

STATE OF FLORIDA
DEPARTMENT OF ENVIRONMENTAL PROTECTION

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

LOAN APPLICATION



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

TABLE OF CONTENTS

	Page Number
LOAN APPLICATION	
(1) SUBMITTAL	1
(2) COMPLETING THE APPLICATION.....	1
(3) ASSISTANCE	1
PART I - ADMINISTRATIVE INFORMATION	
(1) PROJECT SPONSOR	1
(2) AUTHORIZED REPRESENTATIVE	1
(3) PRIMARY CONTACT	1
(4) ADDITIONAL CONTACTS	1
(5) PROJECT NUMBER	1
(6) INTERIM FINANCING.....	1
PART II - PROJECT INFORMATION	
A. PRECONSTRUCTION PROJECT	
(1) ACTIVITIES	2
(2) SCHEDULE	2
(3) COST.....	2
B. CONSTRUCTION PROJECT	
(1) ACTIVITIES	2
(2) SCHEDULE	3
(3) COST	3
PART III - FINANCIAL INFORMATION	
(1) PRINCIPAL	3
(2) TERMS AND REPAYMENT	3
(3) ANNUAL FUNDING LIMIT	3
(4) INFORMATION ON LIENS	3
(5) ACTUAL AND PROJECTED REVENUES.....	4
(6) AVAILABILITY OF PLEDGED REVENUES	4
(7) LOAN SERVICE FEE	4
PART IV - AUTHORIZATION AND ASSURANCES	
(1) AUTHORIZATION	4
(2) ASSURANCES	4
PART V - SUPPLEMENTARY INFORMATION	
SCHEDULE OF PRIOR AND PARITY LIENS	7
SCHEDULE OF ACTUAL REVENUES AND DEBT COVERAGE	8
SCHEDULE OF PROJECTED REVENUES AND DEBT COVERAGE	9
LIST OF ATTACHMENTS.....	10

LOAN APPLICATION

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

PART I - ADMINISTRATIVE INFORMATION

- (1) **PROJECT SPONSOR** City of Lake Wales
Federal Employer Identification Number 59-6000357
DUNS Number _____
- (2) **AUTHORIZED REPRESENTATIVE** (person authorized to sign or attest loan documents).
Name Jack Hilligoss Title Mayor
Telephone 863-678-4182 Email jhilligoss@lakewalesfl.gov
Mailing Address 201 W Central Ave, Lake Wales, Florida 33853
- (3) **PRIMARY CONTACT** (person to answer questions regarding this application).
Name Sarah B. Kirkland Title Director of Utilities
Telephone 863-678-4182 Email skirkland@lakewalesfl.gov
Employer City of Lake Wales
Mailing Address 201 W Central Ave, Lake Wales, Florida 33853
- (4) **ADDITIONAL CONTACTS.** If more than one additional person is to receive copies of Department correspondence, attach the information (*Attachment #* _____).
Name Dorothy Abbott Title Director of Finance
Telephone 863-678-4182 Email dabbott@lakewalesfl.gov
Employer City of Lake Wales
Mailing Address 201 W Central Ave, Lake Wales, Florida 33853
- (5) **PROJECT NUMBER** (listed on the Department's priority list). DW5303B
- (6) **INTERIM FINANCING.** A local government project sponsor that has interim financing may be subject to certain conditions regarding such financing.
Is the project currently being funded with interim financing? Yes No

PART II – PROJECT INFORMATION

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

A. PLANNING OR DESIGN PROJECT

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

- (1) **ACTIVITIES.** Attach a brief description of the scope of planning and design activities to be financed by this loan. Include a list of any engineering services to be performed. (*Attachment #* _____) Are these activities the same as those scheduled on the *Request for Inclusion Form*? Yes No. If “No”, please explain. (*Attachment #* _____)
- (2) **SCHEDULE.**
 - (a) Provide proposed completion dates for the items. (Please call Department staff to discuss time frames needed to complete required tasks.)

