



**FLORIDA DEPARTMENT OF
ENVIRONMENTAL PROTECTION**

BOB MARTINEZ CENTER
2600 BLAIR STONE ROAD
TALLAHASSEE, FLORIDA 32399-2400

RICK SCOTT
GOVERNOR

JENNIFER CARROLL
LT. GOVERNOR

HERSCHEL T. VINYARD JR.
SECRETARY

OCT 24 2012

FEDEX DELIVERY - SIGNATURE REQUIRED

Ms. Ariana Lawson
Procurement and Grants Administrator
Islamorada, Village of Islands
86800 Overseas Highway
Islamorada, Florida 33036

Re: WW882020 - Islamorada
Collection, Transmission, and Treatment Facilities

Dear Ms. Lawson:

We are pleased to provide State Revolving Fund financial assistance for design and construction of your collection, transmission, and treatment facilities project. One original of the fully executed loan agreement is enclosed. To draw money under the agreement, please call David Courson at 850/245-8358 for assistance in completing a disbursement request.

We congratulate you and your staff on your efforts and are pleased that we can work with you on this project.

Sincerely,

Christine M. Klena, Deputy Director
Division of Water Resource Management

CMK/gc

Enclosure

cc: Edward Koconis - Islamorada, Village of Islands
Maria Aguilar - Islamorada, Village of Islands

STATE OF FLORIDA
DEPARTMENT OF ENVIRONMENTAL PROTECTION

AND

ISLAMORADA, VILLAGE OF ISLANDS, FLORIDA

CLEAN WATER STATE REVOLVING FUND
DESIGN AND CONSTRUCTION LOAN AGREEMENT

WW882020

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

KMB

CLEAN WATER STATE REVOLVING FUND DESIGN AND CONSTRUCTION LOAN
AGREEMENT

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

WW882020

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

WITNESSETH:

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

WHEREAS, funding is provided from the State Revolving Fund program repayments and interest, which are Federally protected but which are subject to state audit requirements; and

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

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

ARTICLE I - DEFINITIONS

1.01. WORDS AND TERMS.

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

(1) "Agreement" or "Loan Agreement" shall mean this design and construction loan agreement.

(2) "Assessment" shall mean an annual special assessment imposed against property located within the Assessment Area to fund the project cost of Wastewater Collection and Treatment Facilities to serve the Assessment Area and related expenses, computed in the manner described in Section 3.04 of Resolution No. 11-06-38 ("Initial Assessment Resolution"), as amended by Resolution No. 11-07-47 ("Final Assessment Resolution"), of the Village Council of Islamorada, Village of Islands.

(3) "Assessment Area" shall mean the proposed wastewater assessment area as described in Section 3.01 of the Village's Initial Assessment Resolution, including Appendix C, and ratified in Section 4 of the Final Assessment Resolution.

(4) "Authorized Representative" shall mean the official of the Local Government authorized by ordinance or resolution to sign documents associated with the Loan.

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

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

(7) "Final Assessment Resolution" shall mean the resolution described in section 3.05 of the Ordinance that imposes Assessments for Wastewater Collection and Treatment Facilities within the Assessment Area.

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

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

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

(11) "Initial Assessment Resolution" shall mean Resolution No. 11-06-38 relating to the construction of wastewater facilities and establishing the terms and conditions for special assessments to fund the facilities.

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

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

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

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

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

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

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

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

(20) "Project" shall mean the works financed by this Loan and shall consist of furnishing all labor, materials, and equipment to design and construct the collection, transmission, and treatment facilities project in accordance with the Design, Build, and Operate Agreement between the Village and Reynolds Water Islamorada LLC, dated August 21, 2012, accepted by the Department for the "Islamorada Wastewater Collection and Transmission Facilities" contract.

The Project is in agreement with the planning documentation accepted by the Department effective June 29, 2012. A Florida Finding of No Significant Impact was published on April 20, 2012 and no adverse comments were received.

(21) "Property Appraiser" shall mean the Monroe County Property Appraiser.

(22) "Real Estate Parcel" shall mean a parcel of property to which the Property Appraiser has assigned a distinct ad valorem property tax identification number on which a building can or has been constructed or sited in accordance with applicable laws or regulations.

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

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

(25) "Village" shall mean Islamorada, Village of Islands, a municipal corporation of the State of Florida.

