

**PUBLIC NOTICE AND AGENDA OF THE GROVELAND CITY COUNCIL MEETING
SCHEDULED TO CONVENE AT 7:00 P.M. TUESDAY, SEPTEMBER 8, 2020**

Please note: In order to reduce public gatherings and the spread of COVID-19, the September 8, 2020 City Council Meeting will be held using telephonic video conferencing as authorized by Governor DeSantis in Executive Order 20-69. The public can attend the virtual meeting. Instructions to participate have been posted to the city’s website under “public notices” at www.groveland-fl.gov. However, the public is advised to check the City website www.groveland-fl.gov for up-to-date information on any changes to the manner in which the meetings will be held.

MAYOR	EVELYN WILSON	evelyn.wilson@groveland-fl.gov
VICE MAYOR	MIKE RADZIK	mike.radzik@groveland-fl.gov
COUNCIL MEMBER	MIKE SMITH	mike.smith@groveland-fl.gov
COUNCIL MEMBER	DINA SWEATT	dina.sweatt@groveland-fl.gov
COUNCIL MEMBER	RANDOLPH WAITE	randolph.waite@groveland-fl.gov
CITY MANAGER	MICHAEL HEIN	michael.hein@groveland-fl.gov
SERGEANT-AT-ARMS	CHIEF SHAWN RAMSEY	shawn.ramsey@groveland-fl.gov
CITY CLERK	VIRGINIA WRIGHT	virginia.wright@groveland-fl.gov
CITY ATTORNEY	ANITA GERACI-CARVER, ESQ	

Please note: Most written communication to or from government officials regarding government business are public records available to the public and media upon request. Your e-mail communications may therefore be subject to public disclosure.

CALL TO ORDER

PLEDGE OF CONDUCT

- **We may disagree, but we will be respectful of one another.**
- **We will direct all comments to issues.**
- **We will avoid personal attacks.**
- **Audience members wishing to speak must be recognized by the Mayor.**
- **Speaking without being recognized will be considered “Out of Order.”**

OPENING CEREMONIES

- a. Pledge of Allegiance
- b. Invocation

ROLL CALL

AGENDA

GUEST SPEAKER, PRESENTATIONS AND PROCLAMATIONS

Police Department

- Officer of the Quarter - Sean Bauders

Fire Department

- Introduction of new Deputy Fire Chief Erich Thiemann
- Realignment of titles for both Fire Captains to Division Chiefs
- Introduction of new Fire Inspector and Fire Plans Examiner Frank Patterson
- Welcoming of Community Liaison Coordinator Lisa Riffle to the Fire Department Team

PUBLIC COMMENT

CONSENT AGENDA

Routine items and items not anticipated to be controversial are placed on the Consent Agenda to expedite the meeting. If a Council Member, staff member or member of the public wishes to discuss any item on the Consent Agenda, they can request the item be removed from the Consent Agenda for discussion. The remaining items on the Consent Agenda will be voted on with one motion being made for all items on the Consent Agenda. Then the item removed from the Consent Agenda will be separately considered and voted on.

Consideration of Approval:

A. July 27, 2020 Special City Council Meeting Minutes

B. August 10, 2020 Special City Council Meeting Minutes

C. August 11, 2020 Special City Council Meeting Minutes

D. Ordinance 2020-10: SECO Comprehensive Plan Amendment - Second Reading

An Ordinance of the City Council of the City of Groveland, Lake County, Florida, amending the City of Groveland's Comprehensive Plan pursuant to 163.3187(1), Florida Statutes, by amending the Comprehensive Land Use Plan designation from City of Groveland Agriculture to City of Groveland Public/Institutional on the Future Land Use Map for the herein described properties of 10 or less acres of land; authorizing the city manager to amend said Comprehensive Plan; repealing all ordinances in conflict herewith; providing for severability and scrivener's errors; providing for an effective date; and providing for the forwarding of this Ordinance to the State of Florida Department of Economic Opportunity.

