**62-552.200 Definitions.**

For purposes of this rule chapter:

(1) “Act” means the Federal Safe Drinking Water Act, 42 [USC](about:blank) [§300](about:blank)f et seq., as amended, December 2002, hereby adopted and incorporated by reference. This document is available from the Department’s Drinking Water State Revolving Fund Program, 3900 Commonwealth Blvd., Tallahassee, Florida 32399-3000, or at http://www.flrules.org/Gateway/reference.asp?No=Ref-08362.

(2) No change.

(3) “Capitalization grant project” means a project for which the project sponsor shall document compliance with specific federal requirements under subsection 62-552.700(1), F.A.C., in addition to the general requirements under subsections 62-552.700(2) through (6), F.A.C., to qualify for a loan. Capitalization grant projects ~~funding totals~~ will be identified in an amount corresponding to the annual capitalization grant received by the Department from the United States Environmental Protection Agency (EPA).

(4) No change.

(5) “Construction costs” means costs associated with allowable construction, equipment, materials, and demolition~~, land acquisition, and system consolidation or regionalization~~.

(6) “Construction loan” means a financial assistance agreement to fund a drinking water construction project, equipment purchase, ~~or~~ system consolidation or regionalization, or public water system acquisition. To be eligible for a construction loan, a planning document and plans and specifications must be accepted by the Department, the environmental review process described in Rule 62-552.680, F.A.C., must be complete, all required Department permits and authorizations must have been obtained, all necessary site certifications must have been submitted to the Department, and any other pertinent information deemed necessary for success of the project. Plans, specifications, and associated documents are not required for a public water system acquisition. For design/build projects, the approval of the procurement process shall be accepted in lieu of the plans, specifications, site certifications, and permits unless any portion of these documents are available at that time. The requirements for planning documents are described in subsection 62-552.700(2), F.A.C., and the requirements for plans and specifications are described in subsection 62-552.700(3), F.A.C.

(7) No change.

(8) “Continuing contract” is defined in the Consultants’ Competitive Negotiation Act (CCNA), Section 287.055, F.S. Professional services performed for project planning, design, or construction under a ‘continuing contract’ shall not exceed the monetary limits established in the CCNA to be eligible for funding.

(9)~~(8)~~ “Cost-effective” means the lowest present worth (or equivalent annual value) of the implementable and environmentally acceptable alternatives to achieve the project sponsor’s objectives considering capital costs as well as operation and maintenance costs.

(10)~~(9)~~ “Department” means the Department of Environmental Protection, Drinking Water State Revolving Fund Program, 3900 Commonwealth Blvd., Tallahassee, Florida 32399-3000. For electronic information requests and submittals, email SRF\_Reporting@dep.state.fl.us.

(11)~~(10)~~ “Design/build” means a contracting procedure whereby a firm or other single entity contracts with the project sponsor for a fixed price or a cost-plus-a-fixed-fee with a guaranteed maximum price and is responsible for both design and construction of the project. The procurement process must be competitive best value or competitive qualifications based. For a competitive best value selection, the most advantageous proposal to the project sponsor is selected based on criteria that include price and other factors. For competitive qualifications-based procurement, the qualifications of the responsible entity ~~vendor~~ are the primary consideration in the selection process and the responsible entity shall use open book accounting for this process.

(12)~~(11)~~ “Design loan” means a financial assistance agreement to fund design activities that will result in biddable, permittable plans and specifications for an eligible construction project. Design/build projects are not eligible for a design loan. Additionally, a planning document defining the scope of the project to be funded must have been accepted by the Department. The requirements for an acceptable planning document are described in subsection 62-552.700(2), F.A.C.

(13)~~(12)~~ “Financially disadvantaged community” means a municipality, county or agency (such as a county-wide department) thereof, franchised area, or other entity with a defined public water system service jurisdiction having a median household income of less than the statewide average. Verifiable documentation of the community’s median household income is required to calculate the community’s percentage of principal forgiveness in accordance with these rules ~~The median household income (MHI) data for loan recipients shall be updated on December 31st each year to adjust for economic changes in the state using the 5-year estimate established by the American Community Survey (ACS) (http://www.census.gov/programs-surveys/acs/data.html), computed as provided in the ACS publication, “American Community Survey Design and Methodology (January 2014)” (http://www.census.gov/programs-surveys/acs/methodology/design-and-methodology.html). The Department shall use the 5-year estimate from December 2016 for the 2017 MHI determinations and the data from the previous December of each year for subsequent determinations or from verifiable estimates~~.

