

WALTON/OKALOOSA/SANTA ROSA REGIONAL UTILITY AUTHORITY

Staff to the RUA: Emerald Coast Regional Council

Chair: Vacant
Vice-Chair: Colton Wright

MEETING OF THE WALTON/OKALOOSA/SANTA ROSA REGIONAL UTILITY AUTHORITY

When: **Monday, June 30, 2025 at 11:00 am.**

Where: Okaloosa County Admin Bldg. Board Chambers, 1250 N Eglin Parkway, Shalimar, FL

A quorum can only be established with board members physically present

1. Call to Order
2. House Keeping (ECRC staff)
3. Approval of the agenda
4. Public Comments

Any individual who wishes to address the Board in-person is requested to fill out a Speaker Request Form obtained from TPO staff and comments can be provided in the GoToMeetings chat box; Comments may also be submitted via phone, eComment Card, or email (24hrs in advance).

Learn how to submit comments at: www.ecrc.org/TDPublicForum

5. Approval of the October 14, 2024 Meeting Minutes
6. Action Items
 - a. Election of RUA Chair and Vice-Chair
 - b. Consideration of Supporting Holt Water Works' (Holt WW) Request for Inclusion (RFI) in Florida's State Revolving Fund loan.
 - c. First Amendment to Interlocal Agreement between RUA and Holt WW dated October 14, 2024.
 - d. State Revolving Fund Loan Agreement DW170440



STAFF TO THE RUA: Emerald Coast Regional Council
P.O. Box 11399 • Pensacola, FL 32524-1399 • P: 850.332.7976 • 1.800.226.8914 • F: 850.637.1923
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WALTON/OKALOOSA/SANTA ROSA

REGIONAL UTILITY AUTHORITY

Staff to the RUA: Emerald Coast Regional Council

Chair: Vacant
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7. Information Items – October 14, 2024 Technical Committee Meeting Minutes
8. Other Business
9. Next meeting: September 29, 2025 at 11:00 am
10. Adjourn

If you have any questions concerning the meeting, please contact:
Howard Vanselow at 850-332-7976 x 231, 800-226-8914 or howard.vanselow@ecrc.org.

For those unable to attend in-person the meeting will also be accessible from your computer, tablet or smartphone;

<https://meet.goto.com/880458893>

You can also dial in using your phone.

United States: [+1 \(224\) 501-3412](tel:+12245013412)

Access Code: 880-458-893

In compliance with the Americans with Disabilities Act, reasonable accommodations to access meeting, and for limited English proficiency, are available upon request. Persons who require special accommodations under the Americans with Disabilities Act or persons who require translation services should contact our Marketing Team toll-free at 800-226-8914 or TTY 711, at least 48 hours in advance.

Parainformacion en espanol, puede llamar a Ada Clark al 850-332-7976, ext. 278 o TTY 711. Sinecesita acomodaciones especiales, por favor llame 48 horas de antemano.

Participation is solicited without regard to race, color, national origin, age, sex, religion, disability, or family status. Persons who believe they have been discriminated against on these conditions may file a complaint with the Title VI Coordinator, 850-332-7976, ext. 220.



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ENCLOSURE 5:

October 14, 2025 Minutes

WALTON/OKALOOSA/SANTA ROSA REGIONAL UTILITY AUTHORITY

Staff - Emerald Coast Regional Council

MEETING OF THE WALTON/OKALOOSA/SANTA ROSA REGIONAL UTILITY AUTHORITY

Monday, October 14, 2024 11:00 a.m.

Okaloosa County Administration Building
1250 Eglin Parkway
Shalimar, Florida

Members Present

Trey Goodwin, Okaloosa County BOCC, Chair
Nathan Boyles, Okaloosa County BOCC, Vice-Chair
James Calkins, Santa Rosa County BOCC
Colten Wright, Santa Rosa County BOCC
Chris Stein, City of Mary Esther
John Stephens, City of Destin
John Mead, City of Fort Walton Beach
Bill Schaetzle, City of Niceville
Tom Naile, City of Gulf Breeze

Others Present

Lockwood Wernet, Destin Water users
Monica Wallis, Destin Water Users
Jeff Crigler, Holly Navarre Water System
Dale Long, MESI
Joe Ream, South Walton Utilities
Jon Kanak, South Walton Utilities
Mike Hackett, Okaloosa County
Jerrick Saquibal, Northwest Florida Water Management District
Garrett Ifland, Northwest Florida Water Management District
Tony Countryman, Northwest Florida Water Management District
Zach Lewis, City of Gulf Breeze
Howard Vanselow, ECRC

Others Virtual/Call-in

Gary Huston, Linne & Huston

WALTON/OKALOOSA/SANTA ROSA REGIONAL UTILITY AUTHORITY

Staff - Emerald Coast Regional Council

Dawn Schwartz, ECRC

Nancy Pearson, ECRC

Annie Arguello, ECRC

Gina Watson, ECRC

Call to Order

Call to Order – Chair Goodwin called the meeting to order. The pledge of allegiance was recited, and board introductions were made.

Approval of the Agenda

Commissioner Boyles moved to approve the agenda. Commissioner Wright seconded the motion, and it was unanimously approved.

Public Comments

There were no public comments.

Approval of the September 15, 2024 Meeting Minutes

Commissioner Wright moved to approve the September 15, 2024 meeting minutes. Mayor Schaetzle seconded the motion, and it was unanimously approved.

ACTION ITEMS:

a. Election of Chair and Vice-Chair

There was brief discussion about the current slate of officers and the board's desire to retain it.

Commissioner Calkins moved to retain Commissioner Trey Goodwin as the RUA Chair for FY25. The motion was seconded by Mayor Stein, and it was unanimously approved.

Commissioner Calkins moved to nominate Commissioner Colten Wright as the RUA Vice Chair for FY25. The motion was seconded by Councilman Stephens, and it was unanimously approved.

WALTON/OKALOOSA/SANTA ROSA

REGIONAL UTILITY AUTHORITY

Staff - Emerald Coast Regional Council

b. Review and Approval of the RUA FY25 Budget

Dawn Schwartz explained the budget for FY25. Holt Water Works was added to the membership. She reviewed the line items in the budget and stated that ECRC expects legal fees to be more in this coming year due to more activity taking place by the RUA board.

Commissioner Boyles moved to approve the FY2025 Regional Utility Authority budget as presented. The motion was seconded by Commissioner Calkins, and it was unanimously approved.

c. Interlocal Agreement Between RUA and Holt Water Works, Inc. (Holt WW)

Mr. Vanselow reviewed the interlocal agreement as written. Mr. Huston said he has reviewed the agreement and had no concerns regarding the language as it was presented to him.

Commissioner Boyles moved to approve the interlocal agreement between the Regional Utility Authority and Holt Water Works, Inc. The motion was seconded by Commissioner Calkins, and it was unanimously approved.

d. Consideration of Resolution 2024-02 Relating to the State Revolving Fund Loan Program: Making Findings Authorizing the Loan Application, authorizing the Loan Agreement, Establishing Pledged Revenues, Designating Authorized Representatives, Providing Assurances, Providing for Conflicts, Severability, and Effective Date

Mr. Vanselow said the resolution is in support of the application which the board discussed at the last meeting. He said this is the second part of the loan application.

Mr. Long provided further clarification and Chair Goodwin asked for action by the board.

Commissioner Boyles moved to approve Resolution 2024-02 authorizing the RUA to submit SRF Clean Water Loan application for Project #46032 on behalf of Holt Water Works, as the sponsoring agency and designating authorized representatives, providing assurances, providing for conflicts, severability, and an effective date. The motion was seconded by Councilman Stephens, and it was unanimously approved.

WALTON/OKALOOSA/SANTA ROSA REGIONAL UTILITY AUTHORITY

Staff - Emerald Coast Regional Council

Information Item

a. Update on Regional Water Supply Plan for Santa Rosa, Okaloosa, and Walton Counties

Mr. Countryman provided an update on the statutorily required Water Supply Plan for District 2, which includes Santa Rosa, Okaloosa, and Walton counties, to determine if the water supply is adequate to meet the demand. He said the most recent assessment was completed last year. The plan projects the water demand for the next twenty years based on the population estimates. The plan takes into consideration methods to meet the needs of the community while preserving natural resources and avoiding future water supply losses.

Mr. Countryman noted that Okaloosa County is currently the largest user of resources and the growth rate for that county is expected to be 20%. Santa Rosa is projected to grow by 42%, and Walton County will boom, by 77%.

Mr. Countryman also noted that saltwater intrusion remains the number one concern and measures remain in place to control it. Modeling continues to show aquifer depletion, sea level rise, saltwater intrusion, and sand and gravel withdrawals, all of which need to be addressed. Projects have been submitted for conservation, reuse, surface water, traditional groundwater, and for storage and transmission facilities. A total of 114 projects were identified at an estimated total cost of \$518 million.

Mr. Countryman said the draft should be completed this month, with workshops to follow the end of October and into November. The final report will be ready in December and will be presented to the Northwest Florida Water Management District's Governing Board for approval in January of 2025.

b. TAC and Regional Updates

Mr. Crigler provided an update on the Holley-Navarre Water System. He highlighted that there was a legislative effort to form a North Santa Rosa Utility Authority for oversight. The effort failed, but he wanted to note to the board that this may be a trend that continues as population increases.

WALTON/OKALOOSA/SANTA ROSA REGIONAL UTILITY AUTHORITY

Staff - Emerald Coast Regional Council

Mr. Crigler also provided a highlight on the sewer project underway between Holley-Navarre and Santa Rosa County called the Eglin Regional Reuse project, which will redirect effluent from the sound to Eglin property and will expand Holley-Navarre's effluent waste capacity.

On the water side, the required inventory for EPA is being completed and sent in and new regulations are being reviewed for compliance.

