

RESOLUTION 2016-19

A RESOLUTION OF CITY OF LAKE WALES, FLORIDA, RELATING TO THE STATE REVOLVING FUND LOAN PROGRAM; MAKING FINDINGS; AUTHORIZING THE LOAN APPLICATION; AUTHORIZING THE LOAN AGREEMENT; ESTABLISHING PLEDGED REVENUES; DESIGNATING AUTHORIZED REPRESENTATIVES; PROVIDING ASSURANCES; PROVIDING FOR CONFLICTS, SEVERABILITY, AND EFFECTIVE DATE.

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

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

WHEREAS, the State Revolving Fund loan priority list designates **Project No. DW530320** as eligible for available funding; and

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

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF LAKE WALES, FLORIDA, AS FOLLOWS:

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

SECTION II. The City of Lake Wales, Florida, is authorized to apply for a loan to finance the Project.

SECTION III. The revenues pledged for the repayment of the loan are net water and sewer system revenues after payment of debt service on the Utility System Refunding Revenue Note, Series 2006 A, Utility System Note, Series 2006B, and other obligations as shown on Exhibit "A."

SECTION IV. The Mayor is hereby designated as the authorized representative to provide the assurances and commitments required by the loan application.

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

SECTION VI. The legal authority for borrowing moneys to construct this Project is Section 166.111, Florida Statutes.

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

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

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


PASSED and ADOPTED this 16th Day of August 2016.

ATTEST

APPROVED AS TO FORM AND
LEGALITY



City Clerk Clara VanBlargan, MMC



City Attorney-Albert C Galloway, Jr.



Mayor Eugene Fultz

LAW OFFICES

ALBERT C. GALLOWAY, JR., P.A.

POST OFFICE BOX 3339
202 EAST STUART AVENUE
LAKE WALES, FL 33859-3339
TELEPHONE 863/679-5333
FAX 863/679-5332
CHUCK@ACGPA.NET

August 16, 2016

Tommy Williams
Sr. Management Analyst
Division of Water Restoration Assistance
3900 Commonwealth Boulevard MS3505
Tallahassee, FL 32399-3000

Re: DW530320-City of Lake Wales
SR 60 Utility Expansion

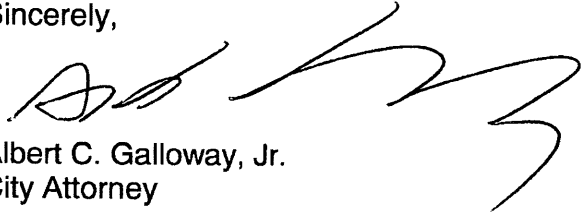
Dear Mr. Williams:

I am the duly appointed City Attorney for the City of Lake Wales. The City proposes to borrow \$2,797,793 from the State Revolving Fund for water transmission systems for the State Road 60 Western Expansion. The loan will be secured by the net revenues of the City's water and sewer system and the pledged revenues are legally available to pledge. The City of Lake Wales has the legal authority to increase rates to ensure repayment of the loan.

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

- (1) SRF-5907P
- (2) SRF-59110
- (3) SRF-5912S
- (4) SRF-5913P
- (5) SRF-95140
- (6) SRF-53030
- (7) SRF-530310
- (8) Series 2003
- (9) Series 2005
- (10) Series 2006A
- (11) Series 2006B

Sincerely,


Albert C. Galloway, Jr.
City Attorney

ACG/rg

STATE OF FLORIDA
DEPARTMENT OF ENVIRONMENTAL PROTECTION

**STATE REVOLVING FUND
DRINKING WATER FACILITIES**

LOAN APPLICATION



Florida Department of Environmental Protection
Bureau of Water Facilities Funding
Twin Towers Office Building
2600 Blair Stone Road
Tallahassee, Florida 32399-2400

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LOAN APPLICATION

(1) **SUBMITTAL.** Submit the application and attachments to the Department of Environmental Protection, MS 3505, Bureau of Water Facilities Funding, 2600 Blair Stone Road, Tallahassee, Florida 32399-2400.

(2) **COMPLETING THE APPLICATION.**

(a) This application consists of four parts: (I) ADMINISTRATIVE INFORMATION; (II) PROJECT INFORMATION; (III) FINANCIAL INFORMATION; and (IV) APPLICANT RESOLUTION, ASSURANCES, AND CERTIFICATION.

(b) All information provided on this application must be typed. Monetary amounts may be rounded to the nearest \$1,000.

(c) Attachments to be submitted are denoted with *italic print*. They are to be listed on Page 10.

(3) **ASSISTANCE.**

Bureau of Water Facilities Funding staff are available to provide assistance. Please call (850) 488-8163 or SUNCOM 278-8163.

PART I - ADMINISTRATIVE INFORMATION

(1) PROJECT SPONSOR APPLYING FOR LOAN. City of Lake Wales

Federal Employer Identification Number. 59-6000357

(2) AUTHORIZED REPRESENTATIVE. [Person formally authorized by the project sponsor to sign or attest to loan documents, including this application. If more than one, attach the information (*Attachment #* ____).]