(14)~~(13)~~ “Fiscal year” means the 12-month period between July 1 and the following June 30.

(15)~~(14)~~ “Fundable portion” means the portion of a priority list consisting of the projects to which funds allocated each year by the Department have been assigned.

(16)~~(15)~~ “Funds allocated each year by the Department” means funds that are available or expected to be available for loans during the fiscal year for which a priority list is being developed.

(17)~~(16)~~ “Interest rate” means the semiannual compounding rate at which charges are imposed on the unpaid principal, including capitalized interest, of a State Revolving Fund (SRF) loan as described in subsection 62-552.300(6), F.A.C. The interest rate for a loan shall not be less than zero percent.

(18)~~(17)~~ “Leveraged loan” means a loan issued by the Florida Water Pollution Control Financing Corporation (FWPCFC).

(19)~~(18)~~ “Loan Service Fee” means a fee paid by the project sponsor in an amount that ranges from two to four percent of the total loan amount less the portion of the loan for capitalized interest and shall not be included in the principal of the loan. The loan service fee shall be estimated at the time of execution of the loan agreement, revised with any increase or decrease amendment, and shall be finalized in the final loan amendment based on the total loan disbursed. The loan recipient shall pay the loan service fee from the first available repayments following the final amendment. The revenue generated from this assessment shall be used solely for Drinking Water State Revolving Fund Program administration and related expenses.

(20)~~(19)~~ “Planning loan” means a financial assistance agreement to perform the initial planning and administration for a project. The deliverable for this loan shall be a planning document. The requirements for the planning document are described in subsection 62-552.700(2), F.A.C. A planning loan shall not be used to acquire any interest in real property.

(21)~~(20)~~ “Planning portion” means the portion of the priority list consisting of projects that do not qualify for the fundable or waiting portion.

(22)~~(21)~~ “Pledged revenue” means revenue specifically approved by the Department and dedicated to the repayment of the loan.

(23)~~(22)~~ “Principal forgiveness” means the portion of a loan that does not have to be repaid.

(24)~~(23)~~ “Priority list” means the annual listing of f~~F~~undable, w~~W~~aiting, and p~~P~~lanning portion projects.

(25)~~(24)~~ “Project” means the planning, design, or construction of any components or facilities associated with the supply, storage, transmission, treatment, disinfection, and distribution of drinking water, including rehabilitation. This includes components of a water/energy conservation project that meet EPA eligibility requirements. The scope of a project shall include those components or facilities that qualify for funding under this rule chapter.

(26)~~(25)~~ “Project costs” means costs for planning, design and construction, procurement of equipment and materials, contingency, demolition, legal, technical services, land acquistion, public water system acquisition, system consolidation or regionalization, capitalized interest, and implementation of a qualifying conservation project.

(27)~~(26)~~ “Project sponsor” means an entity that owns a public water system that seeks or obtains financial assistance under this rule chapter.

(28)~~(27)~~ “Public water system” meansa system for the provision to the public of water for human consumption through pipes or, after August 5, 1998, other constructed conveyances, if such system has at least fifteen service connections or regularly serves an average of at least twenty-five individuals daily at least sixty days out of the year.

(29)~~(28)~~ “Request for inclusion” means completed form RFI-DW1, Request for Inclusion on the Drinking Water Priority List, effective July 17, 2017, hereby adopted and incorporated by reference. This form is available from the Department’s Drinking Water State Revolving Fund Program, 3900 Commonwealth Blvd., Tallahassee, Florida 32399-3000, or at [http://www.flrules.org/Gateway/reference.asp?No=Ref-08361](about:blank).

(30)~~(29)~~ “Segment cap” means the maximum amount available to any one sponsor during a fiscal year. The segment cap amount shall be established at a public meeting approving the priority list and shall be less than ~~or equal to~~ 25 percent of the funds available. Adjustments to the segment cap amount shall be made at a list management public meeting if additional funds become available and all projects eligible for placement on the fundable portion of the priority list at the most recent list approval or list management public meeting have been funded.

(31)~~(30)~~ “Service area” means all connections and proposed connections to be served by the project sponsor’s public water system. Population of the service area shall be calculated by multiplying the number of service connections by 2.5 ~~the number of~~ persons per connection. ~~Persons per connection shall be calculated by dividing the community population by the number of households. The community population and number of households will be determined using the ACS 5-year estimate calculated as provided in subsection 62-552.200(12), F.A.C.~~

(32)~~(31)~~ “Small community” means a municipality or unincorporated community or other identifiable entity with a total service area population of less than 10,000.