Planning documentation	
Engineering design	
Certification of site availability	
Permitting	
 - (b) Do you anticipate that an interlocal agreement with another party will be necessary to implement the project? If “Yes”, please explain. (*Attachment #* _____) Yes No
 - (c) Is this a design/build project? Yes No
 - (3) **COST.** Is the cost information submitted for the planning or design loan priority list current? If “No”, please explain and submit revised cost information using the appropriate page of the *Request for Inclusion Form*. (*Attachment #* _____) Note that the disbursable amount will be limited to the priority list amount. Yes No

PLANNING OR DESIGN APPLICANTS PROCEED TO PART III.

B. CONSTRUCTION PROJECT

- (1) **ACTIVITIES.**
 - (a) Attach a brief description of construction activities to be financed by this loan. Include a list of the contracts (by title) corresponding to the plans and specifications accepted by the Department (*Attachment #* 1).

Are these contracts the same as those scheduled on the <i>Request for Inclusion Form</i> ?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If “No”, please explain. (<i>Attachment #</i> _____)	
 - (b) Have any of the contracts been bid? Yes No

If “Yes”, indicate which contracts have been bid. (*Attachment #* _____)
 - (c) Was planning or design for this project financed in another SRF loan? Yes No

If “Yes”, give the SRF loan number. _____
 - (d) Does this project involve an interlocal agreement with other local governments or other entities? Yes No

If “Yes”, attach a copy of the Department letter accepting the interlocal agreement. (*Attachment #* _____)

Is the interlocal agreement, as accepted by the Department, fully executed and enforceable? Yes No

If "No", please explain (*Attachment #*_____).

- (2) SCHEDULE. (month and year)
- (a) Anticipated notice to proceed for first construction contract. 3/1/2023
- (b) Anticipated completion of all construction contracts. 3/30/2024
- (3) COST. Is the cost information submitted for the priority list current? Yes No

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

PART III - FINANCIAL INFORMATION

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

- (1) PRINCIPAL. The requested amount of the loan which does not include capitalized interest is \$3,670,000.00

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

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

What is the useful life of the project? 20 (years)

Over how many years would you like to amortize the loan? 20 (years)

- (b) List all revenues that are to be pledged for repayment of this loan. Utility system revenues.
- (c) Pledged revenue receipts or collections by the project sponsor must exceed the amount of the repayments due to the Department unless there are other collateral provisions. The excess revenue, or coverage, generally is 15% of each repayment.

What coverage is proposed for the loan? 15% (coverage percentage)

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

If "Yes", please list. (*Attachment #*_____)

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

(4) INFORMATION ON LIENS.

- (a) Describe, if applicable, all debt obligations having a prior or parity lien on the revenues pledged to repay this loan. (*Attachment #2*) For example: City Name, Florida, Water and Sewer System Revenue Bonds, Series 1996, issued in the amount of \$10,000,000, pursuant to Ordinance No. 93-104, as amended and supplemented by Ordinance No. 96-156.
- (b) Using the Part V, *Schedule of Prior and Parity Liens*, provide debt service information, if applicable, on each prior and parity obligation.

- (c) For the listed obligations, provide a copy of the ordinance(s), resolution(s), official statement(s), or pages thereof, setting forth the definitions, use of proceeds, debt service schedule, pledged revenues, rate covenants, provisions for issuing additional debt, provisions for bond insurance, and debt rating. (*Attachment #9*).
 - (d) Describe any other notes and loans payable from the revenues pledged to repay this loan. (*Attachment #2*).
- (5) ACTUAL AND PROJECTED REVENUES.
- (a) Complete the Part V, *Schedule of Actual Revenues and Debt Coverage* for the past two fiscal years. (*Attachment #5*)
 - (b) Complete the Part V, *Schedule of Projected Revenues and Debt Coverage*, demonstrating the availability of pledged revenues for loan repayment. (*Attachment #6*)
- (6) AVAILABILITY OF PLEDGED REVENUES. All sources must be supported by a written legal opinion. (*Attachment #3*) The opinion must address the following:
- (a) Availability of the revenues to repay the loan.
 - (b) Right to increase rates at which revenues shall be collected to repay the loan.
 - (c) Subordination of the pledge if pledged revenues are subject to a prior or parity lien.
- (7) LOAN SERVICE FEE. A loan service fee is assessed on each loan. The fee is not part of the loan. The fee along with interest thereon will be deducted from the first available repayments after the final amendment to the loan agreement.