(26) "Wastewater Collection and Treatment Facilities" shall mean, collectively, the Wastewater collection Facilities and the Wastewater Treatment/Transmission Facilities.

(27) "Wastewater Collection Facilities" shall mean the pipes, mains, vacuum pits and other facilities required for the Village to provide wastewater collection facilities to all Real Estate Parcels located in the Assessment Area.

(28) "Wastewater Treatment/Transmission Facilities" shall mean the wastewater treatment plant, mains, pumping stations and other facilities required for the Village to provide wastewater treatment services to all Real Estate Parcels located in the Assessment Area.

1.02. CORRELATIVE WORDS.

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

ARTICLE II - WARRANTIES, REPRESENTATIONS AND COVENANTS

2.01. WARRANTIES, REPRESENTATIONS AND COVENANTS.

The Local Government warrants, represents and covenants that:

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

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

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

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

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

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

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

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

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

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

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

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

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

2.02. LEGAL AUTHORIZATION.

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

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

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

2.03. AUDIT AND MONITORING REQUIREMENTS.

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

Funds provided under this Agreement have been identified as second-tier monies under the Federal Clean Water Act which are identified as state funds whose use is federally protected.

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

State Resources Awarded to the Local Government Pursuant to this Agreement Consist of the Following Resources Subject to Section 215.97, F.S.:					
State Program Number	Funding Source	CSFA Number	CSFA Title or Fund Source Description	Funding Amount	State Appropriation Category
Original Agreement	Wastewater Treatment and Stormwater Management TF	37.077	Statewide Surface Water Restoration and Wastewater Projects	\$26,194,014	140131

(2) Audits.

(a) In the event that the Local Government expends a total amount of state financial assistance equal to or in excess of \$500,000 in any fiscal year of such Local Government, the Local Government must have a State single or project-specific audit for such fiscal year in accordance with Section 215.97, Florida Statutes; applicable rules

of the Department of Financial Services; and Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General. In determining the state financial assistance expended in its fiscal year, the Local Government shall consider all sources of state financial assistance, including state financial assistance received from the Department of Environmental Protection, other state agencies, and other nonstate entities. State financial assistance does not include Federal direct or pass-through awards and resources received by a nonstate entity for Federal program matching requirements.

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

(c) If the Local Government expends less than \$500,000 in state financial assistance in its fiscal year, an audit conducted in accordance with the provisions of Section 215.97, Florida Statutes, is not required. The Local Government shall inform the Department of findings and recommendations pertaining to the State Revolving Fund in audits conducted by the Local Government in which the \$500,000 threshold has not been met. In the event that the Local Government expends less than \$500,000 in state financial assistance in its fiscal year, and elects to have an audit conducted in accordance with the provisions of Section 215.97, Florida Statutes, the cost of the audit must be paid from the non-state entity's resources (i.e., the cost of such an audit must be paid from the Local Government's resources obtained from other than State entities).

(d) For information regarding the Florida Catalog of State Financial Assistance (CSFA), a Local Government should access the Florida Single Audit Act website located at <https://apps.fldfs.com/fsaa> for assistance. In addition to the above websites, the following websites may be accessed for information: Legislature's Website at <http://www.leg.state.fl.us/Welcome/index.cfm>, State of Florida's website at <http://www.myflorida.com/>, Department of Financial Services' Website at <http://www.fldfs.com/> and the Auditor General's Website at <http://www.state.fl.us/audgen>.

(3) Report Submission.

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

(i) The Department at the following address:

KMP

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

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

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

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

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

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

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

4. Project-Specific Audit.

Within 12 months after the amendment establishing final Project costs, the Local Government shall submit to the Department a Project-specific audit report for the Loan related revenues and expenditures. The audit shall address Loan disbursements received, Project expenditures, and compliance with Loan Agreement covenants. The Local Government shall cause the auditor to notify the Department immediately if anything comes to the auditor's attention during the examination of records that would constitute a default under the Loan Agreement. The audit findings shall set aside or

question any costs that are unallowable under Chapter 62-503, Florida Administrative Code. A final determination of whether such costs are allowed shall be made by the Department.

5. Record Retention.

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

The Local Government is hereby advised that the Florida Single Audit Act Requirements may further apply to lower tier transactions that may be a result of this Agreement.