A request to amend the future land use designation from City of Groveland Agriculture to City of Groveland Public/Institutional of property owned by Charles E. Bradshaw, Jr. Revocable Trust. The property consists of 5.5+/- acres, generally located on the south side of Sampey Road, northeast of N. Main Avenue.

E. Ordinance 2020-11: SECO Rezoning - Second Reading

An Ordinance of the City Council of the City of Groveland, County of Lake, State of Florida, to change the zoning from City of Groveland Agriculture to City of Groveland Utilities District for the herein described property owned by the Charles E. Bradshaw, Jr. Revocable Trust dated May 26, 2000 and located north of SR 50 and south of Sampey Road; directing the City Manager to amend the zoning map as herein provided after the passage of this ordinance; providing for scrivener's errors and severability; repealing all Ordinances in conflict herewith; and providing for an effective date.

A request to rezone a 5.5 +/- acre parcel from City of Groveland Agriculture to City of Groveland Utilities District on the south side of Sampey Road, northeast of N. Main Avenue.

F. Ordinance 2020-32: Amending Sewer Use Ordinance - Second Reading

An ordinance of the City of Groveland, County of Lake, State of Florida, amending Chapter 78 of the Groveland Code of Ordinances to include regulations requiring food

service establishments, as defined herein ,that are users of the City of Groveland’s wastewater utility to have a grease trap or interceptor; prohibiting the introduction of fats, oils and greases into the City’s wastewater utility; requiring inspection and sampling; providing definitions; providing for enforcement and penalties; providing for conflicts, codification and severability; providing for an effective date.

G. Ordinance 2020-33: Creation of a Surplus Property Disposal Policy - Second Reading

An ordinance of the City Council of the City of Groveland, Florida, creating a policy governing the sale, transfer, or other means of disposal of surplus property; providing for delegated authority of procedures of disposal of surplus city-owned property; providing for a policy for removal of assets from inventory; providing for an effective date.

H. Resolution 2020-44: State Revolving Loan Program Application for planning funds towards Capital Improvements to the City’s Clean Water System

A resolution of the City Council of the of Groveland, Lake County, Florida, approving the loan agreement issued pursuant to the state revolving fund loan program; applying for a loan in the amount of \$520,000 payable over a 20 year period for planning funds for clean water capital projects (designated as project cw-35061); designating authorized representatives; providing for conflicts, severability, and effective date.

OLD BUSINESS

1. Consideration of Approval on Ordinance 2019-55: Indigo Lakes PUD Amendment - Second Reading

An Ordinance of the City Council of the City of Groveland, County of Lake, State of Florida, Amending Restating, and Replacing in its entirety Ordinance 2006-08-67, for the herein described property owned by Indigo Land Groveland LLC, and located at 17200 Villa City Road, Groveland, Lake County, Florida; directing the city manager to amend the zoning map as herein provided after the passage of this Ordinance; providing for severability; repealing all Ordinances in conflict herewith; and providing for an effective date.

A request to amend PUD Ordinance 2006-08-67, affecting 162.76 +/- acres of vacant property with a Future Land Use designation of City of Groveland Mixed Use and a Zoning designation of Planned Unit Development (PUD). The subject property is located on the east side of Villa City Road, west of Lake Lucy in the City of Groveland

NEW BUSINESS

None.

REPORTS

- a. Council Member Reports
- b. City Manager Report
- c. City Attorney Report

ADJOURNMENT

Groveland Code of Ordinances Sec. 2-58 (f). Any person desiring to address the Council shall first secure the permission of the presiding officer and shall give his name and address for the record. All remarks shall be addressed to the Council as a body and not to any member thereof unless permission to do so is first granted by the presiding officer. Unless further time is granted by the presiding officer or the council,

member of the public shall limit their discussion or address to no more than five minutes. No question shall be asked a council member or city official except through the presiding officer.