(33)~~(32)~~ “Useful life” means for land – 100 years; conveyance pipes – 50 years; other structures such as buildings and tankage – 30 to 50 years; process equipment – 15 to 20 years; and auxiliary equipment such as power generators and controls – 10 to 15 years.

(34)~~(33)~~ “Waiting portion” means the portion of a priority list consisting of projects that are qualified to be on the fundable portion but cannot be placed on the fundable portion until there are sufficient funds.

(35)~~(34)~~ The following terms and phrases used throughout this rule chapter have the meaning given these words in Section 287.012, 403.8532, or 403.852, F.S.: best value, Florida Water Pollution Control Financing Corporation (also referred to as FWPCFC), and local governmental agencies.

*Rulemaking Authority 403.8532 FS. Law Implemented 403.852, 403.8532 FS. History–New 4-7-98, Amended 8-10-98, 7-20-99, 7-17-17, Amended \_\_\_\_\_\_\_\_\_.*

**62-552.300 General Program Information.**

(1) No change.

(a) Request for Inclusion. The project sponsor shall submit a complete Request for Inclusion Form, referenced in subsection 62-552.200(29)~~(28)~~, F.A.C., to the Department to establish project ranking on the priority list as outlined in paragraph (1)(e), below.

1. through 2. No change.

(b) No change.

1. For planning loans, the completed Request for Inclusion form and its necessary attachments are ~~the only documentation~~ required.

2. through 3. No change.

4. A project sponsor has the option to request a combined loan for both planning and design at the same priority list meeting. In this case, the completed Request for Inclusion form and its necessary attachments are ~~the only documentation~~ required to compete for funding. The project sponsor must agree to the submittal of biddable plans and specifications within 1-year after execution of the loan agreement ~~being placed on the fundable portion of the priority list~~ to qualify for a combined planning and design loan.

(c) No change.

1. Except as provided in subparagraph 2., below, if funds are available for new projects, a priority list public meeting shall be held on the second Wednesday in August or as otherwise noticed in the *Florida Administrative Register* ~~at least sixty (60) days~~ in advance of the public meeting.

2. through 3. No change.

(d) Readiness-to-Proceed Deadline. For a project to appear on the priority list, the sponsor shall have postmarked or delivered to the Department all documentation as required in paragraph (b), above, no later than 45 days before the priority list public meeting at which the project competes for funding. ~~Electronic submittals to the Department are encouraged.~~ The project sponsor must respond to all Department comments related to the required documentation and must submit these responses at least 15 days prior to the public meeting. The planning and environmental review process required for a design loan or construction loan shall be reviewed and accepted by the Department no later than 45 days before the priority list meeting. This does not include those qualified sponsors that have opted to combine both planning and design funding at a priority list meeting.

(e) No change.

1. No change.

a. No change.

Table 1. 1a. through 6g. No change.

7. Other Projects, including land or public water system acquisition

b. through c. No change.

d. A project sponsor with a qualifying water conservation project is eligible to receive an additional 100 points added to their priority score if the sponsor provides a water conservation plan in accordance with EPA’s Water Conservation Plan Guidelines, document number EPA-832-D-98-001, August 6, 1998, hereby adopted and incorporated by reference. The sponsor must demonstrate that the proposed project meets the objective of the water conservation plan. This document is available from the Department’s Drinking Water State Revolving Fund Program, 3900 Commonwealth Blvd., Tallahassee, Florida 32399-3000, or electronic versions are available at https://www3.epa.gov/watersense/pubs/guide.html or [http://www.flrules.org/Gateway/reference.asp?No=Ref-08363](about:blank).

e. No change.

2. No change.

a. MHI Score. MHI score shall be derived based on the extent a community’s MHI falls below the statewide average. MHI data ~~used to determine points shall be determined using the ACS 5-year estimate calculated as provided in subsection 62-552.200(12), F.A.C. or from verifiable estimates and~~ shall represent all areas to be served by the project sponsor’s public water system.

(I) through (II) No change.

b. Population Score. Projects for small systems are generally less affordable than those for larger systems due to a limited rate base from which to recover costs. Special consideration is given to such projects based on service area population. Population data ~~used to determine the score shall come from verifiable estimates and~~ shall represent all areas to be served by the project sponsor’s public water system.

(I) through (II) No change.