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

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

6. Monitoring.

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

ARTICLE III - LOAN REPAYMENT ACCOUNTS

3.01. LOAN DEBT SERVICE ACCOUNT.

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

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

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

3.02. INVESTMENT OF LOAN DEBT SERVICE ACCOUNT MONEYS.

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

3.03. LOAN DEBT SERVICE ACCOUNT WITHDRAWALS.

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

3.04. LOAN REPAYMENT RESERVE ACCOUNT.

A Loan Repayment Reserve Account shall be established with a Depository. The Local Government shall use its own funds to deposit into the account an amount equal to two Semiannual Loan Payments by the date identified in Section 10.07. The Loan

Repayment Reserve Account shall be established in lieu of additional coverage requirements. The Loan Repayment Reserve Account shall be set up as an interest bearing account or invested in certificates of deposit, and all interest earnings shall accrue to the account.

3.05. LOAN REPAYMENT RESERVE WITHDRAWALS.

Withdrawals from the Loan Repayment Reserve Account shall be made only with the written consent of the Department and shall be used to cure a temporary and unexpected deficiency in any Semiannual Loan Payment. The Loan Repayment Reserve Account shall be used for the final Semiannual Loan Payment(s) or for discharging the Local Government's obligations pursuant to Section 8.01 and any remaining balance released to the Local Government.

3.06. RESTORATION OF LOAN REPAYMENT RESERVE ACCOUNT.

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

3.07. ASSETS HELD IN TRUST.

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

ARTICLE IV - PROJECT INFORMATION

4.01. PROJECT CHANGES.

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

4.02. TITLE TO PROJECT SITE.

The Local Government shall have an interest in real property sufficient for the construction and location of the Project free and clear of liens and encumbrances which would impair the usefulness of such sites for the intended use. The Authorized Representative shall submit a clear site title certification by the date set forth in Section 10.07 of this Agreement.

4.03. PERMITS AND APPROVALS.

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

4.04. ENGINEERING SERVICES.

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

4.05. PROHIBITION AGAINST ENCUMBRANCES.

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

4.06. COMPLETION MONEYS.

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

4.07. CLOSE-OUT.

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

4.08. LOAN DISBURSEMENTS.

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

allowance costs shall be made upon the Department's receipt of a disbursement request form. Up to seventy percent of the estimated allowance shall be disbursed after the Loan Agreement is signed. The remainder of the allowance shall be disbursed after all procurement contracts are executed and shall be adjusted to reflect as-bid costs. The entire estimated allowance may be disbursed after the Loan Agreement is signed if the local government agrees to an allowance adjustment after all contracts have been bid. Disbursements for materials, labor, or services shall be made upon receipt of the following:

- (1) A completed disbursement request form signed by the Authorized Representative. Such requests must be accompanied by sufficiently itemized summaries of the materials, labor, or services to identify the nature of the work performed; the cost or charges for such work; and the person providing the service or performing the work.
- (2) A certification signed by the Authorized Representative as to the current estimated costs of the Project; that the materials, labor, or services represented by the invoice have been satisfactorily purchased, performed, or received and applied to the project; that all funds received to date have been applied toward completing the Project; and that under the terms and provisions of the contracts, the Local Government is required to make such payments.
- (3) A certification by the engineer responsible for overseeing design and construction stating that equipment, materials, labor and services represented by the contractor's invoices have been satisfactorily purchased, or received, and applied to the Project in accordance with design and construction contract documents; stating that payment is in accordance with the design and construction contract provisions; stating that design and construction, up to the point of the requisition, is in compliance with the contract documents; and identifying all additions or deletions to the Project which have altered the Project's performance standards, scope, or purpose since the issue of the Department construction permit.
- (4) Such other certificates or documents by engineers, attorneys, accountants, contractors, or suppliers as may reasonably be required by the Department.

ARTICLE V - RATES AND USE OF THE SEWER SYSTEM

5.01. RATE COVERAGE.

The Local Government shall maintain rates and charges for the services furnished by the Sewer System which together with Assessments will be sufficient to provide, in each Fiscal Year, Pledged Revenues equal to or exceeding 1.0 times the sum of the Semiannual Loan Payments due in such Fiscal Year. In addition, the Local

Government shall satisfy the coverage requirements of all Senior Revenue Obligations and parity debt obligations.

