FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION
BOB MARTINEZ CENTER
2600 BLAIRSTONE ROAD MS 3505
TALLAHASSEE, FLORIDA 32399-2400

RICK SCOTT
GOVERNOR

CARLOS LOPEZ-CANTERA
LT. GOVERNOR

JONATHAN P. STEVERSON
SECRETARY

FED EX DELIVERY - SIGNATURE REQUIRED

JAN 26 2015

Ms. Marcella B. Eubanks
Contracts & Grants Manager
Okaloosa County
1804 Lewis Turner Boulevard, Suite 206
Fort Walton Beach, Florida 32547

Re: LP46041 – Okaloosa County
Lake Pippin Area Sanitary Improvements

Dear Ms. Eubanks:

We are pleased to provide financial assistance for the County's wastewater improvement project. One fully executed grant agreement is enclosed. To draw money under the agreement, please call Bob Ballard at (850) 245-8401 for assistance in completing a disbursement request.

We congratulate you and your staff on your efforts and are pleased that we can work with you on this project.

Sincerely,

Angela Knecht, Program Administrator
State Revolving Fund Management

AK/sw

Enclosure

cc: Honorable Charles K. Windes, Jr. – Okaloosa Board of County Commissioners
Mark Wise – Okaloosa Board of County Commissioners
Kimberly Kilpatrick – Okaloosa Board of County Commissioners

STATE FINANCIAL ASSISTANCE AGREEMENT
OKALOOSA COUNTY
DEP AGREEMENT NO. LP46041

STATE OF FLORIDA
GRANT ASSISTANCE
PURSUANT TO LINE ITEM 1668A OF THE 2014-2015
GENERAL APPROPRIATIONS ACT

THIS AGREEMENT is entered into between the STATE OF FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION, whose address is 2600 Blair Stone Road, MS 3505, Tallahassee, Florida 32399-2400 (hereinafter referred to as the "Department") and OKALOOSA COUNTY, whose address is 1804 Lewis Turner Boulevard, Suite 206, Fort Walton Beach, Florida 32547 (hereinafter referred to as "Grantee"), a local government under the laws of the State of Florida, to provide funds for the Lake Pippin Area Sanitary Improvements project. Collectively, the Department and the Grantee shall be referred to as "Parties" or individually as a "Party."

In consideration of the mutual benefits to be derived from this Agreement, the Department and the Grantee do hereby agree as follows:

1. The Grantee does hereby agree to perform in accordance with the terms and conditions set forth in this Agreement, **Attachment A** (Project Work Plan), and all attachments and exhibits named and attached hereto, which are incorporated by reference.

2. This Agreement shall be effective July 1, 2014 and end no later than September 30, 2018, inclusive. The Grantee shall be eligible for reimbursement for work performed on or after the effective date through the expiration date of this Agreement. This Agreement may be amended to provide for additional services if additional funding is made available by the Legislature.

3. A. As consideration for the services satisfactorily rendered by the Grantee under the terms of this Agreement, the Department shall pay the Grantee on a cost reimbursement basis an amount not to exceed $2,000,000 toward the total estimated project cost of $4,000,000. The parties hereto understand and agree that this Agreement does not require a match on the part of the Grantee. If the Grantee finds, after receipt of competitive bids, that the work described in **Attachment A** cannot be accomplished for the current estimated project cost, the parties hereto agree to modify the Project Work Plan described in **Attachment A,** by amendment of this Agreement, to provide for the work that can be accomplished for the funding identified above.

B. Prior written approval from the Department's Grant Manager shall be required for changes between deliverable budget categories not to exceed 10% of the total deliverable budget amount. The Department Grant Manager will transmit a copy of the written approval and revised budget to the Department Contracts Disbursements Office for inclusion in the Agreement file. Changes that exceed 10% of the total approved

deliverable budget will require a formal change order to the Agreement. Changes that transfer funds from one deliverable to another or that increase or decrease the total deliverable funding amount will require a formal amendment to the Agreement.

C. The Grantee shall request reimbursement for all eligible project costs upon receipt and acceptance of the deliverable(s) identified in **Attachment A**, utilizing a properly completed Disbursement Request Package (provided as **Attachment B**). All bills for amounts due under this Agreement shall be submitted in detail sufficient for a proper pre-audit and post-audit thereof. A final Disbursement Request Package must be submitted to the Department no later than December 31, 2018, to assure the availability of funds for payment. The Disbursement Request Package must include:

(1) A completed Disbursement Request Form submitted by the Grantee's Grant Manager. Such requests must be accompanied by sufficiently itemized summaries of the materials, labor, or services to identify the nature of the work performed; the amount expended for such work; and the person providing the service or performing the work and proof of payment of the invoices; and,

(2) A certification signed by the Grantee's Grant Manager as to the current cost of the Project; that the materials, labor, or services represented by the invoice have been satisfactorily purchased or performed and applied to the project; that all funds expended to date have been applied toward completing the Project; and,

(3) If construction is included in **Attachment A**, a certification by the Engineer responsible for overseeing construction is necessary. The certification must state that equipment, materials, labor and services represented by the construction invoices have been satisfactorily invoiced, purchased, received, approved and applied to the Project, as described in the Project Work Plan (**Attachment A**), in accordance with construction contract documents; state that payment is in accordance with construction contract provisions; state that construction, up to the point of the request, is in compliance with the contract documents; and identify all additions or deletions to the Project which have altered the Project's performance standards, scope, or purpose since the issue of the Department construction permit; and,

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

D. The State Chief Financial Officer requires detailed supporting documentation of all costs under a cost reimbursement agreement. In accordance with the **Attachment C, Contract Payment Requirements**, the Grantee shall comply with the minimum requirements set forth therein. The Disbursement Request Package Form in **Attachment B** shall be accompanied by supporting documentation and other requirements as follows:

(1) Salaries/Wages –List personnel involved, salary rates and hours/time spent on project in accordance with **Attachment A**, Grant Work Plan.