3. No change.

(f) Priority List Development. The priority list is developed prior to the public meeting and includes the fundable, waiting, and planning portions. Projects that meet the requirements of paragraph (b), above, compete for placement on the fundable or waiting portions using a tiered ranking system. Tier 1 includes all projects previously on the fundable portion which require an increase to an existing loan, tier 2 includes new projects that receive a total priority score of 500 points or more, and tier 3 includes all other projects. Tier 1 is the highest priority and tier 3 is the lowest. Within each tier, projects are ranked in priority score order with the highest score at the top of the tier. Once the segment cap has been determined, the available funds are assigned to projects in tiers 1 and 2 moving down the list until all projects have been assigned funds, up to the lower of the requested amount or the segment cap, or until the available funds are exhausted. The unfunded balance is then placed on the waiting portion, up to a maximum of $50 million, by tier then priority score order. If funds remain available, they are assigned to projects in tier 3 until the funds are exhausted or all projects have been funded. Projects that must be added to meet special provisions of a federal capitalization grant shall be added to the bottom of the fundable portion, bypassing projects that would otherwise be placed on the fundable portion. ~~After the ranking of projects, the proposed priority list shall be posted on the Department’s website before the priority list public meeting.~~ Projects from tier 3 that do not receive any funding are placed on the planning portion in alphabetical order. To receive funding, projects on the planning portion must compete for funding at a subsequent priority list public meeting. The service area population and median household income values used to calculate priority score must be verified as the most current values prior to project placement on the priority list.

(2) Steps involved in obtaining a loan with principal forgiveness. Loans with principal forgiveness shall follow the process described in subsection 62-552.300(1), F.A.C., above, but the waiting and planning portions of the priority list are not applicable. Principal forgiveness loans are only assigned to those qualifying projects with the highest priority score until all projects have either been assigned funds or until all available funds have been exhausted. Principal forgiveness funds shall be made available twice per fiscal year or semiannually. Those projects not assigned a loan with principal forgiveness are eligible for loan only; but the project sponsor may opt out and reapply and compete for principal forgiveness at the next semiannual priority list public meeting. Sponsors receiving principal forgiveness for a project adopted at a previous public meeting are ineligible for an increase in principal forgiveness ~~unless the increase is deemed critical to the project~~. The principal forgiveness funds made available each year shall at least meet the minimum federal requirements. A maximum of 50% of the principal forgiveness funds available at each semiannual public meeting can be given to any one project. Principal forgiveness recipients are determined prior to each priority list public meeting. If a principal forgiveness recipient chooses to opt out before adoption on a priority list, then those principal forgiveness funds will be made available to the next qualifying sponsor or sponsors. If a project sponsor declines principal forgiveness or fails to meet Department deadlines after project adoption on the priority list, then those principal forgiveness funds will be made available to other projects at the next semiannual public meeting. The service area population and median household income values used to calculate the percentage of principal forgiveness must be verified as the most current values prior to placement of a project on the priority list. A project sponsor that is identified as a for-profit entity is not eligible for principal forgiveness.

(a) The project sponsor for a loan with principal forgiveness must qualify as a financially disadvantaged small community, except as stated in paragraphs 62-552.300(2)(f) and 62-552.300(2)(g), below.

(b) No change.

1. No change.

2. No change.

a. through b. No change.

3. Technical Services.

~~a.~~ The maximum principal forgiveness percentage for technical services performed during the planning and design of a project is 50 percent of the total invoiced costs. Only a financially disadvantaged small community having a planning and/or design loan with the Department is eligible.

~~b. Technical services up to 5% of construction costs are eligible for loan with principal forgiveness. Technical services above 5% are eligible for loan only. Construction costs for this purpose exclude land acquisition and the non-construction portion of a system consolidation or regionalization project. These costs shall be incurred after bid opening.~~

4. Asset Management Plan. The ~~maximum~~ principal forgiveness percentage available for an asset management plan prepared and implemented in accordance with subsection 62-552.700(7), F.A.C., is 50 percent of total invoiced costs if completed under a planning or design loan. An asset management plan completed under a construction loan is eligible for the same principal forgiveness percentage calculated for the construction loan. Only a project sponsor that ~~directly~~ qualifies as a financially disadvantaged small community ~~and has a construction loan with the Department~~ is eligible.

~~(c) Those projects awarded a loan with principal forgiveness are eligible for a construction loan increase with principal forgiveness if the project sponsor can demonstrate that the proposed additional work is critical to the successful completion of the project; otherwise, the increase is eligible for loan only if within the scope of work. The increased portion of principal forgiveness shall not exceed the percentage calculated in subparagraph 62-552.300(2)(b)2., F.A.C., or the percentage given in paragraph 62-552.300(2)(g), F.A.C.~~

(c)~~(d)~~ The project sponsor shall have only one open loan with principal forgiveness. A loan shall be considered open until the final disbursement has been paid by the Department.

