

# **WALTON/OKALOOSA/SANTA ROSA** **REGIONAL UTILITY AUTHORITY**

Staff to the RUA: Emerald Coast Regional Council

Chairman: Trey Goodwin  
Vice Chairman: Nathan Boyles

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

When: **Monday, October 14, 2024 at 11:00 a.m.**

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

*A quorum can only be established with board members physically present*

**Technical Advisory Committee (TAC) will meet preceding the RUA meeting at 10:00 a.m.**

1. Call to Order / Pledge
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](http://www.ecrc.org/TDPublicForum)*

5. Approval of the July 15, 2024 Meeting Minutes
6. Action Items
  - a. Election of Chairman and Vice Chairman
  - b. Review and Approval of the RUA FY25 Budget
  - c. Interlocal Agreement between RUA and Holt Water Works, Inc (Holt WW)



STAFF TO THE RUA: Emerald Coast Regional Council

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# WALTON/OKALOOSA/SANTA ROSA REGIONAL UTILITY AUTHORITY

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- 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.

## 7. Information Items

- a. Update on Regional Water Supply Plan for Santa Rosa, Okaloosa, and Walton counties – Tony Countryman
- b. TAC and Regional Updates

## 8. Other Business

## 9. Next meeting TBD

## 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](mailto: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



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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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AND ADDITIONAL EMERALD COAST REGIONAL COUNCIL INFORMATION



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# ENCLOSURE 5:

## July 15, 2024 Minutes



# **WALTON/OKALOOSA/SANTA ROSA REGIONAL UTILITY AUTHORITY**

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Staff - Emerald Coast Regional Council

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

**Monday, July 15, 2024 10:30 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  
Colten Wright, Santa Rosa County BOCC  
John Stephens, City of Destin  
John Mead, City of Fort Walton Beach  
Carl Donahoo, City of Niceville

### **Others Present**

Lockwood Wernet, Destin Water users  
Monica Wallis, Destin Water Users  
Jeff Crigler, Holly Navarre Water System  
Dale Long, Municipal Engineering  
Donna Ash, Holt Water Works  
Stephanie Holcombe, Holt Water Works  
Phil Phillips, Municipal Engineering  
Joe Ream, South Walton Utilities  
Jon Kanak, South Walton Utilities  
Mike Hackett, Okaloosa County  
Chelsey Sharon, Okaloosa County  
Howard Vanselow, ECRC

### **Others Virtual/Call-in**

Gary Huston, Linne & Huston  
Dawn Schwartz, ECRC  
Gina Watson, ECRC

# **WALTON/OKALOOSA/SANTA ROSA REGIONAL UTILITY AUTHORITY**

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Staff - Emerald Coast Regional Council

## **Call to Order**

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

## **Approval of the Agenda**

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

## **Public Comments**

There were no public comments.

## **Approval of the September 12, 2023 Meeting Minutes**

Commissioner Wright moved to approve the September 12, 2023, meeting minutes. Councilman Mead seconded the motion, and it was unanimously approved.

## **ACTION ITEMS:**

- a. Consideration of Supporting Holt Water Works' Request for Inclusion (RFI) in State Revolving Fund (SRF) Loan Application for Water Meter Replacement
- b. Consideration of Supporting Holt Water Works' FDEP Local Government Water Supply Pilot Grant Application for Replacement of Asbestos Cement Water Main
- c. Consideration of Supporting Holt Water Works' FDEP Local Government Water Supply Pilot Grant Application for New Potable Water Well, Water Treatment Building, and 30,000 Gallon Elevated Storage Tank

Chairman Goodwin called on Mr. Vanselow. Mr. Vanselow asked the chairman and board members if they would prefer to address items a, b, and c, all related to action for Holt Water Works, as one action item and the board agreed. Mr. Vanslow noted that if the loan request passes, more action items would come before the board at future meetings.

# **WALTON/OKALOOSA/SANTA ROSA REGIONAL UTILITY AUTHORITY**

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Staff - Emerald Coast Regional Council

Mr. Long provided background information on Holt Water Works, formed in 1967, and currently serving about 900 customers. He explained the size of the facility and the need to replace antiquated water meters, the water main, which contains asbestos, and to acquire a new water well, water treatment facility, and 30,000 gallon capacity elevated storage tank.

Mr. Long explained the cost of the entirety of the needs and the collateral requirements in order to receive funding assistance. In order to address the requirements, the project has been divided into three parts, the first of which is the loan request for replacement of outdated meters. Mr. Long said this part of the project (item a.) is a fairly straight-forward one, with a quick turnaround that could be accomplished through a loan from the SRF.

Mr. Long said that he was aware that only one loan can be active at a time through the SRF, but that only means through the life of the active construction of the project, which, in this case, would only be a few months, thus allowing for another member of the RUA to apply for a loan thereafter.

Commissioner Boyles disclosed that he is a customer of Holt Water Works and has also provided pro bono legal services to the utility provider. He said he did not believe that would be an issue to make him sustain from voting on the items, but wanted to be sure the other board members were aware of those facts. He stated that in his experience providing legal services to a small rural water utility, that they face a lot of financial obstacles, and that the board needs to be as supportive as possible. He then asked for a little more information on the pilot grant program regarding items b., c., and d.

Ms. Wallis explained the pilot program, recently approved by the legislature, that is available only for Escambia, Santa Rosa, Okaloosa, and Walton counties. There is a requirement for a government sponsor, hence the meeting today. Ms. Wallis said applications are due today and it was her understanding that there were applications submitted already more than the funding amount available. There was discussion about the type of projects that qualify, and other requirements.

Mr. Hackett noted that Auburn Water Authority has a project for consideration for the pilot grant funding, which is being sponsored by Okaloosa County. Chairman Goodwin

# **WALTON/OKALOOSA/SANTA ROSA**

## **REGIONAL UTILITY AUTHORITY**

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Staff - Emerald Coast Regional Council

asked why it was not brought to the RUA today, and there was general discussion. Commissioner Boyles said this may need to be discussed at the county level and noted that there needed to be no effort to put one project ahead of the other in the application process.

There was general discussion regarding qualifications and application requirements for both the loan and pilot grant.

Commissioner Boyles moved to support the following requests by Holt Water Works: a) Request for Inclusion (RFI) in State Revolving Fund (SRF) Loan application for water meter replacement, b). FDEP Local Government Water Supply Pilot Grant Application for Replacement of Asbestos Cement Water Main, and c) FDEP Local Government Water Supply Pilot Grant Application for New Potable Water Well, Water Treatment Building, and 30,000 Gallon Elevated Storage Tank.

Councilman Mead asked if it would be appropriate for the board to add a deadline to the motion regarding item a) the water meter replacement project. It was agreed that this would be appropriate.

Commissioner Boyles amended his motion to include a request that the item a), the water meter replacement project be completed as expediently as possible and by the end of January 2025. Councilman Stephens seconded the motion and it was unanimously approved.

### **d. Consideration of Supporting Destin Water Users, Inc.'s FDEP Local Government Water Supply Pilot Grant Application for a New Water Tower**

Ms. Wallis presented this request on behalf of Destin Water Users. She stated the need for a new water tower due to the growth of the service area. She said DWU owns property in Kelley Plantation where the new water tower would be built, and it is shovel ready. She said some funding has been secured from the RLF for this project, but they would also like to apply for grant funding to help offset some of the remaining costs. She asked for the RUA's sponsorship for the grant application.



# **WALTON/OKALOOSA/SANTA ROSA REGIONAL UTILITY AUTHORITY**

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Staff - Emerald Coast Regional Council

Commissioner Stephens moved to support Destin Water Users, Inc.'s FDEP Local Government Supply Pilot Grant application for a new water tower. Commissioner Wright seconded the motion, and it was unanimously approved.

## **Information Item**

### **September 12, 2023 Technical Committee Meeting Minutes**

Mr. Vanselow noted that the TAC's minutes from the last meeting were included in the agenda for reference. The Technical Committee will have these draft minutes for action at their September meeting.

### **Other Business**

Councilman Mead asked if liquid waste was still being drained into Santa Rosa Sound or if they have moved to drain fields in the north end of Santa Rosa County. Commissioner Wright said there was a groundbreaking recently and the project is underway to move that to Eglin AFB property.

Mr. Huston said the RUA audit has been completed and the results show a clean audit without exception.

Mr. Vanselow stated that the next regularly scheduled meeting will take place on September 10, 2024.

*The meeting was adjourned.*

# ENCLOSURE 6b:

FY2025 RUA Budget



# WALTON/OKALOOSA/SANTA ROSA REGIONAL UTILITY AUTHORITY

## FY25 Budget

10/01/24 through 09/30/25

	FY25 Budget
Estimated Operating Revenues	
Membership fees	5,174
Member reimbursements	15,800
<b>Total Revenue</b>	<b>20,974</b>
Estimated Operating Expenses	
Personnels costs	6,700
Professional services	11,000
Other direct expenses	3,274
<b>Total Operating Expenses</b>	<b>20,974</b>
Estimated Non-Operating Revenues (Expenses)	
Interest income	182,488
Interest expense	(182,488)
<b>Total Non-Operating Revenues &amp; Expenses</b>	<b>-</b>
<b>NET INCOME (LOSS)</b>	<b>-</b>

# ENCLOSURE 6c:

## Interlocal Agreement



# **WALTON/OKALOOSA/SANTA ROSA** **REGIONAL UTILITY AUTHORITY**

Staff to the RUA: Emerald Coast Regional Council

Chairman: Trey Goodwin  
Vice Chairman: Nathan Boyles

## **Enclosure 6c**

**SUBJECT:** Consideration of authorizing the RUA to enter an Interlocal Agreement with Holt Water Works, Inc.

**ORIGIN OF SUBJECT:** Holt Water Works

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

**Attached are the following:**

- Interlocal Agreement

**RECOMMENDED ACTION:** Approval of a motion to authorize the RUA to enter the Interlocal Agreement. This action is recommended in order for Holt WW to obtain funding from Florida DEP. Please contact Mr. Howard Vanselow, Emerald Coast Regional Council, at [howard.vanselow@ecrc.org](mailto:howard.vanselow@ecrc.org) or (850) 332-7976, ext. 231 if you want additional information.



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## INTERLOCAL AGREEMENT

THIS AGREEMENT is made this \_\_\_\_\_ day of \_\_\_\_\_, 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, a drinking water treatment plant, 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 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.
- c.

## 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 30<sup>th</sup> 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, its Board President

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Witness

STATE OF FLORIDA        )  
  )  
COUNTY OF OKALOOSA    )

The foregoing instrument was acknowledged before me by means of ☐ physical presence or ☐ online notarization, on \_\_\_\_\_, 202\_\_\_\_, \_\_\_\_\_ 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.

\_\_\_\_\_  
NOTARY PUBLIC, STATE OF FLORIDA  
COMMISSION NO. \_\_\_\_\_  
MY COMMISSION EXPIRES: \_\_\_\_\_

WALTON/OKALOOSA/SANTA ROSA  
REGIONAL UTILITY AUTHORITY

By: \_\_\_\_\_  
Robert A. Goodwin, III, its Chairman

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Witness

STATE OF FLORIDA        )  
  )  
COUNTY OF \_\_\_\_\_)

The foregoing instrument was acknowledged before me by means of ☐ physical presence or ☐ online notarization, on \_\_\_\_\_, 202\_\_, 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.

\_\_\_\_\_  
NOTARY PUBLIC, STATE OF FLORIDA  
COMMISSION NO. \_\_\_\_\_  
MY COMMISSION EXPIRES: \_\_\_\_\_

# ENCLOSURE 6c:

Resolution 2024-02  
SRF Loan Application





# WALTON/OKALOOSA/SANTA ROSA REGIONAL UTILITY AUTHORITY

Staff to the RUA: Emerald Coast Regional Council

Chairman: Trey Goodwin  
Vice Chairman: Nathan Boyles

## Enclosure 6d

**SUBJECT:** Consideration of Resolution 2024-02 authorizing the RUA to submit SRF Clean Water Loan application for Project # 46032 on behalf of HWW as sponsoring agency and designating authorized representatives.

**ORIGIN OF SUBJECT:** Holt Water Works

**Attached are the following:**

- Resolution 2024-02
- SRF Loan Application

**RECOMMENDED ACTION:** Approval of a motion to authorize the RUA Chairman to sign Resolution 2024-02 and SRF Loan Application. 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](mailto:dlong@mesi-fl.com) or (850) 939-5732 if you want additional information.