Mr. Long explained the work he has been doing as a consultant to several utility companies within the three-county region and provided an updated on the happenings in the rural parts of those counties. For the Town of Paxton, work is being completed on a well rehab as well as treatment upgrades. The Holt Water Works application for new meters and well and tank upgrades project is ongoing, and work is being done for Mount Carmel and the Berryhill Water System in north Santa Rosa County.

Mr. Hackett provided an update on behalf of Okaloosa County Water and Sewer. He said they are working to increase wastewater capacity and have undertaken a big project at Shoal River. The discharge rate is being increased from .4 to 1 mgd. Mr. Hackett reported that water wells and lift stations are also being rehabilitated.

Mayor Stein asked about the progress of the Mary Esther project. Mr. Hackett said Okaloosa County is working with Mary Esther and Hurlburt to move forward and noted that Mary Esther is the driving force behind the project.

Ms. Wallis provided a status update for Destin Water Users. She said construction of a new well is being completed on the west end of the service area to address a water quality issue. A five hundred million gallon water tank is to be installed to better serve the Kelly Plantation subdivision. Also, wastewater two new screw presses to update the old machinery.

Mr. Ream, with South Walton Utility Company, provided an update, stating that all processes are going smoothly. He said there are no plans for additions at this time. Pump stations are doing well, and waste planning continues.

WALTON/OKALOOSA/SANTA ROSA REGIONAL UTILITY AUTHORITY

Staff - Emerald Coast Regional Council

Other Business The next meeting of the RUA board is tentatively scheduled for September 2025, unless one is needed sooner.

The meeting was adjourned.

DRAFT

ENCLOSURE 6b:

Consideration of authorizing the RUA as sponsoring agency to submit a Request for Inclusion (RFI) application for Waterline Replacement, New Well, Water Plant, and Elevated Tank Project on behalf of Holt Water Works (Holt WW) and designating authorized representatives.

Enclosure 6b

SUBJECT: Consideration of authorizing the RUA as sponsoring agency to submit a Request for Inclusion (RFI) application for Waterline Replacement, New Well, Water Plant, and Elevated Tank Project on behalf of Holt Water Works (Holt WW) and designating authorized representatives.

ORIGIN OF SUBJECT: Holt Water Works

Background:

1. Replace approximately 3,100 LF of 6-inch asbestos cement waterline with new 6" PVC waterline. The existing waterline is not only asbestos cement lines which is subject to frequent line breaks and considered a hazardous friable material when exposed and dried out, but it is also located within the US Hwy 90 right-of-way. This location is subject to damage from other utility installations as well as future widening of the roadway by the FDOT.

2. Construction of a new potable water well, water treatment plant, and 300,000 gallon elevated tank. The system presently has two wells and two tanks. The smaller well and tank do not have sufficient capacity to serve the entire system during max day demand. As such in the event of failure of the primary well and/or elevated tank Holt Water Works would have problems supplying adequate water pressure and volume to their customers and fire protection would be severely limited. The new well and tank would serve to improve the system reliability and provide improved water pressure to a portion of the system that experiences low water pressure during high demands.

Request for Inclusion is the First Step in the process for Florida's State Revolving Fund (SRF) funding. The information in the RFI is used by Florida Department of Environmental Protection (FDEP) to establish a project's eligibility for funding, including any principal forgiveness, and priority score which is then used for placement on the funding list ("priority list"). Projects are funded, in order of their priority score, until funds are exhausted. Once on the funding list, the process for applying for the loan may begin.

Estimated Requested SRF Loan amount is \$6,200,000



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Attached are the following:

- RFI application
- Link to SRF website: <https://floridadep.gov/wra/srf>

RECOMMENDED ACTION: Approval of a motion to authorize the RUA Chair to sign the RFI application. This action is recommended in order to submit the RFI application. Please contact Mr. Dale Long, P.E., LEED AP, Senior Project Engineer, Municipal Engineering Service Inc, at dlong@mesi-fl.com or (850) 939-5732 if you want additional information.



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Florida Department of Environmental Protection

REQUEST FOR INCLUSION ON THE DRINKING WATER PRIORITY LIST

Drinking Water State Revolving Fund Program
Douglas Building, 3900 Commonwealth Blvd, Tallahassee, Florida 32399-3000

The information in this Request for Inclusion (RFI) application is used to determine project eligibility and priority scoring. The priority score is used to rank projects for placement on the State Revolving Fund (SRF) priority list. Only projects placed on the fundable portion of the priority list receive consideration for a loan. Please note that costs incurred before the adoption of the project on the fundable or waiting portion of the priority list are not eligible for reimbursement.

1. Applicant's Name and Address.

Project Sponsor: _____ Contact Person: _____ Title: _____

(street address)

(city)

(county)

(zip code)

(telephone)

(ext.)

(e-mail)

Contact Person Address (if different):

(street address)

(city)

(state)

(zip code)

2. Name and Address of Applicant's Consultant (if any).

Firm: _____ Contact Person: _____ Title: _____

(street address)

(city)

(zip code)

(telephone)

(ext.)

(e-mail)

3. Type of Loan Requested in this Application. (select only one loan category and project type)

Planning Loan <input type="checkbox"/>	Design Loan <input type="checkbox"/>	Planning and Design Loan <input type="checkbox"/>	Construction Loan <input type="checkbox"/>
----------------------------------------	--------------------------------------	---------------------------------------------------	--------------------------------------------

Project Type: Design/Bid/Build ☐

Design/Build (D/B) ☐

Construction Manager at Risk (CMR) ☐

Note: Procurement of professional services must meet the requirements of the Consultants' Competitive Negotiation Act, Section 287.055, F.S.

Eligibility for a Loan. In order to be considered for a priority listing, the following conditions must be met:

- The respondent to this solicitation must qualify as a "project sponsor" as defined in subsection 62-552.200(27), F.A.C.
- The minimum construction loan amount is \$75,000.
- The project sponsor must agree to submit biddable plans and specifications within 1-year after execution of the loan agreement to qualify for a combined planning and design loan.
- The project is part of a public water system as defined in subsection 62-552.200(28), F.A.C., and may include drinking water supply, storage, transmission, treatment, disinfection, distribution, residuals management, and appurtenant facilities.

REQUEST FOR INCLUSION ON THE DRINKING WATER PRIORITY LIST

4. Median Household Income, Population and Principal Forgiveness Percentage (PF%). (complete a. through e. below)

- Median household income (MHI): _____ (current U.S. Census data or verifiable estimates)
- State median household income (SMHI): _____ (current U.S. Census data)
- Population (P) served _____ = number of service connections _____ times 2.5 persons per connection to include proposed connections.
- Is the project sponsor applying for a planning and/or design loan with principal forgiveness? Yes ☐ No ☐. If yes, then PF is 50%. *Only a sponsor that qualifies as a financially disadvantaged small community is eligible for a planning/ design loan with PF.*
- Is the project sponsor applying for a construction loan with principal forgiveness? Yes ☐ No ☐. If yes, then PF% is calculated using the formula: $PF\% = 1760/9 - 160 \times (MHI/SMHI) - 7/4500 \times P$.

Calculate PF% for a construction loan using the above formula: _____ (minimum 20% and maximum 90%).

If the sponsor is connecting a financially disadvantaged small community as defined below, a maximum 50% PF is available.

Please note that the calculated PF% is an estimate and the actual percentage will be determined by the Department. The amount of loan available with principal forgiveness for a project is dependent upon the amount of funds allocated for the fiscal year.

Eligibility for a loan with principal forgiveness. In order to be considered for a loan with principal forgiveness, the following conditions must be met:

- The project sponsor must qualify as a financially disadvantaged small community public water system as defined in Rule 62-552.200, F.A.C., unless the sponsor is specifically exempted from this requirement.
- The median household income (MHI) of the sponsor's service area must be less than the state median household income (SMHI) as reported from the current U.S. Census data or from verifiable estimates, unless the sponsor is specifically exempted from this requirement.
- The population (P) of the sponsor's service area must be less than 10,000 (to include the population from the project's proposed future connections), unless the sponsor is specifically exempted from this requirement.
- The project sponsor is allowed only one open loan with principal forgiveness. A loan is deemed open until the final disbursement of the project has been paid by the department.
- A project sponsor is eligible for a construction loan with principal forgiveness (maximum 50%) if connecting a community with less than 250 residential wells; an existing public water system with less than 250 service connections; or a separate, non-interconnected public water system owned by the sponsor. The project area must qualify as a financially disadvantaged small community.
- A financially disadvantaged community with a population of 10,000 or more is eligible for a construction loan with 20% principal forgiveness if dollars are available after funding all eligible financially disadvantaged small communities.
- A project sponsor that is a for-profit entity is not eligible for principal forgiveness.
- A construction project for a financially disadvantaged small community that uses a Construction Manager at Risk delivery method is ineligible for principal forgiveness.

5. Interest Rate Percentage.

The interest rate for a loan with the Department is determined using the following formula:

$$\% \text{ of MR} = 40 \times (MHI/SMHI) + 15 \qquad \% \text{ of MR} = \text{Percentage of Market Rate.}$$

Calculate and enter the % of MR below:

$$\% \text{ of MR for a loan: } \underline{\hspace{2cm}} \qquad (35\% \leq \% \text{ of MR} \leq 75\%)$$

Please note that the calculated % of MR is an estimate and the actual interest rate will be determined by the Department. The interest rate for a loan shall not be less than 0.2 percent.

6. Base Priority Score. Each project shall receive a base priority score (BPS) dependent on the weighted average of its components. The BPS shall be determined using the below formula where CPS means the component priority score and CCC means component construction cost.

$$BPS = [CPS_1 \times CCC_1 + \dots + CPS_n \times CCC_n] / \text{Total Construction Cost}$$

Select each component and component score in Table 1 below that apply to the project, enter the estimated construction costs, and calculate the base priority score.

