

Resolution No. 2025-3430

A Resolution of the City of Sanford, Florida, amending the City's annual operating budget for the fiscal year beginning October 1, 2025, and ending September 30, 2026; providing for implementing administrative actions; providing for a savings provision; providing for conflicts; providing for severability and providing for an effective date.

Whereas, the Commission of the City of Sanford, Florida has adopted an annual operating budget for the fiscal year beginning October 1, 2025, and terminating on September 30, 2026, specifying certain projected revenues and expenditures for the operations of Sanford municipal government; and

Whereas, the City's budget presumes that each department generally will, to the best of their ability, maintain its expenditure within its allocated budgeted level and exercise prudence in expending funds during the course of the City's fiscal year; and

Whereas, from time-to-time circumstances and events may require that the original City budget may need revision; and

Whereas, the City Commission, in its judgment and discretion, has the authority to adjust the budget to more closely coincide with actual and expected events.

Now, therefore, be it adopted and resolved by the City Commission of the City of Sanford, Florida as follows:

Section 1. Adoption of Budget Amendment.

The annual operating budget of the City of Sanford for the fiscal year beginning October 1, 2025, and terminating on September 30, 2026, is hereby revised and amended by Attachment "A". The Attachment is hereby incorporated into this Resolution as if fully set forth herein verbatim. Except as amended herein, the annual operating budget for the City of Sanford for fiscal year beginning October 1, 2025, and

terminating on September 30, 2026, shall remain in full force and effect.

Section 2. Implementing administrative actions.

The City Manager, or designee, is hereby authorized and directed to implement the provisions of this Resolution by means of such administrative actions as may be deemed necessary and appropriate.

Section 3. Savings.

The prior actions of the City of Sanford relating to the adoption of the City budget and related activities are hereby ratified and affirmed.

Section 4. Conflicts.

All Resolutions or parts of Resolutions in conflict with this Resolution are hereby repealed.

Section 5. Severability.

If any section, sentence, phrase, word, or portion of this Resolution is determined to be invalid, unlawful or unconstitutional, said determination shall not be held to invalidate or impair the validity, force or effect of any other section, sentence, phrase, word, or portion of this Resolution not otherwise determined to be invalid, unlawful, or unconstitutional.

Section 6. Effective Date.

This Resolution shall become effective immediately upon enactment.

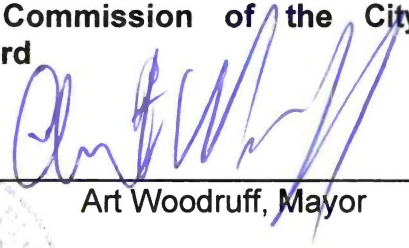
Passed and adopted this 10th day of November, 2025.

Attest:

City Commission of the City of
Sanford



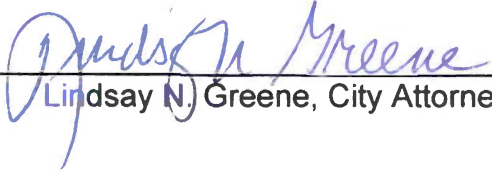
Traci Houchin, MMC, FCRM
City Clerk



Art Woodruff, Mayor

For use and reliance of the Sanford
City Commission only.
Approved as to form and legality.





Lindsay N. Greene, City Attorney

ATTACHMENT A REQUEST FOR BUDGET AMENDMENT

Fiscal Year 25/26

Department: Public Works & Utilities

Division: Water & Sewer

Date: 10/8/2025

BUDGET AMENDMENT

CHANGES IN REVENUES

REVENUE ACCOUNT NUMBER									
Fund	Revenue	Act Cd	Ele	Project #	Revenue Account Title	Budget	Balance	Change	Balance
452	0000	384	01	00	Debt Proceeds/Proceeds FR Notes Payable	\$ 13,286,865	\$ 12,056,448	\$ 24,555,004	\$ 36,611,452
									\$ -
									\$ -
									\$ -
									\$ -
									\$ -

TOTAL CHANGES IN REVENUES \$ 24,555,004

CHANGES IN EXPENDITURES

EXPENDITURE ACCOUNT NUMBER										
Fund	Dpt/Div	Activity	Obj	Ele	Project #	Expenditure Account Title	Budget	Balance	Change	Balance
452	4521	536	63	00	DW161A	W/S Combination Services/Improve Other Than BLDG	\$ 70,196	\$ (58,110)	\$ 22,521,174	\$ 22,463,064
452	4521	536	31	00	DW161A	W/S Combination Services/Professional services	\$2,251,196	\$1,417,135	\$2,033,830	\$ 3,450,965 -
										\$ -
										\$ -
										\$ -
										\$ -
										\$ -

TOTAL CHANGES IN EXPENDITURES \$ 24,555,004

REASON FOR AMENDMENT: accepting and moving FDEP forgivable loan funds to Main Water Plant for 1.4 dioxane construction

DIRECTOR APPROVAL: *Brynt Johnson*
Brynt Johnson (10/27/2025 11:52:58 EDT)