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[www.ecrc.org](http://www.ecrc.org)

RESOLUTION NO. 2024-02

A RESOLUTION OF WALTON/OKALOOSA/SANTA ROSA REGIONAL UTILITY AUTHORITY (RUA) RELATING TO THE STATE REVOLVING LOAN PROGRAM FOR DRINKING WATER FACILITIES; MAKING FINDINGS; AUTHORIZING A LOAN APPLICATION ON BEHALF OF HOLT WATER WORKS, INC.; AUTHORIZING THE LOAN DOCUMENTS TO BE SIGNED ON BEHALF OF RUA; ESTABLISHING PLEDGED REVENUES; DESIGNATING AUTHORIZED REPRESENTATIVES; PROVIDING ASSURANCES; PROVIDING FOR CONFLICTS, SEVERABILITY, AND EFFECTIVE DATE.

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

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

WHEREAS, the Florida Department of Environmental Protection's ("**Florida DEP**") State Revolving Loan Program for Drinking Water Facilities has approved a loan ("**the Loan**") for Project No. 46032 listed on Florida DEP's priority list ("**the Project**"); and

WHEREAS the Walton/Okaloosa/Santa Rosa Regional Utility Authority ("**RUA**") intends to enter into a loan agreement with the Florida DEP under the State Revolving Loan Program for Drinking Water Facilities for financing the Project as intermediary for Holt Water Works, Inc. ("**HOLT WATER WORKS**").

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE WALTON/OKALOOSA/SANTA ROSA REGIONAL UTILITY AUTHORITY, AS FOLLOWS:

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

SECTION II. The Walton/Okaloosa/Santa Rosa Regional Utility Authority is authorized to apply for the Loan to finance the Project.

SECTION III. The Walton/Okaloosa/Santa Rosa Regional Utility Authority is authorized to enter into an Interlocal Agreement with HOLT WATER WORKS in form and in substance satisfactory to RUA's attorney. In accordance with the Interlocal Agreement between HOLT WATER WORKS and RUA, the revenues pledged for the repayment of the loan shall be all revenues of HOLT WATER WORKS, including water charges and connection fees.

SECTION IV. RUA's Chairman (or other representative designated by RUA's Chairman) is hereby designated as the authorized representative to provide the assurances and commitments required by the loan application.

SECTION V. RUA's Chairman (or other representative designated by RUA's Chairman) is hereby designated as the authorized representative to execute the Interlocal Agreement, loan agreement and any amendments which will become a binding obligation in accordance with its terms when signed by both parties. RUA's Chairman (or other representative designated by RUA's Chairman) is authorized to represent RUA in carrying out RUA's responsibilities under the Loan. RUA's Chairman (or other representative designated by RUA's Chairman) is authorized but not required to delegate responsibility to HOLT WATER WORKS and

appropriate staff to conduct technical, financial, and administrative activities associated with the Loan.

SECTION VI. The legal authority for borrowing moneys to construct the Project is section 403.8532, *Florida Statutes* (2024).

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

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

PASSED and ADOPTED this \_\_\_\_ day of September, 2024, by the Walton/Okaloosa/Santa Rosa Regional Utility Authority.

ATTEST

APPROVED AS TO FORM AND LEGALITY

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Attorney

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Chairman

STATE OF FLORIDA  
DEPARTMENT OF ENVIRONMENTAL PROTECTION

**STATE REVOLVING LOAN PROGRAM  
FOR  
DRINKING WATER FACILITIES  
  
LOAN APPLICATION**



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

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## LOAN APPLICATION

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

### PART I - ADMINISTRATIVE INFORMATION

- (1) PROJECT SPONSOR \_\_\_\_\_  
Federal Employer Identification Number \_\_\_\_\_  
DUNS Number \_\_\_\_\_
- (2) AUTHORIZED REPRESENTATIVE (person authorized to sign or attest loan documents).  
Name \_\_\_\_\_ Title \_\_\_\_\_  
Telephone \_\_\_\_\_ Email \_\_\_\_\_  
Mailing Address \_\_\_\_\_  
\_\_\_\_\_
- (3) PRIMARY CONTACT (person to answer questions regarding this application).  
Name \_\_\_\_\_ Title \_\_\_\_\_  
Telephone \_\_\_\_\_ Email \_\_\_\_\_  
Employer \_\_\_\_\_  
Mailing Address \_\_\_\_\_  
\_\_\_\_\_
- (4) ADDITIONAL CONTACTS. If more than one additional person is to receive copies of Department correspondence, attach the information (*Attachment #* \_\_\_\_\_).  
Name \_\_\_\_\_ Title \_\_\_\_\_  
Telephone \_\_\_\_\_ Email \_\_\_\_\_  
Employer \_\_\_\_\_  
Mailing Address \_\_\_\_\_  
\_\_\_\_\_
- (5) PROJECT NUMBER (listed on the Department's priority list). \_\_\_\_\_
- (6) INTERIM FINANCING. A local government project sponsor that has interim financing may be subject to certain conditions regarding such financing.  
  
Is the project currently being funded with interim financing? ☐ Yes ☐ No

## PART II – PROJECT INFORMATION

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

### A. PLANNING OR DESIGN PROJECT

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

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

PLANNING OR DESIGN APPLICANTS PROCEED TO PART III.

### B. CONSTRUCTION PROJECT

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

If “No”, please explain (*Attachment #*\_\_\_\_\_).

(2) SCHEDULE. (month and year)

(a) Anticipated notice to proceed for first construction contract.

(b) Anticipated completion of all construction contracts.

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

If “No”, please explain and submit revised cost information using the appropriate page of the *Request for Inclusion Form*. (*Attachment #*\_\_\_\_\_). Note that the disburseable amount will be limited to the priority list amount.

### PART III - FINANCIAL INFORMATION

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

(1) PRINCIPAL. The requested amount of the loan which does not include capitalized interest is \$ \_\_\_\_\_

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

(2) TERMS AND REPAYMENT.

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

What is the useful life of the project? \_\_\_\_\_ (years)

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

(b) List all revenues that are to be pledged for repayment of this loan. \_\_\_\_\_

(c) Pledged revenue receipts or collections by the project sponsor must exceed the amount of the repayments due to the Department unless there are other collateral provisions. The excess revenue, or coverage, generally is 15% of each repayment.

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

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

If “Yes”, please list. (*Attachment #*\_\_\_\_\_)

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

(4) INFORMATION ON LIENS.

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

(b) Using the Part V, *Schedule of Prior and Parity Liens*, provide debt service information, if applicable, on each prior and parity obligation.



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

#### **PART IV – AUTHORIZATION AND ASSURANCES**

- (1) AUTHORIZATION. Provide an authorizing resolution of the Applicant's governing body or other evidence of authorization (*Attachment #\_\_\_\_\_*) for the following:
  - (a) Pledging revenues to repay the loan.
  - (b) Designation of the Authorized Representative(s) to file this application, provide assurances, execute the loan agreement, and represent the Applicant in carrying out responsibilities (including that of requesting loan disbursements) under the loan agreement.
- (2) ASSURANCES. The Applicant agrees to comply with the laws, rules, regulations, policies and conditions relating to the loan for this project. Applicants should seek further information from the Drinking Water State Revolving Fund Program staff as to the applicability of the requirements if the necessity for the assurances is of concern. Specifically, the Applicant certifies that it has complied, as appropriate, and will comply with the following requirements, as appropriate, in undertaking the Project:
  - (a) Assurances for capitalization grant projects.
    - 1. Complete all facilities for which funding has been provided.
    - 2. The Applicant is advised, pursuant to 40 CFR 35 Section 35.3575, that a number of Federal law, executive orders, and government-wide policies can apply to your project or activity that is receiving Federal financial assistance. The Applicant agrees to read those provisions regarding the application of Federal cross-cutting authorities (cross-cutters) to determine their applicability to your specific project or activity.
  - (b) Assurances for other projects. Please note that Florida Statutes are available at <http://www.leg.state.fl.us>. They are also available at the following physical address: Florida Department of State Division of Library and Information Services R.A. Gray Building 500 South Bronough Street Tallahassee, Florida 32399-0250.
    - 1. Chapter 161, Part I, F.S., "Beach and Shore Preservation Act" and Part III, "Coastal Zone Protection Act of 1985" which regulate coastal zone construction and all activities likely to affect the condition of the beaches or shore.
    - 2. Chapter 163, Part II, F.S., the "Local Government Comprehensive Planning and Land Development Regulation Act" which requires units of local government to establish and implement comprehensive planning programs to control future development.
    - 3. Chapter 186, F.S., State and Regional Planning, which requires conformance of projects with Regional Plans and the State Comprehensive Plan.
    - 4. Chapter 253, F.S., "Emergency Archaeological Property Acquisition Act of 1988" which requires protection of archaeological properties of major statewide significance discovered during construction activities.

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

Authorized Representative \_\_\_\_\_  
   *(signature)*                                 *(name typed or printed)*

Form Application DW-1  
Incorporated in 62-552.430(1)(a), F.A.C. Page 5 of 9 Effective Date March 9, 2022  
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## PART V – SUPPLEMENTARY INFORMATION

**SCHEDULE OF PRIOR AND PARITY LIENS  
(EXCLUDING SRF LOANS)**

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

	#1	#2	#3
<b>Identify Each Obligation</b>	_____	_____	_____
<b>Coverage</b>	_____ %	_____ %	_____ %
<b>Insured?</b>	Yes      No	Yes      No	Yes      No

[illegible]

**PART V – SUPPLEMENTARY INFORMATION**

**SCHEDULE OF ACTUAL REVENUES AND DEBT COVERAGE**

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

	<u>Year 2022</u>	<u>Year 2023</u>
(a) Operating Revenues (Source)		
(b) Interest Income		
(c) Other Income or Revenue (Identify)		
(d) Total Revenues		
(e) Operating Expenses (excluding interest on debt, depreciation, and other non-cash items)		
(f) Net Revenues [(f) = (d) – (e)]		
(g) Debt Service (including any required coverage)		
(h) Attach audited annual financial report(s), or pages thereof, or other documentation necessary to support the above information. Include any notes or comments from the audit reports regarding compliance with covenants of debt obligations having a prior or parity lien on the revenues pledged for repayment of the SRF Loan. ( <i>Attachment #</i> _____)		
(i) Attach worksheets reconciling this page with the appropriate financial statements (for example, backing out depreciation and interest payments from operating expenses). ( <i>Attachment #</i> _____)		
(j) If the net revenues were not sufficient to satisfy the debt service and coverage requirement, please explain what corrective action was taken. ( <i>Attachment #</i> _____)		

**PART V – SUPPLEMENTARY INFORMATION**

**SCHEDULE OF PROJECTED REVENUES AND DEBT COVERAGE**

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

	<u>Year 2024</u>	<u>Year 2025</u>	<u>Year 2026</u>	<u>Year 2027</u>	<u>Year 2028</u>
(a) Operating Revenue	_____	_____	_____	_____	_____
(b) Interest Income	_____	_____	_____	_____	_____
(c) Other Income or Revenue (identify)	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
(d) Total Revenues	_____	_____	_____	_____	_____
(e) Operating Expenses (excluding interest on debt, depreciation, and other non-cash items)	_____	_____	_____	_____	_____
(f) Net Revenues (f = d - e)	_____	_____	_____	_____	_____
(g) Revenue (including coverage) pledged to debt service, excluding SRF loans	_____	_____	_____	_____	_____
(h) Revenue (including coverage) pledged to outstanding SRF loans	_____	_____	_____	_____	_____
(i) Revenue Available for this SRF Loan [(i) = (f) – (g) – (h)]	_____	_____	_____	_____	_____
(j) Identify the source of the above information and explain methods used to develop the projections ( <i>Attachment #</i> _____). Include an explanation of any revenue and expense growth or other adjustments; for example, any rate increases, service growth, inflation adjustments, expense adjustments reflecting the cost of operating additional facilities, or other considerations.					
(k) For construction loans, are the above projections consistent with the accepted financial feasibility information in the planning documents?				<input type="checkbox"/> Yes	<input type="checkbox"/> No

If “No”, please explain. (*Attachment #*\_\_\_\_\_)

## **PART V – SUPPLEMENTARY INFORMATION**

## LIST OF ATTACHMENTS

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

[illegible]

# **ATTACHMENT # 1**

## **Description of Construction Activities**

### **SRF Project No. 46032**

#### **Project Description:**

Holt Water Works, Inc. (HWW) serves the unincorporated community of Holt, FL and the surrounding area in Okaloosa County. Holt Water Work's PWS ID is FL1460352.

