



**FLORIDA DEPARTMENT OF
ENVIRONMENTAL PROTECTION**
BOB MARTINEZ CENTER
2600 BLAIRSTONE ROAD
TALLAHASSEE, FLORIDA 32399-2400

RICK SCOTT
GOVERNOR

CARLOS LOPEZ-CANTERA
LT. GOVERNOR

HERSCHEL T. VINYARD JR.
SECRETARY

October 14, 2014

Mr. James Varnado
Treasury Debt Manager
City of Orlando
400 South Orange Avenue Floor 8
Orlando, Florida 32802

Re: WW480420 - Orlando
Collection & Transmission Facilities

Dear Mr. Varnado:

Attached is proposed Amendment 1 to the State Revolving Fund loan agreement for your collection and transmission facilities project.

Please have the officials designated on page 7 sign two copies and return them to us within three weeks at 2600 Blair Stone Road, Mail Station 3505, Tallahassee, Florida, 32399-2400. **The Clerk's seal is required.** We will arrange for the documents to be signed and mail a fully executed original to you.

We appreciate your participation in the State Revolving Fund loan program. If you have any questions about the loan amendment, please call Tommy Williams at 850/245-8364.

Sincerely,

Angela Knecht, Program Administrator
State Revolving Fund Management

AK/tw

Attachment

cc: Honorable Buddy Dyer - City of Orlando
Richard Howard - City of Orlando
Diane Kemp - CDM Smith
Rob Visser - City of Orlando

**AMENDMENT 1 TO LOAN AGREEMENT WW480420
CITY OF ORLANDO**

This amendment is executed by the STATE OF FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION (Department) and the CITY OF ORLANDO, FLORIDA, (the "Local Government") existing as a local governmental agency under the laws of the State of Florida.

WITNESSETH:

WHEREAS, the Department and the Local Government entered into a Clean Water State Revolving Fund Loan Agreement, Number WW480420, authorizing a Loan amount of \$2,633,566, excluding Capitalized Interest; and

WHEREAS, the Local Government is entitled to additional financing of \$282,492, excluding Capitalized Interest; and

WHEREAS, revised provisions for audit and monitoring are needed; and

WHEREAS, a Financing Rate must be established for the additional financing amount awarded in this amendment; and

WHEREAS, a Loan Service Fee must be estimated for the additional financing; and

WHEREAS, the Semiannual Loan Payment amount needs revision to reflect an adjustment in the Loan amount; and

WHEREAS, the Project costs need adjustment to reflect revised estimates, and

WHEREAS, Loan repayment activities need rescheduling to give the Local Government additional time to complete construction.

NOW, THEREFORE, the parties hereto agree as follows:

1. Section 1.01(18) of the Agreement is deleted and replaced as follows:

(18) "Senior Revenue Obligations" shall mean the following debt obligations:

(a) City of Orlando, Florida, Wastewater System Refunding and Improvement Revenue Bonds, Series 2013, issued in the amount of \$36,170,000, pursuant to Ordinance No. 2012-53; and

(b) Additional bonds issued on a parity with the bonds identified above pursuant to Section 20(R) of Ordinance No. 2012-53; and

(c) Any refunding bonds issued to refund the obligations identified above provided such bonds shall not increase annual debt service during the repayment period of this Loan.

2. Section 2.03 of the Agreement is deleted in its entirety and replaced as follows:

The Local Government 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
CS-12000114-0	EPA	66.458	Capitalization Grants for State Revolving Funds	\$2,916,058	140131

(2) Audits.

(a) In the event that the Local Government expends \$500,000 or more in Federal awards in its fiscal year, the Local Government must have a single or program-specific audit conducted in accordance with the provisions of OMB Circular A-133, as revised. Subsection 2.03(1) of this Agreement indicates that Federal funds are awarded through the Department by this Agreement. In determining the Federal awards expended in its fiscal year, the Local Government shall consider all sources of Federal awards, including Federal resources received from the Department of Environmental Protection. The determination of amounts of Federal awards expended should be in accordance with the guidelines established by OMB Circular A-133, as revised. An audit of the Local Government conducted by the Auditor General in accordance with the provisions of OMB Circular A-133, as revised, will meet the requirements of this part.