(2) Overhead/Indirect/General and Administrative Costs – All multipliers used (i.e., fringe benefits, overhead, and/or general and administrative rates) shall be supported by audit. If the Department determines that multipliers charged by the Grantee exceeded the rates supported by audit, the Grantee shall be required to reimburse overpayments resulting from use of these excessive multipliers to the Department within thirty (30) days of written notification. Interest on the excessive charges shall be calculated based on the prevailing rate used by the State Board of Administration.

a. Fringe Benefits – Actual costs not to exceed the budget amount identified in **Attachment A**.

b. Indirect Cost – Shall not be reimbursed under this Agreement.

(3) Contractual (Subcontractors) - Reimbursement requests for payments to subcontractors must be substantiated by copies of invoices with backup documentation identical to that required from the Grantee. Subcontracts which involve payments for direct salaries of the subcontractor's employees shall clearly identify the personnel involved, salary rate per hour, and hours/time spent on the project. All multipliers used (i.e. fringe benefits, overhead, and/or general and administrative rates) shall be supported by audit. If the Department determines that multipliers charged by any subcontractor exceeded the rates supported by audit, the Grantee shall be required to reimburse overpayments resulting from use of these excessive multipliers to the Department within thirty (30) days of written notification. Interest on the excessive charges shall be calculated based on the prevailing rate used by the State Board of Administration. For fixed price (vendor) subcontracts, the following provisions shall apply:

a. The Grantee may award, on a competitive basis, fixed price subcontracts to consultants/contractors in performing the work described in **Attachment A**. Invoices submitted to the Department for fixed price subcontracted activities shall be supported with a copy of the subcontractor's invoice and a copy of the tabulation form for the competitive procurement process (Invitation to Bid or Request for Proposals) resulting in the fixed price subcontract.

b. The Grantee may request approval from the Department to award a fixed price subcontract resulting from procurement methods other than those identified in the paragraph above. In this instance, the Grantee shall request the advance written approval from the Department's Grant Manager of the fixed price negotiated by the Grantee. The letter of request shall be supported by a detailed budget and Scope of Services to be performed by the subcontractor. Upon receipt of the Department Grant

Manager's approval of the fixed price amount, the Grantee may proceed in finalizing the fixed price subcontract.

c. All subcontracts are subject to the provisions of paragraph 13 and any other appropriate provisions of this Agreement which affect subcontracting activities.

(4) Equipment – (Capital outlay costing $1,000 or more) –The Grantee will not be reimbursed for the purchase of non-expendable equipment costing $1,000 or more under the terms and conditions of this Agreement.

(5) Other Expenses – e.g., Materials, supplies, non-excluded phone expenses, reproduction, mailing, and other expenses must be documented by itemizing and including copies of receipts or invoices. Additionally, independent of the Grantee's contract obligations to the Subcontractor, the Department shall not reimburse any of the following types of charges: cell phone usage, attorney's fees, civil or administrative penalties, handling fees, such as set percent overages associated with purchasing supplies or equipment.

E. In addition to the invoicing requirements contained in paragraph 3.C. and 3.D. above, the Department will periodically request proof of a transaction (invoice, payroll register, etc.) to evaluate the appropriateness of costs to the Agreement pursuant to State and Federal guidelines (including cost allocation guidelines), as appropriate. This information when requested must be provided within thirty (30) calendar days of such request. The Grantee may also be required to submit a cost allocation plan to the Department in support of its multipliers (overhead, indirect, general administrative costs, and fringe benefits).

F. State guidelines for allowable costs can be found in the Department of Financial Services' Reference Guide for State Expenditures at http://www.fldfs.com/aadir/reference%5Fguide.

4. The State of Florida's performance and obligation to pay under this Agreement is contingent upon an annual appropriation by the Legislature. The Parties understand that this Agreement is not a commitment of future appropriations.

5. Progress Reports (**Attachment D**) shall be submitted quarterly describing the work performed, problems encountered, problem resolution, schedule updates and proposed work for the next reporting period. Reports shall be submitted to the Department's Grant Manager no later than twenty (20) days following the completion of the reporting period. It is hereby understood and agreed by the parties that the term "quarterly" shall reflect the calendar quarters ending March 31, June 30, September 30 and December 31. The Final Project Report shall be submitted no later than the completion date of the Agreement. The Department's Grant Manager shall have ten (10) calendar days to review the required reports and deliverables submitted by the Grantee.

6. RESERVED.

7. Each Party agrees that it shall be solely responsible for the negligent or wrongful acts of its employees and agents. However, nothing contained herein shall constitute a waiver by either Party of its sovereign immunity or the provisions of Section 768.28, Florida Statutes.

8. A. The Department may terminate this Agreement at any time in the event of the failure of the Grantee to fulfill any of its obligations under this Agreement. Prior to termination, the Department shall provide thirty (30) calendar days written notice of its intent to terminate and shall provide the Grantee an opportunity to consult with the Department regarding the reason(s) for termination.

B. The Department may terminate this Agreement for convenience by providing the Grantee with thirty (30) calendar days written notice.

9. No payment will be made for deliverables deemed unsatisfactory by the Department. If a deliverable is deemed unsatisfactory, the Grantee shall re-perform the services needed for submittal of a satisfactory deliverable, at no additional cost to the Department, within ten (10) days after notification that the deliverable was unsatisfactory. If a satisfactory deliverable is not submitted within the specified timeframe, the Department may, in its sole discretion, either: 1) terminate the Agreement for failure to perform, or 2) the Department Grant Manager may, by letter specifying the failure of performance under the Agreement, request that a proposed Corrective Action Plan (CAP) be submitted by the Grantee to the Department. All CAPs must be able to be implemented and performed in no more than sixty (60) days after approval by the Department.