(d)~~(e)~~ The total principal forgiveness amount shall be estimated until the time of project close-out.

(e)~~(f)~~ A financially disadvantaged community with a service area population of 10,000 persons or greater is eligible for 20% principal forgiveness for a construction loan if dollars are available after funding all eligible financially disadvantaged small communities.

(f)~~(g)~~ A project sponsor that does not otherwise qualify as a financially disadvantaged small community is eligible for a construction loan with principal forgiveness if connecting a financially disadvantaged community that has less than 250 residential private wells or that has an existing public water system with less than 250 service connections. The sponsor that owns and operates a separate, non-interconnected, public water system that qualifies as a financially disadvantaged small community, regardless of the number of systems owned and operated by the sponsor, is eligible for a construction loan with principal forgiveness for that system. Verifiable documentation of the community’s median household income and~~,~~ number of service connections~~, and estimated persons per household~~ is required to calculate the percentage of principal forgiveness in accordance with these rules, not to exceed 50% of the construction loan amount. This type of project would follow the same priority listing process as a financially disadvantaged small community in competing for principal forgiveness dollars.

(3) No change.

(a) Land purchased, including easements and right-of-ways for construction of public ~~drinking~~ water system infrastructure. Funding shall be limited to the appraised ~~fair market~~ value of the acreage, in fee simple, of qualifying land ~~necessary for and integral to locate the project facilities thereon~~, including mandatory setbacks. ~~Funding for loans with principal forgiveness shall be limited to the appraised market value of the acreage.~~ The appraisal report must be less than 12 months old at the time the construction loan application is received. If additional land is acquired, the eligible amount shall be the acreage of the qualifying land ~~necessary for the project~~ divided by the total area purchased times the purchase price;

(b) through (e) No change.

(f) Costs associated with interim financing for a ~~project~~ sponsor~~s that~~ whose project was adopted on the fundable portion of the priority list, but proceeded without sufficient loan funds from the Department~~, for which the sponsor has received prior written authorization from the Department~~;

~~(g) Capitalized interest;~~

(g)~~(h)~~ Technical services for test wells, water quality testing, soil and hydrogeological testing, geotechnical evaluations, pilot studies, archaeological surveys, land surveys, and any other technical service deemed necessary for the planning, design, and construction of a project. Also, ~~for~~ value engineering services performed by a SAVE International Certified Value Specialist. See the SAVE International website at http://www.value-eng.org/;

(h)~~(i)~~ Costs for project administration, planning, or engineering under a planning and/or design loan;

(i)~~(j)~~ The purchase of a public water system and its associated infrastructure, excluding the appraised value of land that is not necessary for operation of the system. ~~Acquiring all or part of an existing public water system as part of a consolidation or regionalization project.~~ The project sponsor shall demonstrate a substantial benefit to the community and environment ~~existing public water system~~ to be eligible for funding. Funding of a system ~~an~~ acquisition shall be limited to the fair market value~~. If the funding includes principal forgiveness, then the acquisition shall be limited to the appraised market value~~;

(j)~~(k)~~ Capacity purchase in an existing public water system;

(k)~~(l)~~ Preparation and implementation of an asset management plan. To be eligible for reimbursement, the asset management plan must meet the requirements of subsection 62-552.700(7), F.A.C.;

(l)~~(m)~~ The refinancing of unretired debt principal for a qualifying sponsor whose project meets the environmental review and procurement process of these rules; however, a project that is financed with a loan from the Department shall not be refinanced by the Department at a lower interest rate; ~~and,~~

(m)~~(n)~~ Costs associated with the implementation of a qualifying conservation project; and

(n) Project bidding/procurement costs incurred under a design loan or construction loan.

(4) No change.

(a) through (f) No change.

(g) Costs incurred before the adoption of the project on the fundable or waiting portion of the priority list;

(h) through (j) No change.

(5) No change.

(a) ~~At the time of loan approval and when actual costs are unknown,~~ P~~p~~roject contingency shall not exceed 10% of the estimated sum of the construction costs and costs for allowable land. The contingency shall be adjusted by the Department to ~~not more than~~ 5% after procurement contracts have been executed. There shall be no contingency for land when the costs are known.

(b) No change.

~~(c) Contingency funds shall not be used to purchase equipment or pay for construction work or other activities not described in the loan agreement.~~

(6) No change.