(b) In connection with the audit requirements addressed in the preceding paragraph (a), the Local Government shall fulfill the requirements relative to auditee responsibilities as provided in Subpart C of OMB Circular A-133, as revised.

(c) If the Local Government expends less than \$500,000 in Federal awards in its fiscal year, an audit conducted in accordance with the provisions of OMB Circular A-133, as revised, is not required. The Local Government shall inform the Department of findings and recommendations pertaining to the State Revolving Fund in audits conducted by the Local Government in which the \$500,000 threshold has not been met. In the event that the Local Government expends less than \$500,000 in Federal awards in its fiscal year and elects to have an audit conducted in accordance with the provisions of OMB Circular A-133, as revised, the cost of the audit must be paid from non-Federal resources (i.e., the cost of such an audit must be paid from Local Government resources obtained from other than Federal entities).

(d) The Local Government may access information regarding the Catalog of Federal Domestic Assistance (CFDA) via the internet at www.cfda.gov/index?ck=1&au=&ck=.

(3) Report Submission.

(a) Copies of reporting packages for audits conducted in accordance with OMB Circular A-133, as revised, and required by Subsection 2.03(2) of this Agreement shall be submitted, when required by Section .320 (d), OMB Circular A-133, as revised, by or on behalf of the Local Government directly to each of the following:

(i) The Department at the following address:

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

(ii) The Federal Audit Clearinghouse designated in OMB Circular A-133, as revised (the number of copies required by Sections .320 (d)(1) and (2), OMB Circular A-133, as revised, should be submitted to the Federal Audit Clearinghouse), at the following address:

Federal Audit Clearinghouse
Bureau of the Census
1201 East 10th Street
Jeffersonville, IN 47132

Submissions of the Single Audit reporting package for fiscal periods ending on or after January 1, 2008, **must be** submitted using the Federal Clearinghouse's Internet Data Entry System which can be found at <http://harvester.census.gov/fac/>

(iii) Other Federal agencies and pass-through entities in accordance with Sections .320(e) and (f), OMB Circular A-133, as revised.

(b) Pursuant to Section .320(f), OMB Circular A-133, as revised, the Local Government shall submit a copy of the reporting package described in Section .320(c), OMB Circular A-133, as revised, and any management letters issued by the auditor, to the Department at the address listed under Subsection 2.03(3)(a) 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 OMB Circular A-133, 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) Local Governments, when submitting financial reporting packages to the Department for audits done in accordance with OMB Circular A-133, 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 Local Government in correspondence accompanying the reporting package.

(4) Record Retention.

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

The Local Government is hereby advised that the Federal and/or Florida Single Audit Act Requirements may further apply to lower tier transactions that may be a result of this Agreement. For federal financial assistance, the Local Government shall utilize the guidance provided under OMB Circular A-133, Subpart B, Section ___.210 for determining whether the relationship represents that of a subrecipient or vendor.

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

(5) Monitoring.

In addition to reviews of audits conducted in accordance with OMB Circular A-133, 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 OMB Circular A-133, as revised, and/or other procedures. By entering into this Agreement, the Local Government agrees to comply and cooperate with any monitoring procedures/processes deemed appropriate by the Department. In the event the Department determines that a limited scope audit of the Local Government is appropriate, the Local Government agrees to comply with any additional instructions provided by the Department to the Local Government regarding such audit. The Local Government further agrees to comply and cooperate with any inspections, reviews, investigations, or audits deemed necessary by the Chief Financial Officer or Auditor General.

3. Subsections 8.08(1) and (2) of the Agreement are deleted and replaced as follows:

(1) The Local Government 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. Local Governments 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 Local Government must use Standard Form 1445 or equivalent documentation to memorialize the interviews. Copies of the SF 1445 are available from EPA on request.

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

4. Additional financing in the amount of \$282,492, excluding Capitalized Interest, is hereby awarded to the Local Government.

5. A Financing Rate of 1.96 percent per annum is established for the additional financing amount awarded in this amendment. Individually, the interest rate is 1.96 percent per annum and the Grant Allocation Assessment rate is 0 percent per annum. However, if this amendment is not executed by the Local Government and returned to the Department before January 1, 2015, the Financing Rate may be adjusted.