HWW's water services are presently metered with a system which requires a meter reader to physically go to each meter location to collect a reading for billing. In a system with approximately 900 services, this takes several days to complete. It also yields frequent misreads which require staff to re-read numerous meters each month. This process equates to inaccurate billing and water usage. The excessive time and manpower required to read meters annually occupies staff time that HWW could utilize in other areas of the system doing other tasks.

HWW is actively replacing their existing meters with new Automatic Meter Reading (AMR) meters. With AMR meters, usage data is collected via radio frequency and staff would only have to drive by the existing meters to collect readings. This would reduce meter reading from a week to a single day. It also significantly lessens mis-reads and the need for re-reads which further reduces staff time devoted to reading meters.

The replacement of the existing metering system with a new radio read system will save the utility time and money each month when meters are read. The new meters are also proven to be superior to the old meters and will more accurately account for true water use even at very low flows. Each new meter is installed with a specific identification number and a specific latitude and longitude. This change will substantially reduce manpower required to accurately read meters and bill customers.

**ATTACHMENT # 2**

**SRF Project No. 46032**

**HOLT WATER WORKS  
AND  
REGIONAL UTILITY AUTHORITY  
INTERLOCAL AGREEMENT**



**ATTACHMENT # 3**  
**Holt Water Works Prior Liens / Obligations**  
**SRF Project No. 46032**

<i>DEBT SECURED BY PLEDGED REVENUES</i>				
<b>Loan Obligation</b>	<b>Balance as of June 2024</b>	<b>Payment Cycle</b>	<b>Payment Amount</b>	<b>Pay Off Year</b>
SRF DW460320	\$265,600	Semi-Annual	\$15,108	2035
USDA Series 91-03	\$819,207.14	Annual	\$57,926	2046

## **ATTACHMENT # 4**

**SRF Project No. 46032**

# **USDA LOAN AGREEMENTS**

# Amortization Factor & Amortization Schedule Calculator

Enter Name of Borrower and Loan Number Here

\$ 1,045,400.00	Original Loan Amount
4.500%	Interest Rate (entered as a percentage i.e. 3.625%)
40	Term (in years)
2	# of Years of Principal Deferral (Select from drop-down)
38	Amortization Period (in years)
1	Payments per Year
55.41	Amortization Factor
\$ 57,926.00	Payment
7/27/2006	Date of Loan Closing

## DISCLAIMER

The detailed breakdown of payments shown below is an estimate only. Actual amounts are dependent upon the actual application date of payment. Interest accrues daily from one payment to the next.

Payment Date	Payment	Interest	Principal	Balance
7/27/2007	\$ 47,043.00	\$ 47,043.00	Interest Only	\$ 1,045,400.00
7/27/2008	\$ 47,043.00	\$ 47,043.00	Interest Only	\$ 1,045,400.00
7/27/2009	\$ 57,926.00	\$ 47,043.00	\$ 10,883.00	\$ 1,034,517.00
7/27/2010	\$ 57,926.00	\$ 46,553.27	\$ 11,372.74	\$ 1,023,144.27
7/27/2011	\$ 57,926.00	\$ 46,041.49	\$ 11,884.51	\$ 1,011,259.76
7/27/2012	\$ 57,926.00	\$ 45,506.69	\$ 12,419.31	\$ 998,840.45
7/27/2013	\$ 57,926.00	\$ 44,947.82	\$ 12,978.18	\$ 985,862.27
7/27/2014	\$ 57,926.00	\$ 44,363.80	\$ 13,562.20	\$ 972,300.07
7/27/2015	\$ 57,926.00	\$ 43,753.50	\$ 14,172.50	\$ 958,127.57
7/27/2016	\$ 57,926.00	\$ 43,115.74	\$ 14,810.26	\$ 943,317.31
7/27/2017	\$ 57,926.00	\$ 42,449.28	\$ 15,476.72	\$ 927,840.59
7/27/2018	\$ 57,926.00	\$ 41,752.83	\$ 16,173.17	\$ 911,667.42
7/27/2019	\$ 57,926.00	\$ 41,025.03	\$ 16,900.97	\$ 894,766.45
7/27/2020	\$ 57,926.00	\$ 40,264.49	\$ 17,661.51	\$ 877,104.94
7/27/2021	\$ 57,926.00	\$ 39,469.72	\$ 18,456.28	\$ 858,648.66
7/27/2022	\$ 57,926.00	\$ 38,639.19	\$ 19,286.81	\$ 839,361.85
7/27/2023	\$ 57,926.00	\$ 37,771.28	\$ 20,154.72	\$ 819,207.14
7/27/2024	\$ 57,926.00	\$ 36,864.32	\$ 21,061.68	\$ 798,145.46
7/27/2025	\$ 57,926.00	\$ 35,916.55	\$ 22,009.45	\$ 776,136.00
7/27/2026	\$ 57,926.00	\$ 34,926.12	\$ 22,999.88	\$ 753,136.12
7/27/2027	\$ 57,926.00	\$ 33,891.13	\$ 24,034.87	\$ 729,101.25
7/27/2028	\$ 57,926.00	\$ 32,809.56	\$ 25,116.44	\$ 703,984.81
7/27/2029	\$ 57,926.00	\$ 31,679.32	\$ 26,246.68	\$ 677,738.12
7/27/2030	\$ 57,926.00	\$ 30,498.22	\$ 27,427.78	\$ 650,310.34
7/27/2031	\$ 57,926.00	\$ 29,263.97	\$ 28,662.03	\$ 621,648.30
7/27/2032	\$ 57,926.00	\$ 27,974.17	\$ 29,951.83	\$ 591,696.48
7/27/2033	\$ 57,926.00	\$ 26,626.34	\$ 31,299.66	\$ 560,396.82
7/27/2034	\$ 57,926.00	\$ 25,217.86	\$ 32,708.14	\$ 527,688.67
7/27/2035	\$ 57,926.00	\$ 23,745.99	\$ 34,180.01	\$ 493,508.67
7/27/2036	\$ 57,926.00	\$ 22,207.89	\$ 35,718.11	\$ 457,790.56
7/27/2037	\$ 57,926.00	\$ 20,600.57	\$ 37,325.43	\$ 420,465.13
7/27/2038	\$ 57,926.00	\$ 18,920.93	\$ 39,005.07	\$ 381,460.06
7/27/2039	\$ 57,926.00	\$ 17,165.70	\$ 40,760.30	\$ 340,699.76
7/27/2040	\$ 57,926.00	\$ 15,331.49	\$ 42,594.51	\$ 298,105.25
7/27/2041	\$ 57,926.00	\$ 13,414.74	\$ 44,511.26	\$ 253,593.99
7/27/2042	\$ 57,926.00	\$ 11,411.73	\$ 46,514.27	\$ 207,079.72
7/27/2043	\$ 57,926.00	\$ 9,318.59	\$ 48,607.41	\$ 158,472.31

## Amortization Factor & Amortization Schedule Calculator

Enter Name of Borrower and Loan Number Here

\$ 1,045,400.00	Original Loan Amount
4.500%	Interest Rate (entered as a percentage i.e. 3.625%)
40	Term (in years)
2	# of <u>Years</u> of Principal Deferral (Select from drop-down)
38	Amortization Period (in years)
1	Payments per Year
55.41	Amortization Factor
\$ 57,926.00	Payment
7/27/2006	Date of Loan Closing

# DISCLAIMER

The detailed breakdown of payments shown below is an estimate only. Actual amounts are dependent upon the actual application date of payment. Interest accrues daily from one payment to the next.

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[illegible]

## Amortization Factor & Amortization Schedule Calculator

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4.500%	Interest Rate (entered as a percentage i.e. 3.625%)
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2	# of <u>Years</u> of Principal Deferral (Select from drop-down)
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55.41	Amortization Factor
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7/27/2006	Date of Loan Closing

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[illegible]

WATER OR WASTE SYSTEM GRANT AGREEMENT  
UNITED STATES DEPARTMENT OF AGRICULTURE

RURAL UTILITIES SERVICE

THIS AGREEMENT dated July 27, 2006 between

Holt Water Works, Inc.

a public corporation organized and operating under

Florida Statutes

*(Authorizing Statute)*

herein called "Grantee," and the United States of America acting through the Rural Utilities Service, Department of Agriculture, herein called "Grantor," WITNESSETH:

WHEREAS

Grantee has determined to undertake a project of acquisition, construction, enlargement, or capital improvement of a (water) (sewer) system to serve the area under jurisdiction at an estimated cost of \$ 2,137,400 and has duly authorized the undertaking of such project.

Grantee is able to finance not more than \$ 1,887,400 of the development cost through revenues, charges, taxes or assessments, or funds otherwise available to Grantee resulting in a reasonable user charge.

Said sum of \$ 1,887,400 has been committed to and by Grantee for such project development costs.

Grantor has agreed to grant the Grantee a sum not to exceed \$ 250,000 or 11.70% percent of said development costs, whichever is the lesser, subject to the terms and conditions established by the Grantor. Provided, however, that the proportionate share of any grant funds actually advanced and not needed for grant purposes shall be returned immediately to the Grantor. The Grantor may terminate the grant in whole, or in part, at any time before the date of completion, whenever it is determined that the Grantee has failed to comply with the conditions of the grant.

As a condition of this grant agreement, the Grantee assures and certifies that it is in compliance with and will comply in the course of the agreement with all applicable laws, regulations, Executive orders and other generally applicable requirements, including those set out in 7 CFR 3015.205(b), which hereby are incorporated into this agreement by reference, and such other statutory provisions as are specifically set forth herein.

NOW, THEREFORE, In consideration of said grant by Grantor to Grantee, to be made pursuant to Section 306 (a) of the Consolidated Farm and Rural Development Act the purpose only of defraying a part not to exceed 11.70% percent of the development costs, as defined by applicable Rural Utilities Service Instructions.

GRANTEE AGREES THAT GRANTEE WILL:

A. Cause said project to be constructed within the total sums available to it, including said grant, in accordance with the project plans and specifications and any modifications thereof prepared by Grantee and approved by Grantor.

Position 2

B. Permit periodic inspection of the construction by a representative of Grantor during construction.

C. Manage, operate and maintain the system, including this project if less than the whole of said system, continuously in an efficient and economical manner.

D. Make the services of said system available within its capacity to all persons in Grantee's service area without discrimination as to race, color, religion, sex, national origin, age, marital status, or physical or mental handicap (possess capacity to enter into legal contract for services) at reasonable charges, including assessments, taxes, or fees in accordance with a schedule of such charges, whether for one or more classes

of service, adopted by resolution dated June 16, 2003, as may be modified from time to time by Grantee. The initial rate schedule must be approved by Grantor. Thereafter, Grantee may make such modifications to the rate system as long as the rate schedule remains reasonable and nondiscriminatory.

E. Adjust its operating costs and service charges from time to time to provide for adequate operation and maintenance, emergency repair reserves, obsolescence reserves, debt service and debt service reserves.

F. Expand its system from time to time to meet reasonably anticipated growth or service requirements in the area within its jurisdiction.

G. Provide Grantor with such periodic reports as it may require and permit periodic inspection of its operations by a representative of the Grantor.

H. To execute any agreements required by Grantor which Grantee is legally authorized to execute. If any such agreement has been executed by Grantee as a result of a loan being made to Grantee by Grantor contemporaneously with the making of this grant, another agreement of the same type need not be executed in connection with this grant.

I. Upon any default under its representations or agreements set forth in this instrument, Grantee, at the option and demand of Grantor, will repay to Grantor forthwith the original principal amount of the grant stated herein above with the interest at the rate of 5 percentum per annum from the date of the default. Default by the Grantee will constitute termination of the grant thereby causing cancellation of Federal assistance under the grant. The provisions of this Grant Agreement may be enforced by Grantor, at its option and without regard to prior waivers by it previous defaults of Grantee, by judicial proceedings to require specific performance of the terms of this Grant Agreement or by such other proceedings in law or equity, in either Federal or State courts, as may be deemed necessary by Grantor to assure compliance with the provisions of this Grant Agreement and the laws and regulations under which this grant is made.

J. Return immediately to Grantor, as required by the regulations of Grantor, any grant funds actually advanced and not needed by Grantee for approved purposes.

K. Use the real property including land, land improvements, structures, and appurtenances thereto, for authorized purposes of the grant as long as needed.

1. Title to real property shall vest in the recipient subject to the condition that the Grantee shall use the real property for the authorized purpose of the original grant as long as needed.