A. A CAP shall be submitted within ten (10) business days of the date of the letter request from the Department. The CAP shall be sent to the Department Grant Manager for review and approval. Within ten (10) business days of receipt of a CAP, the Department shall notify the Grantee in writing whether the CAP proposed has been accepted. If the CAP is not accepted, the Grantee shall have ten (10) business days from receipt of the Department's letter rejecting the proposal to submit a revised proposed CAP. Failure to obtain the Department's approval of a CAP as specified above shall result in the Department's termination of this Agreement for cause as authorized in this Agreement.

B. Upon the Department's notice of acceptance of a proposed CAP, the Grantee shall have ten (10) calendar days to commence implementation of the accepted plan. Acceptance of the proposed CAP by the Department does not alter or amend the Grantee's obligations under this Agreement. If the CAP fails to correct or eliminate performance deficiencies by the Grantee, the Department shall retain the right to require additional or further remedial steps, or to terminate this Agreement for failure to perform. No actions approved by the Department or steps taken by the Grantee shall serve to condone, forgive or estop the Department from asserting subsequent deficiencies in

performance. The Grantee shall continue to implement the CAP until all deficiencies are corrected. Reports on the progress of the CAP will be made to the Department as requested by the Department Grant Manager.

C. Failure to respond to the Department's request for a CAP or failure to correct a deficiency in the performance of the Grantee as specified by the Department may result in termination of this Agreement.

The remedies set forth above are not exclusive and the Department reserves the right to exercise other remedies in addition to or in lieu of those set forth above.

10. This Agreement may be unilaterally canceled by the Department for refusal by the Grantee to allow public access to all documents, papers, letters, or other material made or received by the Grantee in conjunction with this Agreement, unless the records are exempt pursuant to Section 24(a) of Article I of the State Constitution, Section 119.07(1), Florida Statutes, or other statute.

11. The Grantee shall maintain books, records and documents directly pertinent to performance under this Agreement in accordance with generally accepted accounting principles consistently applied. The Department, the State, or their authorized representatives shall have access to such records for audit purposes during the term of this Agreement and for five (5) years following Agreement completion. If any work is subcontracted, the Grantee shall similarly require each subcontractor to maintain and allow access to such records for audit purposes.

12. A. In addition to the requirements of the preceding paragraph, the Grantee shall comply with the applicable provisions contained in **Attachment G, Special Audit Requirements**, attached hereto and incorporated herein by reference. **Exhibit 1** to **Attachment G** summarizes the funding sources supporting the Agreement for purposes of assisting the Grantee in complying with the requirements of **Attachment G**. A revised copy of **Exhibit 1** must be provided to the Grantee for each amendment which authorizes a funding increase or decrease. If the Grantee fails to receive a revised copy of **Exhibit 1**, the Grantee shall notify the Department's Grants Manager identified in paragraph 18 of this Agreement.

B. The Grantee 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. The Grantee shall consider the type of financial assistance (federal and/or state) identified in **Attachment G, Exhibit 1** when making its determination. For federal financial assistance, the Grantee 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. For state financial assistance, the Grantee shall utilize the form entitled "Checklist for Nonstate Organizations Recipient/Subrecipient vs. Vendor Determination" (form number DFS-A2-NS) that can be found under the "Links/Forms" section appearing at the following website:

https://apps.fldfs.com/fsaa

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

13. The Grantee may subcontract, assign, or transfer any work under this Agreement without the written consent of the Department's Grant Manager, except as provided in paragraph 3.D.(3)b. Regardless of any subcontract, the Grantee is ultimately responsible for all work to be performed under this Agreement. The Grantee shall submit a copy of the executed subcontract to the Department within ten (10) business days after execution. The Grantee agrees to be responsible for the fulfillment of all work elements included in any subcontract and agrees to be responsible for the payment of all monies due under any subcontract. It is understood and agreed by the Grantee that the Department shall not be responsible to any subcontractor for any expenses or costs incurred under the subcontract and that the Grantee shall be solely responsible to the subcontractor for all expenses and costs incurred under the subcontract.

14. The Department of Environmental Protection supports diversity in its procurement program and requests that all subcontracting opportunities afforded by this Agreement embrace diversity enthusiastically. The award of subcontracts should reflect the full diversity of the citizens of the State of Florida. A list of minority owned firms that could be offered subcontracting opportunities may be obtained by contacting the Florida Department of Management Services, Office of Supplier Diversity, at (850) 487-0915.

15. In accordance with Section 216.347, Florida Statutes, the Grantee is hereby prohibited from using funds provided by this Agreement for the purpose of lobbying the Legislature, the judicial branch or a state agency.

16. The Grantee shall comply with all applicable federal, state and local rules and regulations in providing services to the Department under this Agreement. The Grantee acknowledges that this requirement includes, but is not limited to, compliance with all applicable federal, state and local health and safety rules and regulations. The Grantee further agrees to include this provision in all subcontracts issued as a result of this Agreement.

17. Any notices between the Parties shall be considered delivered when posted by Certified Mail, return receipt requested, overnight courier service, electronic mail (e-mail) or delivered in person to the Grant Managers at the addresses below.

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

18. The Department's Grant Manager for this Agreement is identified below.

Bob Ballard
State Revolving Fund
Florida Department of Environmental Protection
2600 Blair Stone Road, MS 3505
Tallahassee, Florida 32399-2400
Phone: **(850) 245-8401**
Fax: **(850) 245-8411**
Email: **Bob.Ballard@dep.state.fl.us**

Any changes to the contact information shown above must be reduced to writing in the form of a Change Order to this Agreement.

19. The Grantee's Grant Manager for this Agreement is identified below.

Marcella B. Eubanks
Okaloosa County
1804 Lewis Turner Boulevard, Suite 206
Fort Walton Beach, Florida 32547
Phone: **(850) 651-7200 ext. 4381**
Fax: **(850) 609-5029**
Email: **meubanks@clerkofcourts.cc**

Any changes to the contact information shown above must be reduced to writing in the form of a Change Order to this Agreement.