Name Eugene Fultz Telephone 863-678-4182 ext 225

Title Mayor

Mailing Address 201 W Central Avenue, Lake Wales, Florida 33853

(3) PRIMARY CONTACT PERSON. (Person to answer questions about this application.)

Name Sarah B. Kirkland Telephone 863-678-4182 ext 286

Title Utilities Director Fax # 863-678-4074

Employer City of Lake Wales

Mailing Address 201 W Central Ave, Lake Wales, Florida 33853

(4) ADDITIONAL PERSON(S) TO RECEIVE COPY OF DEPARTMENT CORRESPONDENCE. (If more than one, attach the information (*Attachment #* ____).

Name Dorothy Ecklund Telephone 863-678-4182 ext 257

Title Finance Director Employer City of Lake Wales

Mailing Address 201 W Central Ave, Lake Wales, Florida 33853

(5) PROJECT NUMBER (identified on the Department's priority list). DW 530320

(6) LOAN AGREEMENT DATE. When do you expect to sign the Loan Agreement? 09/20/2016

(Allow time for Department preparation of agreement, applicant review, and local commission meeting if applicable.)

(7) PREAWARD COMPLIANCE. Has an *EPA Preaward Compliance Review Report* been submitted

for this project? ☒ Yes. ☐ No. If "yes", identify the date submitted to the Department

8/5/2016. If not, please complete and attach the EPA form. (Attachment #)

(8) FEDERAL EQUIVALENCY REQUIREMENTS. As a result of the federal funding of the State Revolving Fund Program for Drinking Water Facilities, there are federal requirements that must be met to enable financial assistance for any project. These requirements are identified under PART IV of this application.

PART II - PROJECT INFORMATION. Complete SUBPART A or SUBPART B as appropriate.

SUBPART (A): PRECONSTRUCTION LOAN INFORMATION.

(1) PRECONSTRUCTION ACTIVITIES. Attach a brief description of the scope of planning and design activities to be financed by this loan.

(2) PRECONSTRUCTION LOAN SCHEDULE.

(a) Provide proposed completion dates for the items below. (Please call Department staff to discuss time frames needed to complete required tasks.)

Water facilities plan adoption by the Project Sponsor.

Completed

Engineering design.

Completed

Certification of site availability (for construction and operation).

To be determined

(b) Do you anticipate that a contractual agreement with another party will be necessary to implement the project? ☒ Yes. ☐ No. If "yes", list entities to be involved.

Contractor has not been determined-project is out for bid with a bid open date of September 15, 2016.

(3) PRECONSTRUCTION LOAN PROJECT COSTS. Is the cost information submitted for the priority list

current? ☒ Yes. ☐ No. If "no", please explain and submit revised cost information (Attachment #) using the appropriate page of the Request for Inclusion on the Priority List for Drinking Water Facilities Form 62-552.900(1), F.A.C. Note that the disbursement amount (including the repayment reserve) will be limited to the priority list amount. Preconstruction loans are not available to finance the non-grant share of SRF preconstruction grants.

SUBPART B: CONSTRUCTION LOAN INFORMATION.

(1) CONSTRUCTION ACTIVITIES

(a) Attach a brief description of construction activities to be financed by this loan. Include a list of the construction contracts (by title) corresponding to the plans and specifications accepted by the Department

(Attachment # 1). Also provide a proposed "start date" and "completion date" for each contract.

(b) Attach a copy of the Department letter(s) accepting the plans and specifications and all addenda

(Attachment # 2).

(c) Does this project involve a contractual service agreement with other entities? ☒ Yes. ☐ No. If "yes", attach a copy of the Department letter accepting the agreement. (Attachment # 3) Is the agreement, as accepted by the Department, fully executed and enforceable? ☐ Yes. ☒ No. If "no", please explain (Attachment # 4).

(Attachment # 5)

(2) CONSTRUCTION LOAN PROJECT COSTS.

PART III - FINANCIAL INFORMATION

(2) LOAN TERMS AND REPAYMENT.

Yes. X No. If "yes", identify the number of years

(c) List all revenues that are to be pledged for repayment of this loan. (Note: Typically, water system or water and sewer system revenues are pledged, and the net revenues available for loan repayment must equal at least 1.15 times the annual debt service unless special reserves are locally funded. Rule 62-552.430, F.A.C., addresses pledged revenues and coverage requirements.

Water and sewer system revenues

07-20-99

(4) ADDITIONAL LOAN SECURITIZATION. If the project sponsor does not meet the requirements of Rule 62-552.430(4), F.A.C., for pledged revenue, loan repayment responsibility, default remedies, and debt service history, indicate which of the following securitization provisions the project sponsor is prepared to negotiate (describe each in *Attachment # _____*):

- (a) Additional escrowed loan repayment reserve. No X Yes _____
- (b) Letter of credit. No X Yes _____
- (c) Lien on tangible assets. No _____ Yes X
- (d) Personal or corporate obligation. No X Yes _____
- (e) Other equivalent securitization. No X Yes _____

(5) INFORMATION ON LIENS.