2. The Grantee shall obtain approval by the Grantor agency for the use of the real property in other projects when the Grantee determines that the property is no longer needed for the original grant purposes. Use in other projects shall be limited to those under other Federal grant programs or programs that have purposes consistent with those authorized for support by the Grantor.

3. When the real property is no longer needed as provided in 1 and 2 above, the Grantee shall request disposition instructions from the Grantor agency or its successor Federal agency. The Grantor agency shall observe the following rules in the disposition instructions:

(a) The Grantee may be permitted to retain title after it compensates the Federal Government in an amount computed by applying the Federal percentage of participation in the cost of the original project to the fair market value of the property.

(b) The Grantee may be directed to sell the property under guidelines provided by the Grantor agency. When the Grantee is authorized or required to sell the property, proper sales procedures shall be established that provide for competition to the extent practicable and result in the highest possible return.

**[Revision 1, 04/17/1998]**

(c) The Grantee may be directed to transfer title to the property to the Federal Government provided that in such cases the Grantee shall be entitled to compensation computed by applying the Grantee's percentage of participation in the cost of the program or project to the current fair market value of the property.

**This Grant Agreement covers the following described real property (use continuation sheets as necessary).**

All real property owned by Holt Water Works, Inc as per attached Exhibit A

L. Abide by the following conditions pertaining to equipment which is furnished by the Grantor or acquired wholly or in part with grant funds. Equipment means tangible, non-expendable personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit. A Grantee may use its own definition of equipment provided that such definition would at least include all equipment defined above.

**[Revision 1, 04/17/1998]**

1. Use of equipment.

(a) The Grantee shall use the equipment in the project for which it was acquired as long as needed. When no longer needed for the original project, the Grantee shall use the equipment in connection with its other Federally sponsored activities, if any, in the following order of priority:

(1) Activities sponsored by the Grantor.

(2) Activities sponsored by other Federal agencies.

(b) During the time that equipment is held for use on the project for which it was acquired, the Grantee shall make it available for use on other projects if such other use will not interfere with the work on the project for which the equipment was originally acquired. First preference for such other use shall be given to Grantor sponsored projects. Second preference will be given to other Federally sponsored projects.



## ATTACHMENT "A" TO REAL ESTATE MORTGAGE

### PARCEL 1

Lot 14, Block 33, Re-Plat of Holt, according to the plat thereof as recorded in Plat Book 1, Page 16, Public Records of Okaloosa County, Florida.

### PARCEL 2

Beginning at the Northeast corner of the Northeast 1/4 of the Northwest 1/4 of Section 4, Township 2 North, Range 25 West; thence West 300 feet to Point of Beginning; thence South 175 feet; thence West 285 feet; thence North to State Road No. 10; thence East along right of way to Point of Beginning.

LESS AND EXCEPT the following described property:

Begin at the Northeast corner of the Northeast 1/4 of the Northwest 1/4, Section 4, Township 2 North, Range 25 West, Okaloosa County, Florida; thence West 300 feet to the Point of Beginning; thence South 175 feet; thence West 160 feet; thence North 175 feet; thence East 160 feet along the right of way of State Road 10 to the Point of Beginning.

PARCELS 1 and 2 are SUBJECT to a mortgage to Farmers Home Administration dated November 23, 1966, in the amount of \$125,000.00 and recorded in Official Records Book 412 at Page 565, records of Okaloosa County, Florida, and are subject to a mortgage to Farmers Home Administration dated June 21, 1982, in the amount of \$69,500.00 and recorded in Official Records Book 1153 at Page 837, records of Okaloosa County, Florida.

### PARCEL 3

Commencing at a concrete monument marking the Northeast corner of Section 9, Township 2 North, Range 25 West, Okaloosa County, Florida, proceed South 01 degrees 50 minutes 56 seconds West, 1054.62 feet along the East line of said Section to a point on the South line of a 150 foot Gulf Power Company Easement; thence South 77 degrees 18 minutes 03 seconds West, 464.56 feet along said Easement to the Point of Beginning; thence continue South 77 degrees 18 minutes 03 seconds West, 225.89 feet to a point on the

East right of way line of Armistead Boulevard (80 foot right of way); thence South 02 degrees 30 minutes 47 seconds West, 172.18 feet along said right of way; thence departing right of way proceed South 88 degrees 17 minutes 29 seconds East, 218.00 feet; thence North 02 degrees 30 minutes 47 seconds East, 228.39 feet to the Point of Beginning.

ALSO, all of the assets comprising the waterworks system of the borrower consisting of sites, tanks, pumping stations, pipelines, easements, rights-of-way, meters, and all fixed equipment and appurtenances thereto in the County of Okaloosa, Florida, whether or not located upon real estate hereinabove described and all such properties and assets which the borrower may hereafter after acquire, with like effect as though now owned by borrower and as though covered and conveyed with all revenues and service charges, which may arise or be had from the operation of the waterworks system.

AGB

2. Disposition of equipment. When the Grantee no longer needs the equipment as provided in paragraph (a) above, the equipment may be used for other activities in accordance with the following standards:

- (a) Equipment with a current per unit fair market value of less than \$5,000. The Grantee may use the equipment for other activities without reimbursement to the Federal Government or sell the equipment and retain the proceeds.
- (b) Equipment with a current per unit fair market value of \$5,000 or more. The Grantee may retain the equipment for other uses provided that compensation is made to the original Grantor agency or its successor. The amount of compensation shall be computed by applying the percentage of Federal participation in the cost of the original project or program to the current fair market value or proceeds from sale of the equipment. If the Grantee has no need for the equipment and the equipment has further use value, the Grantee shall request disposition instructions from the original Grantor agency.

The Grantor agency shall determine whether the equipment can be used to meet the agency's requirements. If no requirement exists within that agency, the availability of the equipment shall be reported, in accordance with the guidelines of the Federal Property Management Regulations (FPMR), to the General Services Administration by the Grantor agency to determine whether a requirement for the equipment exists in other Federal agencies. The Grantor agency shall issue instructions to the Grantee no later than 120 days after the Grantee requests and the following procedures shall govern:

- (1) If so instructed or if disposition instructions are not issued within 120 calendar days after the Grantee's request, the Grantee shall sell the equipment and reimburse the Grantor agency an amount computed by applying to the sales proceeds the percentage of Federal participation in the cost of the original project or program. However, the Grantee shall be permitted to deduct and retain from the Federal share ten percent of the proceeds, for Grantee's selling and handling expenses.
- (2) If the Grantee is instructed to ship the equipment elsewhere the Grantee shall be reimbursed by the benefiting Federal agency with an amount which is computed by applying the percentage of the Grantee participation in the cost of the original grant project or program to the current fair market value of the equipment, plus any reasonable shipping or interim storage costs incurred.
- (3) If the Grantee is instructed to otherwise dispose of the equipment, the Grantee shall be reimbursed by the Grantor agency for such costs incurred in its disposition.

3. The Grantee's property management standards for equipment shall also include:

- (a) Records which accurately provide for: a description of the equipment; manufacturer's serial number or other identification number; acquisition date and cost; source of the equipment; percentage (at the end of budget year) of Federal participation in the cost of the project for which the equipment was acquired; location, use and condition of the equipment and the date the information was reported; and ultimate disposition data including sales price or the method used to determine current fair market value if the Grantee reimburses the Grantor for its share.
- (b) A physical inventory of equipment shall be taken and the results reconciled with the equipment records at least once every two years to verify the existence, current utilization, and continued need for the equipment.

(c) A control system shall be in effect to insure adequate safeguards to prevent loss, damage, or theft of the equipment. Any loss, damage, or theft of equipment shall be investigated and fully documented.

(d) Adequate maintenance procedures shall be implemented to keep the equipment in good condition.

(e) Proper sales procedures shall be established for unneeded equipment which would provide for competition to the extent practicable and result in the highest possible return.

**This Grant Agreement covers the following described equipment (use continuation sheets as necessary).**

All non-real estate property associated with improvements to the Holt Water Works supply system as per the attached project breakdown and Bid schedules  
 Contract I 500 gpm water well and well control house  
 Contract II 300,000 gallon elevated storage tank  
 Contract III residential lines

**M. Provide Financial Management Systems which will include:**

1. Accurate, current, and complete disclosure of the financial results of each grant. Financial reporting will be on an accrual basis.
2. Records which identify adequately the source and application of funds for grant-supported activities. Those records shall contain information pertaining to grant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays, and income.
3. Effective control over and accountability for all funds, property and other assets. Grantees shall adequately safeguard all such assets and shall assure that they are used solely for authorized purposes.
4. Accounting records supported by source documentation.

N. Retain financial records, supporting documents, statistical records, and all other records pertinent to the grant for a period of at least three years after grant closing except that the records shall be retained beyond the three-year period if audit findings have not been resolved. Microfilm or photo copies or similar methods may be substituted in lieu of original records. The Grantor and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers, and records of the Grantee's government which are pertinent to the specific grant program for the purpose of making audits, examinations, excerpts and transcripts.

O. Provide information as requested by the Grantor to determine the need for and complete any necessary Environmental Impact Statements.

P. Provide an audit report prepared in accordance with Grantor regulations to allow the Grantor to determine that funds have been used in compliance with the proposal, any applicable laws and regulations and this Agreement.

Q. Agree to account for and to return to Grantor interest earned on grant funds pending their disbursement for program purposes when the Grantee is a unit of local government. States and agencies or instrumentality's of states shall not be held accountable for interest earned on grant funds pending their disbursement.

# CONTRACT #I

2005

BIDDER acknowledges receipt of the following ADDENDUM:

#1, #2

\* Insert "a corporation", "a partnership", or "an individual" as applicable.

BIDDER agrees to perform all the work described in the CONTRACT DOCUMENTS for the following unit prices:

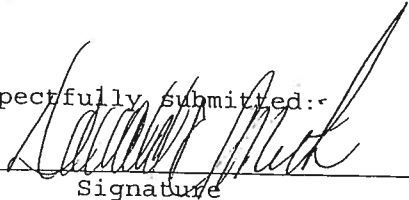
## BID SCHEDULE

NOTE: BIDS shall include sales tax and all other applicable taxes and fees.

500 gpm water supply and well control house

NO.	ITEM	UNIT	UNIT PRICE	AMOUNT	TOTAL PRICE
1.	Test Hole to a Maximum Depth of 1,000 Feet	LS		1	60,000-
2.	Test Well, Pumping Test and Chemical Analysis	LS		1	7200-
3.	Well and Pump	LS		1	201,292-
4.	Pump House, Piping, Equipment, and Electrical	LS		1	164,919-
5.	Standby Generator	LS		1	50,132-
6.	Site Improvements	LS		1	14,875-
TOTAL OF BID					\$ 498,418 -

Respectfully submitted:

  
Signature

President  
Title

12062

License number

746 E. MAIN ST.  
Address  
HEADQUARTERS AL 3634S  
3-3-05  
Date

SEAL - (if BID is by a corporation)

# CONTRACT #II

MAR - 0 2005

RUS Bulletin 1780-13  
Attachment 3  
Page 2

BIDDER acknowledges receipt of the following ADDENDUM:

No. 1 dated 2/24/05

\* Insert "a corporation", "a partnership", or "an individual" as applicable.

BIDDER agrees to perform all the work described in the CONTRACT DOCUMENTS for the following unit prices:

## BID SCHEDULE

NOTE: BIDS shall include sales tax and all other applicable taxes and fees.