DATE: 10/27/2025

FINANCE APPROVAL: *Cynthia Lindsay*

DATE: 10/22/25

CITY MANAGER APPROVAL: *Craig M. Bogard*

DATE: 10/27/2025

CITY COMMISSION AGENDA DATE: Monday, November 10, 2025

APPROVED: *[Signature]*

FOR FINANCE USE

Entry Date: _____

Batch Number: _____

Document #: BA 01-107

CCM#: _____

RES#: _____

Resolution No. 2025-3411

A resolution of the City of Sanford, Florida relating to the State Revolving Fund (SRF) loan program agreement and execution specifically relating to the Florida Department of Environmental Protection (FDEP) Project Number DW590161 which is titled "Construction of an Ultraviolet Light Advanced Oxidation Process with Granular Activated Carbon to Remove Per- and Polyfluoroalkyl Substances, 1,4 Dioxane and Total Trihalomethanes from Drinking Water prior to Distribution"; providing for a loan of approximately \$46,895,249.00 to the City providing for the funding for Project construction, which relates to the Project's overall costs which are anticipated to be approximately \$50,534,000.00; requiring repayment to FDEP in an amount not to exceed \$48,895,249.00 from any award, settlement, judgment or other relief obtained against the Defendants in the 1,4 litigation; making legislative and administrative findings; providing for legal authority: authorizing the execution and implementation of the loan application and agreement with the FDEP as well as other implementing authority and actions; providing for the availability and establishment of pledged revenues; providing for powers of the Mayor, the City Manager, the City Clerk, the City Attorney and the City's Finance Director; providing for conflicts; providing for severability and providing an effective date.

Whereas, provisions of the *Florida Statutes* provide for loans to local government agencies to finance the construction of drinking water facilities; and

Whereas, the administrative rules set forth in the *Florida Administrative Code* require specific authorization for municipalities to apply for loans to establish pledged revenues, that loan applicants must designate authorized representatives for certain purposes; that loan applicants must provide assurances of compliance with loan program requirements; and that successful loan applicants must enter into a loan agreement with the Department of Environmental Protection (hereinafter the "FDEP"); and

Whereas, the FDEP's State Revolving Fund (hereinafter the "SRF") loan program has designated a City project, given FDEP Project Number DW590161 and titled "Construction of an Ultraviolet Light Advanced Oxidation Process with Granular Activated

Carbon to Remove Per- and Polyfluoroalkyl Substances, 1,4 Dioxane and Total Trihalomethanes from Drinking Water prior to Distribution” (hereinafter the “Project”), as eligible for available funding through FDEP’s Drinking Water SRF loan program; and

Whereas, the City intends to enter into a loan agreement with the FDEP under the applicable and controlling statutory provisions and rules and other applicable law pertaining to the SRF for funding of the Project; and

Whereas, the said loan agreement is anticipated to provide approximately \$19,323,249.00 as partial funding for Project construction with 100 % loan forgiveness (Grant) except that FDEP requires that the City shall reimburse FDEP in an amount not to exceed \$46,895,249.00 from any award, settlement, judgement or other relief obtained against the Defendants in the city’s current litigation, and

Whereas, the overall Project cost is anticipated to be approximately \$50,534,000.00, which does not include City operational expenses annually incurred,

Now, Therefore Be It Resolved by The City Commission of The City of Sanford, Florida, As Follows:

Section 1. Findings. The foregoing recitals (whereas clauses) are incorporated herein by reference and adopted as legislative and administrative findings in support of the matters set forth in this Resolution and made a part hereof together with the matters set forth in the City Commission agenda memorandum relating to the adoption of this Resolution including, but not limited to, the statements pertaining to the litigation involving the City and the responsible parties for contaminating the City’s water supply. The City Manager may rely upon the matters set forth therein as well as the other provisions of this Resolution and of this Resolution in taking implementing administrative actions.

Section 2. Legal Authority. The City of Sanford is authorized to apply for a loan from the FDEP to finance or fund the Project under applicable and controlling law to include, but not be limited to, Article VIII, Section 2 of the *Constitution of the State of Florida* and the provisions of Chapters 166 and 403, *Florida Statutes*, the *City Charter of the City of Sanford* and other applicable law.

Section 3. Available Revenues/Assurances.

(a). The revenues pledged for this loan are gross revenues derived yearly from the operation of the water and sewer systems after payment of the operating and maintenance expenses and the satisfaction of all yearly payment obligations on senior revenue obligations.

(b). The pledged revenues are subject to the following prior and parity obligations (other SRF loans) as follows:

(i). SRF Loan WW586250 for Sanford South Water Resource Center, Phase I; Amount authorized = \$19,367,124.

(ii). SRF Loan WW590100 for sewer restoration of underground pipe and manhole rehabilitation; Amount authorized = \$2,622,385.

(iii). SRF Loan WW590101 for sewer restoration of underground pipe and manhole rehabilitation; Amount authorized = \$205,020.

(iv). SRF Loan DW590110 for drinking water system improvements; Amount authorized = \$455,247.

(v). SRF Loan DW590120 for AMR water replacement and pre-chlorinated water pipe bursting; Amount authorized = \$17,105,683.

(vi). SRF Loan DW590130 for water treatment facility rehabilitation;

Amount authorized = \$986,973.

(vii). SRF Loan DW590131 for biological nutrient removal improvements; Amount authorized = \$18,395,031.

(viii). SRF Loan WW590150 for water treatment facility construction; Amount authorized = \$10,401,065.

(ix) SRF Loan WW590191 for drinking water facility construction; Amount authorized = \$587,650.

(x). SRF Loan WW590192 for drinking water facility construction; Amount authorized = \$21,421,000.

(xi) SRF loan DW5901B for construction of an ultraviolet light advanced oxidation process with granular activated carbon, Amount authorized = 3,900,000.

(c). The water, wastewater/sewer and reclaimed water utility fees and rates are from such utilities and systems being owned and operated by the City in accordance with the provisions of controlling Florida law and such fees being under the regulatory control of the City Commission. The City and the City Commission have legal authority to increase the rates to ensure the repayment of the loan.