- Component priority scores that are based on contaminant levels must be justified by sample analytical data (see exception in notes at bottom of Table 1). The date of sample collection must be less than 24-months from the submittal date of the Request for Inclusion.
- The project sponsor must provide documentation demonstrating that contaminant levels (e.g. disinfection byproducts) cannot be reduced by adjusting system operations, if applicable.

REQUEST FOR INCLUSION ON THE DRINKING WATER PRIORITY LIST

- A compliance-1 category component score of 400 points, if selected in Table 1, must be supported by documentation demonstrating the need for the project; otherwise, a component score of 300 points shall be assigned.

Table 1

Project Component (select all components that apply)	Component Priority Score	Component Construction Cost
Acute Public Health Risk <input type="checkbox"/> 1a. E-Coli or Fecal Coliform Exceed MCL (62-550.310(5), F.A.C.) <input type="checkbox"/> 1b. Nitrate, Nitrite, or Total Nitrogen Exceed MCL (62-550.310(1), F.A.C., Table 1) <input type="checkbox"/> 1c. Lead or Copper Exceed Action Level (62-550.800, F.A.C.) <input type="checkbox"/> 1d. Surface Water Filtration/Disinfection Noncompliance (62-550.817(2), F.A.C.)	800 points <input type="checkbox"/>	
Potential Acute Public Health Risk <input type="checkbox"/> 2a. Nitrate, Nitrite, or Total Nitrogen 50% of MCL (62-550.310(1), F.A.C., Table 1) <input type="checkbox"/> 2b. Microbiologicals Exceed MCL (62-550.310(5), F.A.C.) <input type="checkbox"/> 2c. Surface Water Enhanced Filtration/Disinfection Noncompliance (62-550.817(3), F.A.C.) <input type="checkbox"/> 2d. State Health Certification of Acute Health Risk, Unregulated Microbiological Contaminant <input type="checkbox"/> 2e. Violation of Disinfection Requirements (62-555.320(12), F.A.C.)	700 points <input type="checkbox"/>	_____
Chronic Public Health Risk <input type="checkbox"/> 3a. Inorganic/Organic Contaminant Exceed MCL (62-550.310(1) & (4), F.A.C., Tables 1,4,5) <input type="checkbox"/> 3b. Disinfection Byproducts Exceed MCL (62-550.310(3), F.A.C., Table 3) <input type="checkbox"/> 3c. Radionuclides Exceed MCL (62-550.310(6), F.A.C.)	600 points <input type="checkbox"/>	
Potential Chronic Public Health Risk <input type="checkbox"/> 4a. Inorganic/Organic Contaminant 50% of MCL (62-550.310(1) & (4), F.A.C., Tables 1,4,5) <input type="checkbox"/> 4b. Disinfection Byproducts 80% of MCL (62-550.310(3), F.A.C., Table 3) <input type="checkbox"/> 4c. State Health Certification of Chronic Health Risk, Unregulated Chemical Contaminant	500 points <input type="checkbox"/>	_____
Compliance-1 Projects (documentation must be attached or default to Compliance-2 score) <input type="checkbox"/> 5a. Infrastructure upgrades to facilities undersized, exceed useful life, or with equipment failures <input type="checkbox"/> 5b. Insufficient water supply source, treatment capacity, or storage <input type="checkbox"/> 5c. Water distribution system pressure less than 20 psi <input type="checkbox"/> 5d. Eliminate dead ends and provide adequate looping in a distribution system <input type="checkbox"/> 5e. Replace distribution mains to correct continual leaks, pipe breaks, and water outages <input type="checkbox"/> 5f. New water system or extension of existing system to replace contaminated or low yield wells <input type="checkbox"/> 5g. Lack of significant safety measures (e.g. chemical containment) <input type="checkbox"/> 5h. Secondary Contaminant MCL Exceedance (62-550.320, F.A.C.) <input type="checkbox"/> 5i. Drinking water supply project as defined in 403.8532(9)(a), F.S.	400 points <input type="checkbox"/>	
Compliance-2 Projects <input type="checkbox"/> 6a. Treatment, Storage, Power, and Distribution Requirements (62-555.320, F.A.C.) <input type="checkbox"/> 6b. Minimum Required Number of Wells (62-555.315(2), F.A.C.) <input type="checkbox"/> 6c. Well Set-back and Construction Requirements (62-555.312 and 62-555.315, F.A.C.) <input type="checkbox"/> 6d. Cross-Connection Control Requirements (62-555.360, F.A.C.) <input type="checkbox"/> 6e. Physical Security Project Documented in a Vulnerability Analysis <input type="checkbox"/> 6f. Consolidation or regionalization of public water systems <input type="checkbox"/> 6g. Water or Energy Conservation Project	300 points <input type="checkbox"/>	_____
<input type="checkbox"/> 7. All Other Projects (including land or public water system acquisition projects)	100 points <input type="checkbox"/>	

Note: Item 2d. and 4c. of Table 1 requires a State Health Officer to complete the form "Certification of a Public Health Risk". If 50% or more of wells meet contaminant levels from Table 1 above, then select the appropriate health risk category in Table 1. Flooded wells and wells under the direct influence of surface water are considered an unregulated microbiological potential acute public health risk and require documentation of occurrence in lieu of sampling data.

7. Affordability Score. The extent of affordability existing in a small community to be served by the project shall be reflected in the priority score. Points shall be awarded based upon two affordability criteria: median household income (MHI) and population (P) served. These points are to be added to the base priority score. Calculate the affordability score using the following formulas:

$$\text{Affordability Score} = (\text{MHI Score} + \text{Population Score})$$

$$\text{MHI Score} = 100 \times (1.00 - \text{MHI}/\text{SMHI}), \text{ zero} \leq \text{MHI score} \leq 75, \text{ rounded to nearest whole number}$$

$$\text{Population Score} = 50.0 - (P/200), \text{ population score} \geq \text{zero}, \text{ rounded to nearest whole number}$$

REQUEST FOR INCLUSION ON THE DRINKING WATER PRIORITY LIST

8. Water Conservation Score. A project sponsor with a qualifying water conservation project is eligible to receive an additional 100 points added to their base priority score if the sponsor provides a water conservation plan in accordance with EPA's Water Conservation Plan Guidelines document number EPA-832-D-98-001, August 6, 1998.

9. Total Priority Score. Total priority score equals the base priority score plus the affordability score. (complete a. through d. below)

- a. Base priority score: _____ points.
- b. Affordability score: _____ points (> zero).
- c. Water Conservation score: _____ points.
- d. Total priority score: _____ points (sum of items a. and c.)

10. Estimated Project Cost. (complete a. through i. below)

(enter \$0 if activity is not applicable)

Project Activity

Cost

- a. Planning. _____
- b. Design (not applicable if a D/B project). _____
- c. Eligible land (necessary land divided by total land times purchase price). _____
- d. Constr., equip., material, demo. & related procurement (include design if D/B project). _____
- e. Construction contingency (10% of 'd', only applicable for Design/Bid/Build projects). _____
- f. Technical services during construction and after bid opening. _____
- g. Asset management plan per 62-552.700(7), F.A.C. _____
- h. Total project costs (sum of a. through g.). _____
- i. Loan amount requested by the sponsor in this RFI (assume no principal forgiveness). _____

List all funding sources (including grants for this project): _____

11. Project Schedule. (complete a. through d. below)

Project Activity

(M/D/YY)

- a. Submit planning documents. _____
- b. Submit design/bid documents or RFQ/RFP for CMR & D/B projects. _____
- c. Start construction. _____
- d. Complete construction. _____

12. Project Information. Provide the following information, if applicable.

(select all items below that are attached to this RFI)

- ☐ Project description, location with lat/long (degrees), water system PWS ID, and project need (*this is a required attachment*).
- ☐ Map of city and county limits, existing and proposed service area, and project area (*this is a required attachment*).
- ☐ Lab data, lab data with operational records, or substantiated documentation in lieu of lab data for public health risk projects.
- ☐ Certification of a Public Health Risk form completed by a State Health Officer.
- ☐ Supporting documentation for projects identified under the Compliance-1 project categories from Table 1 above.
- ☐ Project schedule showing plans and specs completion within 1-year of the execution date of a planning/design loan.
- ☐ Supporting documentation if MHI not taken from current U.S. Census data.
- ☐ Water Conservation Plan in accordance with EPA guidelines.

13. Certification by an Authorized Representative. I certify that this form and attachments have been completed by me or at my direction and that the information presented herein is, to the best of my knowledge, accurate and true.

(signature)

(date)

(e-mail)

(print name)

(print title)

Email the completed RFI form with attachments to SRFRFI@FloridaDEP.gov or mail to the Florida Department of Environmental Protection, State Revolving Fund Program, 3900 Commonwealth Blvd, Tallahassee, Florida 32399-3000.

ENCLOSURE 6c:

First Amendment to Interlocal Agreement between
RUA and Holt WW dated October 14, 2024.

WALTON/OKALOOSA/SANTA ROSA REGIONAL UTILITY AUTHORITY

Staff to the RUA: Emerald Coast Regional Council

Chair: Vacant
Vice-Chair: Colton Wright

Enclosure 6c

SUBJECT: First Amendment to Interlocal Agreement between Walton/Okaloosa/Santa Rosa Regional Utility Authority (RUA) and Holt Water Works (Holt WW) dated October 14, 2024.

ORIGIN OF SUBJECT: Holt Water Works

Background: On October 14, 2024, Walton/Okaloosa/Santa Rosa Regional Utility Authority (RUA) and Holt Water Works, Inc. (Holt WW) entered into an Interlocal Agreement concerning a loan from the Florida Department of Environmental Protection Revolving Loan Program for Drinking Water Facilities.