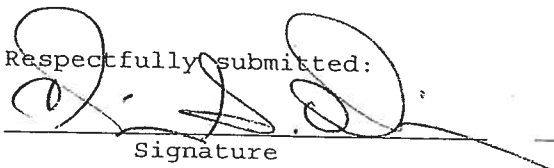
300,000 gallon elevated tank

NO.	ITEM	UNIT	UNIT PRICE	AMOUNT	TOTAL PRICE
1.	300,000 Gallon Elevated Storage Tank		\$456,100 <sup>00</sup>		\$456,100 <sup>00</sup>

FOUR HUNDRED FIFTY-SIX THOUSAND ONE HUNDRED DOLLARS

TOTAL OF BID .....\$ 456,100<sup>00</sup>

Respectfully submitted:



Signature  
Christopher A. Oliver  
Regional Sales Manager

Title

CG-C057436

License number

Caldwell Tanks, Inc.  
4000 Tower Road  
Louisville, Ky 40219

Address

March 3, 2005

Date

SEAL - (if BID is by a corporation)

# Contract # III

Base Bid: Materials and Installation  
Section 2: Non-EDA Work

RUS Bulletin 1780  
Attachment 3  
Page 4

## Rural residential lines

NO.	ITEM	UNIT	UNIT PRICE	AMOUNT	TOTAL PRICE
1.	10" Class 200 PVC Water Main	LF	10.26	22,850	<del>234,406.00</del> 234,386.16
2.	10" D.I. Water Main	LF	18.88	300	<del>5,664.00</del> 5,664.30
3.	6" Class 200 PVC Water Main	LF	5.08	28,700	<del>1,457.96</del> 145,841.92
4.	6" D.I. Water Main	LF	22.55	180	<del>4,059.00</del> 4,058.46
5.	12" HDPE Water Main, Bored	LF	54.37	200	<del>10,874.00</del> 10,873.24
6.	12" HDPE Water Main, Through 18" Steel Casing	LF	24.63	320	<del>7,881.60</del> 7,881.86
7.	8" HDPE Water Main, Bored	LF	45.22	400	<del>18,088.00</del> 18,086.68
8.	18" Steel Casing (.25" Wall), Bored	LF	113.03	310	<del>35,039.30</del> 35,039.18
9.	16" Steel Casing (.25" Wall), Bored	LF	64.32	80	<del>5,145.60</del> 5,145.57
10.	10" Valve	EA	1,202.96	15	18,044.40
11.	6" Valve	EA	588.00	77	45,276.00
12.	6" Tapping Sleeve	EA	717.50	2	1,435.00
13.	6" Tapping Valve	EA	865.34	2	1,730.68
14.	Fire Hydrant	EA	1,339.36	55	73,664.80
15.	6" D.I. Fire Hydrant Lead	LF	29.86	550	<del>16,423.00</del> 16,421.90
16.	Ductile Iron Fittings	LBS	3.30	8,500	28,050.00
17.	Driveway Bores	EA	695.00	18	12,510.00
18.	¾" Service Connections	EA	355.34	202	<del>71,778.68</del> 71,778.21
19.	¾" Service Tubing	LF	1.00	6,060	6,060.00
20.	Miscellaneous Structure Concrete	CY	700.00	4	2,800.00
21.	Select Backfill	CY	12.00	200	2,400.00
22.	Paving Replacement	LF	85.00	80	6,800.00
23.	Stone Rip Rap	Ton	45.00	200	9,000.00
24.	Roadway Stone	Ton	35.00	75	2,625.00



Base Bid: Materials and Installation  
Section 2: Non-EDA Work (Continued)

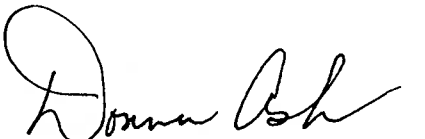
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Page 5


NO.	ITEM	UNIT	UNIT PRICE	AMOUNT	TOTAL PRICE
25.	Top Soil	CY	<u>7.50</u>	650	<u>4,875.00</u>
26.	Hay Bales	EA	<u>3.50</u>	400	<u>1,400.00</u>
27.	Silt Fence	LF	<u>2.00</u>	4,000	<u>8,000.00</u>
28.	Mulching	LF	<u>0.12</u>	58,500	<u>7,020.00</u>
29.	Seeding	LF	<u>0.12</u>	58,500	<u>7,020.00</u>
30.	Erosion Control Netting	SY	<u>8.00</u>	800	<u>6,400.00</u>
Total of Section 2 Base Bid.....				\$	<u>800,301.06</u>
Total of Base Bid (Section 1 & Section 2).....				\$	<u>800,288.36</u>
					<u>1,068,980.79</u>
					<u>1,069,041.06</u>



**Holt Water System Improvements  
Funding Allocation Table  
Revised for As-Bid Construction Contracts**

<b>Cost Area</b>	<b>EDA Grant Funds</b>	<b>USDA Grant Funds</b>	<b>USDA Loan Funds</b>	<b>Holt Bank Loan Funds</b>	<b>Holt Cash On-Hand</b>	<b>Totals</b>
Contract #1 - Deep Well	\$306,000.00	\$0.00	\$192,418.00	\$0.00	\$0.00	\$498,418.00
Contract #2 - Tank	\$252,000.00	\$0.00	\$204,100.00	\$0.00	\$0.00	\$456,100.00
Contract #3 - Water Mains (EDA)	\$148,020.00	\$0.00	\$0.00	\$120,720.00	\$0.00	\$268,740.00
Contract #3 - Water Mains (Non-EDA)	\$0.00	\$250,000.00	\$541,112.69	\$9,188.37	\$0.00	\$800,301.06
Contingency (5%)	\$58,080.00	\$0.00	\$0.00	\$43,097.95	\$0.00	\$101,177.95
Preliminary Engineering	\$0.00	\$0.00	\$12,000.00	\$0.00	\$0.00	\$12,000.00
Engineering Design	\$40,300.00	\$0.00	\$73,019.31	\$0.00	\$0.00	\$113,319.31
Additional Engineering	\$12,250.00	\$0.00	\$22,750.00	\$0.00	\$0.00	\$35,000.00
Engineering Observation	\$17,350.00	\$0.00	\$0.00	\$34,530.00	\$0.00	\$51,880.00
Interest	\$0.00	\$0.00	\$0.00	\$17,463.68	\$2,536.32	\$20,000.00
Legal	\$0.00	\$0.00	\$0.00	\$0.00	\$13,000.00	\$13,000.00
Grant Administration	\$4,800.00	\$0.00	\$0.00	\$0.00	\$3,200.00	\$8,000.00
<b>Totals</b>	<b>\$838,800.00</b>	<b>\$250,000.00</b>	<b>\$1,045,400.00</b>	<b>\$225,000.00</b>	<b>\$18,736.32</b>	<b>\$2,377,936.32</b>

  
Holt Water Works, Inc.  
Donna Ash  
Manager

  
Project Engineer  
Troy Hudson, P.E.  
CDG Engineers & Associates, Inc.

APR 04 2013

R. Not encumber, transfer or dispose of the property or any part thereof, furnished by the Grantor or acquired wholly or in part with Grantor funds without the written consent of the Grantor except as provided in item K above.

S. To include in all contracts for construction or repair a provision for compliance with the Copeland "Anti-Kick Back" Act (18 U.S.C. 874) as supplemented in Department of Labor regulations (29 CFR, Part 3). The Grantee shall report all suspected or reported violations to the Grantor.

T. To include in all contracts in excess of \$100,000 a provision that the contractor agrees to comply with all the requirements of the Clean Air Act (42 U.S.C. §7414) and Section 308 of the Water Pollution Control Act (33 U.S.C. §1318) relating to inspection, monitoring, entry, reports, and information, as well as all other requirements specified in Section 114 of the Clean Air Act and Section 308 of the Water Pollution Control Act and all regulations and guidelines issued thereunder after the award of the contract. In so doing the Contractor further agrees:

[Revision 1, 11/20/1997]

1. As a condition for the award of contract, to notify the Owner of the receipt of any communication from the Environmental Protection Agency (EPA) indicating that a facility to be utilized in the performance of the contract is under consideration to be listed on the EPA list of Violating Facilities. Prompt notification is required prior to contract award.

2. To certify that any facility to be utilized in the performance of any nonexempt contractor subcontract is not listed on the EPA list of Violating Facilities pursuant to 40 CFR Part 32 as of the date of contract award.

[Revision 1, 11/20/97]

3. To include or cause to be included the above criteria and the requirements in every nonexempt subcontract and that the Contractor will take such action as the Government may direct as a means of enforcing such provisions.

As used in these paragraphs the term "facility" means any building, plan, installation, structure, mine, vessel or other floating craft, location, or site of operations, owned, leased, or supervised by a Grantee, cooperator, contractor, or subcontractor, to be utilized in the performance of a grant, agreement, contract, subgrant, or subcontract. Where a location or site of operation contains or includes more than one building, plan, installation, or structure, the entire location shall be deemed to be a facility except where the Director, Office of Federal Activities, Environmental Protection Agency, determines that independent facilities are co-located in one geographical area.

Grantor Agrees That It:

A. Will make available to Grantee for the purpose of this Agreement not to exceed \$250,000.00, which it will advance to Grantee to meet not to exceed 11.70% percent of the project development costs of the project in accordance with the actual needs of Grantee as determined by Grantor.

B. Will assist Grantee, within available appropriations, with such technical assistance as Grantor deems appropriate in planning the project and coordinating the plan with local official comprehensive plans for sewer and water and with any State or area plans for the area in which the project is located.

C. At its sole discretion and at any time may give any consent, deferment, subordination, release, satisfaction, or termination of any or all of Grantee's grant obligations, with or without valuable consideration, upon such terms and conditions as Grantor may determine to be (1) advisable to further the purpose of the grant or to protect Grantor's financial interest therein and (2) consistent with both the statutory purposes of the grant and the limitations of the statutory authority under which it is made.

## Termination of This Agreement

This Agreement may be terminated for cause in the event of default on the part of the Grantee as provided in paragraph I above or for convenience of the Grantor and Grantee prior to the date of completion of the grant purpose. Termination for convenience will occur when both the Grantee and Grantor agree that the continuation of the project will not produce beneficial results commensurate with the further expenditure of funds.

In witness whereof Grantee on the date first above written has caused these presence to be executed by its duly authorized

Board President, Holt Water Works, Inc

and attested and its corporate seal affixed by its duly authorized

Manager/Secretary/Treasurer

Attest:

By: 

Donna Ash

(Title) Manager/Secretary/Treasurer

By: 

Allen Barton

(Title) Board President, Holt Water Works, Inc

UNITED STATES OF AMERICA

RURAL UTILITIES SERVICE

By: 

Joseph P. Fritz

Area Director

(Title)

**PROMISSORY NOTE**  
(ASSOCIATION OR ORGANIZATION)

State FLORIDA			
County OKALOOSA			
Case No. 09-046-0591479650			
FINANCE OFFICE USE ONLY			
F 91	LN 03	LC	IA

KIND OF LOAN:

- ☒ ASSOCIATION- ORGANIZATION  
☐ HOUSING-ORGANIZATION  
  
☐ PUBLIC BODY  
☐ OTHER

Date JULY 27, 2006

FOR VALUE RECEIVED, HOLT WATER WORKS, INC  
(herein called "Borrower") promises to pay to the order of the United States of America, acting through the Rural Housing Service, Rural Business-Cooperative Service, or Rural Utilities Service within the Rural Development Mission Area, the Farm Service Agency, or their successor Agencies, United States Department of Agriculture, (herein called the "Government") at its office in CRESTVIEW

FLORIDA, or at such other place as the Government may hereafter designate in writing, the principal amount of ONE MILLION FORTY FIVE THOUSAND FOUR HUNDRED dollars (\$ 1,045,400.00), plus interest on the unused principal balance at the rate of four and one half percent (4.50 %) per annum. The said principal and interest shall be paid in the following installments on or before the following dates:

\$ INTEREST ONLY on JULY 27, 2007,  
\$ INTEREST ONLY on JULY 27, 2008,  
\$ 57,925.62 on JULY 27, 2009,  
\$ 57,925.62 thereafter on the 27TH of each JULY, and

until the principal and interest are fully paid except that the final installment of the entire indebtedness evidenced hereby,

if not sooner paid, shall be due and payable FORTY (40) years from the date of this note, and except that prepayments may be made as provided below. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

If the total amount of the loan is not advanced at the time of loan closing, the loan shall be advanced to Borrower as requested by Borrower and approved by the Government and interest shall accrue on the amount of each advance from its actual date as shown on the reverse hereof.

Every payment made on any indebtedness evidenced by this note shall be applied first to interest computed to the effective date of the payment and then to principal.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of Borrower. Refunds and extra payments, as defined in the regulations of the Government according to the source of funds involved, shall, after payment of interest, be applied to the installments last to become due under this note and shall not affect the obligation of Borrower to pay the remaining installments as scheduled herein.

If the Government at any time assigns this note and insures the payment thereof, Borrower shall continue to make payments to the Government as collection agent for the holder. No assignment of this note shall be effective unless the Borrower is notified in writing of the name and address of the assignee. The Borrower shall thereupon duly note in its records the occurrence of such assignment, together with the name and address of the assignee.

While this note is held by an insured lender, prepayments as above authorized made by Borrower may, at the option of the Government, be remitted by the Government to the holder promptly or, except for final payment, be retained by the Government and remitted to the holder on either a calendar quarter basis or an annual installment due date basis. The effective date of every payment made by Borrower, except payments retained and remitted by the Government on an annual installment due date basis, shall be the date of the United States Treasury check by which the Government remits the payment to the holder. The effective date of any prepayment retained and remitted by the Government to the holder on an annual installment due date basis shall be the date of the prepayment of Borrower, and the Government will pay the interest to which the holder is entitled accruing between the effective date of any such prepayment and the date of the Treasury check to the holder.