If your address is exempt from public record you are not required to state it. In addition, do not give out your Social Security Number, phone number, email address or any other information you do not want others to have access to as the meetings are recorded and those recordings are considered public record.

Pursuant to the provisions of Chap. 286, F.S., Sec. 286.0105, if a person decides to appeal any decision made by this body with respect to any matter considered at this meeting, he or she will need a record of the proceedings, and that for such purpose, he or she may need to ensure that a verbatim record of the proceedings is made, which record may include the testimony and evidence upon which the appeal is to be based and is advised to make such arrangements at his or her own expense.

****In accordance with the Americans with Disabilities Act and Section 286.26, Florida Statute, persons with disabilities needing special accommodation to participate in this meeting should contact the City Clerk's Office no later than 72 hours in advance of the meeting at (352) 429-2141, ext. 2014; (352) 232-9057 or via email at virginia.wright@groveland-fl.gov***



CONSENT AGENDA ITEM

MEMORANDUM

TO: HONORABLE MAYOR & CITY COUNCIL MEMBERS

VIA: MIKE HEIN, CITY MANAGER

FROM: T.J. FISH, DIRECTOR OF TRANSPORTATION & PUBLIC WORKS

SUBJECT: CONSIDERATION OF APPROVAL OF RESOLUTION 2020-44:
STATE REVOLVING LOAN PROGRAM APPLICATION FOR
PLANNING FUNDS FOR CAPITAL IMPROVEMENTS TO CITY'S
CLEAN WATER SYSTEM

DATE: SEPTEMBER 8, 2020

GENERAL SUMMARY/BACKGROUND:

Resolution 2020-44 authorizes the execution and the filing of a loan application for planning efforts towards capital improvements to the City's clean water system, which includes wastewater and reclaimed water. The application for the low-interest loan is for \$520,000 in planning funds to be repaid during a 20-year period with a grant to repay \$260,000 after completion of the project. The funds will be utilized for the clean water components of the recently commenced Utility Master Plan.

BUDGET IMPACT:

State Revolving Loan would provide \$520,000 in low-interest funds to be repaid through the next 20 years.

LEGAL NOTE:

None.

STAFF RECOMMENDATION:

Staff recommends approval of Resolution 2020-44 authorizing the filing of the application to the State Revolving Loan Program for clean water projects.

ATTACHMENTS

1. Resolution 2020-44
2. State Revolving Loan Program Application for Clean Water

RESOLUTION 2020-44

A RESOLUTION OF CITY COUNCIL OF THE OF GROVELAND, LAKE COUNTY, FLORIDA, APPROVING THE LOAN AGREEMENT ISSUED PURSUANT TO THE STATE REVOLVING FUND LOAN PROGRAM; APPLYING FOR A LOAN IN THE AMOUNT OF \$520,000 PAYABLE OVER A 20 YEAR PERIOD FOR PLANNING FUNDS FOR CLEAN WATER CAPITAL PROJECTS (DESIGNATED AS PROJECT CW-35061); DESIGNATING AUTHORIZED REPRESENTATIVES; PROVIDING FOR CONFLICTS, SEVERABILITY, AND EFFECTIVE DATE.

WHEREAS, Sec. 166.111, Florida Statutes authorizes local government agencies to finance the planning and construction of any capital or other project for the purposes permitted by the State Constitution; and

WHEREAS, Sec. 180.07, Florida Statutes, provides in part that "the revenues of all or any part of any existing plants or systems or any plants or systems constructed hereunder may be pledged to secure moneys advanced for the construction or improvement of any utility plant or system or any part thereof or any combination thereof."

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. CW-35061 as eligible for available funding; and

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

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF GROVELAND, FLORIDA, AS FOLLOWS:

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

SECTION II. The City Manager is hereby designated as the authorized representative to provide the assurances and commitments required by the loan application seeking \$520,000.00 in planning funds over a term of 20 years pursuant to the State Revolving Loan Program to finance Project - CW35061 - Clean Water Capital Projects. The City and the Department of Environmental Protection anticipate that this loan will receive \$260,000 in grant funding to pay back upon completion of the project.