20. To the extent required by law, the Grantee will be self-insured for worker's compensation, or will secure and maintain during the life of this Agreement, Workers' Compensation Insurance for all of Grantee's employees connected with the work of this project and, in case any work is subcontracted, the Grantee shall require the subcontractor similarly to provide Workers' Compensation Insurance for all of its employees unless such employees are covered by the protection afforded by the Grantee. Any self-insurance program or insurance coverage shall comply fully with the Florida Workers' Compensation law. In case any class of employees engaged in hazardous work under this Agreement is not protected under Workers' Compensation statutes, the Grantee shall provide, and cause each subcontractor to provide, adequate insurance satisfactory to the Department, for the protection of those employees not otherwise protected.

21. A. The Grantee shall secure and maintain Commercial General Liability insurance including bodily injury and property damage. The minimum limits of liability shall be $100,000 each occurrence and $300,000 aggregate. This insurance will provide coverage for all claims that may arise from the services and/or operations completed under this Agreement, whether such services and/or operations are by the Grantee or anyone directly or indirectly employed by him.

B. The Grantee shall secure and maintain Commercial Automobile Liability insurance for all claims which may arise from the services and/or operations under this Agreement, whether such services and/or operations are by the Grantee or by anyone directly or indirectly employed by him. The minimum limits of liability shall be as follows:

$300,000 Automobile Liability Combined Single Limit for Company Owned Vehicles, if applicable

$300,000 Hired and Non-owned Liability Coverage

C. All insurance policies shall be with insurers licensed or eligible to do business in the State of Florida. The Grantee's current certificate of insurance shall contain a provision that the insurance will not be canceled for any reason except after thirty (30) days written notice (with the exception of non-payment of premium which requires a 10 day notice) to the Department's Procurement Administrator.

22. The Grantee covenants that it presently has no interest and shall not acquire any interest that would conflict in any manner or degree with the performance of services required.

23. RESERVED.

24. The Department may at any time, by written order designated to be a change order, make any change in the Grant Manager information or task timelines within the current authorized Agreement period. All change orders are subject to the mutual agreement of both parties as evidenced in writing. Any change, which causes an increase or decrease in the Grantee's cost or time, shall require formal amendment to this Agreement.

25. RESERVED.

26. RESERVED.

27. A. No person, on the grounds of race, creed, color, national origin, age, sex, or disability, shall be excluded from participation in; be denied the proceeds or benefits of; or be otherwise subjected to discrimination in performance of this Agreement.

B. An entity or affiliate, as defined in section 287.134, Florida Statutes, who has been placed on the discriminatory vendor list may not submit a bid on a contract to provide goods or services to a public entity, may not submit a bid on a contract with a public entity for the construction or repair of a public building or public work, may not submit bids on leases of real property to a public entity, may not award or perform work as a contractor, supplier, subcontractor, or consultant under contract with any public entity, and may not transact business with any public entity. The Florida Department of Management Services is responsible for maintaining the discriminatory vendor list and

intends to post the list on its website. Questions regarding the discriminatory vendor list may be directed to the Florida Department of Management Services, Office of Supplier Diversity, at (850) 487-0915.

28. A. The accounting systems for all Grantees must ensure that funds awarded by this grant are not commingled with funds from other agencies. Funds from each agency must be accounted for separately. Grantees are prohibited from commingling funds on either a program-by-program or a project-by-project basis. Funds specifically budgeted and/or received for one project may not be used to support another project. Where a Grantee's, or subrecipient's, accounting system cannot comply with this requirement, the Grantee, or subrecipient, shall establish a system to provide adequate fund accountability for each project it has been awarded.

B. If the Department finds that these grant funds have been commingled, the Department shall have the right to demand a refund, either in whole or in part, of the funds provided to the Grantee under this Agreement for non-compliance with the material terms of this Agreement. The Grantee, upon such written notification from the Department shall refund, and shall forthwith pay to the Department, the amount of money demanded by the Department. Interest on any refund shall be calculated based on the prevailing rate used by the State Board of Administration. Interest shall be calculated from the date(s) the original payment(s) are received from the Department by the Grantee to the date repayment is made by the Grantee to the Department.

C. If the Grantee recovers costs, incurred under this Agreement and reimbursed by the Department, from another source(s), the Grantee shall reimburse the Department for all recovered funds originally provided under this Agreement. Interest on any refund shall be calculated based on the prevailing rate used by the State Board of Administration. Interest shall be calculated from the date(s) the payment(s) are recovered by the Grantee to the date repayment is made to the Department by the Grantee.

29. The Grantee is authorized to purchase the land described in Attachment A. All land acquired under this Agreement shall be used in perpetuity for the purposes described herein. The following language shall be included on the deed to the property purchased under this Agreement:

"By acceptance of this deed, Grantee hereby agrees that the use of the property described herein (the "Property") shall be subject to the terms and conditions contained in that certain Grant Award Agreement (DEP Agreement No. LP46041, which is attached hereto as Exhibit 2 and by reference made a part hereof (hereinafter referred to as the "Restrictive Covenants"). These Restrictive Covenants shall run with the title to the Property in perpetuity and be binding upon Grantee and all successive owners (and all parties claiming by, through and under the owners) of the Property. The Florida Department of Environmental Protection shall be deemed a third party beneficiary of these Restrictive Covenants in a court of competent jurisdiction. The Department shall have the authority to enforce these Restrictive Covenants in any judicial proceeding seeking any remedy recognizable at law or in equity, including an action or lawsuit

seeking damages, injunction, specific performance, or any other form of relief, against any person, firm or entity violating or attempting to violate any of these Restrictive Covenants. The failure by the Department to enforce any covenant or restriction contained herein shall in no event be deemed a waiver of such covenant or restriction or of the right of the Department to thereafter enforce such covenant or restriction. The invalidation of any one of the provisions of these Restrictive Covenants by a court of competent jurisdiction shall in no way affect any of the other provisions of these Restrictive Covenants, which shall remain in full force and effect. Venue for enforcement actions regarding these Restrictive Covenants shall be in the Circuit Court of Leon County, Florida. Grantee agrees to incorporate these Restrictive Covenants in any subsequent deed or other written legal instrument by which Grantee transfers or conveys fee simple title or any other lesser estate in the Property or any part thereof to a third party either verbatim or by making an express reference to these Restrictive Covenants and specifically identifying the official records book and page at which this deed is recorded in the public records of Okaloosa County, Florida. Grantee further agrees to give written notice to the Department of the conveyance or transfer of any interest in the Property at least 20 days prior to the date of such conveyance or transfer."