5.02. NO FREE SERVICE.

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

5.03. MANDATORY CONNECTIONS.

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

5.04. NO COMPETING SERVICE.

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

5.05. MAINTENANCE OF THE SEWER SYSTEM.

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

5.06. ADDITIONS AND MODIFICATIONS.

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

5.07. COLLECTION OF REVENUES.

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

The Local Government shall receive, collect, and enforce payment of the Assessments in the manner prescribed in its assessment resolution and all other resolutions, ordinances, or laws appertaining thereunto.

ARTICLE VI - DEFAULTS AND REMEDIES

6.01. EVENTS OF DEFAULT.

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

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

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

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

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

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

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

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

6.02. REMEDIES.

Upon any event of default and subject to the rights of others having prior liens on the Pledged Revenues, the Department may enforce its rights by any of the following remedies:

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

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

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

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

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

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

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

(8) By accelerating the repayment schedule or increasing the Financing Rate on the unpaid principal of the Loan to as much as 1.667 times the Financing Rate for a default under Subsection 6.01(1).

6.03. DELAY AND WAIVER.

No delay or omission by the Department to exercise any right or power accruing upon event of default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein, and every such right and power

may be exercised as often as may be deemed expedient. No waiver or any default under this Agreement shall extend to or affect any subsequent event of default, whether of the same or different provision of this Agreement, or shall impair consequent rights or remedies.

ARTICLE VII - THE PLEDGED REVENUES

7.01. SUPERIORITY OF THE PLEDGE TO THE DEPARTMENT.

From and after the effective date of this Agreement, the Department shall have a lien on the Pledged Revenues, which along with any other Department State Revolving Fund liens on the Pledged Revenues, on equal priority, will be prior and superior to any other lien, pledge or assignment with the following exception. All obligations of the Local Government under this Agreement shall be junior, inferior, and subordinate in all respects in right of payment and security to any additional senior obligations issued with the Department's consent pursuant to Section 7.02. Any of the Pledged Revenues may be released from the lien on such Pledged Revenues in favor of the Department if the Department makes a determination, based upon facts deemed sufficient by the Department, that the remaining Pledged Revenues will, in each Fiscal Year, equal or exceed 1.0 times the debt service coming due in each Fiscal Year under the terms of this Agreement.

7.02. ADDITIONAL DEBT OBLIGATIONS.

The Local Government may issue additional debt obligations on a parity with, or senior to, the lien of the Department on the Pledged Revenues provided the Department's written consent is obtained. Such consent shall be granted if the Local Government demonstrates at the time of such issuance that the Pledged Revenues, which may take into account reasonable projections of growth of the Sewer System and revenue increases, plus revenues to be pledged to the additional proposed debt obligations will, during the period of time Semiannual Loan Payments are to be made under this Agreement, equal or exceed 1.0 times the annual combined debt service requirements of this Agreement and the obligations proposed to be issued by the Local Government and will satisfy the coverage requirements of all other debt obligations secured by the Pledged Revenues.

ARTICLE VIII - GENERAL PROVISIONS

8.01. DISCHARGE OF OBLIGATIONS.

All payments required to be made under this Agreement shall be cumulative and any deficiencies in any Fiscal Year shall be added to the payments due in the succeeding year and all years thereafter until fully paid. Payments shall continue to be secured by this Agreement until all of the payments required shall be fully paid to the Department. If at any time the Local Government shall have paid, or shall have made

provision for the timely payment of, the entire principal amount of the Loan, and as applicable, Loan Service Fee, interest, and Grant Allocation Assessment charges, the pledge of, and lien on, the Pledged Revenues to the Department shall be no longer in effect. Deposit of sufficient cash, securities, or investments, authorized by law, from time to time, may be made to effect defeasance of this Loan. However, the deposit shall be made in irrevocable trust with a banking institution or trust company for the sole benefit of the Department. There shall be no penalty imposed by the Department for early retirement of this Loan.

8.02. PROJECT RECORDS AND STATEMENTS.

Books, records, reports, engineering documents, contract documents, and papers shall be available to the authorized representatives of the Department for inspection at any reasonable time after the Local Government has received a disbursement and until five years after the date that the Project-specific audit report, required under Subsection 2.03(4), is issued.