- (a) Describe all debt obligations having a prior or parity lien on the revenues pledged for this Loan (*Attachment # 7*); see the following example:

City Name, Florida, Water and Sewer System Revenue Bonds, Series 1996, issued in the amount of \$10,000,000, pursuant to Ordinance No. 93-104, as amended and supplemented by Ordinance No. 96-156.

- (b) Using the *Schedule of Prior and Parity Liens* (page 7), provide debt service information on each prior and parity obligation. For the listed obligations, provide a copy of the ordinance(s), resolution(s), official statement(s), or pages thereof, setting forth the definitions, use of proceeds, debt service schedule, pledged revenues, rate covenants, provisions for issuing additional debt, provisions for bond insurance, and debt rating (*Attachment # 8*).

(6) ACTUAL AND PROJECTED REVENUES.

- (a) Complete the Schedule of Actual Revenues and Debt Coverage for Rate-Based System Pledged Revenues (page 8) for the past two fiscal years. Additional information may be required if deemed necessary by the Department to evaluate credit-worthiness of the applicant.
- (b) Complete the Schedule of Projected Revenues and Debt Coverage for Rate-Based System Pledged Revenue (page 9), demonstrating the availability of pledged revenues for loan repayment. All projects expected to be implemented in the next five years are to be reflected into the need for projected revenues.

(7) LEGAL OPINION ON THE AVAILABILITY OF PLEDGED REVENUES. All sources must be supported by a written legal opinion (*Attachment # 9*) addressing the:

- (a) Availability of the revenues to repay the loan;
- (b) Right to increase rates at which revenues shall be collected to repay the loan; and
- (c) Subordination of the pledge if pledged revenues are subject to a prior or parity lien.

(8) RESOLUTION ESTABLISHING PLEDGED REVENUES. Provide a certified resolution or other documentation (*Attachment # 10*) of the formal action taken by the applicant that establishes the pledged revenues.

PART IV - APPLICANT RESOLUTION, ASSURANCES, AND CERTIFICATION

(1) RESOLUTION. Provide a certified resolution or other documentation (*Attachment # 11*) of the formal action taken by Applicant that:

- (a) Authorizes this application; and
- (b) Designates the Authorized Representative(s) to file the application, provide assurances, execute the loan agreement, and represent the Applicant in carrying out responsibilities (including that of requesting loan disbursements) under the loan agreement.

(2) ASSURANCES AND CERTIFICATION. The Applicant agrees to comply with the laws, rules, regulations, policies and conditions relating to the loan for this project. Specifically, the Applicant certifies that it has complied, as appropriate, and will comply with the following requirements in undertaking the project:

- (a) Complete all facilities recommended in the approved facilities plan.
- (b) The Archaeological and Historic Preservation Act of 1974, PL 93-291, and the National Historic Preservation Act of 1966, PL 89-665, as amended, regarding identification and protection of historic properties.
- (c) The Clean Air Act, 42 U.S.C. 7506(c), which requires conformance with State Air Quality Implementation Plans.
- (d) The Coastal Zone Management Act of 1972, PL 92-583, as amended, which requires assurance of project consistency with the approved State management program developed under this Act.
- (e) The Endangered Species Act, 16 U.S.C. 1531, et seq., which requires that projects avoid disrupting threatened or endangered species and their habitats.
- (f) Executive Order 11593, Protection and Enhancement of the Cultural Environment, regarding preservation, restoration and maintenance of the historic and cultural environment.
- (g) Executive Order 11988, Floodplain Management, related to avoiding, to the extent possible, adverse impacts associated with floodplain occupancy, modification and development whenever there is a practicable alternative.
- (h) Executive Order 11990, Protection of Wetlands, related to avoiding, to the extent possible, adverse impacts associated with the destruction or modification of wetlands and avoiding support of construction in wetlands.
- (i) The Fish and Wildlife Coordination Act, PL 85-624, as amended, which requires that actions to control natural streams or other water bodies be undertaken to protect fish and wildlife resources and their habitats.
- (j) The Wild and Scenic Rivers Act, PL 90-542, as amended, related to protecting components or potential components of the national wild and scenic rivers system.
- (k) The federal statutes relating to nondiscrimination, including: The Civil rights Act of 1964, PL 88-352, which prohibits discrimination on the basis of race, color or national origin; the Age Discrimination Act, PL 94-135, which prohibits discrimination on the basis of age; Section 13 of the Federal Water Pollution Control Act, PL 92-500, which prohibits sex discrimination; the Rehabilitation Act of 1973, PL 93-112, as amended, which prohibits discrimination on the basis of handicaps.
- (l) Executive Order 11246, Equal Employment Opportunity, which provides for equal opportunity for all qualified persons.
- (m) Executive Orders 11625 and 12138, Women's and Minority Business Enterprise, which require that small, minority, and women's business and labor surplus areas are used when possible as sources of supplies, equipment, construction, and services.
- (n) The Demonstration Cities and Metropolitan Development Act of 1966, PL 89-754, as amended, which requires that projects be reviewed in accordance with state clearinghouse procedures.
- (o) The Amended Safe Drinking Water Act, PL 104-182, which sets forth requirements for public water systems.
- (p) The Coastal Barrier Resources Act, 16 U.S.C. 3501 et seq., regarding protection and conservation of the coastal barrier resources.
- (q) The Farmland Protection Policy Act, 7 U.S.C. 4201 et seq., regarding protection of agricultural lands from irreversible loss.
- (r) The Uniform Relocation and Real Property Acquisition Policies Act of 1970, PL 91-646, which provides for fair and equitable treatment of persons displaced or whose property is acquired as a result of federal or federally assisted programs.