"Requests for release of the Restrictive Covenants from the Property shall be directed to the Florida Department of Environmental Protection, Office of General Counsel, Attention: Contracts Attorney, 3900 Commonwealth Boulevard MS35, Tallahassee, Florida 32399-3000. The request should include the DEP Agreement No. LP46041, the total funding amount paid by the State of Florida, the date of acquisition, and the Department's Grant Manager's name."

If for any reason the above referenced language is not incorporated into the deed by which the Grantee acquired the Property, the Grantee shall be required to execute and record a Declaration of Restrictive Covenants (on a form obtained from the Department of Environmental Protection) that shall run with the title to the Property. Requests for the Declaration of Restrictive Covenants form shall be directed to the DEP Grant Development and Review Manager, Procurement Section, 3900 Commonwealth Boulevard, Suite 235G, Mail Station 93, Tallahassee, Florida 32399-3000.

30. This Agreement has been delivered in the State of Florida and shall be construed in accordance with the laws of Florida. Wherever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement. Any action hereon or in connection herewith shall be brought in Leon County, Florida.

31. This Agreement represents the entire agreement of the parties. Any alterations, variations, changes, modifications or waivers of provisions of this Agreement shall only be valid when they have been reduced to writing, duly signed by each of the parties hereto, and attached to the original of this Agreement, unless otherwise provided herein.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed, the day and year last written below.

OKALOOSA COUNTY

By: _____
Nathan D. Boyles, Chairman
Board of County Commissioners

Date: January 6, 2015

STATE OF FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION

By: _____
Program Administrator
State Revolving Fund

Date: JAN 15 2015

_____
Bob Ballard, DEP Grant Manager

FEID No.: 59-6000765

Approved as to form and legality:

_____
DEP Attorney

List of attachments/exhibits included as part of this Agreement:

Specify Type	Letter/ Number	Description (include number of pages)
Attachment	A	Project Work Plan (3 Pages)
Attachment	B	Disbursement Request Package (3 Pages)
Attachment	C	Contract Payment Requirements (1 Page)
Attachment	D	Progress Report Form (1 Page)
Attachment	E	Reserved
Attachment	F	Reserved
Attachment	G	Special Audit Requirements (5 Pages)

ATTACHMENT A
PROJECT WORK PLAN
OKALOOSA COUNTY
LP46041

Project Title: Lake Pippin Area Sanitary Improvements

Project Location:
Niceville, Florida, Okaloosa County
Lake Pippin Development: 30°27'27.40"N / 86°24'12.48"W
North Lakeshore Development: 30°27'33.08"N / 86°24'36.27"W
Water Bodies Impacted: Gulf of Mexico, Choctawhatchee Bay & Pippin Lake

Project Background:
The Lake Pippin area is one of the larger outstanding coastline residential areas not on public sewer in Okaloosa County and is located directly on the north shore of Choctawhatchee Bay. This area in Okaloosa County Water and Sewer's (OCWS) service area, and residents are connected to OCWS' public water system. There are approximately 125 homes with septic tanks and drain fields. The elimination of older septic tank systems has long been recommended due to the introduction of wastewater microbes and pathogens into the environment. These organisms have short circuited the treatment process in the leach field and are directly being introduced into the environment. This is particularly evident in communities that lie beside coastal waters that are subjected to high ground water and tidal flushing. This project will provide immediate removal of a potential source of pollution that is adjacent to coastal beaches and bayous; increase overall water quality and promote sea grass health. Ecosystem services related to human usage will also be increased as well as help reduce the public health risk. Coastal eutrophication has long been documented to have negative effects on near-shore ecosystems. The elimination of raw sewage entering the ground in these areas will serve to reduce pollutant runoff into both the Choctawhatchee Bay and Gulf Mexico.

Project Description:
The overall project will include the construction of a new sanitary sewer collection system for the Lake Pippin and North Lakeshore developments that are currently served by residential septic tanks. Specific tasks associated with this funding includes land/easements acquisition, alternatives evaluations, project design & management, and construction. This is a $4M project with DEP funding in the amount of $2M. The remaining $2M is unfunded and will be applied for in the future. With this $2M DEP funding, we plan to complete all the "soft costs" of the project, construct the backbone or foundational infrastructure of the collection system (such as large lift stations, transmission mains, and treatment capacity), and construct a portion of the collection system needed for the 125 residential lots/homes.

Task 1: Engineering Evaluation Services
Deliverable: Copy of contract and final summary report.
Timeline for completion: September 30, 2018
Budget Information:
Contractual: Professional Services $30,000
Performance Standard: The DEP Grant Manager will review periodic requests for funds for the deliverables to ensure they are eligible for reimbursement.

Task 2: Land and/or Easement Acquisition
Deliverable: Copy of appraisals, deeds, easements, titles, and legal descriptions.
Timeline for completion: September 30, 2018
Budget Information:
Land: 100,000
Performance Standard: The DEP Grant Manager will review periodic requests for funds for the deliverables to ensure they are eligible for reimbursement.