Section 4. Authorized Representative Relative to Agreement Implementation/FDEP Assurances, Implementing Administrative Actions.

(a). Except as vested in the Mayor under the provisions of Section 5, the City Manager, or designee, is hereby designated as the authorized representative to provide the assurances and commitments required by the loan application, the funding of the Project and relative to the implementation of the Project. The City Manager is authorized to delegate responsibility to appropriate City staff to carry out technical, financial, and

administrative activities associated with the agreement. The loan agreement is attached hereto as Appendix "A" and the terms, conditions and obligations are adopted hereto as set forth herein.

(b). The City Manager is hereby vested with all necessary authority to implement the provisions of this Resolution in accordance with sound and generally accepted public and fiscal management and procurement practices and principles and may delegate authority as deemed appropriate to effectively and efficiently implement the provisions of this Resolution.

(c). The City Manager shall continue to direct City staff and consultants in the evaluation of all utility system rates, fees and charges and take all necessary actions and make all necessary recommendations to the City Commission to ensure that the City's utility systems are operated in accordance with sound and generally acceptable fiscal management and practices upon consultation with the City's Finance Director.

(d). Further, The City Manager shall continue to direct City staff and consultants to address the 1,4 dioxane matter and pursue remedies and water capacity to serve the needs of the City in the future and protect the City's legal rights and remedies.

Section 5. Authorized Representative to Execute Agreement With FDEP; Additional Authorizations.

(a). The Mayor is hereby designated as the authorized officer to execute the loan agreement with the FDEP, which loan agreement will become a binding obligation in accordance with its terms and conditions when fully executed by both parties. Further, as may be needed, as determined by the Finance Director in consultation with the City Attorney, the Mayor may execute any and all other implementation documents.

(b). The City Clerk is hereby authorized to attest to the signature of the Mayor

set forth in the FDEP loan agreement and any other documents of an implementing nature.

(c). The City Finance Director is hereby authorized to take all actions related to the budget of the City, the finances of the City, and procurement of consultants in accordance with the requirements of controlling Florida law and the City's Purchasing Policies and Procedures.

(d). The City Attorney is authorized to issue such loan and legal assurances to the FDEP in accordance with normative SRF loan processes and procedures of the FDEP.

Section 6. Savings. The prior actions of the City of Sanford relating to the SRF loan agreements with the FDEP, all City actions relating to the 1,4 dioxane matter and the establishment, imposition and collection of all rates, fees and charges pertaining to the City's utility systems, as well as any and all activities, actions and programs pertaining thereto, are hereby ratified and affirmed.

Section 7. Conflicts. All resolutions or parts of resolutions in conflict with this Resolution are hereby repealed.

Section 8. Severability. If any section, sentence, phrase, word, or portion of this Resolution is determined to be invalid, unlawful or unconstitutional, said determination shall not be held to invalidate or impair the validity, force or effect of any other section, sentence, phrase, word, or portion of this Resolution not otherwise determined to be invalid, unlawful, or unconstitutional.

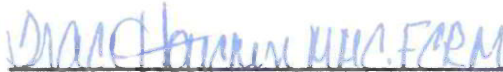
Section 9. Effective Date. This Resolution shall become effective immediately upon adoption.

Appendix "A": FDEP Loan Agreement

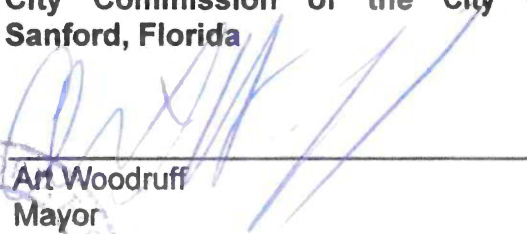
Passed and adopted this 25th day of August, 2025.

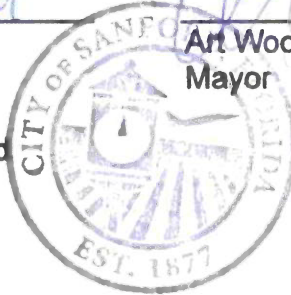
Attest:

City Commission of the City of
Sanford, Florida

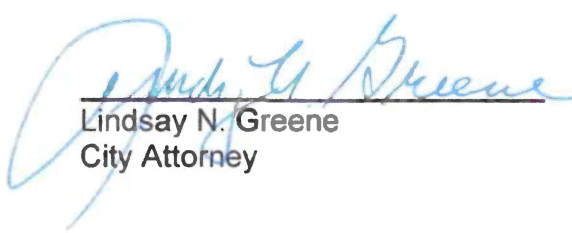


Traci Houchin, MMC, FCRM
City Clerk


Art Woodruff
Mayor



For use and reliance of the Sanford
City Commission only.
Approved as to form and legality.