SECTION III. The Mayor is hereby designated as the authorized representative to execute the loan agreement which will become a binding obligation in accordance with its terms when signed by both parties. The City Manager is authorized to represent the City in carrying out the City's responsibilities under the loan agreement. The City Manager is authorized to delegate responsibility to appropriate City staff to carry out technical, financial, and administrative activities associated with the loan agreement.

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

SECTION V. 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 VII. This Resolution shall become effective immediately upon its passage and adoption.

PASSED AND RESOLVED this 8th day of September, 2020, by the City Council of the City of Groveland, Florida.

Evelyn Wilson, Mayor
City of Groveland, Florida

ATTEST:

Virginia Wright
City Clerk



Approved as to Form:

Anita Geraci-Carver
City Attorney

Passed First Reading _____

Council Member _____ moved the passage and adoption of the above and foregoing Resolution. Motion was seconded by Council Member _____ and upon roll call on the motion the vote was as follows:

	YEA	NAY
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Mike Radzik		
Randolph Waite		
Mike Smith		
Dina Sweatt		
Evelyn Wilson		

**STATE OF FLORIDA
DEPARTMENT OF ENVIRONMENTAL PROTECTION**

AND

CITY OF GROVELAND, FLORIDA

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

WW350610

GRANT AGREEMENT

SG350611

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

CLEAN WATER STATE REVOLVING FUND PLANNING LOAN AGREEMENT

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CLEAN WATER STATE REVOLVING FUND PLANNING LOAN AGREEMENT

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**CLEAN WATER STATE REVOLVING FUND
PLANNING LOAN AGREEMENT
WW350610 & GRANT AGREEMENT SG350611**

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

RECITALS

Pursuant to Section 403.1835, Florida Statutes, and Chapter 62-503, Laws of Florida, the Department is authorized to make loans to finance or refinance the planning, design, construction and implementation of wastewater pollution control facilities; and

Pursuant to Section 403.1838, Florida Statutes, and Chapter 62-505, Laws of Florida, the Department is authorized to award grants to financially disadvantaged small communities; and

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

AGREEMENT

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

ARTICLE I - DEFINITIONS

1.01. WORDS AND TERMS.

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

- (1) “Agreement” or “Loan Agreement” shall mean this planning loan 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 a finance charge that accrues at the Financing Rate on Loan proceeds from the time of disbursement until six months before the first Semiannual Loan Payment is due. Capitalized Interest is financed as part of the Loan principal.
- (4) “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.

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

(6) “Final Unilateral Amendment” shall mean the Loan Agreement unilaterally finalized by the Department after Loan Agreement and Project abandonment under Section 8.06 that establishes the final amortization schedule for the Loan.

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

(8) “Grant” shall mean funds awarded under SG350611 pursuant to this Agreement and any subsequent amendments. The Grant agreement is incorporated into this Loan agreement. Grant funds are not disbursed to the Local Government but are a portion of the Loan.

(9) “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.

(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 Water and Sewer Systems as a contribution toward their equitable share of the cost of capital improvements required to serve new users of the Water and Sewer Systems, 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) “Loan” shall mean the amount of money to be loaned pursuant to this Agreement and subsequent amendments.

(13) “Loan Application” shall mean the completed form which provides all information required to support obtaining planning loan financial assistance.

(14) “Loan Debt Service Account” shall mean an account, or a separately identified component of a pooled cash or liquid account, with a Depository established by the Local Government for the purpose of accumulating Monthly Loan Deposits and making the Semiannual Loan Payments.

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

(16) “Local Governmental Entity” means a county, municipality, or special district.

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

(18) “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.

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

(20) “Planning Activities” shall mean the planning or administrative 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.