(s) Section 306 of the Clean Air Act, Section 508 of the Clean Water Act and Executive Order 11738, which prohibit manufacturers, firms, or other enterprises on the EPA's list of Violating Facilities from participating in the Project.

(t) Executive Order 12549, Debarment and Suspension, which prohibits any award to a party which is debarred or suspended or is otherwise excluded from, or ineligible for, participation in federal assistance programs.

(u) Minority and Women's Business Enterprise participation in project work using numerical goals, established by the U.S. Environmental Protection Agency, and to be set forth in the specifications for construction and materials contracts.

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

Authorized Representative

Eugene L. Fultz
(signature)

Eugene Fultz

(name typed)

Signed this

18th

Day of

August

, 20

16

Attachments

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ATTACHMENT #8

SCHEDULE OF PRIOR AND PARITY LIENS

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

# 1 SRF - 5907P			# 2 SRF - 59110			# 3 SRF - 5912S		
Coverage %		115%	Coverage %		115%	Coverage %		115%
Insured (Yes/No)		No	Insured (Yes/No)		No	Insured (Yes/No)		No
# 4 SRF - 5913P			# 5 SRF - 59140			# 6 SRF - 53030		
Coverage %		115%	Coverage %		115%	Coverage %		115%
Insured (Yes/No)		No	Insured (Yes/No)		No	Insured (Yes/No)		No
Fiscal Year	Annual Debt Service (Principal + Interest)						Total Non-SRF Debt Service w/ coverage	Total SRF Debt Service w/coverage
	#1	#2	#3	#4	#5	#6		
1 2013 ' 14	104,174	50,907	87,147	61,746	16,542	172,345		Continued
2 2014 ' 15	104,174	50,907	87,147	61,746	23,542	255,170		Continued
3 2015 ' 16	104,174	50,907	87,147	61,746	23,542	255,170		Continued
4 2016 ' 17	104,174	50,907	87,147	61,746	23,542	255,170		Continued
5 2017 ' 18	104,174	50,907	87,147	61,746	23,542	255,170		Continued
6 2018 ' 19	52,087	50,907	87,147	61,746	23,542	255,170		Continued
7 2019 ' 20		50,907	87,147	61,746	23,542	255,170		Continued
8 2020 ' 21		50,907	87,147	61,746	23,542	255,170		Continued
9 2021 ' 22		50,907	87,147	61,746	23,542	255,170		Continued
10 2022 ' 23			87,147	61,746	23,542	255,170		Continued
11 2023 ' 24			43,574	61,746	23,542	255,170		Continued
12 2024 ' 25				61,746	23,542	255,170		Continued
13 2025 ' 26				61,746	23,542	255,170		Continued
14 2026 ' 27				61,746	23,542	255,170		Continued
15 2027 ' 28				30,873	23,542	255,170		Continued
16 2028 ' 29					23,542	255,170		Continued
17 2029 ' 30					23,542	255,170		Continued
18 2030 ' 31					23,542	255,170		Continued
19 2031 ' 32					5,474	98,618		Continued
20 2032 ' 33								Continued
21 2033 ' 34								Continued
22 2034 ' 35								Continued
23 2035 ' 36								Continued
24 2036 ' 37								Continued
25 2037 ' 38								Continued

