primary interest to consumers concerned about the prices they actually pay. Unadjusted data are also used extensively for escalation purposes. Many collective bargaining contract agreements and pension plans, for example, tie compensation changes to the Consumer Price Index before adjustment for seasonal variation. BLS advises against the use of seasonally adjusted data in escalation agreements because seasonally adjusted series are revised annually.

Intervention Analysis

The Bureau of Labor Statistics uses intervention analysis seasonal adjustment for some CPI series. Sometimes extreme values or sharp movements can distort the underlying seasonal pattern of price change. Intervention analysis seasonal adjustment is a process by which the distortions caused by such unusual events are estimated and removed from the data prior to calculation of seasonal factors. The resulting seasonal factors, which more accurately represent the seasonal pattern, are then applied to the unadjusted data.

For example, this procedure was used for the motor fuel series to offset the effects of the 2009 return to normal pricing after the worldwide economic downturn in 2008. Retaining this outlier data during seasonal factor calculation would distort the computation of the seasonal portion of the time series data for motor fuel, so it was estimated and removed from the data prior to seasonal adjustment. Following that, seasonal factors were calculated based on this “prior adjusted” data. These seasonal factors represent a clearer picture of the seasonal pattern in the data. The last step is for motor fuel seasonal factors to be applied to the unadjusted data.

For the seasonal factors introduced in January 2018, BLS adjusted 38 series using intervention analysis seasonal adjustment, including selected food and beverage items, motor fuels, and natural gas.

Revision of Seasonally Adjusted Indexes

Seasonally adjusted data, including the U.S. city average all items index levels, are subject to revision for up to 5 years after their original release. Every year, economists in the CPI calculate new seasonal factors for seasonally adjusted series and apply them to the last 5 years of data. Seasonally adjusted indexes beyond the last 5 years of data are considered to be final and not subject to revision. In January 2018, revised seasonal factors and seasonally adjusted indexes for 2013 to 2017 were calculated and published. For series which are directly adjusted using the Census X-13ARIMA-SEATS seasonal adjustment software, the seasonal factors for 2017 will be applied to data for 2018 to produce the seasonally adjusted 2018 indexes. Series which are indirectly seasonally adjusted by summing seasonally adjusted component series have seasonal factors which are derived and are therefore not available in advance.

Determining Seasonal Status

Each year the seasonal status of every series is reevaluated based upon certain statistical criteria. Using these criteria, BLS economists determine whether a series should change its status from "not seasonally adjusted" to "seasonally adjusted", or vice versa. If any of the 81 components of the U.S. city average all items index change their seasonal adjustment status from seasonally adjusted to not seasonally adjusted, not seasonally adjusted data will be used in the aggregation of the dependent series for the last 5 years, but the seasonally adjusted indexes before that period will not be changed. Twenty-nine of the 81 components of the U.S. city average all items index are not seasonally adjusted for 2018.

Contact Information

For additional information about the CPI visit www.bls.gov/cpi or contact the CPI Information and Analysis Section at 202-691-7000 or cpi_info@bls.gov.

For additional information on seasonal adjustment in the CPI visit <https://www.bls.gov/cpi/seasonal-adjustment/home.htm> or contact the CPI seasonal adjustment section at 202-691-6968 or cpiseas@bls.gov.

Information from this release will be made available to sensory impaired individuals upon request. Voice phone: 202-691-5200; Federal Relay Service: 1-800-877-8339.

- [Table 1. Consumer Price Index for All Urban Consumers \(CPI-U\): U. S. city average, by expenditure category](#)
- [Table 2. Consumer Price Index for All Urban Consumers \(CPI-U\): U. S. city average, by detailed expenditure category](#)
- [Table 3. Consumer Price Index for All Urban Consumers \(CPI-U\): U. S. city average, special aggregate indexes](#)
- [Table 4. Consumer Price Index for All Urban Consumers \(CPI-U\): Selected areas, all items index](#)
- [Table 5. Chained Consumer Price Index for All Urban Consumers \(C-CPI-U\) and the Consumer Price Index for All Urban Consumers \(CPI-U\): U.S. city average, all items index](#)
- [Table 6. Consumer Price Index for All Urban Consumers \(CPI-U\): U.S. city average, by expenditure category, 1-month analysis table](#)
- [Table 7. Consumer Price Index for All Urban Consumers \(CPI-U\): U.S. city average, by expenditure category, 12-month analysis table](#)
- [HTML version of the entire news release](#)

The PDF version of the news release

News release charts

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FLORIDA

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**
*Fiscal Year Ending
September 30, 2016*



CITY OF BELLEVIEW, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Business-type Activities Water and Sewer Utility Fund
Operating Revenues	
Charges for Services	\$ 2,557,669
Operating Expenses	
Personal Expenses	574,682
Operating Expenses	842,851
Depreciation and Amortization	570,720
(Total Operating Expenses)	(1,988,253)
Operating Income	569,416
Nonoperating Revenues (Expenses)	
Interest Income	12,890
Interest Expense	(75,712)
Gain on Sales of Capital Assets	811
Total Nonoperating Revenues (Expenses)	(62,011)
Income Before Capital Contributions and Transfers	507,405
Capital Contributions and Transfers	
Capital Contributions - Impact Fees	206,618
Capital Grant Revenues	1,634,577
Transfers in	1,140,951
Transfers (out)	(735,163)
Total Contributions and Transfers	2,246,983
Change in Net Position	2,754,388
Net Position, Beginning of Year	10,831,798
Net Position, End of Year	\$ 13,586,186

See accompanying notes.