The Florida Department of Environmental Protection (FDEP) requested that RUA and Holt WW amend the Interlocal Agreement by adding a new Section 21, provided in its entirety as follows:

Section 21. Holt WW's rates and charges for the services furnished by Holt WW to its customers will be maintained in a manner 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, Holt WW shall satisfy the coverage requirements of all Parity Debt obligations. Capitalized terms shall have the same meaning as those terms have in the Loan Agreement between Holt WW and FDEP.

Attached are the following:

- First Amendment to Interlocal Agreement between RUA and Holt WW dated October 14, 2024. (The Amendment was prepared by the RUA attorney Mr. Gary Huston and reviewed by Holt Water Works)
- Interlocal Agreement between RUA and Holt WW dated October 14, 2024

RECOMMENDED ACTION: Approval of a motion to authorize the RUA Chair to sign First Amendment to Interlocal Agreement between RUA and Holt WW dated October 14, 2024.

This action is recommended in order to submit the SRF loan application. Please contact Mr. Dale Long, P.E., LEED AP, Senior Project Engineer, Municipal Engineering Service Inc, at dlong@mesi-fl.com or (850) 939-5732 if you want additional information.



STAFF TO THE RUA: Emerald Coast Regional Council
P.O. Box 11399 • Pensacola, FL 32524-1399 • P: 850.332.7976 • 1.800.226.8914 • F: 850.637.1923
www.ecrc.org

**FIRST AMENDMENT TO INTERLOCAL AGREEMENT
ORIGINALLY DATED OCTOBER 14, 2024
BETWEEN WALTON/OKALOOSA/SANTA ROSA REGIONAL UTILITY AUTHORITY
AND HOLT WATER WORKS, INC.**

1. On October 14, 2024, Walton/Okaloosa/Santa Rosa Regional Utility Authority ("**RUA**") and Holt Water Works, Inc. ("**Holt WW**") entered into an Interlocal Agreement ("**the Interlocal Agreement**") concerning a loan from the Florida Department of Environmental Protection Revolving Loan Program for Drinking Water Facilities.

2. The Florida Department of Environmental Protection ("**FDEP**") requests that RUA and Holt WW amend the Interlocal Agreement in the manner stated in this Amendment.

3. In response to FDEP's request that the Interlocal Agreement be amended, RUA and Holt WW agree to amend the Interlocal Agreement by adding a new Section 21, providing in its entirety as follows:

21. Holt WW's rates and charges for the services furnished by Holt WW to its customers will be maintained in a manner 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, Holt WW shall satisfy the coverage requirements of all Parity Debt obligations. Capitalized terms shall have the same meaning as those terms have in the Loan Agreement between Holt WW and FDEP.

4. The Interlocal Agreement remains in full force and effect, unchanged except only as stated in paragraph number 3 of this Amendment.

IN WITNESS WHEREOF, RUA and Holt WW have caused this First Amendment to be executed in two (2) counterparts by their authorized representatives as of the day and year first written above.

HOLT WATER WORKS, INC.

WALTON/OKALOOSA/SANTA ROSA
REGIONAL UTILITY AUTHORITY

By: _____
Mark Christiansen, its Board President

By: _____
_____, its Chair

Witness

Witness

Witness

Witness

INTERLOCAL AGREEMENT

THIS AGREEMENT is made this 14 day of Oct, 2024, by and between the **Walton/Okaloosa/Santa Rosa Regional Utility Authority** (hereinafter referred to as "RUA"), and **Holt Water Works, Inc.** (hereinafter referred to as "Holt WW");

WITNESSETH:

WHEREAS RUA is a Regional Utility Authority created pursuant to the provisions of *Florida Statutes* and a FDEP Secretary's Order dated March 9, 1999, and it has the authority to enter into this agreement pursuant to Section 163.01, *Florida Statutes*, authorizing Interlocal Agreements; and

WHEREAS RUA is authorized to borrow money, and incur indebtedness; and for that purpose, to contract with other governmental authorities or other corporations for the purpose of financing construction and operations consistent with its purposes; and

WHEREAS RUA as a regional utility authority is eligible to receive loans and grants through the Florida Department of Environmental Protection's State Revolving Loan Program for drinking water facilities; and

WHEREAS RUA is authorized to enter into agreements or contracts with public and/or private entities for provision of planning, financing and construction of any and all water-related facilities deemed appropriate by the RUA; and

WHEREAS Holt WW is a *not-for-profit, member-owned* corporation and owns, operates, and maintains a drinking water utility system, including wells, drinking water treatment plants, one or more storage tanks, and a distribution system for the benefit of its members, in accordance with Section 501(c) (12) of the Internal Revenue Code and as authorized by the Laws of Florida; and

WHEREAS Holt WW provides drinking water service to a defined area of rural Okaloosa County; and

WHEREAS Holt WW has determined that certain improvements to its drinking water system would enhance its operational efficiencies and services to its customers; and

WHEREAS Holt WW is seeking the assistance of RUA to obtain funding from Florida DEP to develop needed additional capacity and related improvements to Holt WW's drinking water utility services.

NOW, THEREFORE, in consideration of the foregoing premises, which shall be deemed an integral part of this Agreement, and of the mutual covenants and agreements hereafter set forth, RUA and Holt WW intend to be legally bound and hereby agree as follows:

1. FDEP STATE REVOLVING LOAN

- a. RUA agrees to make application for a loan through the Florida Department of Environmental Protection State Revolving Loan Program for Drinking Water Facilities ("**the Loan**"). Holt WW agrees to take any and all necessary action to enable RUA to submit a complete loan application. If the Loan is approved and funded, RUA and Holt WW will apply the Loan proceeds in accordance with the requirements of the Loan (or grant, as applicable) to the construction or installation of the specified and approved improvements to the Holt WW drinking water system.
- b. Should any future amendments to the loan agreement be required, RUA agrees to take any and all necessary action to finalize any loan agreement amendments.
- c. Holt WW agrees to provide all necessary administration, legal, engineering, and financial consultants' services in support of RUA's loan application. The provision of these consultant services shall be at no cost to RUA. Holt WW further agrees to provide any and all documents required to support the loan application and approval process.
- d. RUA agrees not to obligate Holt WW in any way without Holt WW's approval, and *vice versa*.
- e. Holt WW agrees to comply with the laws, rules, regulations, policies and conditions relating to the Loan.
- f. Holt WW hereby agrees that the Loan will be secured by the Holt WW's pledge of all net revenues of the Holt WW drinking water system as the

“Pledged Revenues” required for the Loan.

2. OPERATION AND MAINTENANCE

Holt WW will be responsible for all operating and maintenance expenses relating to the *facility and all related systems*, including but not limited to all administrative planning, engineering, permitting, and construction support needed to implement the project’s development.

3. GUARANTY OF PAYMENT

Holt WW hereby guarantees payment of funds to RUA for full and punctual repayment of the Loan, as each payment becomes due, and will hold RUA harmless from all operational and maintenance and other related issues relating to the management of the facilities.

4. FEES AND CHARGES

- a. Holt WW agrees to provide funds to RUA to pay all fees, charges, principal, and interest to the Florida Department of Environmental Protection related to the Loan.
- b. Holt WW agrees to pay in a timely manner when due, all of RUA’s actual costs and expenses RUA incurs at any time in performing its obligations under this Agreement or relating in any way to this Agreement or the transactions which are the subject of this Agreement including, without limitation, (i) the internal costs incurred by RUA (including those incurred by RUA’s agent, Emerald Coast Regional Council), including personnel costs, out-of-pocket expenses, professional accounting or auditing expenses, and (ii) RUA’s attorneys’ fees. If Holt WW contends that any such amounts are excessive, Holt WW will have the right to petition RUA’s Board of Directors for a determination of the reasonable amount properly payable by Holt WW in regard to the costs, expenses and fees charged to Holt WW under this paragraph 4.b.

5. TERM

- a. This Agreement shall remain in full force and effect until the Loan is paid in full and all of Holt WW’s obligations under this Agreement have been fully performed.

- b. However, this Agreement shall expire if the Florida DEP does not fund the Loan in whole or in part within twenty-four (24) months after the signing of this Agreement.

6. HOLD HARMLESS

Holt WW agrees to hold RUA harmless with respect to any and all obligations regarding the Loan and the project.

7. SUCCESSOR AND ASSIGNS

Neither party will have any right to assign its rights or obligations under this Agreement without the written consent of the other party. In the event of a valid assignment, the terms and conditions of this Agreement shall be binding on all approved assignees.

8. MODIFICATIONS OF TERMS OF AGREEMENT

No modification to this Agreement shall occur unless agreed to in writing by the parties to this Agreement.

9. REGULATORY AGENCIES AND PERMITS

This Agreement is subject to such permits, rules, regulations or laws as may be applicable to similar agreements in Florida. Holt WW and RUA shall cooperate with one another in obtaining all necessary permits, certificates or the like as may be required to comply with all applicable rules, regulations and laws.

11. DEFAULTS AND REMEDIES

11.1 Events of Default

Each of the following events is hereby declared an Event of Default:

- (1) The occurrence of any Event of Default under the Loan or any grant made by Florida DEP to fund (in whole or in part) any project or improvement contemplated by this Agreement;
- (2) Failure to comply with the provisions of this Agreement and the continuance of such failure for thirty (30) days after written notice given to the defaulting party;

- (3) An order or decree is entered, with the acquiescence of Holt WW, appointing a receiver of any part of its water system or gross revenues thereof; or if such order or decree is entered without the consent or acquiescence of Holt WW, if the same is not vacated or discharged or stayed on appeal within 60 days after the entry thereof;
- (4) Any proceeding is instituted, with the acquiescence of Holt WW, for the purpose of effecting a composition between Holt WW 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 Holt WW's water system; and
- (5) Any bankruptcy, insolvency or other similar proceeding instituted by or against Holt WW under federal or state bankruptcy or insolvency law now or hereafter in effect and, if instituted against Holt WW, the same is not dismissed within 60 days after filing.