ATTACHMENT #7

ATTACHMENT #8

SCHEDULE OF PRIOR AND PARITY LIENS

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

# 7		SRF - 530310		# 8		# 9		
Coverage %		115%		Coverage %		115%		
Insured (Yes/No)		No		Insured (Yes/No)		No		
# 10		# 11		# 12				
Coverage %		115%		Coverage %		115%		
Insured (Yes/No)		No		Insured (Yes/No)		No		
Fiscal Year	Annual Debt Service (Principal + Interest)						Total Non-SRF Debt Service w/ coverage	Total SRF Debt Service w/coverage
	#7	#8	#9	#10	#11	#12		
1 2013 ' 14							566,790	
2 2014 ' 15							670,089	
3 2015 ' 16							670,089	
4 2016 ' 17	357,612						1,081,343	
5 2017 ' 18	357,612						1,081,343	
6 2018 ' 19	357,612						1,021,443	
7 2019 ' 20	357,612						961,543	
8 2020 ' 21	357,612						961,543	
9 2021 ' 22	357,612						961,543	
10 2022 ' 23	357,612						903,000	
11 2023 ' 24	357,612						852,891	
12 2024 ' 25	357,612						802,781	
13 2025 ' 26	357,612						802,781	
14 2026 ' 27	357,612						802,781	
15 2027 ' 28	357,612						767,277	
16 2028 ' 29	357,612						731,773	
17 2029 ' 30	357,612						731,773	
18 2030 ' 31	357,612						731,773	
19 2031 ' 32	357,612						530,960	
20 2032 ' 33	357,612						411,254	
21 2033 ' 34	357,612						411,254	
22 2034 ' 35	357,612						411,254	
23 2035 ' 36	357,612						411,254	
24 2036 ' 37							-	
25 2037 ' 38							-	

ATTACHMENT #8

SCHEDULE OF PRIOR AND PARITY LIENS

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

# 1 Series 2003 Coverage %		
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SCHEDULE OF ACTUAL REVENUES AND DEBT COVERAGE FOR PLEDGED REVENUE

(Provide information for the two fiscal year proceeding the anticipated date of the SRF loan agreement)

	FY 2013'14	FY 2014'15
(a) Operating Revenues (Identify)		
Charges for Services	6,649,026	6,999,861
Tower Leases	183,572	200,744
(b) Interest Income	7,496	6,783
(c) Other Incomes and Revenues (Identify)		
Impact Fees	345,328	307,801
Misc. Revenue	5,600	(4,189)
(d) Total Revenues	7,191,022	7,511,000
(e) Operating Expenses (excluding interest on debt, depreciation, and other non-cash items)	4,778,811	4,748,611
(f) Net Revenues (f = d - e)	2,412,211	2,762,389
(g) Debt Service (including coverage) Excluding SRF Loans	1,272,833	1,194,068
(h) Debt Service (including coverage) for Outstanding SRF Loans	566,790	670,089
(i) Net Revenues After Debt Service (i = f - g -h)	572,588	898,233

Source:

Notes:

Effective October 1, 2015, the City increase utility rates by 14.5% for both water and sewer services.

SCHEDULE OF PROJECTED REVENUES AND DEBT COVERAGE FOR PLEDGED REVENUE

(Provide information for the two fiscal year proceeding the anticipated date of the SRF loan agreement)

	FY 2015'16	FY 2016'17	FY 2017'18	FY 2018'19	FY 2019'20
(a) Operating Revenues (Identify)					
Charges for Services	7,540,000	7,690,800	7,844,616	7,962,285	8,081,720
Tower Leases	185,000	200,000	200,000	200,000	200,000
(b) Interest Income	6,480	21,500	21,500	21,500	21,500
(c) Other Incomes and Revenues (Identify)					
Impact Fees	175,000	250,000	250,000	250,000	250,000
Misc. Revenue	1,000	5,000	5,000	5,000	5,000
(d) Total Revenues	7,907,480	8,167,300	8,321,116	8,438,785	8,558,220
(e) Operating Expenses 1	4,998,588	5,098,560	5,200,531	5,304,542	5,410,632
(f) Net Revenues (f = d - e)	2,908,892	3,068,740	3,120,585	3,134,244	3,147,587
(g) Existing Debt Service on Non-SRF Projects (including coverage)	1,207,605	1,065,331	181,512	181,501	181,490
(h) Existing SRF Loan Debt Service (including coverage)	670,089	1,081,343	1,081,343	1,021,443	961,543
(i) Total Existing Debt Service (i = g + h)	1,877,694	2,146,674	1,262,855	1,202,944	1,143,033
(j) Projected Debt Service on Non-SRF Future Projects (including Coverage)					
(k) Projected SRF Loan Debt Service (including coverage)	-	-	423,460	423,460	423,460
(l) Total Debt Service (Existing and Projected) (l = i + j + k)	1,877,694	2,146,674	1,686,315	1,626,404	1,566,493
(m) Net Revenues After Debt Service (m = f - l)	1,031,198	922,067	1,434,270	1,507,840	1,581,095

Source:

Notes: (i.e. rate increases, explanations, etc.)

1. For existing and proposed facilities, excluding interest on debt, depreciation, and other non-cash items.

2. For the Wate and Sewer Hwy 60 Expantion Project.

3. The City's utility rate structure has an annual automatic increase based on June's annual CIP or two and one half (2.5) percent, whichever is greater. Effective Oct. 1, 2015, the City implimented 14.5% rate increase.

LIST OF ATTACHMENTS

Please list all attachments that you are including with this application form.