(21) “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, together with Impact Fees, after payment of the Operation and Maintenance Expense and the satisfaction of all yearly payment obligations on account of the Senior Revenue Debt and any senior or parity obligations issued pursuant to Section 7.02 of this Agreement.

(22) “Project” shall mean the construction of treatment and transmission facilities planned through this Agreement.

(23) “Semiannual Loan Payment” shall mean the payment due at six-month intervals.

(24) “Senior Revenue Debt” shall mean the following debt obligations:

(a) City of Groveland, Florida, Water and Sewer System Revenue Refunding Note, Series 2016A, issued in the amount of \$1,927,000, pursuant to Resolution No. 2016-03-04, as supplemented by Resolution No. 2016-03-05, supplementing and amending Resolution No. R87-04-04; and

(b) City of Groveland, Florida, Water and Sewer System Revenue Refunding Note, Series 2016B, issued in the amount not to exceed \$5,000,000 pursuant to Resolution No. 2016-03-04, as supplemented by Resolution No. 2016-03-05, supplementing and amending Resolution No. R87-04-04; and

(c) 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.

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

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

1.02. CORRELATIVE WORDS.

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

ARTICLE II - WARRANTIES, REPRESENTATIONS AND COVENANTS

2.01. WARRANTIES, REPRESENTATIONS AND COVENANTS.

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

(5) 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 Activities financed by this Loan.

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

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

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

(9) 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.

(10) The Local Government agrees to complete the Planning Activities in accordance with the schedule set forth in Section 10.07. 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.

(11) The Local Government covenants that this Agreement is entered into for the purpose of completing Planning 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 identifies the revenues pledged for repayment of the Loan, and the pledge is valid and enforceable.

2.03. AUDIT AND MONITORING REQUIREMENTS.

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

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

State Resources Awarded to the Local Government Pursuant to this Agreement Consist of the Following Resources Subject to Section 215.97, F.S.:					
State Program Number	Funding Source	CSFA Number	CSFA Title or Fund Source Description	Funding Amount	State Appropriation Category
Original Agreement	Wastewater Treatment and Stormwater Management TF	37.077	Wastewater Treatment Facility Construction	\$520,000	140131
State Program Number	Funding Source	CSFA Number	CSFA Title or Fund Source Description	Funding Amount	State Appropriation Category
Original Agreement	Small Community Wastewater Grant	37.075	Federal Grants Trust Fund	\$260,000	143276

(2) Audits.

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

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

(c) If the Local Government expends less than \$750,000 in state financial assistance in its fiscal year, an audit conducted in accordance with the provisions of Section 215.97, Florida Statutes, is not required. The Local Government shall inform the Department of findings and recommendations pertaining to the State Revolving Fund in audits conducted by the Local Government in which the \$750,000 threshold has not been met. In the event that the Local Government expends less than \$750,000 in state financial assistance in its fiscal year, and elects to have an audit conducted in accordance with the provisions of Section 215.97, Florida Statutes, the cost of the audit must be paid from the non-state entity's resources (i.e., the cost of such an audit must be paid from the Local Government's resources obtained from other than State entities).

(d) The Local Government is hereby advised that the Florida Single Audit Act Requirements may further apply to lower tier transactions that may be a result of this Agreement. For information regarding the Florida Catalog of State Financial Assistance (CSFA), a Local Government should access the Florida Single Audit Act website located at <https://apps.fldfs.com/fsaa> for assistance.

(3) Report Submission.

(a) Copies of financial reporting packages shall be submitted by or on behalf of the Local Government directly to each of the following:

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

By Mail:

Audit Director

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

or

Electronically:

FDEPSingleAudit@dep.state.fl.us

(ii) The Auditor General's Office at the following address:

State of Florida Auditor General
Room 401, Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450

(iii) Copies of reports or management letters shall be submitted by or on behalf of the Local Government directly to the Department at either of the following address:

By Mail:

Audit Director

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

or

Electronically:

FDEPSingleAudit@dep.state.fl.us

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

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

(4) Record Retention.