11.2 Remedies

Upon any Event of Default by Holt WW, RUA may enforce its rights by any of the following remedies:

- (1) By any method available at law or in equity, RUA will have the authority to establish rates and collect fees and charges for use of Holt WW's water systems, and to require Holt WW to fulfill this Agreement.
- (2) To require Holt WW to account for all moneys received from RUA or from the ownership of the water systems, and to account for the receipt, use, application, or disposition of all Loan proceeds and Holt WW's revenues.
- (3) By action or suit in equity, enjoin any acts or failures to act which may be unlawful or in violation of the rights of RUA.
- (4) By applying to a court of competent jurisdiction, cause appointment of a receiver to manage Holt WW's water systems, establish and collect fees and charges, and apply the revenues to the payment of the Loan and payment of other obligations under this Agreement.
- (5) By charging Holt WW interest on all unpaid obligations at the rate of *eighteen* percent (*18%*) per annum on the amount due, in addition to charging the cost to monitor and process the debt related to the Loan.

Interest shall accrue on any amount due and payable beginning on the 30th day following the date upon which payment first became 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.

11.3 Delay and Waiver

No delay or omission by either RUA or Holt WW to exercise any right or power accruing upon an Event of Default shall impair any such right or power or 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 advisable. No waiver of 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.

12. APPLICABLE LAW

The parties agree that this Agreement was entered into in the State of Florida and that the laws of the State of Florida apply to the interpretation, construction and enforcement of this Agreement.

13. ENTIRE AGREEMENT

No prior or present agreements or representations of the parties or their predecessors shall be binding on the parties to this Agreement. This Agreement shall replace and supersede all previous agreements. No modification or change in this Agreement shall be valid or binding upon the parties unless in writing, and executed by the parties.

14. DISPUTE RESOLUTION

- a. If Holt WW alleges a breach by RUA, then the parties shall perform and otherwise comply with the terms of this Agreement until final resolution of the alleged breach, whether final resolution is accomplished by agreement, mediation, litigation or any other applicable proceeding.

b. RUA and Holt WW agree that if a dispute arises out of or in relation to this Agreement, they will attempt in good faith to settle the matter through discussion, negotiation and/or mediation. Any dispute arising under or in relation to the Agreement which cannot be resolved informally shall be resolved in this following manner:

(i) Mediation: As a condition precedent to litigation or adversarial administrative proceeding, the parties shall submit the matter to non-binding mediation in an effort to resolve their differences, and the parties shall equally share the cost of mediation.

(ii) Attorneys' Fees and Costs: If there is a breach of this Agreement and it becomes necessary for any party to employ the services of an attorney either to enforce this Agreement or pursue other remedies, including (without limitation) litigation or adversarial administrative proceedings, the non-prevailing party or parties shall pay the prevailing party's or parties' reasonable attorneys' fees and such reasonable costs and expenses as are incurred in enforcing this Agreement or pursuing other remedies, to the extent allowed by law.

15. EXECUTION OF DOCUMENTS

This Agreement shall be executed in duplicate originals, either of which shall be regarded for all purposes as an original and all of which shall constitute one and the same instrument.

16. SEVERABILITY

If any provision of this Agreement is, for any reason, determined invalid, illegal or unenforceable in any respect, the parties shall negotiate in good faith and strive to agree to such amendments, modifications or supplements to this Agreement or such other appropriate actions as shall, to the maximum extent practical in light of such determination, implement and give effect to the intentions of the parties as reflected herein; and the other provisions of this Agreement, except as amended, modified, supplemented or otherwise affected by such action, shall remain in full force and effect.

17. SECTIONS, CAPTIONS, AND REFERENCES

The section headings and captions contained herein are included for convenience only and shall not be considered part of this Agreement or affect in any manner its construction or interpretation. Except as otherwise indicated, all references herein to sections are to sections of this Agreement.

18. AMBIGUITY

The parties agree that each one has played an equal part in the negotiation and drafting of this Agreement, and if any ambiguity is asserted or realized in the interpretation or construction of this Agreement, the result of such ambiguity shall be equally assumed and realized by each party.

19. WAIVER OF JURY TRIAL

The parties to this Agreement hereby waive their rights to jury trial of any dispute arising out of this Agreement.

20. NOTICES

Any notice required pursuant to this Agreement shall be deemed sufficient if sent by United States Mail, Postage Prepaid, to the following:

If to Walton/Okaloosa/Santa Rosa
Regional Utility Authority:

Executive Director
Emerald Coast Regional Council
P.O. Box 11399
Pensacola, FL 32524

If to Holt Water Works, Inc.:

Manager
Holt Water Works
4618 Johnson St.
Holt, FL 32564

(Signatures on following pages)

IN WITNESS WHEREOF, RUA and Holt WW have caused this Agreement to be executed in two (2) counterparts by their authorized representatives as of the day and year first written above.

HOLT WATER WORKS, INC.

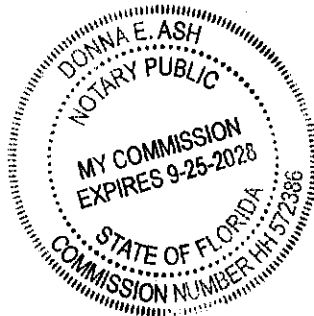
By: Mark Christiansen
Mark Christiansen, its Board President

Eric Kroll
Witness

[Signature]
Witness

STATE OF FLORIDA)
)
COUNTY OF OKALOOSA)

The foregoing instrument was acknowledged before me by means of ☒ physical presence or ☐ online notarization, on Oct 14, 2024,
_____ as Manager Holt Water Works, Inc., a corporation, on behalf of the corporation. He/she is personally known to me or has produced _____ as identification.



Donna E. Ash

NOTARY PUBLIC, STATE OF FLORIDA
COMMISSION NO. HH572386
MY COMMISSION EXPIRES: 9/25/28

WALTON/OKALOOSA/SANTA ROSA
REGIONAL UTILITY AUTHORITY

By: [Signature]
Robert A. Goodwin, III, its Chairman

[Signature]
Witness

[Signature]
Witness

STATE OF FLORIDA)
)
COUNTY OF Okaloosa)

The foregoing instrument was acknowledged before me by means of ☒ physical presence or ☐ online notarization, on October 14, 2024, by Robert A. Goodwin, III, as Chairman of Walton/Okaloosa/Santa Rosa Regional Utility Authority, on behalf of that entity. (He/she is personally known to me or has produced _____ as identification.



[Signature]

NOTARY PUBLIC, STATE OF FLORIDA
COMMISSION NO. HH 475029
MY COMMISSION EXPIRES: 12-20-2027

ENCLOSURE 6d:

Authorizing the RUA as sponsoring agency to sign
State Revolving Fund loan agreement for the Holt
Water Works' Replacement of Water Meters project.

WALTON/OKALOOSA/SANTA ROSA REGIONAL UTILITY AUTHORITY

Staff to the RUA: Emerald Coast Regional Council

Chair: Vacant
Vice-Chair: Colton Wright

Enclosure 6d

SUBJECT: Authorizing the RUA as sponsoring agency to sign State Revolving Fund loan agreement for the Holt Water Works' Replacement of Water Meters project

ORIGIN OF SUBJECT: Holt Water Works

Background: July 14, 2024, the RUA supported Holt Water Works (Holt WW) Request for for Inclusion (RFI) application for Water Meter Replacement.

October 14, 2024, the RUA entered an Interlocal Agreement with Holt WW. As part of the Interlocal Agreement the RUA agrees to make application for a loan through the Florida Department of Environmental Protection State Revolving Loan Program for Drinking Water Facilities.

Attached is the following:

- Drinking Water State Revolving Fund Construction Loan Agreement DW170440

RECOMMENDED ACTION: Approval of a motion to authorize the RUA Chair to sign Drinking Water State Revolving Fund Construction Loan Agreement DW170440. This action is recommended in order to execute the loan agreement. Please contact Mr. Howard Vanselow, Emerald Coast Regional Council, at howard.vanselow@ecrc.org or (850) 332-7976, ext. 231 if you want additional information.



STAFF TO THE RUA: Emerald Coast Regional Council
P.O. Box 11399 • Pensacola, FL 32524-1399 • P: 850.332.7976 • 1.800.226.8914 • F: 850.637.1923
www.ecrc.org

**STATE OF FLORIDA
DEPARTMENT OF ENVIRONMENTAL PROTECTION**

AND

**WALTON/OKALOOSA/SANTA ROSA REGIONAL UTILITY AUTHORITY,
FLORIDA**

**DRINKING WATER STATE REVOLVING FUND
CONSTRUCTION LOAN AGREEMENT
DW170440**

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

DRINKING WATER STATE REVOLVING FUND CONSTRUCTION LOAN AGREEMENT

CONTENTS	PAGE
ARTICLE I - DEFINITIONS	1
1.01. WORDS AND TERMS.	1
1.02. CORRELATIVE WORDS.	3
ARTICLE II - WARRANTIES, REPRESENTATIONS AND COVENANTS	4
2.01. WARRANTIES, REPRESENTATIONS AND COVENANTS.	4
2.02. LEGAL AUTHORIZATION.	5
2.03. AUDIT AND MONITORING REQUIREMENTS.	6
ARTICLE III - LOAN REPAYMENT ACCOUNT	8
3.01. LOAN DEBT SERVICE ACCOUNT.	8
3.02. INVESTMENT OF LOAN DEBT SERVICE ACCOUNT MONEYS.	9
3.03. LOAN DEBT SERVICE ACCOUNT WITHDRAWALS.	9
3.04. ASSETS HELD IN TRUST.	9
ARTICLE IV - PROJECT INFORMATION	9
4.01. PROJECT CHANGES.	9
4.02. TITLE TO PROJECT SITE.	9
4.03. PERMITS AND APPROVALS.	9
4.04. ENGINEERING SERVICES.	9
4.05. PROHIBITION AGAINST ENCUMBRANCES.	10
4.06. COMPLETION MONEYS.	10
4.07. CLOSE-OUT.	10
4.08. DISBURSEMENTS.	10
4.09. ADVANCE PAYMENT.	11
ARTICLE V - RATES AND USE OF THE UTILITY SYSTEM	11
5.01. RATE COVERAGE.	11
5.02. NO FREE SERVICE.	12
5.03. RESERVED.	12
5.04. NO COMPETING SERVICE.	12
5.05. MAINTENANCE OF THE UTILITY SYSTEM.	12
5.06. ADDITIONS AND MODIFICATIONS.	12
5.07. COLLECTION OF REVENUES.	12
ARTICLE VI - DEFAULTS AND REMEDIES	12
6.01. EVENTS OF DEFAULT.	12
6.02. REMEDIES.	13
6.03. DELAY AND WAIVER.	14
ARTICLE VII - THE PLEDGED REVENUES	15
7.01. SUPERIORITY OF THE PLEDGE TO THE DEPARTMENT.	15
7.02. ADDITIONAL DEBT OBLIGATIONS.	15