(a) through (b) No change.

(c) No change.

1. Projects with a Department accepted and implemented asset management plan that meets all requirements in subsection 62-552.700(7), F.A.C., shall be eligible for an interest rate reduction of 0.1% if implementation has been verified when the final disbursement request is received or ~~at least~~ three (3) months prior to the first scheduled repayment, whichever comes first.

2. Projects that have at least a 25% cost component that qualifies as a drinking water supply project as defined in paragraph 403.8532(9)(a), F.S., or as a water conservation project shall be eligible for an interest rate reduction of 0.25% if the project sponsor provides the required supporting documentation outlined in subparagraph 62-552.300(1)(e)1., F.A.C. ~~For these projects the interest rate reduction shall be applied only after the project has been bid.~~

3. Projects that include a requirement for Davis Bacon wage rates as provided in 29 C.F.R. Part 5, Subpart A (7-1-2013 Edition), hereby adopted and incorporated by reference, shall be eligible for an interest rate reduction of 0.25%. This document is available from the Department’s Drinking Water State Revolving Fund Program, 3900 Commonwealth Blvd., Tallahassee, Florida 32399-3000, or at [http://www.flrules.org/Gateway/reference.asp?No=Ref-08366](about:blank).

4. Projects that include a requirement for American Iron & Steel (AIS) as provided in 40 C.F.R. Part 35, Subpart E (7-1-2013 Edition), or 2 C.F.R. Part 176, Subpart B (1-1-2013 Edition), hereby adopted and incorporated by reference, shall be eligible for an interest rate reduction of 0.25~~0.75~~%. This document is available from the Department’s Drinking Water State Revolving Fund Program, 3900 Commonwealth Blvd., Tallahassee, Florida 32399-3000, or at [http://www.flrules.org/Gateway/reference.asp?No=Ref-08368](about:blank) and [http://www.flrules.org/Gateway/reference.asp?No=Ref-08365](about:blank).

(7) No change.

~~(8) A project sponsor with an executed loan agreement with the Department or with an adopted project on the fundable portion of a priority list prior to the effective date of this rule chapter shall be governed under the rules in effect at that time. The sponsor shall not be eligible for a time extension to submit documentation required by a preconstruction loan agreement or an adopted project on a priority list. Failure to meet the time frames provided shall render an agreement or priority listing null and void. The sponsor shall not be eligible for a funding increase for a construction loan unless the sponsor’s project was adopted on the contingency portion of a priority list prior to the effective date of this rule chapter, or unless the sponsor can demonstrate that an increase is critical to the successful completion of the project. A preconstruction loan is not eligible for rollover into a construction loan and no additional allowances shall be available upon completion of a preconstruction loan agreement.~~

(8)~~(9)~~ Exceptions to Program Requirements.

(a) No change.

(b) No change.

1. through 6. No change.

*Rulemaking Authority 403.8532 FS. Law Implemented 403.8532 FS. History–New 4-7-98, Amended 8-10-98, 7-20-99, 7-17-17, Amended \_\_\_\_\_\_\_\_\_.*

**62-552.430 Loan Applications and Agreements.**

(1) No change.

(a) A complete loan application, Form Application DW-1, State Revolving Fund Loan Program for Drinking Water Facilities Loan Application, effective July 17, 2017, hereby adopted and incorporated by reference, shall be submitted to the Department within 120 days after the project is listed on the fundable portion of the priority list. The project sponsor may incorporate into the loan application, by reference, any information previously submitted to the Department. This form is available from the Department’s Drinking Water State Revolving Fund Program, 3900 Commonwealth Blvd., Tallahassee, Florida 32399-3000, or at [http://www.flrules.org/Gateway/reference.asp?No=Ref-08322](about:blank).

(b) through (e) No change.

(f) The loan recipient shall certify that it is not listed on the governmentwide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), “Debarment and Suspension.”

(2) No change.

(a) No change.

(b) Pledged revenues for projects sponsored by other than a local governmental agency shall be a minimum of 1.15 times the amount required to make each semiannual loan repayment and shall be secured with collateral having an appraised market value not less than 125% of the ~~total of both the dollar amount owed on the property and the dollar amount of the SRF~~ loan principal. The appraisal report must be less than 12 months old at the time the loan application is received. The loan applicant must own the real property in fee simple without any mortgages, liens or other encumbrances on the title to the property that would limit the Department’s ability to sell ~~prevent sale of~~ the property in case of default on the loan.

(3) No change.

(a) through (c) No change.