Lindsay N. Greene
City Attorney

**STATE OF FLORIDA
DEPARTMENT OF ENVIRONMENTAL PROTECTION**

AND

CITY OF SANFORD, FLORIDA

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

DW590161

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

DRINKING WATER STATE REVOLVING FUND CONSTRUCTION LOAN AGREEMENT

<u>CONTENTS</u>	<u>PAGE</u>
ARTICLE I - DEFINITIONS	1
1.01. WORDS AND TERMS.	1
1.02. CORRELATIVE WORDS.	2
ARTICLE II - WARRANTIES, REPRESENTATIONS AND COVENANTS	2
2.01. WARRANTIES, REPRESENTATIONS AND COVENANTS.	2
2.02. LEGAL AUTHORIZATION.	4
2.03. AUDIT AND MONITORING REQUIREMENTS.	4
ARTICLE III - RESERVED	6
ARTICLE IV - PROJECT INFORMATION	6
4.01. PROJECT CHANGES.	6
4.02. TITLE TO PROJECT SITE.	6
4.03. PERMITS AND APPROVALS.	7
4.04. ENGINEERING SERVICES.	7
4.05. PROHIBITION AGAINST ENCUMBRANCES.	7
4.06. COMPLETION MONEYS.	7
4.07. CLOSE-OUT.	7
4.08. DISBURSEMENTS.	7
ARTICLE V - RATES AND USE OF THE UTILITY SYSTEM	8
5.01. RESERVED.	8
5.02. NO FREE SERVICE.	8
5.03. RESERVED.	8
5.04. NO COMPETING SERVICE.	8
5.05. MAINTENANCE OF THE UTILITY SYSTEM.	8
5.06. ADDITIONS AND MODIFICATIONS.	9
5.07. COLLECTION OF REVENUES.	9
ARTICLE VI - DEFAULTS AND REMEDIES	9
6.01. EVENTS OF DEFAULT.	9
6.02. REMEDIES.	10
6.03. DELAY AND WAIVER.	11
ARTICLE VII - RESERVED	11
ARTICLE VIII - GENERAL PROVISIONS	11
8.01. RESERVED.	11
8.02. PROJECT RECORDS AND STATEMENTS.	11
8.03. ACCESS TO PROJECT SITE.	11
8.04. ASSIGNMENT OF RIGHTS UNDER AGREEMENT.	11
8.05. AMENDMENT OF AGREEMENT.	12
8.06. ABANDONMENT, TERMINATION OR VOLUNTARY CANCELLATION.	12

DRINKING WATER STATE REVOLVING FUND CONSTRUCTION LOAN AGREEMENT

<u>CONTENTS</u>	<u>PAGE</u>
8.07. SEVERABILITY CLAUSE.	12
8.08. SIGNAGE.	12
8.09. DAVIS-BACON AND RELATED ACTS REQUIREMENTS.	13
8.10. AMERICAN IRON AND STEEL REQUIREMENT.	13
8.11. BUILD AMERICA, BUY AMERICA ACT ASSISTANCE REQUIREMENT.	14
8.12. PUBLIC RECORDS ACCESS.	14
8.13. SCRUTINIZED COMPANIES.	14
8.14. SUSPENSION.	15
8.15. CIVIL RIGHTS.	16
8.16. PROHIBITION ON CERTAIN TELECOMMUNICATIONS AND VIDEO SURVEILLANCE SERVICES OR EQUIPMENT.	16
8.17 REIMBURSEMENT BY PROJECT SPONSOR	16
ARTICLE IX - CONTRACTS AND INSURANCE	17
9.01. CONTRACTS.	17
9.02. SUBMITTAL OF CONTRACT DOCUMENTS.	18
9.03. INSURANCE REQUIRED.	18
ARTICLE X - DETAILS OF FINANCING	18
10.01. PRINCIPAL AMOUNT OF LOAN.	18
10.02. RESERVED.	19
10.03. RESERVED.	19
10.04. RESERVED	19
10.05. RESERVED.	19
10.06. PROJECT COSTS.	19
10.07. SCHEDULE.	19
ARTICLE XI - EXECUTION OF AGREEMENT	20

**DRINKING WATER STATE REVOLVING FUND
CONSTRUCTION LOAN AGREEMENT
DW590161**

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

RECITALS

Pursuant to Section 403.8532, Florida Statutes and Chapter 62-552, Florida Administrative Code, the Department is authorized to make loans to finance or refinance the construction of public water systems, the planning and design of which have been reviewed by the Department; and

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

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

AGREEMENT

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

ARTICLE I - DEFINITIONS

1.01. WORDS AND TERMS.

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

- (1) “Agreement” or “Loan Agreement” shall mean this design and construction loan agreement.
- (2) “Authorized Representative” shall mean the official of the Project Sponsor authorized by ordinance or resolution to sign documents associated with the Loan.
- (3) “Final Amendment” shall mean the final agreement executed between the parties that establishes the final terms for the Loan such as the final Loan amount.
- (4) “Final Unilateral Amendment” shall mean the Loan Agreement unilaterally finalized by the Department after Loan Agreement and Project abandonment under Section 8.06 that establishes the final amortization schedule for the Loan.
- (5) “Financial Assistance” shall mean Principal Forgiveness funds or Loan funds.

(6) “Loan” shall mean the amount of money to be loaned pursuant to this Agreement and subsequent amendments.

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

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

(9) “Principal Forgiveness” shall mean the amount of money awarded pursuant to this Agreement and subsequent amendments that is not to be repaid, with the exception of any proceeds received from settlement funds, pursuant to Section 8.17 of this Agreement..

(10) “Project” shall mean the works financed by this Loan and shall consist of furnishing all labor, materials, and equipment to design and construct the Emerging Contaminants removal system in accordance with the plans and specifications accepted by the Department for the “Main WTP Advanced Treatment Upgrades” contract.

The Project is in agreement with the planning documentation accepted by the Department effective October 4, 2024. A Florida Categorical Exclusion Notice was published on May 13, 2024 and no adverse comments were received. The Project is an Equivalency Project as defined in Chapter 62-552, Florida Administrative Code.

(11) “Utility System” shall mean all devices and facilities of the Water System owned by the Project Sponsor.