[illegible]

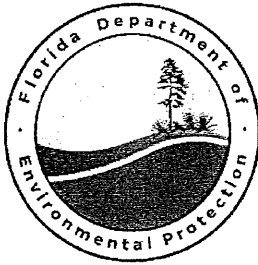
Attachment 1

Project Description

The project that will extend water and sanitary sewer lines from Henry Street through City easements to the Municipal Airport, down airport road to SR 60 then westerly to the intersection of SR 60 and North Acuff Road. The extension of the sewer force main and water main will provide a reliable method of sewage disposal and potable drinking water. Older drain fields can be unreliable when not tested and cleaned adequately and they can be problematical during seasonally wet times of the year when the water table is high. There is a new gravity collection area designed within the airport. The gravity system is designed so that the National Guard Armory, the FBO building, and a mobile home facility can easily eliminate their septic tank and drain fields and connect to the new system. These three facilities will immediately tie into the new system and eliminate their septic drain fields. An estimate of 6 additional facilities will eliminate their septic drain field in the future as more businesses connect to the new system. By extending the existing sewer force main and water main to the edge of the City's service area, the City can eliminate dependence, as much as possible on private septic tanks and drain fields and private wells for existing and new customers.

Estimated start date for construction would be November 2016 with a 270 day construction completion schedule.

ATTACHMENT #2



**Florida Department of
Environmental Protection**

Marjory Stoneman Douglas Building
3900 Commonwealth Boulevard
Tallahassee, Florida 32399-3000

Rick Scott
Governor

Carlos Lopez-Cantera
Lt. Governor

Jonathan P. Steverson
Secretary

August 5, 2016

Ms. Sarah Kirkland, Utilities Director
City of Lake Wales
201 W. Central Avenue
Lake Wales, FL 33853

Re: DW530320 – City of Lake Wales
SR 60 Utility Expansion

Dear Ms. Kirkland:

The planning document entitled "SR 60 W Utility Expansion" revised March, 2016, is in conformance with the program requirements set forth in Chapter 62-552, Florida Administrative Code. The effective date of this acceptance is August 5, 2016.

The plans and specifications entitled "State Road 60 Utilities Extension" are in conformance with State Revolving Fund program requirements. These documents are also accepted effective August 5, 2016.

Please submit the bidding information for this contract to us for review. Upon receipt of complete bidding information, the Department will authorize the contract award. Construction disbursement requests cannot be processed until this authorization has been issued and the construction loan agreement has been executed. All addenda and change orders issued for this contract must also be submitted for our review.

If you have any questions or need further information, please call me at (850) 245-2966.

Sincerely,

A handwritten signature in cursive script that reads "Bryan Goff".

Bryan Goff, P.E.
Project Manager
State Revolving Fund Program

BG/bg

www.dep.state.fl.us

ATTACHMENT #2

Construction Grant/Loan Allowance Calculation for Lake Wales

DW53032

This page is protected to allow automatic calculation of allowances. It is provided to you for reference only. DEP personnel will recalculate allowances based on the information provided to them. Only the items in blue need be inputted to calculate allowances.

Is this project for a construction grant? (Yes or No) No

If this project is for a construction grant what is the percentage? (0%, 85%, 65%) 0%

Did this project include a pre-construction loan or grant? no

Pre-construction Allowances:

	Administration	Engineering	Planning
Loan	0	0	0
Grant	0	0	0

Total Post-allowance Project Costs		Grant Related Post-allowance Project Costs	
Construction	2,399,811	Construction	
Eligible Land	50,455	Eligible Land	0
Contingency	245,027	Contingency	0
Technical Services	102,500	Technical Services	
Other	0	Other	0
Sum	2,797,793	Sum	0
Unallowable allowance costs	152,955	Unallowable allowance costs	0
Allowance basis	2,644,838	Allowance basis	0

Admin Allowance

Loan	Grant	Total
15,869	0	15,869

Construction Amount	
Loan	Grant
2,797,793	0

Engineering Allowance

The estimated Engineering Allowance is based on: 6.8% of the APA or 150,000

Loan	Grant	Total
179,849	0	179,849

Engineering Allowance Table

Estimated Project Cost	Engineering Allowance
Less than \$500,000	10.3% 21,000
At least \$500,000 but less than \$1,000,000	8.5% 52,000
At least \$1,000,000 but less than \$2,000,000	7.5% 85,000
At least \$2,000,000 but less than \$5,000,000	6.8% 150,000
At least \$5,000,000 but less than \$10,000,000	6.4% 375,000
At least \$10,000,000 but less than \$50,000,000	6.0% 640,000
At least \$50,000,000	5.7% 3,000,000

Planning Allowance

Note: the planning allowance is the same as calculated for a pre-construction loan/grant.

Loan	Grant	Total
0	0	0

Loan Repayment Reserve

Percentage	0.00%	Total

City declined to pursue allowances

0

Sum of above Allowances		
Loan	Grant	Total
0	0	0

Total Construction Cost		
Loan	Grant	Total
2,797,793	0	2,797,793

Loan Service Fee

A loan service fee is assessed on each

Percentage	2.00%	Total
		55,956

Attachment 3

The project has not been awarded as of yet. Once the project is awarded, the contract will be forwarded to the Department for approval.