6. The estimated principal amount of the Loan is hereby revised to \$2,979,858, which consists of \$2,916,058 authorized for disbursement to the Local Government and \$63,800 of Capitalized Interest. This total consists of the following:

(a) Original Agreement of \$2,694,066, including \$2,633,566 authorized for disbursement to the Local Government and \$60,500 of Capitalized Interest, at a Financing Rate of 1.59 percent per annum (the interest rate is 1.59 percent per annum and the Grant Allocation Assessment rate is 0 percent per annum); and

(b) Amendment 1 of \$285,792, including \$282,492 authorized for disbursement to the Local Government and \$3,300 of Capitalized Interest, at a Financing Rate of 1.96 percent per annum (the interest rate is 1.96 percent per annum and the Grant Allocation Assessment rate is 0 percent per annum).

7. An additional Loan Service Fee in the amount of \$5,650, for a total of \$58,321, is hereby estimated. The fee represents two percent of the Loan amount excluding Capitalized Interest, that is, two percent of \$2,916,058.

8. The Semiannual Loan Payment amount is hereby revised and shall be in the amount of \$89,277. Such payments shall be paid to, and must be received by, the Department beginning on July 15, 2016 and semiannually thereafter on January 15 and July 15 of each year until all amounts due hereunder have been fully paid. Until this Agreement is further amended, each Semiannual Loan Payment will be proportionally applied toward repayment of the amounts owed on each incremental Loan amount at the date such payment is due.

The Semiannual Loan Payment amount is based on the total amount owed of \$3,038,179, which consists of the Loan principal plus the estimated Loan Service Fee.

9. The Local Government and the Department acknowledge that the actual Project costs have not been determined as of the effective date of this agreement. Project cost adjustments may be made as a result of construction bidding or Project changes agreed upon by the

Department. Capitalized Interest will be recalculated based on actual dates and amounts of Loan disbursements. If the Local Government receives other governmental financial assistance for this Project, the costs funded by such other governmental assistance will not be financed by this Loan. The Department shall establish the final Project costs after its final inspection of the Project records. Changes in Project costs may also occur as a result of the Local Government's Project audit or a Department audit.

Funds disbursed in accordance with Section 4.08 of this Agreement shall be disbursed in the order in which they have been obligated without respect to budgetary line item estimates. All disbursements shall be made from the original Loan amount until that amount has been disbursed; the Financing Rate established for the original Loan amount shall apply to such disbursements for the purpose of determining the associated Capitalized Interest and repayment amount. The Financing Rate established for any additional increment of Loan financing shall be used to determine the Capitalized Interest and repayment amount associated with the funds disbursed from that increment.

The estimated Project costs are revised as follows:

CATEGORY	COST(\$)
Allowance costs	259,490
Construction and Demolition	2,530,065
Contingencies	126,503
SUBTOTAL (Disbursable Amount)	2,916,058
Capitalized Interest	63,800
TOTAL (Loan Principal Amount)	2,979,858

10. Section 10.07 of the Agreement is deleted and replaced as follows:

- (1) Completion of Project construction is scheduled for January 15, 2016.
- (2) The Loan Debt Service Account shall be established and Monthly Loan Deposits shall begin no later than January 15, 2016.
- (3) The initial annual certification required under Subsection 2.01(10) of this Agreement shall be due April 15, 2016. Thereafter the certification shall be submitted no later than September 30 of each year until the final Semiannual Loan Payment is made.
- (4) The first Semiannual Loan Payment in the amount of \$89,277 shall be due July 15, 2016.

11. All other terms and provisions of the Loan Agreement shall remain in effect.

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This Amendment 1 to Loan Agreement WW480420 shall 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 Program Administrator and the Local Government has caused this Agreement to be executed on its behalf by its Authorized Representative and by its affixed seal. The effective date of this Agreement shall be as set forth below by the Program Administrator.

for

CITY OF ORLANDO

Mayor

Attest:

Approved as to form and legal sufficiency:

City Clerk

City Attorney

SEAL

APPROVED AND ACCEPTED BY THE STATE OF FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION.

Program Administrator
State Revolving Fund

Date