(12) “Water System” shall mean all facilities owned by the Project Sponsor for supplying and distributing water for residential, commercial, industrial, and governmental use.

1.02. CORRELATIVE WORDS.

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

ARTICLE II - WARRANTIES, REPRESENTATIONS AND COVENANTS

2.01. WARRANTIES, REPRESENTATIONS AND COVENANTS.

The Project Sponsor warrants, represents and covenants that:

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

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

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

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

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

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

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

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

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

(10) RESERVED.

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

(12) RESERVED.

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 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.

2.03. AUDIT AND MONITORING REQUIREMENTS.

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

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

Federal Resources, Including State Match, Awarded to the Recipient Pursuant to this Agreement Consist of the Following:					
Federal Program Number	Federal Agency	CFDA Number	CFDA Title	Funding Amount	State Appropriation Category
4E-02D65724-0	EPA	66.468	Capitalization Grants for Drinking Water State Revolving Fund	\$24,555,004	149953

(2) Audits.

(a) In the event that the Project Sponsor expends \$1,000,000 or more in Federal awards in its fiscal year, the Project Sponsor must have a Federal single audit or program specific audit conducted in accordance with the provisions of 2 CFR Part 200, Subpart F. In determining the Federal awards expended in its fiscal year, the Project Sponsor shall consider all sources of Federal awards, including Federal resources received from the Department. The determination of amounts of Federal awards expended should be in accordance with the guidelines established by 2 CFR 200.502-503. An audit of the Project Sponsor conducted by the Auditor General in accordance with the provisions of 2 CFR 200.514 will meet the requirements of this part.

(b) In connection with the audit requirements addressed in the preceding paragraph (a), the Project Sponsor shall fulfill the requirements relative to auditee responsibilities as provided in 2 CFR 200.508-512.

(c) If the Project Sponsor expends less than \$1,000,000 in Federal awards in its fiscal year, an audit conducted in accordance with the provisions of 2 CFR Part 200, Subpart F, is not required. The Project Sponsor shall inform the Department of findings and recommendations pertaining to the State Revolving Fund in audits conducted by the Project Sponsor. In the event that the Project Sponsor expends less than \$1,000,000 in Federal awards in its fiscal year and elects to have an audit conducted in accordance with the provisions of 2 CFR Part 200, Subpart

F, the cost of the audit must be paid from non-Federal resources (i.e., the cost of such an audit must be paid from Project Sponsor resources obtained from other than Federal entities).

(d) The Project Sponsor may access information regarding the Catalog of Federal Domestic Assistance (CFDA) via the internet at <https://sam.gov/>.

(3) Report Submission.

(a) Copies of reporting packages for audits conducted in accordance with 2 CFR Part 200, Subpart F, and required by Subsection 2.03(2) of this Agreement shall be submitted, when required by 2 CFR Part 200, Subpart F, by or on behalf of the Project Sponsor directly to each of the following:

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

By Mail:

Audit Director

Florida Department of Environmental Protection
Office of the Inspector General, MS40
3900 Commonwealth Boulevard
Tallahassee, Florida 32399-30000

or

Electronically:

FDEPSingleAudit@dep.state.fl.us

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

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

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

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

(c) Any reports, management letters, or other information required to be submitted to the Department pursuant to this Agreement shall be submitted timely in accordance with 2 CFR Part 200, Subpart F, Florida Statutes, or Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General, as applicable.

(d) Project Sponsors, when submitting financial reporting packages to the Department for audits done in accordance with 2 CFR Part 200, Subpart F, or Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor

General, should indicate the date that the reporting package was delivered to the Project Sponsor in correspondence accompanying the reporting package.

(4) Record Retention.

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

(5) Monitoring.

In addition to reviews of audits conducted in accordance with 2 CFR Part 200, Subpart F, as revised (see audit requirements above), monitoring procedures may include, but not be limited to, on-site visits by Department staff, limited scope audits as defined by 2 CFR Part 200, Subpart F., and/or other procedures. By entering into this Agreement, the Project Sponsor agrees to comply and cooperate with any monitoring procedures/processes deemed appropriate by the Department. In the event the Department determines that a limited scope audit of the Project Sponsor is appropriate, the Project Sponsor agrees to comply with any additional instructions provided by the Department to the Project Sponsor regarding such audit. The Project Sponsor understands its duty, pursuant to Section 20.055(5), F.S., to cooperate with the Inspector General in any investigation, audit, inspection, review, or hearing. The Project Sponsor will comply with this duty and ensure that any subcontracts issued under this Agreement will impose this requirement, in writing, on its subcontractors.

ARTICLE III - RESERVED

ARTICLE IV - PROJECT INFORMATION

4.01. PROJECT CHANGES.

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

4.02. TITLE TO PROJECT SITE.

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

4.03. PERMITS AND APPROVALS.

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

4.04. ENGINEERING SERVICES.

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

4.05. PROHIBITION AGAINST ENCUMBRANCES.

The Project Sponsor is prohibited from selling, leasing, or disposing of any part of the Utility System which would materially reduce operational integrity or Gross Revenues so long as this Agreement, including any amendments thereto, is in effect unless the written consent of the Department is first secured. The Project Sponsor may be required to reimburse the Department for the Principal Forgiveness funded cost of any such part, taking into consideration any increase or decrease in value.