Attachment 4

The project has not been awarded as of yet. Once the project is awarded, the contract will be fully executed and enforceable.

Attachment 5

Easements are still being acquired for the project. The order of taking is expected to happen in mid September. Once all easements have been acquired, a site certification acceptance will be requested from the Department.

ATTACHMENT #6

Mission:

To protect, promote & improve the health of all people in Florida through integrated state, county & community efforts.



Rick Scott
Governor

John H. Armstrong, MD, FACS
State Surgeon General & Secretary

Vision: To be the Healthiest State in the Nation

March 2, 2016

Notification of Acceptance of Use of a General Permit

Permittee:

Tom Moran
City of Lake Wales
201 W. Central Avenue
Lake Wales, FL 33853

Permit Number: 127318-150

Issue Date: March 2, 2016

Expiration Date: March 1, 2021

Project Name: City of Lake Wales SR 60 Utilities Extension

Water Supplier: Lake Wales

PWS ID: 6532234

Dear Mr. Moran:

On **February 4, 2016**, the Florida Department of Health Environmental Engineering received a "*Notice of Intent to Use the General Permit for Construction of Water Main Extensions for PWSs*" DEP Form No. 62-555.900(7)], under the provisions of Rule 62-4.530 and Chapter 62-555, Florida Administrative Code (F.A.C.). The proposed project consists of 12" potable water main approximately 4.6 miles westerly along SR 60 towards the limits of Lake Wales utility service area boundary. The utility mains are to be utilized by potential future development and existing customers along the route. The proposed 12" water main will connect to an existing 12" water main on Mulberry St and will dead end just east of the CSX Railroad on SR 60. Several directional bores and jack and bores are proposed. The water main also crosses under a stream.

Project Location: Polk

Based upon the submitted Notice and accompanying documentation, this correspondence is being sent to advise that the Department does not object to the use of such general permit at this time. Please be advised that the permittee is required to abide by Rule 62-555.405, F.A.C., all applicable rules in Chapters 62-4, 62-550, 62-555, F.A.C., and the General Conditions for All General Drinking Water Permits (found in 62-4.540, F.A.C.).

The permittee shall comply with all sampling requirements specific to this project. These requirements are attached for review and implementation. Pursuant to Rule 62-555.345, F.A.C., the permittee shall submit a certification of construction completion [DEP Form No. 62-555.900(9)] to the Department and obtain approval, or clearance, from the Department before placing any water main extension constructed under this general permit into operation for any purpose other than disinfection or testing for leaks.

Florida Department of Health in Polk County
ENVIRONMENTAL ENGINEERING
2090 East Clower Street • Bartow, FL 33830-6741
PHONE: (863) 519-8330 • FAX: (863) 534-0245 • www.MyPolkHealth.org

www.FloridaHealth.gov
TWITTER: HealthyFLA
FACEBOOK: FLDepartmentofHealth
YOUTUBE: fldoh
FLICKR: HealthyFla
PINTEREST: HealthyFla

ATTACHMENT #1

Tom Moran
City of Lake Wales
Page 2 of 3

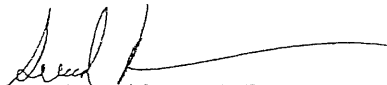
127318-150-DSGP-DEP

Within 30 days after the sale or legal transfer of ownership of the permitted project that has not been cleared for service in total by the Department, both the permittee and the proposed permittee shall sign and submit an application for transfer of the permit using Form 62-555.900(8), F.A.C., with the appropriate fee. The permitted construction is not authorized past the 30-day period unless the permit has been transferred.

This permit will expire five years from the date of issuance. If the project has been started and not completed by that time, a new permit must be obtained before the expiration date in order to continue work on the project, per Rule 62-4.030, F.A.C.

Should you have any questions, please contact me at (863) 519-8330 x 12135, or by email at Gerald.Robinson@flhealth.gov

Sincerely,



Gerald Robinson, P.E.
Professional Engineer III

Cc: Elisa Turner Harden, P.E. — Kimley-Horn and Associatesm, Inc.

File Copy: City of Lake Wales

Instructions for Clearing Water Mains

To obtain a clearance from this office, the following items must be submitted to the Department:

1) Clearance Form

Submission of a fully completed Department of Environmental Protection (DEP) Form 62-555.900(9) "*Certification of Construction Completion and Request for a Letter of Clearance to Place a Public Drinking Water Facility into Service.*"

2) Bacteriological Results

Copies of satisfactory bacteriological analyses taken from locations within the distribution system or water main extension to be cleared, in accordance with Rules 62-555.315 (6), 62-555.340 and 62-555.330, F.A.C. and American Water Works Association (AWWA) Standard C 651-92 as follows:

- *The endpoint of the proposed addition;*
- *Any water lines branching off a main extension;*
- *Every 1,200 feet of water main;*
- *Each location shall be sampled on two separate days (at least 6 hours apart) with sample point locations and chlorine residual readings **clearly indicated** on the report and/or drawings.*
- *Bacteriological sample results will be considered unacceptable if the tests were completed more than 60 days before the Department receives the results.*

3) Pressure Test Results

Copy of satisfactory pressure test results demonstrating compliance with AWWA Standard requirements.