8.03. ACCESS TO PROJECT SITE.

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

8.04. ASSIGNMENT OF RIGHTS UNDER AGREEMENT.

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

8.05. AMENDMENT OF AGREEMENT.

This Agreement may be amended in writing, except that no amendment shall be permitted which is inconsistent with statutes, rules, regulations, executive orders, or written agreements between the Department and the U.S. Environmental Protection Agency. This Agreement may be amended after all design and construction contracts are executed to re-establish the Project cost, Loan amount, Project schedule, and Semiannual Loan Payment amount. A final amendment establishing the final Project costs and the Loan Service Fee based on actual Project costs shall be completed after the Department's final inspection of the Project records.

8.06. ANNULMENT OF AGREEMENT.

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

8.07. SEVERABILITY CLAUSE.

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

8.08. USE AS MATCHING FUNDS.

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

8.09. COMPLIANCE VERIFICATION.

(1) The Local Government shall periodically interview a sufficient number of employees entitled to Davis-Bacon prevailing wages (covered employees) to verify that contractors or subcontractors are paying the appropriate wage rates. As provided in 29 CFR 5.6(a)(5), all interviews must be conducted in confidence. The Local Government must use Standard Form 1445 or equivalent documentation to memorialize the interviews. Copies of the SF 1445 are available from EPA on request.

(2) The Local Government shall establish and follow an interview schedule based on its assessment of the risks of noncompliance with Davis-Bacon posed by contractors or subcontractors and the duration of the contract or subcontract. At a minimum, the Local Government must conduct interviews with a representative group of covered employees within two weeks of each contractor or subcontractor's submission of its initial weekly payroll data and two weeks prior to the estimated completion date for the contract or subcontract. Local Governments must conduct more frequent interviews if the initial interviews or other information indicates that there is a risk that the contractor or subcontractor is not complying with Davis-Bacon. Local Governments shall immediately conduct necessary interviews in response to an alleged violation of the prevailing wage requirements. All interviews shall be conducted in confidence. As an alternative, a minimum of 25% of the work force shall be interviewed over the life of the Project and all classifications represented on the payroll must be included.

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

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

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

ARTICLE IX - DESIGN AND CONSTRUCTION CONTRACTS AND INSURANCE

9.01. AUTHORIZATION TO AWARD DESIGN AND CONSTRUCTION CONTRACTS.

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

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

(4) Certification Regarding Disbarment, Suspension, Ineligibility and Voluntary Exclusion.

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

9.02. SUBMITTAL OF DESIGN AND CONSTRUCTION CONTRACT DOCUMENTS.

After the Department's authorization to award design and construction contracts has been received, the Local Government shall submit:

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

9.03. INSURANCE REQUIRED.

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

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

ARTICLE X - DETAILS OF FINANCING

10.01. PRINCIPAL AMOUNT OF LOAN.

The estimated principal amount of the Loan is \$27,206,114, which consists of \$26,194,014 to be disbursed to the Local Government and \$1,012,100 of Capitalized Interest.

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

This project is a Segmented Project. Additional State Revolving Fund financing for the Project is dependent upon the availability of additional funds. The current funding limitations and future funding priority entitlement for Segmented Projects are set forth in the Chapter 62-503 of the Florida Administrative Code.

10.02. LOAN SERVICE FEE.

The Loan Service Fee is estimated as \$523,880 for the Loan amount authorized to date. The fee represents two percent of the Loan amount excluding Capitalized Interest amount; that is, two percent of \$26,194,014. The Loan Service Fee is estimated at the time of execution of the loan agreement and shall be revised with any increase or decrease amendment. The Loan Service Fee is based on actual Project costs and assessed in the final loan amendment. The Local Government shall pay the Loan Service Fee from the first available repayment(s) following the final amendment.

Capitalized Interest is computed on the assessed Loan Service Fee at the Financing Rate, or rates and included in the final amendment. It accrues and is compounded annually from the final amendment date until six months before the first Semiannual Loan Payment is due.

10.03. FINANCING RATE.

The Financing Rate on the unpaid principal of the Loan amount specified in Section 10.01 is 2.44 percent per annum. The Financing Rate equals the sum of the interest rate and the Grant Allocation Assessment Rate. The interest rate is 1.22 percent per annum and the Grant Allocation Assessment rate is 1.22 percent per annum. However, if this Agreement is not executed by the Local Government and returned to the Department before January 1, 2013 the Financing Rate may be adjusted. A new Financing Rate shall be established for any funds provided by amendment to this Agreement.