4.06. COMPLETION MONEYS.

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

4.07. CLOSE-OUT.

The Department shall conduct a final inspection of the Project and Project records. Following the inspection, deadlines for submitting additional disbursement requests, if any, shall be established, along with deadlines for uncompleted Loan or Principal Forgiveness requirements, if any. Deadlines shall be incorporated into the Loan Agreement by amendment. The Loan principal shall be reduced by any excess over the amount required to pay all approved costs.

4.08. DISBURSEMENTS.

This Agreement allows for funds to be advanced to the Project Sponsor for allowable invoiced costs. Disbursements shall be made directly to the Project Sponsor only by the State Chief Financial Officer and only when the requests for such disbursements are accompanied by a Department certification that such withdrawals are proper expenditures. In addition to the invoices for costs incurred, proof of payment will be required with the following disbursement request.

Disbursements for materials, labor, or services shall be made upon receipt of the following:

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

(2) A certification signed by the Authorized Representative as to the current estimated costs of the Project; that the materials, labor, or services represented by the invoice have been satisfactorily purchased, performed, or received and applied to the project; that all funds received to date have been applied toward completing the Project; and that under the terms and provisions of the contracts, the Project Sponsor is required to make such payments.

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

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

ARTICLE V - RATES AND USE OF THE UTILITY SYSTEM

5.01. RESERVED.

5.02. NO FREE SERVICE.

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

5.03. RESERVED.

5.04. NO COMPETING SERVICE.

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

5.05. MAINTENANCE OF THE UTILITY SYSTEM.

The Project Sponsor shall operate and maintain the Utility System in a proper, sound and economical manner and shall make all necessary repairs, renewals and replacements.

5.06. ADDITIONS AND MODIFICATIONS.

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

5.07. COLLECTION OF REVENUES.

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

ARTICLE VI - DEFAULTS AND REMEDIES

6.01. EVENTS OF DEFAULT.

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

(1) RESERVED.

(2) Except as provided in Subsection 6.01(1) failure to comply with the provisions of this Agreement, failure in the performance or observance of any of the covenants or actions required by this Agreement or the Suspension of this Agreement by the Department pursuant to Section 8.11 below, and such failure shall continue for a period of 30 days after written notice thereof to the Project Sponsor by the Department.

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

(4) An order or decree entered, with the acquiescence of the Project Sponsor, appointing a receiver of any part of the Utility System or Gross Revenues thereof; or if such order or decree,

having been entered without the consent or acquiescence of the Project Sponsor, shall not be vacated or discharged or stayed on appeal within 60 days after the entry thereof.

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

(6) Any adverse legal, administrative, or alternative dispute resolution proceeding instituted, by or with the acquiescence of the Project Sponsor against the Florida Department of Environmental Protection shall be an event of default under this Agreement.

(7) Any pending adverse legal, administrative or alternative dispute resolution proceeding instituted by or with the acquiescence of the Project Sponsor against the Florida Department of Environmental Protection which is not dismissed with prejudice within ten (10) days of the effective date of this Agreement shall be an event of default under this Agreement.

(8) Failure of the Project Sponsor to timely remit payment as required pursuant to Section 8.17 of this Agreement regarding REIMBURSEMENT BY PROJECT SPONSOR.

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

(10) Any charge is brought alleging violations of any criminal law in the implementation of the Project or the administration of the proceeds from this Loan against one or more officials of the Project Sponsor by a State or Federal law enforcement authority, which charges are not withdrawn or dismissed within 60 days following the filing thereof.

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

6.02. REMEDIES.

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

(1) By mandamus or other proceeding at law or in equity, to fulfill this Agreement.

(2) By action or suit in equity, require the Project Sponsor to account for all moneys received from the Department.

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

(4) By applying to a court of competent jurisdiction, cause to appoint a receiver to manage the Utility System, establish and collect fees and charges.

6.03. DELAY AND WAIVER.

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

ARTICLE VII - RESERVED

ARTICLE VIII - GENERAL PROVISIONS

8.01. RESERVED.

8.02. PROJECT RECORDS AND STATEMENTS.

Books, records, reports, engineering documents, contract documents, and papers shall be available to the authorized representatives of the Department for inspection at any reasonable time after the Project Sponsor has received a disbursement and until five years after the Final Amendment date.

8.03. ACCESS TO PROJECT SITE.

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

8.04. ASSIGNMENT OF RIGHTS UNDER AGREEMENT.

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

8.05. AMENDMENT OF AGREEMENT.

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

8.06. ABANDONMENT, TERMINATION OR VOLUNTARY CANCELLATION.

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

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

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

Upon a determination of abandonment by the Department, the Loan will be suspended, and the Department will implement administrative close out procedures (in lieu of those in Section 4.07) and provide written notification of Final Unilateral Amendment to the Project Sponsor.

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

8.07. SEVERABILITY CLAUSE.

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

8.08. SIGNAGE.

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

8.09. DAVIS-BACON AND RELATED ACTS REQUIREMENTS.

(1) The Project Sponsor shall periodically interview 10% of the work force entitled to Davis-Bacon prevailing wages (covered employees) to verify that contractors or subcontractors are paying the appropriate wage rates. Project Sponsors shall immediately conduct interviews in response to an alleged violation of the prevailing wage requirements. As provided in 29 CFR 5.6(a)(5) all interviews must be conducted in confidence. The Project Sponsor must use Standard Form 1445 or equivalent documentation to memorialize the interviews. Copies of the SF 1445 are available from EPA on request.

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

(3) The Project Sponsor shall periodically review contractors' and subcontractors' use of apprentices and trainees to verify registration and certification with respect to apprenticeship and training programs approved by either the U.S Department of Labor (DOL) or a state, as appropriate, and that contractors and subcontractors are not using disproportionate numbers of laborers, trainees, and apprentices. These reviews shall be conducted in accordance with the schedules for spot checks and interviews described in items (1) and (2) above.