Modifications

The permittee shall **submit written notification** to the Department before making modifications to the permitted project. The permittee may begin such changes seven days after providing notification unless they are advised otherwise by the department. Notification must include (a) *description of the scope and purpose*, (b) *location of the change*, and (c) assurance that the changes will comply with applicable requirements.

For further clarification contact:

Gerald Robinson
2090 E. Clower St., Bartow FL 33830
(863) 519-8330 ext. 12135
gerald.robinson@flhealth.gov

Attachment #7

CITY OF LAKE WALES UTILITY SYSTEM DEBT ISSUES

Debt Issue	Purpose
State Revolving Fund Loan - 5907P	Construction of Reclaimed Water Reuse Facilities
State Revolving Fund Loan - 59110	Construction of Reclaimed Water Reuse Facilities
State Revolving Fund Loan - 5912S	Construction of Sludge Dewatering Facilities
State Revolving Fund Loan - 5913P	Planning and Design of Wastewater Treatment Plant Expansion
State Revolving Fund Loan - 59140	Planning and Design of Wastewater Treatment Plant Rehabilitation and Expansion
State Revolving Fund Loan - 53030	Major Sewer Rehabilitation/Replacement C Street Phase 1
State Revolving Fund Loan - 530310	Major Sewer Rehabilitation/Replacement C Street Phase 2

Capital Improvement Revenue Note, Series 2003	Advanced Refund of Capital Improvements Bond for Infrastructure Improvements
Utility System Revenue Note, Series 2005	Construction of chlorine contact chamber and reuse facilities
Utility System Refunding Note, Series 2006A	Refund of outstanding 1996 Utility System Improvement Refunding Revenue Bonds
Utility System Revenue Note, Series 2006B	Construction of water and wastewater system improvements

Attachment #9

August 16, 2016

Tommy Williams
Sr. Management Analyst
Division of Water Restoration Assistance
3900 Commonwealth Boulevard MS3505
Tallahassee, Fl. 32399-3000

Re: DW530320-City of Lake Wales
SR 60 Utility Expansion

Dear Mr. Williams:

I am the duly appointed City Attorney for the City of Lake Wales. The City proposes to borrow \$2,797,793 from the State Revolving Fund for water transmission systems for the State Road 60 Western Expansion. The loan will be secured by the net revenues of the City's water and sewer system and the pledged revenues are legally available to pledge. The City of Lake Wales has the legal authority to increase rates to ensure repayment of the loan.

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

- (1) SRF-5907P
- (2) SRF-59110
- (3) SRF-5912S
- (4) SRF-5913P
- (5) SRF-95140
- (6) SRF-53030
- (7) SRF-530310
- (8) Series 2003
- (9) Series 2005
- (10) Series 2006A
- (11) Series 2006B

Sincerely,

Albert C. Galloway
City Attorney

Attachment #10

RESOLUTION 2016-19

“A RESOLUTION OF CITY OF *LAKE WALES*, FLORIDA, RELATING TO THE STATE REVOLVING FUND LOAN PROGRAM; MAKING FINDINGS; AUTHORIZING THE LOAN APPLICATION; AUTHORIZING THE LOAN AGREEMENT; ESTABLISHING PLEDGED REVENUES; DESIGNATING AUTHORIZED REPRESENTATIVES; PROVIDING ASSURANCES; PROVIDING FOR CONFLICTS, SEVERABILITY, AND EFFECTIVE DATE.”

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

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

WHEREAS, the State Revolving Fund loan priority list designates **Project No. DW530320** as eligible for available funding; and

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

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF LAKE WALES, FLORIDA, AS FOLLOWS:

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

SECTION II. The City of Lake Wales, Florida, is authorized to apply for a loan to finance the Project.

SECTION III. The revenues pledged for the repayment of the loan are net water and sewer system revenues after payment of debt service on the Utility System Refunding Revenue Note, Series 2006 A, Utility System Note, Series 2006B, and other obligations as shown on Exhibit “A”.

SECTION IV. The Mayor is hereby designated as the authorized representative to provide the assurances and commitments required by the loan application.

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

SECTION VI. The legal authority for borrowing moneys to construct this Project is Section 166.111, Florida Statutes.

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

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

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

PASSED and ADOPTED this _____ Day of August 2016.

ATTEST

APPROVED AS TO FORM AND
LEGALITY

City Clerk-Clara VanBlargan

City Attorney-Albert C Galloway

Mayor-Eugene Fultz