DRINKING WATER STATE REVOLVING FUND CONSTRUCTION LOAN AGREEMENT

CONTENTS	PAGE
ARTICLE VIII - GENERAL PROVISIONS	15
8.01. DISCHARGE OF OBLIGATIONS.	15
8.02. PROJECT RECORDS AND STATEMENTS.	16
8.03. ACCESS TO PROJECT SITE.	16
8.04. ASSIGNMENT OF RIGHTS UNDER AGREEMENT.	16
8.05. AMENDMENT OF AGREEMENT.	16
8.06. ABANDONMENT, TERMINATION OR VOLUNTARY CANCELLATION.	16
8.07. SEVERABILITY CLAUSE.	17
8.08. SIGNAGE.	17
8.09. DAVIS-BACON AND RELATED ACTS REQUIREMENTS.	17
8.10. AMERICAN IRON AND STEEL REQUIREMENT.	18
8.11. BUILD AMERICA, BUY AMERICA ACT ASSISTANCE REQUIREMENT.	18
8.12. ASSET MANAGEMENT PLAN.	18
8.13. PUBLIC RECORDS ACCESS.	19
8.14. SCRUTINIZED COMPANIES.	19
8.15. SUSPENSION.	20
8.16. CIVIL RIGHTS.	21
8.17. PROHIBITION ON CERTAIN TELECOMMUNICATIONS AND VIDEO SURVEILLANCE SERVICES OR EQUIPMENT.	21
ARTICLE IX - CONTRACTS AND INSURANCE	21
9.01. CONTRACTS.	21
9.02. SUBMITTAL OF CONTRACT DOCUMENTS.	22
9.03. INSURANCE REQUIRED.	22
ARTICLE X - DETAILS OF FINANCING	23
10.01. PRINCIPAL AMOUNT OF LOAN.	23
10.02. LOAN SERVICE FEE.	23
10.03. FINANCING RATE.	23
10.04. LOAN TERM.	23
10.05. REPAYMENT SCHEDULE.	23
10.06. PROJECT COSTS.	24
10.07. SCHEDULE.	25
10.08. SPECIAL CONDITION.	25
ARTICLE XI - EXECUTION OF AGREEMENT	26

**DRINKING WATER STATE REVOLVING FUND
CONSTRUCTION LOAN AGREEMENT
DW170440**

THIS AGREEMENT is executed by the STATE OF FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION (Department) and the WALTON/OKALOOSA/SANTA ROSA REGIONAL UTILITY AUTHORITY, FLORIDA, (Project Sponsor) existing as a unit of local government established under interlocal authority as defined in s.163.01(7)(e)1, F.S. Collectively, the Department and the Project Sponsor shall be referred to as “Parties”, or individually as “Party”.

RECITALS

Pursuant to Section 403.8532, Florida Statutes and Chapter 62-552, Florida Administrative Code, 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

The Department is authorized to allow Principal Forgiveness on Loans funded by the Federal Drinking Water Act; and

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

AGREEMENT

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

ARTICLE I - DEFINITIONS

1.01. WORDS AND TERMS.

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

(1) “Agreement” or “Loan Agreement” shall mean this construction loan agreement.

(2) “Asset Management Plan” means a systematic management technique for utility systems that focuses on the long-term life cycle of the assets and their sustained performance, rather than on short-term, day-to-day aspects of the assets. This plan includes the identification of and costs for rehabilitating, repairing, or replacing all assets as well as the schedule to do so. The requirements for asset management plans are in Subsection 62-552.700(7), Florida Administrative Code.

(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 finance charge that accrues at the Financing Rate on Loan proceeds from the time of disbursement until six months before the first Semiannual Loan Payment is due. Capitalized Interest is financed as part of the Loan principal.

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

(6) “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 Financing Rate, Loan Service Fee, amortization schedule and Semiannual Loan Payment amount.

(7) “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.

(8) “Financial Assistance” shall mean Principal Forgiveness funds or Loan funds.

(9) “Financing Rate” shall mean the charges, expressed as a percent per annum, imposed on the unpaid principal of the Loan.

(10) “Gross Revenues” shall mean all income or earnings received by the Project Sponsor from the ownership or operation of its Utility System, 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 Utility System, condemnation awards or proceeds of insurance, except use and occupancy or business interruption insurance, received with respect to the Utility System.

(11) “Interlocal Agreement” shall mean the agreement between Walton-Okaloosa-Santa Rosa Regional Utility Authority and Holt Water Works, Inc. authorizing Walton-Okaloosa-Santa Rosa Regional Utility Authority to apply for this Loan on behalf of Holt Water Works, Inc and Holt Water Works, Inc’s revenues to be pledged for repayment of this agreement.

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

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

(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 Project Sponsor to the Loan Debt Service Account.

(18) “Operation and Maintenance Expense” shall mean the costs of operating and maintaining the Utility System 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) “Pledged Revenues” shall mean the specific revenues pledged as security for repayment of the Loan and shall be the Gross Revenues of Holt Water Works, Inc. derived yearly from the operation of the Utility System after payment of the Operation and Maintenance Expense and the satisfaction of all yearly payment obligations on account of any senior or parity obligations issued pursuant to Section 7.02 of this Agreement.

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

(21) “Project” shall mean the works financed by this Loan and shall consist of furnishing all labor, materials, and equipment to replace water meters within the Holt Water Works, Inc. service area in accordance with the plans and specifications accepted by the Department for the “Water Meter Replacement” contract.

The Project is in agreement with the planning documentation accepted by the Department effective August 2, 2024. A “Florida Categorical Exclusion Notice” was published on July 10, 2024 and no adverse comments were received. The Project is an Equivalency Project as defined in Chapter 62-552, Florida Administrative Code.

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

(23) “Utility System” shall mean all devices and facilities of the Water System owned by Holt Water Works, Inc.

(24) “Water System” shall mean all facilities owned by Holt Water Works, Inc. for supplying and distributing water for residential, commercial, industrial, and governmental use.

1.02. CORRELATIVE WORDS.

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

ARTICLE II - WARRANTIES, REPRESENTATIONS AND COVENANTS

2.01. WARRANTIES, REPRESENTATIONS AND COVENANTS.

The 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 to comply with this agreement.

(8) The Project Sponsor shall maintain records using Generally Accepted Accounting principles established by the Financial Accounting Standards Board. As part of its bookkeeping system, the Project Sponsor shall keep accounts of the Utility System separate from all other accounts and it shall keep accurate records of all revenues, expenses, and expenditures relating to the Utility System, 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) 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.

(11) The Project Sponsor agrees to construct the Project in accordance with the Project schedule set forth in Section 10.07. 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.

(12) 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.

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

2.02. LEGAL AUTHORIZATION.

Upon signing this Agreement, the 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 identifies 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
4D-02D37924-1	EPA	66.468	Capitalization Grants for Drinking Water State Revolving Fund	\$277,972	140129

(2) Audits.

(a) In the event that the Project Sponsor expends \$1,000,000 or more in Federal awards in its fiscal year, the Project Sponsor must have a Federal single audit or program specific audit conducted in accordance with the provisions of 2 CFR Part 200, Subpart F. 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. The determination of amounts of Federal awards expended should be in accordance with the guidelines established by 2 CFR 200.502-503. An audit of the Project Sponsor conducted by the Auditor General in accordance with the provisions of 2 CFR 200.514 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 2 CFR 200.508-512.

(c) If the Project Sponsor expends less than \$1,000,000 in Federal awards in its fiscal year, an audit conducted in accordance with the provisions of 2 CFR Part 200, Subpart F, 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 the event that the Project Sponsor expends less than \$1,000,000 in Federal awards in its fiscal year and elects to have an audit conducted in accordance with the provisions of 2 CFR Part 200, Subpart F, 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 <https://sam.gov/>.

(3) Report Submission.

(a) Copies of reporting packages for audits conducted in accordance with 2 CFR Part 200, Subpart F, and required by Subsection 2.03(2) of this Agreement shall be submitted, when required by 2 CFR Part 200, Subpart F, by or on behalf of the Project Sponsor 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, MS40
3900 Commonwealth Boulevard
Tallahassee, Florida 32399-30000

or

Electronically:

FDEPSingleAudit@dep.state.fl.us

(ii) The Federal Audit Clearinghouse designated in 2 CFR Section 200.501(a) at the following address:

<https://harvester.census.gov/facweb/>

(iii) Other Federal agencies and pass-through entities in accordance with 2 CFR Section 200.512.