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

8.10. AMERICAN IRON AND STEEL REQUIREMENT.

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

8.11. BUILD AMERICA, BUY AMERICA ACT ASSISTANCE REQUIREMENT.

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

8.12. PUBLIC RECORDS ACCESS.

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

(2) This Agreement may be unilaterally canceled by the Department for refusal by the Project Sponsor to either provide to the Department upon request, or to allow inspection and copying of all public records made or received by the Project Sponsor in conjunction with this Agreement and subject to disclosure under Chapter 119, F.S., and Section 24(a), Article I, Florida Constitution.

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

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

8.13. SCRUTINIZED COMPANIES.

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

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

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

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

8.14. SUSPENSION.

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

(1) The Project Sponsor abandons or discontinues the Project before its completion,

(2) The commencement, prosecution, or timely completion of the Project by the Project Sponsor is rendered improbable or the Department has reasonable grounds to be insecure in Project Sponsor's ability to perform, or

(3) The implementation of the Project is determined to be illegal, or one or more officials of the Project Sponsor in responsible charge of, or influence over, the Project is charged with violating any criminal law in the implementation of the Project or the administration of the proceeds from this Loan.

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

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

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

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

8.15. CIVIL RIGHTS.

The Project Sponsor shall comply with all Title VI requirements of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973 and the Age Discrimination Act of 1975, which prohibit activities that are intentionally discriminatory and/or have a discriminatory effect based on race, color, national origin (including limited English proficiency), age, disability, or sex.

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

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

8.17 REIMBURSEMENT BY PROJECT SPONSOR

The Project Sponsor has pending an Amended Complaint in the United States District Court For the Middle District Of Florida, Orlando Division, Case No.: 6:24-cv-01983-WWB-DCI, entitled CITY OF SANFORD, FLORIDA, a municipal corporation; and STATE EX REL., CITY OF SANFORD, FLORIDA, a municipal corporation, Plaintiffs, v. GENERAL DYNAMICS CORPORATION, a foreign corporation; SIEMENS CORPORATION, MONI HOLDINGS, LLC, et al., Defendants (the "Litigation"). The Project Sponsor, in its capacities described in the Litigation, is sometimes herein referred to as the "Plaintiff" or the "City of Sanford." The Defendants in the Litigation are sometimes collectively herein referred to as the "Defendants."

The Project Sponsor has requested and received from the Department funds and commitments for funds to plan, design and construct new water treatment systems to remove certain emerging contaminants, such as 1, 4 dioxane, from the water that have migrated into the Project Sponsor's public water supply wells as a result of the Defendants' conduct. The Department has funded or committed to funding approximately fifty-six million seven hundred eighty-nine thousand dollars (\$56,789,000) to cover the cost of planning, designing and constructing the Project Sponsor's new water treatment systems. The Project Sponsor shall, as reimbursement for the financial assistance provided by the Department pursuant to this Agreement, as well as the Planning and Design Loan Agreement, DW590160, remit to the Department any monetary relief granted by the court or amounts received in settlement, that are related to the claims set forth in the Amended Complaint or as revised in any subsequent amended complaints. Any reimbursement shall not include amounts received by the Project

Sponsor for litigation costs or attorneys' fees and shall be remitted to the Department within thirty (30) days of actual receipt by the Project Sponsor. The amount to be reimbursed to the Department shall not exceed the total amount provided pursuant to this Loan Agreement, DW590161, and Loan Agreement DW590160. Nothing in this section shall limit Department's right to reimbursement related to any other agreements between Department and the Project Sponsor.

ARTICLE IX - CONTRACTS AND INSURANCE

9.01. CONTRACTS.

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

(a) Proof of advertising.

(b) Award recommendation, bid proposal, and bid tabulation (certified by the responsible engineer).

(c) Certification of compliance with the conditions of the Department's approval of competitively or non-competitively negotiated procurement, if applicable.

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

(e) Certification by the Authorized Representative that affirmative steps were taken to encourage Disadvantaged Business Enterprises participation in Project construction.

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

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

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

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

(a) Certification by the Authorized Representative that affirmative steps were taken to encourage Disadvantaged Business Enterprises participation.

(b) Current certifications for Disadvantaged Business Enterprises participating in the contract.

9.02. SUBMITTAL OF CONTRACT DOCUMENTS.

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

- (a) Contractor insurance certifications.
- (b) Executed Contract(s).
- (c) Notices to proceed with construction.

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

- (a) Executed Contract(s).
- (b) Professional Services Procurement Certification.

9.03. INSURANCE REQUIRED.

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

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

ARTICLE X - DETAILS OF FINANCING

10.01. PRINCIPAL AMOUNT OF LOAN.

The total amount awarded is \$24,555,004. Of that, the estimated amount of Principal Forgiveness is \$24,555,004.

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 62-552 of the Florida Administrative Code.

10.02. RESERVED.

10.03. RESERVED.

10.04. RESERVED

10.05. RESERVED.

10.06. PROJECT COSTS.

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

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

<u>CATEGORY</u>	<u>PROJECT COSTS (\$)</u>	<u>AUTHORIZED LOAN AMOUNT(\$) TO DATE</u>
Design and Construction	53,731,755	<i>Line items may vary based on Actual Disbursements</i>
Technical Services After Bid Opening	2,034,000	
Less DW5901B0	(3,638,751)	
SUBTOTAL (Disbursable Amount)	52,127,004	24,555,004
Less Principal Forgiveness	(52,127,004)	(24,555,004)
TOTAL (Loan Amount)	0	0

10.07. SCHEDULE.

The Project Sponsor agrees by execution hereof:

(1) This Agreement shall be effective on February 12, 2025. Invoices submitted for work conducted on or after this date shall be eligible for reimbursement.