Task 3: Engineering Design and Technical Services During Construction
Deliverable: Copy of contract, plans and specifications, DEP permit, and engineer's disbursement requests.
Timeline for completion: September 30, 2018
Budget Information:
Contractual: Professional Services $250,000
Performance Standard: The DEP Grant Manager will review periodic requests for funds for the deliverables to ensure they are eligible for reimbursement.

Task 4: Construction

Task 4a: WRF construction expansion/capacity expansion charges
Deliverable: Copy of contracts, bid tabulations or design/build request for proposals, contractor's schedule of values with supporting documentation, and photos of completed work.
Timeline for completion: September 30, 2018
Budget Information:
Contractual: Construction $400,000
Performance Standard: The DEP Grant Manager will review periodic requests for funds for the deliverables to ensure they are eligible for reimbursement.

Task 4b: Collection system construction
Deliverable: Copy of contracts, bid tabulations, contractor's schedule of values with supporting documentation, and photos of completed work.
Timeline for completion: September 30, 2018
Budget Information:
Contractual: Construction $250,000
Performance Standard: The DEP Grant Manager will review periodic requests for funds for the deliverables to ensure they are eligible for reimbursement.

Task 4c: Collection system construction performed by County staff
Deliverable: Time cards showing employees' hourly rates including fringe, invoices for purchased materials and equipment, equipment time and rates, and photos of completed work
Timeline for completion: September 30, 2018
Budget Information:
Salaries: $180,000
Fringe Benefits: $90,000
Materials/Other Expenses: $700,000
Performance Standard: The DEP Grant Manager will review periodic requests for funds for the deliverables to ensure they are eligible for reimbursement.

Total Budget by Task: *The tasks identified here should agree with the tasks identified and described above. Identify the tasks as follows: 1a, 1b, etc.*

Tasks		DEP Funding	Local Funds and Source	
			Local Funds	**Source of Funds**
1	Engineering Evaluation Services	$30,000		
2	Land and/or Easement Acquisition	$100,000		
3	Engineering Design and Technical Services During Construction	$250,000		
4a	WRF expansion/capacity expansion charges	$400,000		
4b	Collection system construction	$250,000		
4c	Collection system construction performed by County staff: Salaries Fringe Benefits Materials	 $180,000 $90,000 $700,000		
	Total:	$2,000,000		
	Project Total:	*$4,000,000 (Additional funding to be applied for)*		

The FY2014-15 GAA did not require a match for these projects.

ATTACHMENT B
Disbursement Request Package
Legislative Projects (LP) Grants

1. Grantee/Recipient **Okaloosa County**
2. Project Number **LP46041** Date of Request _____
3. Disbursement Request Number _____ Required Match % _____
4. Type of Request: Partial ☐ Final ☐
5. Federal Employer Identification Number _____
6. Task/Deliverable No. _____
7. Mail ☐ EFT ☐ Send Remittance to:

_____

_____

_____

_____

Disbursement Details
(cumulative amounts rounded to the nearest dollar)

NOTE: Can only claim expenses in approved budget.	Amount this Request	Total Cumulative
1. Salaries		
2. Fringe Benefits		
3. Contractual Services		
4. Supplies/Other Expenses		
5. Land		
6. Total		
7. Disbursements previously requested		
8. Amount Requested for Disbursement (line 6 minus 7)		

**** SUBMIT ONE ORIGINAL COPY OF THIS FORM AND SUPPORTING DOCUMENTATION FOR EACH DELIVERABLE TO: ****

Florida Department of Environmental Protection
State Revolving Fund Management MS 3505
2600 Blair Stone Road
Tallahassee, Florida 32399-2400

or email your request to:

SRF_Reporting@dep.state.fl.us

Grant Manager's Certification
of Disbursement Request

I, _____ ,

(name of Grantee's Grant Manager designated in the Agreement)

on behalf of _____ , do hereby certify that:

(name of Grantee/Recipient)

1. The disbursement amount requested on Page 1 of this form is for allowable costs for the project described in Attachment A of the Agreement;
2. All costs included in the amount requested have been satisfactorily purchased, performed, received, and applied toward completing the project; such costs are documented by invoices or other appropriate documentation as required in paragraph 3D;
3. The Grantee has paid such costs under the terms and provisions of contracts relating directly to the project; and the Grantee is not in default of any terms or provisions of the contracts;
4. If funds were advanced, all funds received to date have been applied toward completing the project; and
5. All permits and approvals required for the construction which is underway have been obtained.

_____
(Signature of Grant Manager)

_____
(Date)

Engineer's Certification
of Disbursement Request

ONLY SUBMIT IF CONSTRUCTION IS PART OF THE PROJECT

I, _____ , being the Professional Engineer retained by
(name of Professional Engineer)

_____ , am responsible for overseeing construction of the
(name of Grantee/Recipient)
project described in the Agreement and do hereby certify that:

1. Equipment, materials, labor, and services represented by the construction invoices have been satisfactorily purchased or received and applied to the project in accordance with construction contract documents filed with and previously approved by the Department of Environmental Protection;
2. Payment is in accordance with construction contract provisions;
3. Adequate construction supervision is being provided to assure compliance with construction requirements and Florida Administrative Code Chapter 62-600 or Chapter 62-604, as appropriate;
4. Construction up to the point of this disbursement is in compliance with the approved plans and permits;
5. All changes, additions, or deletions to the construction contract(s) have been documented by change order and all change orders have been submitted to the Department; and
6. All additions or deletions to the Project which have altered the Project's performance standards, scope, or purpose (since issue of the pertinent Department permit) have been identified in writing by amendment to this Agreement.

_____
Signature of Professional Engineer

_____
Firm or Affiliation

_____ _____
(Date) (P.E. Number)

ATTACHMENT C

Contract Payment Requirements
Florida Department of Financial Services, Reference Guide for State Expenditures
Cost Reimbursement Contracts

Invoices for cost reimbursement contracts must be supported by an itemized listing of expenditures by category (salary, travel, expenses, etc.). Supporting documentation must be provided for each amount for which reimbursement is being claimed indicating that the item has been paid. Check numbers may be provided in lieu of copies of actual checks. Each piece of documentation should clearly reflect the dates of service. Only expenditures for categories in the approved contract budget should be reimbursed.