(4) No change.

(5) No change.

(a) through (c) No change.

(6) No change.

(a) through (c) No change.

(7) No change.

(8) No change.

(a) through (c) No change.

~~(9) Annual Certification. No later than three (3) months prior to the first loan repayment and annually thereafter until the final loan repayment is made, the project sponsor’s authorized representative or its chief financial officer shall submit a certification that:~~

~~(a) Pledged revenue collections satisfy the rate coverage requirement;~~

~~(b) The debt service account contains the funds required;~~

~~(c) The restricted or assigned pledged revenue account contains the funds required, if applicable; and,~~

~~(d) For loans awarded after July 17, 2017, the revenue generation system is in conformance with subparagraph 62-552.700(2)(i)3., F.A.C.~~

(9)~~(10)~~ Remedies for Defaults. Remedies for delinquent loan repayment and other events of default shall be limited to those set forth in the loan agreement. Events of default shall include non-compliance with any of the terms of the loan agreement. No delay or omission to exercise any right or power accruing upon an event of default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein.

*Rulemaking Authority 403.8532 FS. Law Implemented 403.8532 FS. History–New 4-7-98, Amended 8-10-98, 7-20-99, 7-17-17, Amended \_\_\_\_\_\_\_\_\_.*

**62-552.680 Environmental Review.**

(1) through (5) No change.

(6) State Clearinghouse. Project planning documentation shall be submitted to the S~~s~~tate C~~c~~learinghouse for review in acordance with Section 403.061(42), F.S. All comments resulting from this review shall be addressed by the Department prior to its approval of the planning documentation. Projects that meet FCEN criteria, as given in paragraph 62-552.680(2)(b), F.A.C. above, shall be exempt from a planning document review by the State Clearinghouse.

(7) No change.

*Rulemaking Authority 403.8532 FS. Law Implemented 403.8532 FS. History–New 4-7-98, Amended 8-10-98, 7-17-17, Amended \_\_\_\_\_\_\_\_\_.*

**62-552.700 Planning, Design, Construction, and Procurement.**

(1) No change.

(a) through (b) No change.

(2) Project Planning Documentation. The project sponsor shall submit the following planning documentation. ~~Electronic submittals are encouraged.~~

(a) through (c) No change.

(d) Description ~~Summary~~ of any technical services performed during ~~in~~ project planning and design as described in paragraph 62-552.300(3)(h), F.A.C.

(e) No change.

(f) A cost comparison of at least three alternatives, unless it can be demonstrated that fewer alternatives are available. The project sponsor shall demonstrate that several ~~all viable,~~ cost-effective alternatives were considered for the proposed project.

(g) No change.

(h) The public participation process used to explain the project and the financial impacts to the public. The public participation process shall include the project sponsor’s public meeting held before the project sponsor’s acceptance of the planning recommendations. The public meeting shall provide for public participation in the evaluation of project alternatives and shall inform the public of the capital cost of the proposed project and the long-term financial impacts on the customers. Notice of the public meeting shall be in accordance with local requirements or 14 days, whichever is greater.

(i) No change.

1. No change.

a. through (b) No change.

2. through 3. No change.

(j) through (k) No change.

(3) Plans and Specifications. The project sponsor shall submit biddable plans and specifications conforming to the planning documentation described in subsection 62-552.700(2), F.A.C., for projects involving construction. For design/build projects, the sponsor shall submit a copy of the request for qualifications, or requests for proposals, and the preliminary design report shall be submitted for permitting. Final permitted plans and specifications shall be submitted for each component of the project. ~~Electronic submittals are encouraged.~~

(4) through (5) No change.

(6) Procurement. Procurement must be in conformance with 40 CFR 31.36, (July 1, 2011), hereby adopted and incorporated by reference. This document is available from the Department’s Drinking Water State Revolving Fund Program, 3900 Commonwealth Blvd., Tallahassee, Florida 32399-3000, or at [http://www.flrules.org/Gateway/reference.asp?No=Ref-08367](about:blank). When procuring property and services under a SRF loan, a project sponsor shall follow the policies and procedures it uses for procurements from its non-SRF funds provided that the procurement conforms to applicable federal, state and local laws and regulations, and the following requirements.~~:~~ The procurement of professional services for planning, design, and construction shall meet CCNA requirements and shall not exceed the monetary limits of a ‘continuing contract’.

(a) All procurement transactions shall be conducted in a manner providing full and open competition. The use of statutorily or administratively imposed in-state or local geographical preferences in the evaluation of bids or proposals is prohibited. For small purchases that cost $35,000~~100,000~~ or less, a price or rate quotation shall be obtained from a minimum of two qualified sources.