NOTES TO FINANCIAL STATEMENTS
CITY OF BELLEVIEW, FLORIDA
(Continued)

Note 6 - Pledged Revenue

The City has pledged certain revenues, to repay bonds and notes outstanding as of September 30, 2016. The following table reports the revenues, pledged for each debt issue, the amounts of such revenues received in the current year, the current year principal and interest paid on the debt, the approximate percentage of each revenue which is pledged to meet the debt obligation, the date through which the revenue is pledged under the debt agreement, and the total pledged future revenues for each debt, which is the amount of the remaining principal and interest on the bonds and notes at September 30, 2016:

<u>Description of Bonds</u>	<u>Pledged Revenue</u>	<u>Revenue Received</u>	<u>Principal and Interest Paid</u>	<u>Estimated Percentage Pledged</u>	<u>Outstanding Principal and Interest</u>	<u>Pledged Through</u>
Business-type Activities						
State Revolving Loans	Net System					
	Revenues (1)	\$ 1,088,547	\$ 181,236	16.65%	\$ 3,679,464	2038

(1) Net System Revenues are defined as gross revenues less operating expenses, not including depreciation, and debt service payments.

Note 7 - Interfund Transfers and Due To/Due From

Interfund Transfers

Interfund transfers at September 30, 2016, are as follows:

Transfer In:

General Fund	\$ 756,459
Water Sewer Fund	1,140,951
CRA Fund	14,422
	<u>\$ 1,911,832</u>

Transfer (Out):

General Fund	\$ 1,176,669
Water Sewer Fund	735,163
	<u>\$ (1,911,832)</u>

The General Fund transferred funds to the Water Sewer Fund to pay for their portion of the Public Works Complex. Funds were also transferred from the General Fund to the CRA for their portion of the property taxes. The Water Sewer Fund transferred funds to the General Fund to cover their portion of general and administrative costs including finance, human resources, and information technology.

Due From/Due To Other Funds

Due from and due to other funds at September 30, 2016 are as follows:

<u>Funds</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ -	\$ 4,510
Pension Fund	4,510	-
Total Due from/Due to Other Funds	<u>\$ 4,510</u>	<u>\$ 4,510</u>

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FLORIDA



**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

*Fiscal Year Ending
September 30, 2017*

CITY OF BELLEVIEW, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Business-type Activities Water and Sewer Utility Fund
Operating Revenues	
Charges for Services	\$ 2,553,277
Operating Expenses	
Personal Expenses	671,893
Operating Expenses	953,543
Depreciation and Amortization	589,576
(Total Operating Expenses)	(2,215,012)
Operating Income	338,265
Nonoperating Revenues (Expenses)	
Interest Income	13,281
Interest Expense	(71,473)
Gain (Loss) on Sales of Capital Assets	(167,398)
Total Nonoperating Revenues (Expenses)	(225,590)
Income Before Capital Contributions and Transfers	112,675
Capital Contributions and Transfers	
Capital Contributions - Impact Fees	298,253
Capital Grant Revenues	443,356
Transfers (out)	(895,234)
Total Contributions and Transfers	(153,625)
Change in Net Position	(40,950)
Net Position, Beginning of Year	13,586,186
Net Position, End of Year	\$ 13,545,236

See accompanying notes.

NOTES TO FINANCIAL STATEMENTS
CITY OF BELLEVIEW, FLORIDA
(Continued)

Note 5 - Leases (Concluded)

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2017, are as follows:

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>
2018	\$ 22,267
2019	13,429
2020	11,229
2021	2,504
2022	<u>0</u>
Total Minimum Lease Payments	49,429
(Less: Amount Representing Interest)	<u>(3,939)</u>
Present Value of Minimum Lease Payments	<u><u>\$ 45,490</u></u>

Note 6 - Pledged Revenue

The City has pledged certain revenues, to repay bonds and notes outstanding as of September 30, 2017. The following table reports the revenues, pledged for each debt issue, the amounts of such revenues received in the current year, the current year principal and interest paid on the debt, the approximate percentage of each revenue which is pledged to meet the debt obligation, the date through which the revenue is pledged under the debt agreement, and the total pledged future revenues for each debt, which is the amount of the remaining principal and interest on the bonds and notes at September 30, 2017:

<u>Description of Bonds</u>	<u>Pledged Revenue</u>	<u>Revenue Received</u>	<u>Principal and Interest Paid</u>	<u>Estimated Percentage Pledged</u>	<u>Outstanding Principal and Interest</u>	<u>Pledged Through</u>
Governmental-type Activities						
Community Bank and Trust						
2017 Loan	One Percent					
	Marion County					
	Sales Tax	\$ 389,497	\$ 105,906	27.19%	\$ 1,482,690	2022
Business-type Activities						
State Revolving Loans	Net System					
	Revenues (1)	\$ 927,481	\$ 228,134	24.59%	\$ 362,770	2038

(1) Net System Revenues are defined as gross revenues less operating expenses, not including depreciation, and debt service payments.