Any amount advanced or expended by the Government for the collection hereof or to preserve or protect any security hereto, or otherwise under the terms of any security or other instrument executed in connection with the loan evidenced hereby, at the option of the Government shall become a part of and bear interest at the same rate as the principal of the debt evidenced hereby and be immediately due and payable by Borrower to the Government without demand. Borrower agrees to use the loan evidenced hereby solely for purposes authorized by the Government.

Borrower hereby certifies that it is unable to obtain sufficient credit elsewhere to finance its actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near its community for loans for similar purposes and periods of time.

If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a responsible cooperative or private credit source at reasonable rates and terms for loans for similar purposes and periods of time, Borrower will, at the Government's request, apply for and accept such loan in sufficient amount to repay the Government.

Default hereunder shall constitute default under any other instrument evidencing a debt or other obligation of Borrower to the Government or securing such a debt or other obligation and default under any such other instrument shall constitute default hereunder. Upon any such default, the Government at its option may declare all or any part of any such indebtedness immediately due and payable.

This note is given as evidence of a loan to Borrower made or insured by the Government pursuant to the Consolidated Farm and Rural Development Act if the box opposite "Association" is checked under the heading "KIND OF LOAN," or pursuant to Title V of the Housing Act of 1949 if the box opposite "HOUSING-ORGANIZATION" is checked. This note shall be subject to the present regulations of the Government and to its future regulations not inconsistent with the express provisions hereof.

Presentment, protest, and notice are hereby waived.

(CORPORATE SEAL)

HOLT WATER WORKS, INC.

*Allen G. Barton*

(Name of Borrower)

ALLEN G. BARTON

(Signature of Executive Official)

ATTEST:

*Donna E. Ash*

(Signature of Attesting Official)

DONNA E. ASH,  
SECRETARY/TREASURER

(Title of Attesting Official)

(Title of Executive Official)

P. O. BOX 308

(Post Office Box No. or Street Address)

HOLT, FLORIDA 32564

(City, State, and Zip Code)

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) \$1,045,400.00	07 / 27 / 06	(6) \$	/ /
(2) \$	/ /	(7) \$	/ /
(3) \$	/ /	(8) \$	/ /
(4) \$	/ /	(9) \$	/ /
(5) \$	/ /	(10) \$	/ /
TOTAL		1,045,400.00	

PAY TO THE ORDER OF

UNITED STATES OF AMERICA  
RURAL UTILITIES SERVICE

(Name of Agency)

BY

## **ATTACHMENT # 5**

**SRF Project No. 46032**

# **LEGAL OPINION**



# Locklin, Saba, Locklin & Jones, P.A.

## Attorneys at Law

**Jack Locklin, Jr.**  
*Board Certified Real Estate Attorney*

**Daniel P. Saba**

**Oscar J. Locklin**  
*Licensed in Florida and Alabama*

**Angela J. Jones**

August 22, 2024

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

Re: Project No. 46032 – Walton/Okaloosa/Santa Rosa Regional Utility Authority HWW Clean Water Capital Financing Plan

Dear Ms. Robinson:

I am the duly appointed attorney for Holt Water Works, Inc. (HWW). HWW proposes to borrow \$277,972 from the State Revolving Fund for construction of capital improvements that are needed in the water franchise area through the legal authority of the Walton/Okaloosa/Santa Rosa Regional Utility Authority (RUA). An Interlocal Agreement exists between HWW and the RUA that secures the loan by the net revenues of HWW's water system. The pledged revenues are available to pledge. HWW has the legal authority to increase rates to ensure the repayment of the loan.

The pledge on revenues is subject to a prior lien with the following issues:

DEBT SECURED BY PLEDGED REVENUES				
Loan Obligation	Balance as of June 2024	Payment Cycle	Payment Amount	Pay Off Year
SRF DW460320	\$265,600	Semi-Annual	\$15,108	2035
USDA Series 91-03	\$819,207.14	Annual	\$57,926	2046

Should you have any additional questions or need additional information, please do not hesitate to contact me.

Very truly yours,

  
Angela J. Jones

cc: Holt Water Works, Inc.

## **ATTACHMENT # 6**

**SRF Project No. 46032**

# **AUTHORIZING RESOLUTION**



RESOLUTION NO. 2024-01

A RESOLUTION OF WALTON/OKALOOSA/SANTA ROSA REGIONAL UTILITY AUTHORITY (RUA) 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.

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

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

WHEREAS, the State Revolving Fund loan priority list designates Project No. DW46032 (“the Project”) as eligible for available funding; and

WHEREAS, the Walton/Okaloosa/Santa Rosa Regional Utility Authority (“RUA”) intends to enter into a loan agreement with the Department of Environmental Protection under the State Revolving Fund for financing the Project as intermediary for Holt Water Works, Inc. (“HWW”).

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE WALTON/OKALOOSA/SANTA ROSA REGIONAL UTILITY AUTHORITY, AS FOLLOWS:

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

SECTION II. The Walton/Okaloosa/Santa Rosa Regional Utility Authority is authorized to apply for a loan to finance the Project.

SECTION III. The Walton/Okaloosa/Santa Rosa Regional Utility Authority (RUA), is authorized to enter into an Interlocal Agreement with HWW in form and in substance satisfactory to the RUA’s attorney. In accordance with the Interlocal Agreement between HWW and RUA, the revenues pledged for the repayment of the loan shall be the net utility system revenues of HWW, including water connection fees.

SECTION IV. RUA’s Chairman (or other representative designated by RUA’s Chairman) is hereby designated as the authorized representative to provide the assurances and commitments required by the loan application.


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

**SECTION 2. EFFECTIVE DATE**

This Resolution shall take effect upon its approval and adoption by the Board of Holt Water Works, Inc.

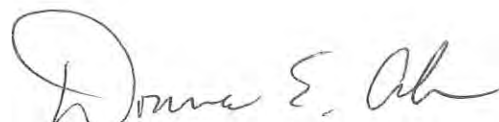
**APPROVED AND ADOPTION THIS 19<sup>TH</sup> DAY OF AUGUST, 2024.**

**BOARD OF HOLT WATER WORKS, INC.**

  
**BOARD PRESIDENT (SEAL)**

**ATTEST:**

**APPROVED AS TO FORM AND  
CORRECTNESS:**

  
**GENERAL MANAGER**

  
**HOLT WATER WORKS ATTORNEY**

**ATTACHMENT #7**

**SRF Project No. 46032**

**AUDITED FINANCIAL REPORT**  
**6-30-2023 AND 2022**

**HOLT WATER WORKS, INC.**

**FINANCIAL STATEMENTS**

For the Fiscal Years Ended June 30, 2023 and 2022  
*With Independent Auditors' Report*

**Vance CPA LLC**  
**Certified Public Accountants**

219-B Avenue E • Apalachicola, FL 32320  
Phone (706)278-1221 Fax (800)-532-1015

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# **HOLT WATER WORKS, INC.**

**June 30, 2023 and 2022**

## **TABLE OF CONTENTS**

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# Vance CPA LLC

*Certified Public Accountants*

219-B Avenue E • Apalachicola, FL 32320

Phone (706)278-1221 Fax (800)-532-1015

*ben@vancecpa.com*

## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
of Holt Water Works, Inc.  
PO Box 308  
Holt, FL 32564

### **Opinion**

We have audited the accompanying financial statements of Holt Water Works, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023 and 2022, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Holt Water Works, Inc. as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Holt Water Works, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Holt Water Works, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting

from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Holt Water Works, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Holt Water Works, Inc.'s ability to continue as a going concern for a reasonable period of time.

June 26, 2024  
Apalachicola, Florida

*Vance CPA LLC*

**Vance CPA LLC**

**HOLT WATER WORKS, INC.**  
**STATEMENT OF FINANCIAL POSITION**

**June 30, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	\$ 90,498	\$ 277,885
Accounts receivable, net of allowance for bad debts	33,609	39,131
Prepaid expenses	10,138	9,325
Restricted cash and cash equivalents	109,240	5,313
Restricted investments	254,875	102,739
Total Current Assets	<u>498,360</u>	<u>434,393</u>
Fixed Assets		
Land	46,146	46,146
Water systems	3,369,314	3,338,791
Buildings	53,387	53,387
Building improvements	26,528	26,528
Machinery & equipment	56,053	54,665
Vehicles	20,989	20,989
Accumulated depreciation	<u>(1,627,540)</u>	<u>(1,559,132)</u>
Total Fixed Assets	<u>1,944,877</u>	<u>1,981,374</u>
Other Assets		
Utility deposits	<u>40</u>	<u>40</u>
Total Other Assets	<u>40</u>	<u>40</u>
<b>Total Assets</b>	<b><u>\$ 2,443,277</u></b>	<b><u>\$ 2,415,807</u></b>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable	11,832	147
Accrued expenses	6,145	7,951
Unearned revenue	9,813	9,488
Current portion of long-term debt	21,725	20,274
Total Current Liabilities	<u>49,515</u>	<u>37,860</u>
Long-term Liabilities		
Customer deposits	51,304	50,116
Long-term debt less current portion	792,833	815,053
Total Long-term Liabilities	<u>844,137</u>	<u>865,169</u>
Total Liabilities	<u>893,652</u>	<u>903,029</u>
<b>NET ASSETS</b>		
Without donor restrictions	1,491,689	1,454,842
With donor restrictions	57,936	57,936
Total Net Assets	<u>1,549,625</u>	<u>1,512,778</u>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 2,443,277</u></b>	<b><u>\$ 2,415,807</u></b>

The accompanying notes are an integral part of the financial statements.



**HOLT WATER WORKS, INC.**  
**STATEMENT OF ACTIVITIES**

**FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

	<b>2023</b>			<b>2022</b>
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>	<b>Total</b>
<b>REVENUES</b>				
Program and service fees	\$ 422,006	\$ —	\$ 422,006	\$ 365,881
Grant income	—	—	—	30,000
Interest income	2,142	—	2,142	146
Gain (Loss) on sale of asset	—	—	—	1,058
Miscellaneous income	<u>21,210</u>	<u>—</u>	<u>21,210</u>	<u>2,441</u>
Total Revenues	<u>445,358</u>	<u>—</u>	<u>445,358</u>	<u>399,526</u>
<b>EXPENSES</b>				
Program service expenses	373,364	—	373,364	352,768
Management and general	<u>35,147</u>	<u>—</u>	<u>35,147</u>	<u>29,975</u>
Total Expenses	<u>408,511</u>	<u>—</u>	<u>408,511</u>	<u>382,743</u>
Change in Net Assets	36,847	—	36,847	16,783
Net assets, beginning of year	<u>1,454,842</u>	<u>57,936</u>	<u>1,512,778</u>	<u>1,495,995</u>
<b>Net Assets, end of year</b>	<b><u>\$ 1,491,689</u></b>	<b><u>\$ 57,936</u></b>	<b><u>\$ 1,549,625</u></b>	<b><u>\$ 1,512,778</u></b>

The accompanying notes are an integral part of these financial statements.

**HOLT WATER WORKS, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**

**FOR THE YEARS ENDED JUNE 30, 2023**

	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
<b><u>Functional Expenses</u></b>			
Compensation and related expenses			
Salaries and benefits	\$ 81,057	\$ 28,815	\$ 109,872
Payroll taxes	6,377	2,244	8,621
Contract labor	<u>16,623</u>	<u>—</u>	<u>16,623</u>
Total compensation and related expenses	<u>104,057</u>	<u>31,059</u>	<u>135,116</u>
Bad debt	482	—	482
Depreciation	68,387	21	68,408
Insurance	12,842	667	13,509
Interest	37,074	—	37,074
Professional fees	3,387	—	3,387
Office supplies and administration	21,903	—	21,903
Repairs and maintenance	82,561	3,391	85,952
Utilities and telephone	31,547	9	31,556
Supplies and chemicals	6,001	—	6,001
Grant/loan application expenses	<u>5,123</u>	<u>—</u>	<u>5,123</u>
<b>Total Functional Expenses</b>	<b><u>\$ 373,364</u></b>	<b><u>\$ 35,147</u></b>	<b><u>\$ 408,511</u></b>

The accompanying notes are an integral part of these financial statements.