Listed below are examples of the types of documentation representing the minimum requirements:

(1) Salaries: A payroll register or similar documentation should be submitted. The payroll register should show gross salary charges, fringe benefits, other deductions and net pay. If an individual for whom reimbursement is being claimed is paid by the hour, a document reflecting the hours worked times the rate of pay will be acceptable.

(2) Fringe Benefits: Fringe Benefits should be supported by invoices showing the amount paid on behalf of the employee (e.g., insurance premiums paid). If the contract specifically states that fringe benefits will be based on a specified percentage rather than the actual cost of fringe benefits, then the calculation for the fringe benefits amount must be shown.

Exception: Governmental entities are not required to provide check numbers or copies of checks for fringe benefits.

(3) Travel: Reimbursement for travel must be in accordance with Section 112.061, Florida Statutes, which includes submission of the claim on the approved State travel voucher or electronic means.

(4) Other direct costs: Reimbursement will be made based on paid invoices/receipts. If nonexpendable property is purchased using State funds, the contract should include a provision for the transfer of the property to the State when services are terminated. Documentation must be provided to show compliance with Department of Management Services Rule 60A-1.017, Florida Administrative Code, regarding the requirements for contracts which include services and that provide for the contractor to purchase tangible personal property as defined in Section 273.02, Florida Statutes, for subsequent transfer to the State.

(5) In-house charges: Charges which may be of an internal nature (e.g., postage, copies, etc.) may be reimbursed on a usage log which shows the units times the rate being charged. The rates must be reasonable.

(6) Indirect costs: If the contract specifies that indirect costs will be paid based on a specified rate, then the calculation should be shown.

Contracts between state agencies, and or contracts between universities may submit alternative documentation to substantiate the reimbursement request that may be in the form of FLAIR reports or other detailed reports.

The Florida Department of Financial Services, online Reference Guide for State Expenditures can be found at this web address: http://www.fldfs.com/aadir/reference_guide.htm

ATTACHMENT D

PROGRESS REPORT FORM

DEP Agreement No.:	LP46041		
Grantee Name:	Okaloosa County		
Grantee Address:			
Grantee's Grant Manager:		**Telephone No.:**	
Reporting Period:			
Project Number and Title:			

Provide the following information for all tasks and deliverables identified in the Project Work Plan: a summary of project accomplishments for the reporting period; a comparison of actual accomplishments to goals for the period; if goals were not met, provide reasons why; provide an update on the estimated time for completion of the task and an explanation for any anticipated delays and identify by task.
NOTE: Use as many pages as necessary to cover all tasks in the Project Work Plan.

<u>The following format should be followed:</u>
Task 1:
Progress for this reporting period:
Identify any delays or problems encountered:

This report is submitted in accordance with the reporting requirements of DEP Agreement No. LP46041 and accurately reflects the activities associated with the project.

Signature of Grantee's Grant Manager

Date

ATTACHMENT G

SPECIAL AUDIT REQUIREMENTS

The administration of resources awarded by the Department of Environmental Protection *(which may be referred to as the "Department", "DEP", "FDEP" or "Grantor", or other name in the contract/agreement)* to the recipient *(which may be referred to as the "Contractor", Grantee" or other name in the contract/agreement)* may be subject to audits and/or monitoring by the Department of Environmental Protection, as described in this attachment.

MONITORING

In addition to reviews of audits conducted in accordance with OMB Circular A-133 and Section 215.97, F.S., as revised (see "AUDITS" below), 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 recipient agrees to comply and cooperate with any monitoring procedures/processes deemed appropriate by the Department of Environmental Protection. In the event the Department of Environmental Protection determines that a limited scope audit of the recipient is appropriate, the recipient agrees to comply with any additional instructions provided by the Department to the recipient regarding such audit. The recipient further agrees to comply and cooperate with any inspections, reviews, investigations, or audits deemed necessary by the Chief Financial Officer or Auditor General.

AUDITS

PART I: FEDERALLY FUNDED

This part is applicable if the recipient is a State or local government or a non-profit organization as defined in OMB Circular A-133, as revised.

1. In the event that the recipient expends $500,000 or more in Federal awards in its fiscal year, the recipient must have a single or program-specific audit conducted in accordance with the provisions of OMB Circular A-133, as revised. EXHIBIT 1 to this Agreement indicates Federal funds awarded through the Department of Environmental Protection by this Agreement. In determining the Federal awards expended in its fiscal year, the recipient 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 recipient conducted by the Auditor General in accordance with the provisions of OMB Circular A-133, as revised, will meet the requirements of this part.

2. In connection with the audit requirements addressed in Part I, paragraph 1, the recipient shall fulfill the requirements relative to auditee responsibilities as provided in Subpart C of OMB Circular A-133, as revised.

3. If the recipient 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. In the event that the recipient 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 recipient resources obtained from other than Federal entities).

4. The recipient may access information regarding the Catalog of Federal Domestic Assistance (CFDA) via the internet at **http://12.46.245.173/cfda/cfda.html.**

PART II: STATE FUNDED

This part is applicable if the recipient is a nonstate entity as defined by Section 215.97(2)(m), Florida Statutes.

1. In the event that the recipient expends a total amount of state financial assistance equal to or in excess of $500,000 in any fiscal year of such recipient, the recipient must have a State single or project-specific audit for such fiscal year in accordance with Section 215.97, Florida Statutes; applicable rules of the Department of Financial Services; and Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General. EXHIBIT 1 to this Agreement indicates state financial assistance awarded through the Department of Environmental Protection by this Agreement. In determining the state financial assistance expended in its fiscal year, the recipient shall consider all sources of state financial assistance, including state financial assistance received from the Department of Environmental Protection, other state agencies, and other nonstate entities. State financial assistance does not include Federal direct or pass-through awards and resources received by a nonstate entity for Federal program matching requirements.