PART IV – AUTHORIZATION AND ASSURANCES

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

5. Chapter 258, Part III, F.S., which requires protection of components or potential components of the national wild and scenic rivers system.
6. Chapter 267, F.S., the "Florida Historical Resources Act" which requires identification, protection, and preservation of historic properties, archaeological and anthropological sites.
7. Chapter 287, Part I, F.S., which prohibits parties convicted of public entity crimes or discrimination from participating in State-assisted projects and which requires consideration of the utilization of Minority Business Enterprises in State-assisted projects.
8. Chapter 372, F.S., the Florida Endangered and Threatened Species Act which prohibits the killing or wounding of an endangered, threatened, or special concern species or intentionally destroying their eggs or nest.
9. Chapter 373, Part IV, F.S., Florida Water Resources Act of 1972, which requires that activities on surface waters or wetlands avoid adversely affecting: public health, safety, welfare, or property; conservation of fish and wildlife, including endangered or threatened species or their habitats; navigation or the flow of water; the fishing or recreational values or marine productivity; and significant historical and archaeological resources.
10. Chapter 380, Part I, F.S., Florida Environmental Land and Water Management Act of 1972 as it pertains to regulation of developments and implementation of land and water management policies.
11. Chapter 381, F.S., Public Health, as it pertains to regulation of onsite wastewater systems.
12. Chapter 403, Part I, F.S., Florida Air and Water Pollution Control which requires protection of all waters of the state.
13. Chapter 582, F.S., Soil and Water Conservation Act which requires conformance with Water Management District's regulations governing the use of land and water resources.
14. Governor's Executive Order 95-359, which requires State Clearinghouse review of project planning documentation and intergovernmental coordination.

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.

Signed this _____ Day of _____, 20 _____

Authorized Representative _____ Jack Hilligoss
(signature) *(name typed or printed)*

Attachments

Attachment #1

City of Lake Wales PWS ID# 6532235. The proposed project includes replacing approximately twelve thousand eight hundred (12,800) linear feet of asbestos cement pipe, upsizing of five thousand three hundred (5,300) linear feet of galvanized pipe, extending five hundred (500) linear feet of new pipe, and replacing approximately two hundred twenty (220) water service connections. The purposes of this water main extension is to replace existing water main that has reached the end of its useful service life, upgrade some existing areas, and new water main to complete the looping of the overall water system.

ATTACHMENT #2
CITY OF LAKE WALES,
UTILITY SYSTEM DEBT ISSUES

Debt Issue	Purpose
State Revolving Loan Fund 530380	Major Sewer Rehabilitation/Replacement C Street Phase 3
State Revolving Loan Fund- WW531350	Reuse Pump house Upgrades
State Revolving Loan Fund- SW53030A	Watershed Master Plan
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
State Revolving Fund Loan - 530320	Construction of SR 60 Western Sewer Expansion
State Revolving Fund Loan - 530330	Construction of SR 60 Western Water Expansion
State Revolving Loan Fund DW531301	WTP#3 Ground Storage Tank/Water main Replacement Phase 1 2019
State Revolving Loan Fund DW530390	Park Water System Acquisition
State Revolving Loan Fund DW53036	Septic to Sewer Conversion & FM Extension

State Revolving Loan Fund DW53037	Northwest Water main Expansion
State Revolving Loan Fund DW5303B	Lake Wales Water main Improvements Phase 2
Utility System Revenue Note, Series 2006B	Construction of water and wastewater system improvements

LAW OFFICES

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

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

July 6, 2022

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

Re: DW5303B – City of Lake Wales
Lake Wales Water main Replacement Phase 2

Dear Ms. Knecht:

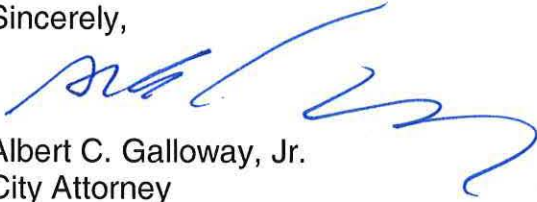
I am the duly appointed City Attorney for the City of Lake Wales. The City proposes to borrow \$3,670,000.00 from the State Revolving Fund for construction of the Lake Wales A/C Pipe Replacement-Water main Replacement Ph 2 project. The loan will be secured by the net revenues of City of Lake Wales water 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. State Revolving Loan Fund 530380-Major Sewer Rehabilitation/Replacement C Street Ph. 3
2. State Revolving Loan Fund-WW531350- Reuse Pump house Upgrades
3. State Revolving Loan Fund-SW53030A- Watershed Master Plan
4. State Revolving Fund Loan 5912S- Construction of Sludge Dewatering Facilities
5. State Revolving Fund Loan 5913P- Planning and Design of Wastewater Treatment Plant Expansion
6. State Revolving Fund Loan 59140- Planning and Design of Wastewater Treatment Plant Rehabilitation and Expansion
7. State Revolving Fund Loan 53030- Major Sewer Rehabilitation/Replacement C Street Ph. 1
8. State Revolving Fund Loan 530310- Major Sewer Rehabilitation/Replacement C Street Ph. 2
9. State Revolving Fund Loan WW530320-Construction of SR 60 Western Sewer Expansion
10. State Revolving Fund Loan DW530330-Construction of SR 60 Western Water Expansion

11. State Revolving Loan Fund DW531301- WTP#3 Ground Storage Tank/Water main Replacement Phase 1 2019
12. State Revolving Loan Fund DW530390- Park Water System Acquisition
13. State Revolving Loan Fund DW53036- Septic to Sewer Conversion & FM Extension
14. State Revolving Loan Fund DW53037- Northwest Water main Expansion
15. State Revolving Loan Fund DW5303B - Lake Wales Water main Replacement Phase 2
16. Utility System Revenue Note, Series 2006B- Construction of water and wastewater system improvements

Sincerely,



Albert C. Galloway, Jr.
City Attorney

Cc: James Slaton, City Manager
Sarah Kirkland, Utilities Director

ATTACHMENT #4

RESOLUTION 2022-23

“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 water system extension and upgrade; 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. DW5303B Lake Wales Water main Replacement Phase 2 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 Utility System Revenues*.

SECTION IV. The *City Manager* 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 July 2022.

ATTEST

APPROVED AS TO FORM AND
LEGALITY

City Clerk

City Attorney

Mayor

ATTACHMENT #4

CITY OF LAKE WALES, FLORIDA RESOLUTION

2022-23

EXHIBIT "A"

UTILITY SYSTEM DEBT ISSUES

Debt Issue	Purpose
State Revolving Loan Fund 530380	Major Sewer Rehabilitation/Replacement C Street Phase 3
State Revolving Loan Fund- WW531350	Reuse Pump house Upgrades
State Revolving Loan Fund- SW53030A	Watershed Master Plan
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
State Revolving Fund Loan - 530320	Construction of SR 60 Western Sewer Expansion
State Revolving Fund Loan - 530330	Construction of SR 60 Western Water Expansion
State Revolving Loan Fund DW531301	WTP#3 Ground Storage Tank/Water main Replacement Phase 1 2019
State Revolving Loan Fund DW530390	Park Water System Acquisition

State Revolving Loan Fund DW53036	Septic to Sewer Conversion & FM Extension
State Revolving Loan Fund DW53037	Northwest Water main Expansion
State Revolving Loan Fund DW 5303B	Lake Wales Water main Replacement Phase 2
Utility System Revenue Note, Series 2006B	Construction of water and wastewater system improvements