**HOLT WATER WORKS, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**

**FOR THE YEARS ENDED JUNE 30, 2022**

	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
<b><u>Functional Expenses</u></b>			
Compensation and related expenses			
Salaries and benefits	\$ 86,626	\$ 27,261	\$ 113,887
Payroll taxes	6,798	2,125	8,923
Contract labor	<u>2,965</u>	<u>—</u>	<u>2,965</u>
Total compensation and related expenses	<u>96,389</u>	<u>29,386</u>	<u>125,775</u>
Bad debt	632	—	632
Depreciation	67,490	20	67,510
Insurance	11,852	491	12,343
Interest	37,598	—	37,598
Professional fees	15,185	—	15,185
Office supplies and administration	16,313	—	16,313
Repairs and maintenance	46,167	70	46,237
Utilities and telephone	27,170	8	27,178
Small equipment	312	—	312
Supplies and chemicals	3,530	—	3,530
Grant/loan application expenses	<u>30,130</u>	<u>—</u>	<u>30,130</u>
<b>Total Functional Expenses</b>	<b><u>\$ 352,768</u></b>	<b><u>\$ 29,975</u></b>	<b><u>\$ 382,743</u></b>

The accompanying notes are an integral part of these financial statements.

**HOLT WATER WORKS, INC.**  
**STATEMENT OF CASH FLOWS**

**FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 36,847	\$ 16,783
Adjustments to reconcile increase in net assets to net cash provided by (used in) operating activities:		
Depreciation	68,408	67,510
Gain on sale of assets	—	(1,058)
Changes in operating assets and liabilities:		
Accounts receivable	5,522	(1,327)
Prepaid expenses	(812)	(221)
Accounts payable	11,685	(4,218)
Accrued expenses	(1,806)	871
Unearned revenues	325	712
Customer deposits	<u>1,188</u>	<u>704</u>
Net cash flows provided by operating activities	<u>121,357</u>	<u>79,756</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of fixed assets	(31,912)	(21,826)
Proceeds from sale of assets	—	35,000
Proceeds from purchases of investments	(2,136)	(141)
Purchase of investments	<u>(150,000)</u>	<u>—</u>
Net cash flows used in investing activities	<u>(184,048)</u>	<u>13,033</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Note payable repayments	<u>(20,769)</u>	<u>(20,338)</u>
Net cash flows used in financing activities	<u>(20,769)</u>	<u>(20,338)</u>
<b>Net (decrease) increase in cash and cash equivalents and restricted cash</b>	<b>(83,460)</b>	<b>72,451</b>
<b>Cash and Cash Equivalents, and Restricted Cash, Beginning of Year</b>	<b><u>283,198</u></b>	<b><u>210,747</u></b>
<b>Cash and Cash Equivalents, and Restricted Cash, End of Year</b>	<b><u>\$ 199,738</u></b>	<b><u>\$ 283,198</u></b>
<b>Cash, Cash Equivalents, and Restricted Cash at End of Year Consists of:</b>		
Unrestricted cash	\$ 90,498	\$ 277,885
Restricted Cash	109,240	5,313
<b>Total</b>	<b><u>\$ 199,738</u></b>	<b><u>\$ 283,198</u></b>

The accompanying notes are an integral part of the financial statements.

**HOLT WATER WORKS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization and Nature of Activities** – Holt Water Works, Inc. (the System) was granted a corporate charter as a non-profit corporation from the State of Florida on March 15, 1966. The purpose of the corporation is to provide potable water to its members. The System received funding from the United States Department of Rural Development to assist with the initial construction and improvements to the water system.

**Cash and Cash Equivalents** – For the purpose of the Statements of Cash Flows, all highly liquid investments with a maturity of ninety days or less when purchased are cash equivalents. Restricted cash is disclosed in Note 3 of the financial statements.

**Investments** – Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized. Investments are disclosed in Note 3 of the financial statements.

**Accounts Receivable** – Accounts receivable are stated at the amounts management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an allowance for bad debts.

**Inventories** – Inventories are not material and therefore are not recorded.

**Capital Assets** – Holt Water Works, Inc. capitalizes purchases of property and equipment over \$500. Capital assets are recorded at cost where historical cost records are available and at an estimated historical cost when no historical records exist. Donated capital assets are valued at their estimated fair market value on the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset lives are not capitalized. Major improvements are capitalized and depreciated using the straight-line method over the remaining useful lives of the related fixed assets.

The following estimated useful lives are used to compute depreciation:

Water system	10-40 years
Leasehold improvements	15-40 years
Furniture and fixtures	5-10 years
Vehicles	3-15 years
Equipment	3-15 years

**HOLT WATER WORKS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Revenue and Support** – The primary source of revenue of the System is derived from the sale of potable water to its members. These and all other revenues are recorded as net assets without donor restrictions.

**Income Tax Status** – Holt Water Works, Inc. is exempt from federal income tax under Section 501(c)(12) of the Internal Revenue Code and has been classified as an organization that is not a private foundation under Section 509(a)(2). However, income, if any, from certain activities not directly related to the corporation’s tax-exempt purpose is subject to taxation as unrelated business income. In the fiscal years 2022 and 2021 no unrelated business income was generated. The System is required to file an annual information report with the Internal Revenue Service (IRS) on Form 990. These required filings are current and are subject to examination by the IRS, generally for three years after they are filed.

**Use of Estimates** – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of management’s estimates. Accordingly, actual results could differ from those estimates.

**Functional Expenses** – The costs of providing program and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated to program services and management and general expenses. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Wages	Time and Effort
Repairs and maintenance	Square Footage
Utilities	Square Footage
Liability insurance	Square Footage
Depreciation	Capital Asset Value

**Net Position Classifications** – Holt Water Works, Inc. reports information regarding its financial position and activities according to two classes of net assets: assets with donor restrictions and assets without donor restrictions.

Net assets without donor restrictions - This component consist of net assets that do not meet the definition of “donor restrictions”.

**HOLT WATER WORKS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Net assets with donor restrictions – This component of net assets consist of the following:

USDA Reserve – This reserve is required by the United States Department of Agriculture as part of the loan resolution.

The total net assets as of June 30, 2023 and 2022 were:

	<u>2023</u>	<u>2022</u>
Net Assets Without Donor Restrictions		
Retained Earnings	\$ 160,011	\$ 123,164
Contributed Capital	<u>1,331,678</u>	<u>1,331,678</u>
	<u>1,491,689</u>	<u>1,454,842</u>
Net Assets With Donor Restrictions		
Reserved for USDA Loan	<u>57,936</u>	<u>57,936</u>
	<u>57,936</u>	<u>57,936</u>
Total Net Assets	<u>\$1,549,625</u>	<u>\$1,512,778</u>

**Risk Concentrations** – The System’s revenues and receivables are from customers located within its geographic area.

**Subsequent Events** – The System has evaluated subsequent events for potential recognition and/or or disclosure in the June 30, 2023 financial statements through June 26, 2024, the date the financial statements were available to be issued.

**NOTE 2 – DEPOSITS**

As of June 30, 2023 and 2022 the value of the System’s deposits was \$201,847 and \$298,874 all of which were held by federally insured banks. Deposits are insured by the Federal Deposit Insurance Company (FDIC) and the National Credit Union Administration (NCUA). The FDIC and NCUA provide general deposit insurance coverage of up to \$250,000.

**HOLT WATER WORKS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022**

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**NOTE 3 – RESTRICTED CASH AND INVESTMENTS**

The System has restricted use of balances in its cash and cash equivalents and investment account for its customer deposits and reserve fund requirement as a condition of loan requirements as follows:

	<u>2023</u>	<u>2022</u>
Surety Fund representing amounts Equivalent to total customer deposits	\$ 51,304	\$ 50,116
Reserve Fund, representing amounts required to be maintained for the cost of repairing or replacing any damage to the facilities (see note 5)	<u>57,936</u>	<u>57,936</u>
	<u>\$ 109,240</u>	<u>\$ 108,052</u>

The System reports the following items as restricted in its statement of financial position:

	<u>2023</u>	<u>2022</u>
Restricted cash and cash equivalents	\$ 109,240	\$ 5,313
Restricted investments	<u>254,875</u>	<u>102,739</u>
	<u>\$ 364,115</u>	<u>\$ 108,052</u>

**NOTE 4 – ACCOUNTS RECEIVABLE**

Accounts receivable is reported net of allowance for bad debts. The allowance for bad debts is an estimate of accounts that were uncollectible as of June 30, 2023 and 2022.

Accounts receivable consists of the following:

	<u>2023</u>	<u>2022</u>
Water bills receivable	\$ 31,836	\$ 39,209
Unbilled receivables	3,987	2,136
Allowance for doubtful accounts	<u>(2,214)</u>	<u>(2,214)</u>
Net Accounts Receivable	<u>\$ 33,609</u>	<u>\$ 39,131</u>



**HOLT WATER WORKS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022**

**NOTE 5 – CAPITAL ASSETS**

A summary of changes in capital assets as of June 30, 2023 is as follows:

	Balance 6/30/22	Additions	Disposals	Balance 6/30/23
Capital Assets, depreciable				
Water systems	\$ 3,338,791	\$ 30,523	\$ —	\$ 3,369,314
Buildings	53,387	—	—	53,387
Building improvements	26,528	—	—	26,528
Machinery & equipment	54,665	1,388	—	56,053
Vehicles	20,989	—	—	20,989
Accumulated depreciation	(1,559,132)	(68,408)	—	(1,627,540)
Capital assets, net of				
Accumulated depreciation	1,935,228	(36,497)	—	1,898,731
Capital assets, non-depreciable				
Land	46,146	—	—	46,146
Capital assets, non-depreciable	46,146	—	—	46,146
<b>Totals</b>	<b>\$ 1,981,374</b>	<b>\$ (36,497)</b>	<b>\$ —</b>	<b>\$ 1,944,877</b>

Depreciation expense of \$68,408 was charged to the Statement of Activities.

A summary of changes in capital assets as of June 30, 2022 is as follows:

	Balance 6/30/21	Additions	Disposals	Balance 6/30/22
Capital Assets, depreciable				
Water systems	\$ 3,335,469	\$ 3,322	\$ —	\$ 3,338,791
Donated water equipment	35,728	—	(35,728)	—
Buildings	53,387	—	—	53,387
Building improvements	26,528	—	—	26,528
Machinery & equipment	36,161	18,504	—	54,665
Vehicles	20,989	—	—	20,989
Accumulated depreciation	(1,493,408)	(67,510)	1,786	(1,559,132)
Capital assets, net of				
Accumulated depreciation	2,014,854	(45,684)	(33,942)	1,935,228
Capital assets, non-depreciable				
Land	46,146	—	—	46,146
Capital assets, non-depreciable	46,146	—	—	46,146
<b>Totals</b>	<b>\$ 2,061,000</b>	<b>\$ (45,684)</b>	<b>\$ (33,942)</b>	<b>\$ 1,981,374</b>

Depreciation expense of \$67,510 was charged to the Statement of Activities.

**HOLT WATER WORKS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022**

**NOTE 6 – LONG TERM DEBT**

Holt Water Works, Inc. has one mortgage note payable to the United States Department of Agriculture Rural Development (formerly known as Farmers Home Administration):

Loan Number	Original Principal Amount	Annual Rate of Interest	Date of Final Payment
91-03	\$ 1,045,400	4.5%	September 28, 2043

The long-term debt balances as of June 30, 2023, were as follows:

Loan #	91-03
Principal outstanding	\$ 814,558
Less: Current portion	<u>(21,725)</u>
Long-term portion	<u>\$ 792,833</u>

The annual requirements to amortize all debt outstanding as of June 30, 2023 are as follows:

	Principal	Interest	Total
2025	\$ 22,723	\$ 35,213	\$ 57,936
2026	23,767	34,169	57,936
2027	24,859	33,077	57,936
2028	26,001	31,935	57,936
2029	27,196	30,740	57,936
2030-2034	155,907	133,773	289,680
2035-2039	195,163	94,517	289,680
2040-2043	<u>317,217</u>	<u>47,651</u>	<u>364,868</u>
	<u>\$ 792,833</u>	<u>\$ 441,075</u>	<u>\$ 1,233,908</u>

The annual requirements to amortize all debt outstanding as of June 30, 2022 are as follows:

	Principal	Interest	Total
2024	\$ 21,186	\$ 36,750	\$ 57,936
2025	22,139	35,797	57,936
2026	23,177	34,759	57,936
2027	24,220	33,716	57,936
2028	25,906	32,030	57,936
2029-2033	148,916	140,764	289,680
2034-2038	186,427	103,253	289,680
2039-2043	<u>363,082</u>	<u>104,200</u>	<u>467,282</u>
	<u>\$ 815,053</u>	<u>\$ 521,269</u>	<u>\$ 1,336,322</u>

**HOLT WATER WORKS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022**

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**NOTE 6 – LONG TERM DEBT (continued)**

Among other requirements, the loan agreement provides the following:

Restricted Assets – Loan #91-03 requires monthly payments of \$483 to be placed in a reserve account until the sum of \$57,936 is accumulated. These funds are to be used only for paying the cost of repairing or replacing any damage to the facilities or, if necessary, for making payments of principal and interest on the notes. Reserve balances for the years ended June 30, 2023 and 2022 are \$57,936 and \$57,936 respectively.