(b) No change.

(c) No change.

1. No change.

a. through d. No change.

2. No change.

3. The invitation for bids shall be publicly advertised and bids shall be solicited from an adequate number of known suppliers to ensure open competition, providing them sufficient time prior to the date set for opening the bids. It is recommended that the invitation to bid be advertised in an electronic plan room.

4. through 7. No change.

(d) No change.

1. For the competitive best value selection method of procurement, awards shall be made to the responsible bidder~~offeror~~ whose proposal is most advantageous to the loan recipient, with price and other factors considered.

2. For the competitive qualifications-based selection method of procurement, statements of qualifications shall be solicited from an adequate number of sources. Statements of qualifications received from at least three responsible entities ~~vendors~~ shall be considered adequate unless it is determined by the loan recipient that it is in its best interest to proceed with the procurement having received less than three proposals. Statements of qualifications shall be evaluated based on the request for qualifications. Awards shall be made to the responsive and responsible entity ~~vendor~~ whose statement of qualifications is deemed to be most advantageous by the loan recipient.

(e) No change.

1. No change.

2. No change:

a. through c. No change.

3. through 4. No change.

(f) Design/build and Construction Manager at Risk (CMR) procurement~~:~~ shall meet the requirments of the Consultants’ Competitive Negotiation Act (CCNA), section 287.055, F.S.

1. No change.

a. through c. No change.

2. Requests for proposals or qualifications shall be used in the selection process for CMR procurement.

a. The request for proposals or qualifications shall describe the work eligible for a loan, the requirements with which the successful respondent shall comply, and the evaluation process to be used in selecting the successful respondent.

b. Requests for proposals or qualifications shall be submitted to the Department prior to advertising for a determination of compliance with loan program requirements.

c. No change.

3. Advertising shall include announcement in a publication having general circulation on a statewide basis, in a construction trade journal, in a professional journal, or in an electronic plan room. It is recommended that the announcement be advertised in an electronic plan room.

4. The time allowed for development of proposals or qualifications shall be commensurate with the complexity and extent of the work and with the extent of the conceptual documents provided with the request for proposals or qualifications.

~~5. Both the qualifications of the respondents and the price for completing the advertised work shall be considered in the selection process.~~

5.~~6.~~ The project sponsor shall demonstrate that the competition solicited is sufficient for the complexity and extent of the work.

(g) through (m) No change.

(n) No change.

1. through 3. No change.

(o) No change.

1. through 4. No change.

5. Incorporating the Department’s Supplementary Conditions into its bid, ~~or~~ request for proposals, or request for qualifications documents. These Supplementary Conditions include, but are not limited to, the following provisions:

a. through c. No change.

(7) No change.

(a) through (j) No change.

(k) A plan to evaluate and implement water and energy conservation efforts that meet the requirements set forth in section 603(d)(1)E of the Federal Water Pollution Control Act.

*Rulemaking Authority 403.8532 FS. Law Implemented 403.8532 FS. History–New 4-7-98, Amended 8-10-98, 7-17-17, Amended \_\_\_\_\_\_\_\_\_.*

**62-552.800 Audits Required.**

(1) No change.

(a) In the event that the project sponsor expends more than the federal audit threshold in federal awards in its fiscal year, the project sponsor must have a single or program-specific audit conducted in accordance with the provisions of 2 CFR Part 200, Subpart F~~OMB Circular A-133, as published in the~~ *~~Federal Register~~*~~, June 26, 2007~~, hereby adopted and incorporated by reference. This document is available from the Department’s Drinking Water State Revolving Fund Program, 3900 Commonwealth Blvd., Tallahassee, Florida 32399-3000, or electronic versions are available at http://www.whitehouse.gov/sites/default/files/omb/assets/a133/a133\_revised\_2007.pdf or [http://www.flrules.org/Gateway/reference.asp?No=Ref-08364](about:blank).

(b) 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 ~~F.S.~~, imposes audit requirements on the project sponsor and sub-recipients based on designated thresholds for expenditures. Each agreement entered into pursuant to this rule chapter shall include the audit requirements applicable to the project at the time the agreement is executed.

(2) No change.

(a) through (b) No change.

*Rulemaking Authority 403.8532 FS. Law Implemented 403.8532 FS. History–New 4-7-98, Amended 8-10-98, 7-17-17, Amended \_\_\_\_\_\_\_\_\_.*