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

(5) Monitoring.

In addition to reviews of audits conducted in accordance with Section 215.97, F.S., as revised monitoring procedures may include, but not be limited to, on-site visits by Department staff and/or other procedures. By entering into this Agreement, the Local Government agrees to comply and cooperate with any monitoring procedures/processes deemed appropriate by the Department. In the event the Department determines that a limited scope audit of the Local Government is appropriate, the Local Government agrees to comply with any additional instructions provided by the Department to the Local Government regarding such audit. The Local Government understands its duty, pursuant to Section 20.055(5), F.S., to cooperate with the Inspector General in any investigation, audit, inspection, review, or hearing. The Local Government will comply with this duty and ensure that any subcontracts issued under this Agreement will impose this requirement, in writing, on its subcontractors.

ARTICLE III - LOAN REPAYMENT ACCOUNT

3.01. LOAN DEBT SERVICE ACCOUNT.

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

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

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

3.02. INVESTMENT OF LOAN DEBT SERVICE ACCOUNT MONEYS.

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

3.03. LOAN DEBT SERVICE ACCOUNT WITHDRAWALS.

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

3.04. ASSETS HELD IN TRUST.

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

ARTICLE IV - PROJECT INFORMATION

4.01. RESERVED.

4.02. CLOSE-OUT.

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

4.03. LOAN DISBURSEMENTS.

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

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

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

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

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

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

5.01. RATE COVERAGE.

The Local Government shall maintain rates and charges for the services furnished by the Water and Sewer Systems which, 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 Loan

Payments due in such Fiscal Year. In addition, the Local Government shall satisfy the coverage requirements of all Senior Revenue Debt and Parity Debt obligations.

5.02. NO FREE SERVICE.

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

5.03. MANDATORY CONNECTIONS.

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

5.04. NO COMPETING SERVICE.

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

5.05. MAINTENANCE OF THE WATER AND SEWER SYSTEMS.

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

5.06. ADDITIONS AND MODIFICATIONS.

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

5.07. COLLECTION OF REVENUES.

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

ARTICLE VI - DEFAULTS AND REMEDIES

6.01. EVENTS OF DEFAULT.

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

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

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

(3) Any warranty, representation or other statement by, or on behalf of, the Local Government contained in this Agreement or in any information furnished in compliance with, or in reference to, this Agreement, which is false or misleading, or if Local Government shall fail to keep, observe or perform any of the terms, covenants, representations or warranties contained in this Agreement, the Note, or any other document given in connection with the Loan (provided, that with respect to non-monetary defaults, Department shall give written notice to Local Government, which shall have 30 days to cure any such default), or is unable or unwilling to meet its obligations thereunder.

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

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

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

(7) Any charge is brought alleging violations of any criminal law in the implementation of the Project or the administration of the proceeds from this Loan against one or more officials

of the Local Government by a State or Federal law enforcement authority, which charges are not withdrawn or dismissed within 60 days following the filing thereof.

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

6.02. REMEDIES.

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

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

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

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

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

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

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

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

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

6.03. DELAY AND WAIVER.

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

ARTICLE VII - THE PLEDGED REVENUES

7.01. SUPERIORITY OF THE PLEDGE TO THE DEPARTMENT.

From and after the effective date of this Agreement, the Department shall have a lien on the Pledged Revenues, which along with any other Department State Revolving Fund liens on the Pledged Revenues, of equal priority, will be prior and superior to any other lien, pledge or assignment with the following exception. All obligations of the Local Government under this Agreement shall be junior, inferior, and subordinate in all respects in right of payment and security to the Senior Revenue Debt defined in Section 1.01 of this Agreement and to any additional senior obligations issued with the Department's consent pursuant to Section 7.02. The Department may release its lien on such Pledged Revenues in favor of the Department if the Department makes a determination in its sole discretion, based upon facts deemed sufficient by the Department, that the remaining Pledged Revenues will, in each Fiscal Year, equal or exceed 1.15 times the debt service coming due in each Fiscal Year under the terms of this Agreement.