Pledge of Properties and Revenue – All of the personal property, equipment, fixtures, revenues, fees, charges, assessments, all income from whatever source derived, accounts receivable and other charges in connection with the operation of the facilities of Holt Water Works, Inc., now owned or hereafter.

**NOTE 7 – CONCENTRATION OF CREDIT RISK**

The System maintains one checking accounts, one money market account, one savings accounts and a certificate of deposit. Amounts are insured by the FDIC and NCUA up to \$250,000. As of June 30, 2023 and 2022, balances at all institutions were 100% insured.

**NOTE 8 – USDA LOAN/GRANT**

In September 2021, the System was awarded a potential \$4,000,000 loan with a 1/375% interest rate and a \$740,000 grant from the USDA for improvements to the water system including a new well, meters and other equipment. The System has two years to obligate the loan and/or grant.

Additionally, in October 2021, the System received a \$30,000 grant committed from USDA SEARCH for the development of the preliminary engineering and environmental report. The System then paid Municipal Engineering Services in November 2021. Grant revenue of \$30,000 and grant expenses of \$30,130 are reflected on the statement of activities and statement of functional expenses, respectively.

**NOTE 9 – RELATED PARTY TRANSACTIONS**

During fiscal year 2023 and 2022, Holt Water Works, Inc. paid Broxson Maintenance, LLC for tractor work performed for repairs and upgrades to the water system. An employee of the System is the managing member of the LLC. The amounts paid as of June 30, 2023 and 2022 to the LLC were \$3,500 and \$4,750 respectively.

**HOLT WATER WORKS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022**

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**NOTE 10 – AVAILABLE RESOURCES AND LIQUIDITY**

The System regularly monitors liquidity required to meet its operating needs and the other contractual commitments, while also striving to maximize the investment of its available funds. The System has various sources of liquidity at its disposal including cash and cash equivalents, and short-term investments in a certificate of deposit.

In addition to financial assets available to meet general expenditures over the next twelve months, the System operates with a balanced budget and anticipates collecting sufficient revenues to cover general expenditures. Refer to the statement of cash flows which identifies the sources and uses of the System's cash and shows positive cash generated by operations.

	<u>2023</u>	<u>2022</u>
Financial assets at year end		
Cash and cash equivalents	\$ 90,498	\$ 277,885
Accounts receivable, net	33,609	39,131
Restricted cash	<u>109,240</u>	<u>5,313</u>
Total	<u>233,347</u>	<u>322,329</u>
Less amounts not available to be used within one year		
Customer deposits	51,304	50,116
USDA loan subject to appropriation and satisfaction of donor restrictions	<u>57,936</u>	<u>57,936</u>
Total	<u>109,240</u>	<u>108,052</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 124,107</u>	<u>\$ 214,277</u>

**NOTE 11 – SUBSEQUENT EVENTS**

In September 2021, Holt Water Works, Inc. was awarded a \$4,000,000 loan with a 1/375% interest rate and a \$740,400 grant for improvements to the water system including a new well, meters and other equipment. The System has two years to obligate the loan and/or grant.

## **ATTACHMENT # 8**

**SRF Project No. 46032**

# **SUPPORTING WORKSHEETS**

**HOLT WATER WORKS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022**

**NOTE 6 – LONG TERM DEBT**

Holt Water Works, Inc. has one mortgage note payable to the United States Department of Agriculture Rural Development (formerly known as Farmers Home Administration):

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The long-term debt balances as of June 30, 2023, were as follows:

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Principal outstanding	\$ 814,558
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The annual requirements to amortize all debt outstanding as of June 30, 2023 are as follows:

	Principal	Interest	Total
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2035-2039	195,163	94,517	289,680
2040-2043	<u>317,217</u>	<u>47,651</u>	<u>364,868</u>
	<u>\$ 792,833</u>	<u>\$ 441,075</u>	<u>\$ 1,233,908</u>

The annual requirements to amortize all debt outstanding as of June 30, 2022 are as follows:

	Principal	Interest	Total
2024	\$ 21,186	\$ 36,750	\$ 57,936
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2034-2038	186,427	103,253	289,680
2039-2043	<u>363,082</u>	<u>104,200</u>	<u>467,282</u>
	<u>\$ 815,053</u>	<u>\$ 521,269</u>	<u>\$ 1,336,322</u>

**HOLT WATER WORKS, INC.  
STATEMENT OF ACTIVITIES**

**FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

	<b>2023</b>			<b>2022</b>
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>	<b>Total</b>
<b>REVENUES</b>				
Program and service fees	\$ 422,006	\$ —	\$ 422,006	\$ 365,881
Grant income	—	—	—	30,000
Interest income	2,142	—	2,142	146
Gain (Loss) on sale of asset	—	—	—	1,058
Miscellaneous income	21,210	—	21,210	2,441
Total Revenues	<u>445,358</u>	<u>—</u>	<u>445,358</u>	<u>399,526</u>
<b>EXPENSES</b>				
Program service expenses	373,364	—	373,364	352,768
Management and general	35,147	—	35,147	29,975
Total Expenses	<u>408,511</u>	<u>—</u>	<u>408,511</u>	<u>382,743</u>
Change in Net Assets	36,847	—	36,847	16,783
Net assets, beginning of year	<u>1,454,842</u>	<u>57,936</u>	<u>1,512,778</u>	<u>1,495,995</u>
Net Assets, end of year	<u><b>\$ 1,491,689</b></u>	<u><b>\$ 57,936</b></u>	<u><b>\$ 1,549,625</b></u>	<u><b>\$ 1,512,778</b></u>

The accompanying notes are an integral part of these financial statements.

**HOLT WATER WORKS, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**

**FOR THE YEARS ENDED JUNE 30, 2022**

	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
<b><u>Functional Expenses</u></b>			
Compensation and related expenses			
Salaries and benefits	\$ 86,626	\$ 27,261	\$ 113,887
Payroll taxes	6,798	2,125	8,923
Contract labor	<u>2,965</u>	<u>—</u>	<u>2,965</u>
Total compensation and related expenses	<u>96,389</u>	<u>29,386</u>	<u>125,775</u>
Bad debt	632	—	632
Depreciation	67,490	20	67,510
Insurance	11,852	491	12,343
Interest	37,598	—	37,598
Professional fees	15,185	—	15,185
Office supplies and administration	16,313	—	16,313
Repairs and maintenance	46,167	70	46,237
Utilities and telephone	27,170	8	27,178
Small equipment	312	—	312
Supplies and chemicals	3,530	—	3,530
Grant/loan application expenses	<u>30,130</u>	<u>—</u>	<u>30,130</u>
<b>Total Functional Expenses</b>	<b><u>\$ 352,768</u></b>	<b><u>\$ 29,975</u></b>	<b><u>\$ 382,743</u></b>

<6327  
 <67,5107  
 <37,5987  
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 277,003

The accompanying notes are an integral part of these financial statements.



**HOLT WATER WORKS, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEARS ENDED JUNE 30, 2023**

	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
<b><u>Functional Expenses</u></b>			
Compensation and related expenses			
Salaries and benefits	\$ 81,057	\$ 28,815	\$ 109,872
Payroll taxes	6,377	2,244	8,621
Contract labor	<u>16,623</u>	<u>—</u>	<u>16,623</u>
Total compensation and related expenses	<u>104,057</u>	<u>31,059</u>	<u>135,116</u>
Bad debt	482	—	<u>482</u>
Depreciation	68,387	21	<u>68,408</u>
Insurance	12,842	667	<u>13,509</u>
Interest	37,074	—	<u>37,074</u>
Professional fees	3,387	—	<u>3,387</u>
Office supplies and administration	21,903	—	<u>21,903</u>
Repairs and maintenance	82,561	3,391	<u>85,952</u>
Utilities and telephone	31,547	9	<u>31,556</u>
Supplies and chemicals	6,001	—	<u>6,001</u>
Grant/loan application expenses	<u>5,123</u>	<u>—</u>	<u>5,123</u>
<b>Total Functional Expenses</b>	<b><u>\$ 373,364</u></b>	<b><u>\$ 35,147</u></b>	<b><u>\$ 408,511</u></b>

<482>  
<68,408>  
<37,074>  


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302,547

The accompanying notes are an integral part of these financial statements.

**Holt Water Works, Inc.**  
**Statements of Revenues and Expenses**  
 July 2023 - June 2024

	TOTAL
Income	
Interest	8,575.61
Late Fees	10,008.34
Miscellaneous Income	9.00
Insurance Refund	3,050.82
Other Miscellaneous income	217.50
Refund W/C Ins	152.00
Scrap metal	392.70
<b>Total Miscellaneous Income</b>	<b>3,822.02</b>
SRF Grant/Loan	63,743.00
Tap fees and backflow income	
Tap Fees and backflows	27,798.65
Reset Meter	500.00
<b>Total Tap Fees and backflows</b>	<b>28,298.65</b>
<b>Total Tap fees and backflow income</b>	<b>28,298.65</b>
Water Sales	403,292.40
<b>Total Income</b>	<b>\$517,740.02</b>
<b>GROSS PROFIT</b>	<b>\$517,740.02</b>
Expenses	
Contract Labor	23,097.00
Deposit Refunds	785.51
Engineer Fees	63,743.00
Grant/Loan App. Expenses	378.21
Insurance	
Automobile	2,674.74
Bond	100.00
Liability Insurance	10,237.26
Workers Comp	1,622.00
<b>Total Insurance</b>	<b>14,634.00</b>
Interest Expense	36,212.75
Office expenses and misc	0.19
Annual Corp Filing	70.00
Bank Service Charges	35.00
CCR Report	200.00
Christmas Party	726.26
Mapping of System	420.00
Merchant fees	240.00
Office Supplies	18,715.54
Small Equipment Purchases	106.99
<b>Total Office expenses and misc</b>	<b>20,513.98</b>

Holt Water Works, Inc.  
Statements of Revenues and Expenses  
July 2023 - June 2024

	TOTAL
Payroll Taxes	0.00
941	8,459.51
Fed. Unemployment	131.68
Fl. Unemployment	21.95
<b>Total Payroll Taxes</b>	<b>8,613.14</b>
Professional Fees	
Accounting	15,350.00
Professional Fees	2,433.91
<b>Total Professional Fees</b>	<b>17,783.91</b>
Repairs and maintenance	
Building Repairs	1,278.00
Equip/Tractor Rental	2,947.00
Equipment Repairs	540.00
Janitorial	1,500.00
Lawn Care	485.00
Pest Control	278.20
<b>Total Repairs and maintenance</b>	<b>7,028.20</b>
Salaries & Wages	110,270.11
Supplies and chemicals	
Chemicals	6,025.00
<b>Total Supplies and chemicals</b>	<b>6,025.00</b>
Transportation	
Auto Repairs	30.00
FUEL	1,129.45
Tag Renewals	368.75
<b>Total Transportation</b>	<b>1,528.20</b>
Utilities	29,315.01
Water system repairs and supplies	
Back Flow Testings	1,200.00
Lab Fees	1,886.75
Radio read meters	56,940.64
Water Lines	1,420.98
Water Tank Repairs	20,021.42
<b>Total Water system repairs and supplies</b>	<b>81,469.79</b>
<b>Total Expenses</b>	<b>\$421,397.81</b>
NET OPERATING INCOME	<b>\$96,342.21</b>

421,397.81  
- 36,212.757  
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385,185.04

Holt Water Works, Inc.  
 Statements of Revenues and Expenses  
 July 2023 - June 2024

	TOTAL
Other Expenses	
Depreciation Expense	68,518.15
<b>Total Other Expenses</b>	<b>\$68,518.15</b>
NET OTHER INCOME	<b>\$ -68,518.15</b>
NET INCOME	<b>\$27,824.06</b>

Accrual Basis Wednesday, August 23, 2023