(2) Completion of Project design and construction is scheduled for May 15, 2028.

ARTICLE XI - EXECUTION OF AGREEMENT

This Loan Agreement DW590161 may be executed in two or more counterparts, any of which shall be regarded as an original and all of which constitute but one and the same instrument.

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

for
CITY OF SANFORD

Ad Woodruff
Ad Woodruff (Sep 25, 2025 16:06:35 EDT)

Mayor



Attest:

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

Traci Houchin

City Clerk

Lindsay N. Greene

Lindsay N. Greene (Sep 25, 2025 17:38:32 EDT)

City Attorney

SEAL



for
STATE OF FLORIDA
DEPARTMENT OF ENVIRONMENTAL PROTECTION

Angela Knecht

Digitally signed by Angela
Knecht
Date: 2025.10.01 14:22:54 -04'00'

Secretary or Designee

Date



APPROVED

WS <input type="checkbox"/> RM <input checked="" type="checkbox"/>
Item No. <u>9.N</u>

**CITY COMMISSION MEMORANDUM 25-270
NOVEMBER 10, 2025, AGENDA**

TO: Honorable Mayor and Members of the City Commission
PREPARED BY: Michael Cannon, P. E., Utilities Engineering Manager
SUBMITTED BY: Norton N. Bonaparte, Jr. ICMA-CM, City Manager
SUBJECT: Approval of Budget Amendment and Resolution 25-3430; project DW-590161 entitled “Construction of An Ultraviolet Light Advanced Oxidation Process with Granular Activated Carbon to Remove Per – and Polyfluoroalkyl Substances, 1, 4 Dioxane and Total Trihalomethanes from Drinking Water Prior to Distribution”; \$24,555,004

SYNOPSIS:

Requesting approval of the Budget Amendment and Resolution No. 25-3430 relating to project DW-590161 entitled “Construction of an Ultraviolet Light Advanced Oxidation Process with Granular Activated Carbon to Remove Per- and Polyfluoroalkyl Substances, 1,4 Dioxane, and Total Trihalomethanes from Drinking Water Prior to Distribution.” This project will hereinafter be referred to as the “1,4 Dioxane Abatement Project.” The agreement reflects the current terms and conditions of the project.

FISCAL/STAFFING STATEMENT:

The Florida Department of Environmental Protection (FDEP) State Revolving Fund (SRF) loan agreement is anticipated to provide partial funding of approximately \$46,895,249 for 1,4 Dioxane Abatement Project construction with loan forgiveness, except that FDEP shall require that the City reimburse FDEP in an amount not to exceed \$24,555,004 from any award, settlement, judgement or other relief obtained against the Defendants in the City’s current litigation. The overall 1,4 Dioxane Abatement Project cost is anticipated to total approximately \$50,534,000, which does not include City operational expenses annually incurred.

BACKGROUND:

The City Commission has engaged with the Florida Department of Environmental Protection (FDEP) in administrative processes as well as negotiating processes, resulting in the Florida Department of Environmental Protection (FDEP) acting affirmatively to propose funding for the 1,4 dioxane abatement affecting the City. The Florida Department of Environmental Protection (FDEP) State Revolving Fund (SRF) loan program has designated the 1,4 Dioxane Abatement Project as eligible for available funding through both a regular Drinking Water SRF loan and Emerging Contaminants Capitalization Grants. Obtaining that funding requires the City to enter into a loan agreement with the Florida Department of Environmental Protection (FDEP) under the applicable and controlling statutory provisions and rules and other applicable law pertaining to the State Revolving Fund (SRF) for funding of the 1,4 Dioxane Abatement Project.

The final provisions from Florida Department of Environmental Protection’s (FDEP), February 12, 2025, State Revolving Fund (SRF) funding meeting resulted in the City being approved for a regular drinking water State Revolving Fund (SRF) loan in the amount of \$3,638,751, with

repayment provisions; \$24,555,004 in Bipartisan Infrastructure Law (BIL) Emerging Contaminants (EC) State Revolving Fund (SRF) loan funding, with 100% loan forgiveness (Grant) in FY 24-25 with another \$27,572,000 in Bipartisan Infrastructure Law (BIL) Emerging Contaminants (EC) State Revolving Fund (SRF) funding in FY 25-26, with reimbursement provisions as set forth above. The City is also on the Bipartisan Infrastructure Law (BIL) Emerging Contaminants (EC) State Revolving Fund (SRF) loan funding FY 26-27 waiting list for \$3,638,751 in funding with loan forgiveness (Grant), conditioned with loan repayment provisions, which could then be used to pay back the regular drinking water State Revolving Fund (SRF) loan.

LEGAL REVIEW:

The City Attorney has reviewed this agenda item and has no legal objection.

RECOMMENDATION:

City staff recommends that the City Commission approve the budget amendment and resolution 25-3430 and the associated procurement activities as requested.

SUGGESTED MOTION:

“I move to approve the Budget Amendment and Resolution 25-3430, as proposed.”

- Attachments: (1). Resolution No. 2025- 3411.
(2). DW-590161 loan agreement executed
(3). Budget Amendment and Resolution 25-3430