7.02. ADDITIONAL DEBT OBLIGATIONS.

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

ARTICLE VIII - GENERAL PROVISIONS

8.01. DISCHARGE OF OBLIGATIONS.

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

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 for inspection at any reasonable time after the Local Government has received a disbursement and until five years after the Final Amendment date.

8.03. ACCESS TO PROJECT SITE.

The Local Government shall provide access to offices and other sites where Planning Activities or Project work (if financed by this Loan) is ongoing, or has been performed, to authorized representatives of the Department at any reasonable time. The Local Government shall cause its engineers and contractors to provide copies of relevant records and statements for inspection.

8.04. ASSIGNMENT OF RIGHTS UNDER AGREEMENT.

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

8.05. AMENDMENT OF AGREEMENT.

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

8.06. ABANDONMENT, TERMINATION OR VOLUNTARY CANCELLATION.

Failure of the Local Government to actively prosecute or avail itself of this Loan (including e.g. described in para 1 and 2 below) shall constitute its abrogation and abandonment of the rights hereunder, and the Department may then, upon written notification to the Local Government, suspend or terminate this Agreement.

(1) Failure of the Local Government to draw Loan proceeds within eighteen months after the effective date of this Agreement, or by the date set in Section 10.07 to establish the Loan Debt Service Account, whichever date occurs first.

(2) Failure of the Local Government, after the initial Loan draw, to draw any funds under the Loan Agreement for twenty-four months, without approved justification or demonstrable progress on the Project.

Upon a determination of abandonment by the Department, the Loan will be suspended, and the Department will implement administrative close out procedures (in lieu of those in Section 4.02) and provide written notification of Final Unilateral Amendment to the Local Government.

In the event that following the execution of this Agreement, the Local Government decides not to proceed with this Loan, this Agreement can be cancelled by the Local Government, without penalty, if no funds have been disbursed.

8.07. SEVERABILITY CLAUSE.

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

8.08. USE AS MATCHING FUNDS.

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

8.09. PUBLIC RECORDS ACCESS.

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

(2) This Agreement may be unilaterally canceled by the Department for refusal by the Local Government to either provide to the Department upon request, or to allow inspection and copying of all public records made or received by the Local Government in conjunction with this

Agreement and subject to disclosure under Chapter 119, F.S., and Section 24(a), Article I, Florida Constitution.

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

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

8.10. SCRUTINIZED COMPANIES.

(1) The Local Government certifies that it and its subcontractors are not on the Scrutinized Companies that Boycott Israel List. Pursuant to Section 287.135, F.S., the Department may immediately terminate this Agreement at its sole option if the Local Government or its subcontractors are found to have submitted a false certification; or if the Local Government, or its subcontractors are placed on the Scrutinized Companies that Boycott Israel List or is engaged in the boycott of Israel during the term of the Agreement.

(2) If this Agreement is for more than one million dollars, the Local Government certifies that it and its subcontractors are also not on the Scrutinized Companies with Activities in Sudan, Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List, or engaged with business operations in Cuba or Syria as identified in Section 287.135, F.S. Pursuant to Section 287.135, F.S., the Department may immediately terminate this Agreement at its sole option if the Local Government, its affiliates, or its subcontractors are found to have submitted a false certification; or if the Local Government, its affiliates, or its subcontractors are placed on the Scrutinized Companies that Boycott the Scrutinized Companies with Activities in Sudan List, or Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List, or engaged with business operations in Cuba or Syria during the term of the Agreement.

(3) The Local Government agrees to observe the above requirements for applicable subcontracts entered into for the performance of work under this Agreement.