2. In connection with the audit requirements addressed in Part II, paragraph 1; the recipient shall ensure that the audit complies with the requirements of Section 215.97(7), Florida Statutes. This includes submission of a financial reporting package as defined by Section 215.97(2), Florida Statutes, and Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General.

3. If the recipient expends less than $500,000 in state financial assistance in its fiscal year, an audit conducted in accordance with the provisions of Section 215.97, Florida Statutes, is not required. In the event that the recipient expends less than $500,000 in state financial assistance in its fiscal year, and elects to have an audit conducted in accordance with the provisions of Section 215.97, Florida Statutes, the cost of the audit must be paid from the non-state entity's resources (i.e., the cost of such an audit must be paid from the recipient's resources obtained from other than State entities).

4. For information regarding the Florida Catalog of State Financial Assistance (CSFA), a recipient should access the Florida Single Audit Act website located at https://apps.fldfs.com/fsaa for assistance. In addition to the above websites, the following websites may be accessed for information: Legislature's Website at http://www.leg.state.fl.us/Welcome/index.cfm, State of Florida's website at http://www.myflorida.com/, Department of Financial Services' Website at http://www.fldfs.com/ and the Auditor General's Website at http://www.state.fl.us/audgen.

PART III: OTHER AUDIT REQUIREMENTS

(NOTE: This part would be used to specify any additional audit requirements imposed by the State awarding entity that are solely a matter of that State awarding entity's policy (i.e., the audit is not required by Federal or State laws and is not in conflict with other Federal or State audit requirements). Pursuant to Section 215.97(8), Florida Statutes, State agencies may conduct or arrange for audits of State financial assistance that are in addition to audits conducted in accordance with Section 215.97, Florida Statutes. In such an event, the State awarding agency must arrange for funding the full cost of such additional audits.)

PART IV: REPORT SUBMISSION

1. Copies of reporting packages for audits conducted in accordance with OMB Circular A-133, as revised, and required by PART I of this Attachment shall be submitted, when required by Section .320 (d), OMB Circular A-133, as revised, by or on behalf of the recipient directly to each of the following:

A. The Department of Environmental Protection at one of the following addresses:

By Mail:
Audit Director
Florida Department of Environmental Protection
Office of the Inspector General, MS 40
3900 Commonwealth Boulevard
Tallahassee, Florida 32399-3000

Electronically:
FDEPSingleAudit@dep.state.fl.us

B. 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/

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

2. Pursuant to Section .320(f), OMB Circular A-133, as revised, the recipient 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 of Environmental Protection at the following address:

By Mail:
Audit Director
Florida Department of Environmental Protection
Office of the Inspector General, MS 40
3900 Commonwealth Boulevard
Tallahassee, Florida 32399-3000

Electronically:
FDEPSingleAudit@dep.state.fl.us

3. Copies of financial reporting packages required by PART II of this Attachment shall be submitted by or on behalf of the recipient directly to each of the following:

A. The Department of Environmental Protection at one of the following addresses:

By Mail:
Audit Director
Florida Department of Environmental Protection
Office of the Inspector General, MS 40
3900 Commonwealth Boulevard
Tallahassee, Florida 32399-3000

Electronically:
FDEPSingleAudit@dep.state.fl.us

B. The Auditor General's Office at the following address:

State of Florida Auditor General
Room 401, Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450

4. Copies of reports or management letters required by PART III of this Attachment shall be submitted by or on behalf of the recipient directly to the Department of Environmental Protection at one of the following addresses:

By Mail:

Audit Director
Florida Department of Environmental Protection
Office of the Inspector General, MS 40
3900 Commonwealth Boulevard
Tallahassee, Florida 32399-3000

Electronically:
FDEPSingleAudit@dep.state.fl.us

5. Any reports, management letters, or other information required to be submitted to the Department of Environmental Protection 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.

6. Recipients, when submitting financial reporting packages to the Department of Environmental Protection 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 recipient in correspondence accompanying the reporting package.

PART V: RECORD RETENTION

The recipient shall retain sufficient records demonstrating its compliance with the terms of this Agreement for a period of **5** years from the date the audit report is issued, and shall allow the Department of Environmental Protection, or its designee, Chief Financial Officer, or Auditor General access to such records upon request. The recipient shall ensure that audit working papers are made available to the Department of Environmental Protection, or its designee, Chief Financial Officer, or Auditor General upon request for a period of **3** years from the date the audit report is issued, unless extended in writing by the Department of Environmental Protection.

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

EXHIBIT – 1

FUNDS AWARDED TO THE RECIPIENT PURSUANT TO THIS AGREEMENT CONSIST OF THE FOLLOWING:

Federal Resources 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

State Resources Awarded to the Recipient Pursuant to this Agreement Consist of the Following Matching Resources for Federal Programs:					
Federal Program Number	Federal Agency	CFDA	CFDA Title	Funding Amount	State Appropriation Category

State Resources Awarded to the Recipient Pursuant to this Agreement Consist of the Following Resources Subject to Section 215.97, F.S.:						
State Program Number	Funding Source	State Fiscal Year	CSFA Number	CSFA Title or Funding Source Description	Funding Amount	State Appropriation Category
Original Agreement	General Revenue, Line Item 1668A	2014-2015	37.039	Statewide Surface Water Restoration and Wastewater Projects	2,000,000	140047

Total Award	$2,000,000	

For each program identified above, the recipient shall comply with the program requirements described in the Catalog of Federal Domestic Assistance (CFDA) [http://12.46.245.173/cfda/cfda.html] and/or the Florida Catalog of State Financial Assistance (CSFA) [https://apps.fldfs.com/fsaa/searchCatalog.aspx]. The services/purposes for which the funds are to be used are included in the Contract scope of services/work. Any match required by the recipient is clearly indicated in the Contract.