(b) Pursuant to 2 CFR Part 200, Subpart F, the Project Sponsor shall submit a copy of the reporting package described in 2 CFR Part 200, Subpart F, and any management letters issued by the auditor, to the Department at the address listed under Subsection 2.03(3)(a)(i) 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 2 CFR Part 200, Subpart F, 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 2 CFR Part 200, Subpart F, 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) 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 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 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 of the Final Amendment, unless extended in writing by the Department.

(5) Monitoring.

In addition to reviews of audits conducted in accordance with 2 CFR Part 200, Subpart F, 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 2 CFR Part 200, Subpart F., 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 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 Project Sponsor 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 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 Utility 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 Principal Forgiveness 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 Principal Forgiveness 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.

This Agreement allows for funds to be advanced to the Project Sponsor for allowable invoiced costs, under the provisions of 216.181, Florida Statutes. Disbursements shall be made directly to the Project Sponsor 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. In addition to the invoices for costs incurred, proof of payment will be required with the following disbursement request.

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.

4.09. ADVANCE PAYMENT.

The Department may provide an advance to the Project Sponsor, in accordance with Section 216.181(16)(b), Florida Statutes. Such advance will require written request from the Project Sponsor, the Advance Payment Justification Form and approval from the State's Chief Financial Officer. The Project Sponsor must temporarily invest the advanced funds, and return any interest income to the Department, within thirty (30) days of each calendar quarter. Interest earned must be returned to the Department within the timeframe identified above or invoices must be received within the same timeframe that shows the offset of the interest earned.

Unused funds, and interest accrued on any unused portion of advanced funds that have not been remitted to the Department, shall be returned to the Department within sixty (60) days of Agreement completion.

The parties hereto acknowledge that the State's Chief Financial Officer may identify additional requirements, which must be met in order for advance payment to be authorized. If the State's Chief Financial Officer imposes additional requirements, the Project Sponsor shall be notified, in writing, by the Department regarding the additional requirements. Prior to releasing any advanced funds, the Project Sponsor shall be required to provide a written acknowledgement to the Department of the Project Sponsor's acceptance of the terms imposed by the State's Chief Financial Officer for release of the funds.

If advance payment is authorized, the Project Sponsor shall be responsible for submitting the information requested in the Interest Earned Memorandum to the Department quarterly.

ARTICLE V - RATES AND USE OF THE UTILITY SYSTEM

5.01. RATE COVERAGE.

The Project Sponsor, pursuant to the Interlocal Agreement, shall attest that rates and charges for the services furnished by the Utility System are maintained in a manner 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 Holt Water Works, Inc. shall satisfy the coverage requirements of all Parity Debt obligations.

5.02. NO FREE SERVICE.

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

5.03. RESERVED.

5.04. NO COMPETING SERVICE.

The Project Sponsor shall not allow any person to provide any services which would compete with the Utility System so as to adversely affect Gross Revenues.

5.05. MAINTENANCE OF THE UTILITY SYSTEM.

The Project Sponsor shall operate and maintain the Utility System 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 Utility System which it deems desirable and which do not materially reduce the operational integrity of any part of the Utility System. All such renewals, replacements, additions, modifications and improvements shall become part of the Utility System.

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 Utility 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 Utility System and use its best efforts to shut off water service furnished to persons who are delinquent beyond customary grace periods in the payment of Utility 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 15 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 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, or if Project Sponsor 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 Project Sponsor, 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 Project Sponsor, appointing a receiver of any part of the Utility 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 Utility 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) 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 Project Sponsor 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 Project Sponsor 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 Utility System, 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 Utility System 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 Utility System, 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 or State law. 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 Financing Rate.

6.03. DELAY AND WAIVER.

No course of dealing between Department and Project Sponsor, 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 Project Sponsor under this Agreement shall be junior, inferior, and subordinate in all respects in right of payment and security 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 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 may 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 Utility System 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.

ARTICLE VIII - GENERAL PROVISIONS

8.01. DISCHARGE OF OBLIGATIONS.

All Semiannual Loan 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 for inspection at any reasonable time after the Project Sponsor has received a disbursement and until five years after the Final Amendment date.

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 (EPA). 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 and the Loan Service Fee based on actual Project costs shall be completed after the Department's final inspection of the Project records.

8.06. ABANDONMENT, TERMINATION OR VOLUNTARY CANCELLATION.

Failure of the Project Sponsor 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 Project Sponsor, suspend or terminate this Agreement.

(1) Failure of the Project Sponsor to draw on the 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 Project Sponsor, 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 4.07) and provide written notification of Final Unilateral Amendment to the Project Sponsor.

In the event that following the execution of this Agreement, the Project Sponsor decides not to proceed with this Loan, this Agreement can be cancelled by the Project Sponsor, 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. SIGNAGE.

The Project Sponsor agrees to comply with signage guidance in order to enhance public awareness of EPA assistance agreements nationwide. A copy of this guidance is listed on the Department's webpage at <https://floridadep.gov/wra/srf/content/state-revolving-fund-resources-and-documents> as "Guidance for Meeting EPA's Signage Requirements".

8.09. DAVIS-BACON AND RELATED ACTS REQUIREMENTS.

(1) The Project Sponsor shall periodically interview 10% of the work force entitled to Davis-Bacon prevailing wages (covered employees) to verify that contractors or subcontractors are paying the appropriate wage rates. Project Sponsors shall immediately conduct interviews in response to an alleged violation of the prevailing wage requirements. As provided in 29 CFR 5.6(a)(5) 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 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, if practicable, the subrecipient should 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 of 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.

(3) 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 (1) and (2) above.

(4) Project Sponsors must immediately report potential violations of the Davis-Bacon prevailing wage requirements to the appropriate DOL Wage and Hour District Office listed at <http://www.dol.gov/whd/america2.htm> and to the EPA Region 4 Water Division/Grants and Infrastructure Section by calling 404-562-9345. Additional information on Davis-Bacon guidance is located on the EPA website at: <https://www.epa.gov/grants/davis-bacon-and-related-acts-dbra>.

8.10. AMERICAN IRON AND STEEL REQUIREMENT.

The Project Sponsor's subcontracts must contain requirements that all of the iron and steel products used in the Project are in compliance with the American Iron and Steel requirement as described in Section 608 of the Federal Water Pollution Control Act unless the Project Sponsor has obtained a waiver pertaining to the Project or the Department has advised the Project Sponsor that the requirement is not applicable to the Project.

8.11. BUILD AMERICA, BUY AMERICA ACT ASSISTANCE REQUIREMENT.

The Project Sponsor's subcontracts must contain the following requirements: that all of the iron and steel, manufactured products, and construction materials used in the Project are to be produced in the United States ("Build America, Buy America Requirements") unless (i) the Project Sponsor has requested and obtained a waiver from the Department pertaining to the Project or the Project is otherwise covered by a general applicability waiver; or (ii) all of the contributing Agencies have otherwise advised the Project Sponsor in writing that the Build America, Buy America Requirements are not applicable to the Project.

8.12. ASSET MANAGEMENT PLAN.

Subsection 62-552.700(7), Florida Administrative Code encourages Project Sponsors to implement an Asset Management Plan to promote long term sustainability of the Water System. To be eligible for a 0.10% Financing Rate reduction, an Asset Management Plan must be adopted by ordinance or resolution and written procedures must be in place to implement the plan.

The plan must include each of the following elements: i) identification of all assets within the Project Sponsor's system; ii) an evaluation of the current age, condition, and anticipated useful life of each asset; iii) the current value of the assets; iv) the cost to operate and maintain all assets; v) a capital improvement plan based on a survey of industry standards, life expectancy, life cycle analysis, and remaining useful life; vi) an analysis of funding needs; vii) an analysis of population growth and drinking water use projections, as applicable, for the sponsor's planning area, and a model, if applicable, for impact fees; commercial, industrial and residential rate structures; viii) the establishment of an adequate funding rate structure; ix) a threshold rate set to ensure the proper operation of the utility (if the sponsor transfers any of the utility proceeds to other funds, the rates must be set higher than the threshold rate to facilitate the transfer and proper operation of the utility); and x) a plan to preserve the assets, renewal, replacement, and

repair of the assets as necessary and a risk-benefit analysis to determine the optimum renewal or replacement time.

Failure to adopt and implement such plan prior to three months before the date of the first loan repayment will increase the Financing Rate by 0.10%.

8.13. PUBLIC RECORDS ACCESS.

(1) The Project Sponsor 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 Project Sponsor 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 Project Sponsor to either provide to the Department upon request, or to allow inspection and copying of all public records made or received by the Project Sponsor 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 PROJECT SPONSOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE PROJECT SPONSOR'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**

8.14. SCRUTINIZED COMPANIES.

(1) The Project Sponsor 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 Project Sponsor or its subcontractors are found to have submitted a false certification; or if the Project Sponsor, 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 Project Sponsor 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 Project Sponsor, its affiliates, or its subcontractors are found to have submitted a false certification; or if the Project Sponsor, its affiliates, or its subcontractors are placed on 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 Project Sponsor 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.

8.15. SUSPENSION.

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

- (1) The Project Sponsor abandons or discontinues the Project before its completion,
- (2) The commencement, prosecution, or timely completion of the Project by the Project Sponsor is rendered improbable or the Department has reasonable grounds to be insecure in Project Sponsor's ability to perform, or
- (3) The implementation of the Project is determined to be illegal, or one or more officials of the Project Sponsor 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 Project Sponsor 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.

Project Sponsor 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 Project Sponsor 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 Project Sponsor, 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.

8.16. CIVIL RIGHTS.

The Project Sponsor shall comply with all Title VI requirements of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, which prohibit activities that are intentionally discriminatory and/or have a discriminatory effect based on race, color, national origin (including limited English proficiency), age, disability, or sex..