(4) As provided in Subsection 287.135(8), F.S., if federal law ceases to authorize these contracting prohibitions then they shall become inoperative.

8.11. SUSPENSION.

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

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

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

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

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

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

ARTICLE IX - RESERVED

ARTICLE X - DETAILS OF FINANCING

10.01. PRINCIPAL AMOUNT OF LOAN.

The total amount awarded is \$520,000. Of that, the estimated Grant amount is \$260,000 based on initial estimated Project costs. The estimated principal amount of the Loan to be repaid is \$260,800, which consists of \$260,000 to be disbursed to the Local Government and \$800 of Capitalized Interest. The Grant amount will be transferred by the Department as a payment to the Loan when the first repayment is due.

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

10.02. LOAN SERVICE FEE.

The Loan Service Fee is estimated as \$10,400 for the Loan amount authorized to date. The fee represents two percent of the Loan amount excluding Capitalized Interest amount; that is, two percent of \$520,000. The Loan Service Fee is estimated at the time of execution of the loan agreement and shall be revised with any increase or decrease amendment. The Loan Service Fee is based on actual Project costs and assessed in the final loan amendment.

10.03. FINANCING RATE.

The Financing Rate on the unpaid principal of the Loan amount specified in Section 10.01 is 0.44 percent per annum. The Financing Rate equals the sum of the interest rate and the Grant Allocation Assessment Rate. The interest rate is 0.22 percent per annum and the Grant Allocation Assessment rate is 0.22 percent per annum. However, if this Agreement is not executed by the Local Government and returned to the Department before July 1, 2020, 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 term shall be 20 years.

10.05. REPAYMENT SCHEDULE.

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

Each Semiannual Loan Payment shall be in the amount of \$7,090 until the payment amount is adjusted by amendment. The interest and Grant Allocation Assessment portions of each Semiannual Loan Payment shall be computed, using their respective rates, on the unpaid balance of the principal amount of the Loan, which includes Capitalized Interest. Interest (at the Financing Rate) also shall be computed on the estimated Loan Service Fee. The interest and

Grant Allocation Assessment on the unpaid balance shall be computed as of the due date of each Semiannual Loan Payment.

Semiannual Loan Payments shall be received by the Department beginning on September 15, 2021 and semiannually thereafter on March 15 and September 15 of each year until all amounts due hereunder have been fully paid. Funds transfer shall be made by electronic means.

The Semiannual Loan Payment amount is based on the total amount owed of \$271,200, which consists of the Loan principal, and the estimated Loan Service Fee.

10.06. PROJECT COSTS.

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

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

CATEGORY	PROJECT COSTS (\$)
Planning Activities	520,000
Less Grant SG3510611 Funding	(260,000)
Capitalized Interest	800
TOTAL (Loan Principal Amount)	260,800

10.07. SCHEDULE.

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

- (1) Invoices submitted for work performed on or after November 13, 2019 shall be eligible for reimbursement.
- (2) Completion of all Planning Activities for all Project facilities proposed for loan funding no later than March 15, 2021.
- (3) Unless deferred by amendment, establish the Loan Debt Service Account and begin Monthly Loan Deposits no later than March 15, 2021.
- (4) The first Semiannual Loan Payment in the amount of \$7,090 shall be due September 15, 2021.

10.08. SPECIAL CONDITIONS.

Prior to any funds being released, the Local Government shall submit the following:

(1) A certified copy of the Resolution which authorizes the application, establishes the Pledged Revenues, and designates an Authorized Representative for signing the application and executing the Loan Agreement; and

(2) A Legal Opinion 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 WW350610 and SG350611 may be executed in two 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 or Designee 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 Department.

for
CITY OF GROVELAND

Mayor

Attest:

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

City Clerk

City Attorney

SEAL

for
STATE OF FLORIDA
DEPARTMENT OF ENVIRONMENTAL PROTECTION

Secretary or Designee

Date