

**STATE REVOLVING FUND  
AMENDMENT 2 TO LOAN AGREEMENT DW580430  
CITY OF VENICE**

This amendment is executed by the STATE OF FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION (Department) and the CITY OF VENICE, 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”.

The Department and the Project Sponsor entered into a Drinking Water State Revolving Fund Loan Agreement, Number DW580430, as amended, authorizing a Loan amount of \$6,031,449, excluding Capitalized Interest; and

The Project Sponsor is entitled to additional financing in the amount of \$2,137,000, excluding Capitalized Interest; and

Loan repayment activities need rescheduling to give the Project Sponsor additional time to complete construction; and

Certain provisions of the Agreement need revision and several provisions need to be added to the Agreement.

The Parties hereto agree as follows:

1. Subsection 1.01(13) of the Agreement is deleted and replaced as follows:

“Project” shall mean the works financed by this Loan and shall consist of furnishing all labor, materials, and equipment to construct the supply, treatment & distribution project in accordance with the plans and specifications accepted by the Department for the following contracts:

- (a) “Water Main Replacement – Phase 4”.
- (b) “Water Main Replacement – Phase 5”.
- (c) **“Water Main Replacement – Phase 6”.**
- (d) “Replacement Well 7AW”.
- (e) “East Gate - Phase 1”.

The Project is in agreement with the Water Facilities Plan, dated November 17, 2015. A Florida Categorical Exclusion Notification was published on October 13, 2015 and no adverse comments were received. The Project is an Equivalency Project as defined in Chapter 62-552, Florida Administrative Code.

2. Subsections 2.03(1) and (5) of the Agreement are deleted and replaced as follows:

(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
FS984522-160	EPA	66.468	Capitalization Grants for Drinking Water State Revolving Fund	\$8,168,449	140129

(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.

3. Additional financing in the amount of \$2,137,000, excluding Capitalized Interest, is hereby awarded to the Project Sponsor.

4. An interest rate of 1.45 percent per annum is established for the additional financing amount awarded in this amendment; however, if this amendment is not executed by the Project Sponsor and returned to the Department before April 1, 2019, the interest rate may be adjusted.

5. The estimated principal amount of the Loan is hereby revised to \$8,286,349, which consists of \$8,168,449 authorized for disbursement to the Project Sponsor and \$117,900 of Capitalized Interest. This total consists of the following:

(a) Original Agreement in the amount of \$3,455,395, including \$3,395,595 authorized for disbursement to the Project Sponsor and \$59,800 of Capitalized Interest, at an interest rate of 0.86 percent per annum; and

(b) Amendment 1 in the amount of \$2,669,954, including \$2,635,854 authorized for disbursement to the Project Sponsor and \$34,100 of Capitalized Interest, at an interest rate of 1.16 percent per annum; and

(c) Amendment 2 in the amount of \$2,161,000, including \$2,137,000 authorized for disbursement to the Project Sponsor and \$24,000 of Capitalized Interest, at an interest rate of 1.45 percent per annum.

6. An additional Loan Service Fee in the amount of \$42,740, for a total of \$163,369, is hereby estimated. The fee represents two percent of the Loan amount excluding Capitalized Interest; that is, two percent of \$8,168,449.

7. The Semiannual Loan Payment amount is hereby revised and shall be in the amount of \$236,194. Such payments shall be received by the Department on April 15, 2021 and semiannually thereafter on October 15 and April 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, after deduction of the Loan Service Fee is complete, 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 \$8,449,718, which consists of the Loan principal plus the estimated Loan Service Fee.

8. The Project Sponsor and the Department acknowledge that the actual cost of the Project has not been determined. 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.

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 interest 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 interest 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	PROJECT COSTS (\$)
Construction and Demolition	7,322,517
Contingencies	422,966
Technical Services After Bid Opening	422,966
SUBTOTAL (Disbursable Amount)	8,168,449
Capitalized Interest	117,900
TOTAL (Loan Principal Amount)	8,286,349

9. The items scheduled under Section 10.07 of the Agreement are rescheduled as follows:

(2) Completion of Project construction is scheduled for October 15, 2020.

(3) Establish the Loan Debt Service Account and begin Monthly Loan Deposits no later than October 15, 2020.

(4) The initial annual certification required under Subsection 2.01(10) of this Agreement shall be due January 15, 2021. Thereafter the certification shall be submitted no later than September 30 of each year until the final Semiannual Loan Payment is made.

(5) The first Semiannual Loan Payment in the amount of \$236,194 shall be due April 15, 2021.

10. Section 10.08 is added to the agreement as follows:

Prior to any funds being released, the Project Sponsor shall submit a Legal Opinion addressing the availability of Pledged Revenues, the right to increase rates, and subordination of the pledge.

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

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This Amendment 2 to Loan Agreement DW580430 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 amendment to the Loan Agreement to be executed on its behalf by the Secretary or Designee and the Project Sponsor has caused this amendment to be executed on its behalf by its Authorized Representative and by its affixed seal. The effective date of this amendment shall be as set forth below by the Department.

for  
**CITY OF VENICE**

\_\_\_\_\_  
Mayor

Attest:

Approved as to form and legal sufficiency:

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
City Attorney

SEAL

for  
**STATE OF FLORIDA**  
**DEPARTMENT OF ENVIRONMENTAL PROTECTION**

\_\_\_\_\_  
Secretary or Designee

\_\_\_\_\_  
Date