10.04. LOAN TERM.

The Loan shall be repaid in 40 Semiannual Loan Payments.

10.05. REPAYMENT SCHEDULE.

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

Each Semiannual Loan Payment shall be in the amount of \$880,244 until the payment amount is adjusted by amendment. The interest and Grant Allocation Assessment portions of each Semiannual Loan Payment shall be computed, using their respective rates, on the unpaid balance of the principal amount of the Loan, which includes Capitalized Interest. Interest (at the Financing Rate) also shall be computed on the estimated Loan Service Fee. The interest and Grant Allocation Assessment on the unpaid balance shall be computed as of the due date of each Semiannual Loan Payment.

Semiannual Loan Payments shall be received by the Department beginning on June 15, 2016 and semiannually thereafter on December 15 and June 15 of each year until all amounts due hereunder have been fully paid. Funds transfer shall be made by electronic means.

The Semiannual Loan Payment amount is based on the total amount owed of \$27,729,994, which consists of the Loan principal and the estimated Loan Service Fee.

10.06. PROJECT COSTS.

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

PROJECT COSTS

CATEGORY	COST(\$)	AUTHORIZED LOAN AMOUNT(\$) TO DATE
Allowance costs	1,820,199	<i>Line items</i>
Design and Construction	90,900,000	<i>may vary</i>
Contingencies	4,545,000	<i>based on Actual</i>
Technical Services After Bid Opening	10,405,880	<i>Disbursements</i>
SUBTOTAL (Disbursable Amount)	107,671,079	26,194,014
Capitalized Interest	1,012,100	1,012,100
TOTAL (Loan Principal Amount)	108,683,179	27,206,114

10.07. SCHEDULE.

The Local Government agrees by execution hereof:

(1) The Loan Repayment Reserve Account shall be established and \$1,760,488 shall be deposited no later than May 15, 2013.

(2) Completion of Project construction is scheduled for December 15, 2015.

(3) The Loan Debt Service Account shall be established and Monthly Loan Deposits shall begin no later than December 15, 2015.

(4) A clear site title certification shall be submitted no later than December 15, 2015.

(5) The initial annual certification required under Subsection 2.01(10) of this Agreement shall be due March 15, 2016. Thereafter the certification shall be submitted no later than September 30 of each year until the final Semiannual Loan Payment is made.

(6) The first Semiannual Loan Payment in the amount of \$880,244 shall be due June 15, 2016.

10.08. SPECIAL CONDITIONS.

(1) At the time the Loan Repayment Reserve Account is established, the Local Government shall grant control of account withdrawals to the Department by letter to the Depository, substantially in the form presented in Attachment B.

(2) Documentation of the Loan Repayment Reserve Account and a copy of the letter restricting withdrawals from the Loan Repayment Reserve Account, as required under item (1) above, shall be received by the Department no later than May 15, 2013.

ARTICLE XI - EXECUTION OF AGREEMENT

This Loan Agreement WW882020 shall be executed in three or more counterparts, any of which shall be regarded as an original and all of which constitute but one and the same instrument.

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

for

ISLAMORADA, VILLAGE OF ISLANDS

Ken Philipson

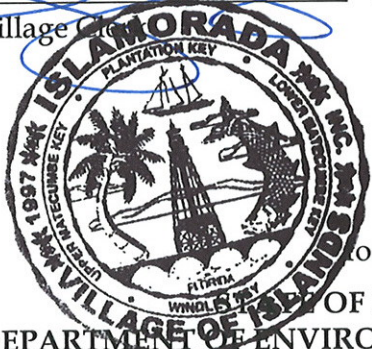
Mayor

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

Attest

K
Deputy Village Clerk

SEAL



Village Attorney

OR

DEPARTMENT OF ENVIRONMENTAL PROTECTION
STATE OF FLORIDA

CRTH

Deputy Director
Division of Water Resource Management

OCT 17 2012

Date

Attachment included as part of this Agreement:

Attachment A - Certification of Applicability to Single Audit Act Reporting

Attachment B - Form of Letter to Depository

KMP

ARTICLE XI - EXECUTION OF AGREEMENT

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

for

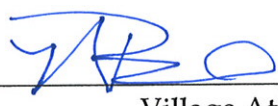
ISLAMORADA, VILLAGE OF ISLANDS

Mayor

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

Attest

Village Clerk



Village Attorney

SEAL

for

STATE OF FLORIDA
DEPARTMENT OF ENVIRONMENTAL PROTECTION

Deputy Director
Division of Water Resource Management

OCT 17 2012

Date

Attachment included as part of this Agreement:

Attachment A - Certification of Applicability to Single Audit Act Reporting

Attachment B - Form of Letter to Depository

ATTACHMENT A

CERTIFICATION OF APPLICABILITY TO SINGLE AUDIT ACT REPORTING

Grantee's Name:

Grantee Fiscal Year Period: FROM: _____ TO: _____

Total State Financial Assistance Expended during Grantee's most recently completed Fiscal Year:

\$ _____

Total Federal Financial Assistance Expended during Grantee's most recently completed Fiscal Year:

\$ _____

CERTIFICATION STATEMENT:

I hereby certify that the above information is correct.

Signature

Date

Print Name and Position Title

Kmp

INSTRUCTIONS FOR COMPLETING THE ATTACHMENT

Grantee Fiscal Year Period: FROM: Month/Year TO: Month/Year

NOTE: THIS SHOULD BE THE GRANTEE'S FISCAL YEAR FROM (MONTH/YEAR) TO (MONTH/YEAR).

Total State Financial Assistance Expended during Grantee's most recently completed Fiscal Year:

NOTE: THIS AMOUNT SHOULD BE THE TOTAL STATE FINANCIAL ASSISTANCE EXPENDED FROM ALL STATE AGENCIES, NOT JUST DEP.

\$ _____

Total Federal Financial Assistance Expended during Grantee's most recently completed Fiscal Year:

NOTE: THIS AMOUNT SHOULD BE THE TOTAL FEDERAL FINANCIAL ASSISTANCE EXPENDED FROM ALL FEDERAL AGENCIES, NOT JUST THROUGH DEP.

\$ _____

The Certification should be signed by your Chief Financial Officer.

Please print the name and include the title and date of the signature.

1/5/18

CERTIFICATION OF APPLICABILITY TO SINGLE AUDIT ACT REPORTING

FREQUENTLY ASKED QUESTIONS

1. **Question:** Do I complete and return this form when I return my signed Agreement/Amendment?

Answer: No, this form is to be completed and signed by your Chief Financial Officer and returned 4 months after the end of your fiscal year.

2. **Question:** Can I fax the form to you?

Answer: Yes, you can fax the Certification form, the fax number is 850/245-2411.

3. **Question:** How can I submit the form if our audit is not completed by the due date of this letter?

Answer: You should be able to complete the form from the information in your accounting system. This is just to let our Office of the Inspector General know which entities they should be getting an audit from. If you are under the threshold you do not have to submit a copy of your audit, only the Certification form.

4. **Question:** Do you only want what we received from DEP?

Answer: No, the Single Audit is the TOTAL AMOUNT of funds that you expended towards all state or federal grants that you receive. You should list those that are specific to DEP on the form.

5. **Question:** Do I have to submit the completed form and a copy of my audit?

Answer: No, you do not have to submit your audit unless you are over the threshold of \$500,000. If you would prefer to submit your audit (CAFR) instead of the form, that is fine.

6. **Question:** Our CAFR will not be ready before your due date and we don't have the information necessary to complete the certification. Can we get an extension?

Answer: Yes, just send us an Email letting us know when you will have your CAFR completed and we will place the Email with your letter in our file so that you don't get a 2nd notice.

7. **Question:** Can I submit my Certification Form or CAFR electronically?

Answer: Yes, you can submit them by Email to Debbie.skelton@dep.state.fl.us

KMP

ATTACHMENT B

Addressee: (Depository)
Gentlemen:

Re: Account # (or Certificate of Deposit #)

This account is to be known as the Loan Repayment Reserve Account. It has been pledged by Islamorada, Village of Islands, as security for repayment of Loan WW882020 from the State Revolving Fund. We ask that a hold be placed on the account in favor of the Department of Environmental Protection, Bureau of Water Facilities Funding (the Department), and that the principal amount and accrued interest be disbursed only with the prior written consent of the Department, or its successor. This hold on the account shall not be revoked without the written concurrence of the Department.

by _____
Village Manager or Finance Director
Islamorada, Village of Islands

Acceptance by Depository (Bank Name):

by _____	_____
Signature	Date

Name and Title	

KMP