8.17. PROHIBITION ON CERTAIN TELECOMMUNICATIONS AND VIDEO SURVEILLANCE SERVICES OR EQUIPMENT.

The Project Sponsor and any contractors/subcontractors are prohibited from obligating or expending any Loan or Principal Forgiveness funds to procure or obtain; extend or renew a contract to procure or obtain; or enter into a contract (or extend or renew a contract) to procure or obtain equipment, services, or systems that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system. See Section 889 of Public Law 115-232 (National Defense Authorization Act 2019). Also, see 2 CFR 200.216 and 200.471.

ARTICLE IX - CONTRACTS AND INSURANCE

9.01. CONTRACTS.

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

- (a) Proof of advertising.
- (b) Award recommendation, bid proposal, and bid tabulation (certified by the responsible engineer).
- (c) Certification of compliance with the conditions of the Department's approval of competitively or non-competitively negotiated procurement, if applicable.
- (d) Certification Regarding Disbarment, Suspension, Ineligibility and Voluntary Exclusion.
- (e) Certification by the Authorized Representative that affirmative steps were taken to encourage Minority and Women's Business Enterprises participation in Project construction.
- (f) 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.

(g) Certification that the Project Sponsor and contractors are in compliance with labor standards, including prevailing wage rates established for its locality by the DOL under the Davis-Bacon Act for Project construction.

(h) Certification that all procurement is in compliance with Section 8.10 which states that all iron and steel products used in the Project must be produced in the United States unless (a) a waiver is provided to the Project Sponsor by the EPA or (b) compliance would be inconsistent with United States obligations under international agreements.

(2) The following must be provided to the Department for professional services contract(s):

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

(b) Current certifications for Minority and Women's Business Enterprises participating in the contract.

9.02. SUBMITTAL OF CONTRACT DOCUMENTS.

(1) After the Department's authorization to award construction contracts has been received, the Project Sponsor shall submit the following documents:

(a) Contractor insurance certifications.

(b) Executed Contract(s).

(c) Notices to proceed with construction.

(2) After the Project Sponsor has awarded the professional services contract(s), the Project Sponsor shall submit the following documents:

(a) Executed Contract(s).

(b) Professional Services Procurement Certification.

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 Utility System (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 utility systems 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 \$277,972. Of that, the estimated amount of Principal Forgiveness is \$225,047. The estimated principal amount of the Loan to be repaid is \$53,225, which consists of \$52,925 to be disbursed to the Project Sponsor and \$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. LOAN SERVICE FEE.

The Loan Service Fee is \$5,559 for the Loan amount authorized to date. The fee represents two percent of the Loan amount excluding Capitalized Interest; that is, two percent of \$277,972. 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. The Project Sponsor shall pay the Loan Service Fee from the first available repayment(s) following the Final Amendment.

10.03. FINANCING RATE.

The Financing Rate on the unpaid principal of the Loan amount specified in Section 10.01 is 1.20 percent per annum. However, if this Agreement is not executed by the Project Sponsor and returned to the Department before July 1, 2025, the Financing Rate may be adjusted.

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 less the Principal Forgiveness 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 the 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 \$1,657 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. 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 November 15, 2026 and semiannually thereafter on May 15 and November 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 to be repaid of \$58,784, 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 construction bidding or 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 an audit.

The Project Sponsor agrees to the following estimates of Project costs:

CATEGORY	PROJECT COSTS (\$)
Construction and Demolition	239,904
Contingencies	23,990
Technical Services After Bid Opening	14,078
SUBTOTAL (Disbursable Amount)	277,972
Less Principal Forgiveness	(225,047)
SUBTOTAL (Loan Amount)	52,925
Capitalized Interest	300
TOTAL (Loan Principal Amount)	53,225

10.07. SCHEDULE.

The Project Sponsor agrees by execution hereof:

(1) This Agreement shall be effective on August 14, 2024. Invoices submitted for work conducted on or after this date shall be eligible for reimbursement.

(2) Completion of Project construction is scheduled for May 15, 2026.

(3) The Loan Debt Service Account shall be established and Monthly Loan Deposits shall begin no later than May 15, 2026.

(4) The first Semiannual Loan Payment in the amount of \$1,657 shall be due November 15, 2026.

10.08. SPECIAL CONDITION.

Prior to execution of this Agreement, the Project Sponsor must submit an amendment to the Interlocal Agreement dated October 14, 2024 between the Project Sponsor and Holt Water Works, Inc. to include rates and charges for the services furnished by the Utility System will be maintained in a manner 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, Holt Water Works, Inc. shall satisfy the coverage requirements of all Parity Debt obligations.

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ARTICLE XI - EXECUTION OF AGREEMENT

This Loan Agreement DW170440 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 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 Department.

for
WALTON/OKALOOSA/SANTA ROSA REGIONAL UTILITY AUTHORITY

Board Chairperson

Attest:

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

Notary Public

Attorney

SEAL

for
STATE OF FLORIDA
DEPARTMENT OF ENVIRONMENTAL PROTECTION

Secretary or Designee

Date

ENCLOSURE 7:

October 14, 2024 Technical Committee Minutes Information Only

WALTON/OKALOOSA/SANTA ROSA REGIONAL UTILITY AUTHORITY

Staff - Emerald Coast Regional Council

MEETING OF THE WALTON/OKALOOSA/SANTA ROSA TECHNICAL ADVISORY COMMITTEE (TAC) TO THE REGIONAL UTILITY AUTHORITY

Tuesday, October 14, 2024, 10:00 a.m.

Okaloosa County Administration Building
1250 Eglin Parkway
Shalimar, Florida

Members Present

Lockwood Wernet, DWU
Monica Wallis, DWU
Mike Hackett, OCWS
Jeff Crigler, Holly Navarre Water System
Joe Ream, South Walton Utility Company
Jon Kanak, South Walton Utility Company
Dale Long, MESI

Others Present

Howard Vanselow, ECRC
Tony Countryman, NFWWMD
Jerrick Saquibal, NFWWMD
Garrett Ifland, NFWWMD

Others Virtual/Call-in

Gina Watson, ECRC
Austin Mount, ECRC
Nancy Pearson, ECRC
Dawn Schwartz, ECRC
Annie Arguella, ECRC

Call to Order

Chair Wernet called the meeting to order.

Election of Chair and Vice Chair

Mr. Crigler moved to elect Mr. Wernet to continue as RUA Chair. Mr. Hackett seconded the motion, and it was unanimously approved.

Ms. Wallis moved to elect Mr. Crigler to remain as RUA Vice Chair. Mr. Kanak seconded the motion, and it was unanimously approved.

WALTON/OKALOOSA/SANTA ROSA REGIONAL UTILITY AUTHORITY

Staff - Emerald Coast Regional Council

TAC and Regional Updates

Mr. Long explained the work he has been doing as a consultant to several utility companies within the three-county region and provided an updated on the happenings in the rural parts of those counties. For the Town of Paxton, work is being completed on a well rehab as well as treatment upgrades. The Holt Water Works application for new meters and well and tank upgrades project is ongoing, and work is being done for Mount Carmel and the Berryhill Water System in north Santa Rosa County.

Mr. Crigler also provided a highlight on the sewer project underway between Holley-Navarre and Santa Rosa County called the Eglin Regional Reuse project, which will redirect effluent from the sound to Eglin property and will expand Holley-Navarre's effluent waste capacity.

On the water side, the required inventory for EPA is being completed and sent in and new regulations are being reviewed for compliance.

Ms. Wallis provided a status update for Destin Water Users. She said construction of a new well is being completed on the west end of the service area to address a water quality issue. A five hundred million gallon water tank is to be installed to better serve the Kelly Plantation subdivision. Also, wastewater two new screw presses to update the old machinery.

Mr. Ream, with South Walton Utility Company, provided an update, stating that all processes are going smoothly. He said there are no plans for additions at this time. Pump stations are doing well, and waste planning continues.

Mr. Hackett provided an update on behalf of Okaloosa County Water and Sewer. He said they are working to increase wastewater capacity and have undertaken a big project at Shoal River. The discharge rate is being increased from .4 to 1 mgd. Mr. Hackett reported that water wells and lift stations are also being rehabilitated.

The committee also discussed the higher cost of water towers and other projects due to inflation, which applied more to labor cost than materials.

Mr. Wernet reminded the committee that the most important responsibility of the RUA is to ensure a safe and ample water supply for our region in coming years.

WALTON/OKALOOSA/SANTA ROSA

REGIONAL UTILITY AUTHORITY

Staff - Emerald Coast Regional Council

PRESENTATION- Results of the Minimum Aquifer Levels Evaluation for the Upper Floridan Aquifer in Water Supply Planning Region II - *Mr. Tony Countryman, Northwest Florida Water Management District.*

Mr. Countryman provided an update. He thanked the utility companies for providing access for data collection for Santa Rosa, Okaloosa, and Walton counties. He explained that statute requires the current supply and future demand, for a twenty year horizon, be assessed every five years to ensure there will be enough water resources for the population. If an area comes up short, a Water Supply Plan is required to be developed. It was determined that the current plan should be continued due to the high projected population increase and the continuing concerns for saltwater intrusion.

Mr. Countryman noted that estimates for the years 2025-2045 show an increase in use in Okaloosa County by 20%, in Santa Rosa County by 42%, and in Walton County by 77%. Most of the public water supply comes from groundwater, so saltwater intrusion remains a concern. The modeling used to analyze data have been updated and the projections for annual demand, longer-term saltwater intrusion risk, and pumpage/sea level rise were among the issues studied.

Mr. Countryman explained the types of water supply and development projects that have been submitted, including those for conservation, storage and transmission of water, and surface and groundwater projects. In total there were 114 projects identified at a cost of \$518 million.

Mr. Countryman concluded, stating that the draft will be complete this month, a public workshop will be held late October or early November, and the final report will be ready in December. In January of 2025 the final will be before the Northwest Florida Water Management District Governing Board for approval.

ADJOURNMENT There being no further business the meeting was adjourned.