

MINUTES
TAYLOR COASTAL WATER & SEWER DISTRICT
USDA-RD GRANT/LOAN
PRE-AWARD MEETING, PHASE II – SEWAGE COLLECTION

February 20, 2008

Present:

USDA-RD, Lake City – Steven Dicks, Peggy Johns, Marty Sanders

USDA-RD, Gainesville – Michael Langston, Stephen Morris

TCWSD – Lonnie A. Houck, Jr., Chairman

John Gentry, General Manager

Glenn Senter, Vice Chairman

Shirley Shinholser, Secretary

Commissioner Tommy Mauldin

Commissioner Lynn Aibejeris

HASKELL – Danny Collins

Michael Langston, USDA-RD of Gainesville, advised those present that the same limitations/restrictions of Phase I will be apply to Phase II. This is a positive environmental project and it is inappropriate for grant monies to fund growth. The project will serve existing lots platted as of July 2003 and is not to serve as a springboard for new developments. He then presented the Letter of Conditions, a brief summary of which follows.

Rural Development proposes a loan of \$401,000 and a grant not to exceed \$1,202,980. In addition, it is noted that the District has already received a Predevelopment Grant (obligated 7/05) in the amount of \$14,020 (which is considered as an advance on this grant) and a STAG Grant through EPA in the amount of \$750,000. The total project cost is considered to be \$2,368,000. Rural Development is to receive written evidence of any other funds to be used in the project financing prior to advertising for construction bids.

The loan of \$401,000 is repayable over a period not exceeding 40 years from the date of loan closing via an annual payment of approximately \$21,834 to be electronically debited on September 1st of each year. The first two payments will consist of accrued interest only. For planning purposes, the interest rate is considered at 4.375% with a 38-year amortization period. If the District can at any time obtain a commercial loan at a lower rate, the loan can be re-financed.

Estimated project costs are budgeted as follows:

Development	1,691,000
Contingency	169,100
Legal & Administration	100,000
Interest (Construction)	50,730
Engineering	332,170
Equipment	25,000
<hr/> TOTAL	<hr/> 2,368,000

Should the Wastewater project cease to be used, owned and operated by the District, all grant monies must be reimbursed as well as all loans paid.

The District shall seek proposals for interim financing from a commercial source in an amount equal to the USDA loan for the construction period only. When interim financing funds have been expended, the RD loan will be closed and permanent instruments will be issued to evidence the RD indebtedness.

The District must have a total of at least 400 wastewater users at project completion (equivalent to 418 EDU's). An EDU is based on 5,440 gallons per month of water usage. The District must maintain a rate schedule that will provide adequate income to meet the minimum requirements for operation and maintenance, debt service, and reserves. Reserves must be properly budgeted to fund unanticipated emergency maintenance and repairs and assist with debt service should the need arise. The proposed debt reserve is \$2,184 per year, 10% of the annual payment. In addition to that required for the debt service reserve, the District must fund an asset management reserve for short-lived assets by depositing a sum of \$4,000 per year.

The District must properly advertise and hold a public meeting to provide information regarding the proposed project and RD financing. The minutes of the public hearing must be submitted to Rural Development. Furthermore, the District shall complete and submit the attached list of required documents within thirty days of today's meeting.

If the District accepts the RD financing subject to the Letter of Conditions, RD will proceed to take the necessary steps to approve the loan and grant. Funds should be available after May 2008. Once finalized, a Pre-Construction Meeting will be held and the order of funds received will be addressed.

Shirley Shinholser, Secretary
Taylor Coastal Water & Sewer District

Attachment: RD Required Document List



USDA/Rural Development
971 W Duval St, Ste 190
Lake City, Florida
32055-3736

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 FAX: (386)754-4139
 TDD: (352) 338-3499
www.rurdev.usda.gov/fl

February 20, 2008

Mr. Glenn Senter
 Chairman, Taylor Coastal Water and Sewer District
 18820 Beach Rd.
 Perry, Florida 32348

Dear Mr. Senter:

Per our meeting of February 20, 2008, we have listed the following items that need completed and returned to our Area Office. These items are needed to prepare your application for obligation of funding.

1. FL RUS 1780-35, Public Meeting Notice
2. Legal Services Agreement for Bond Counsel Services
3. FL RUS Bulletin 1780-34, Documentation of Gerrymandering
4. Form AD-1048 Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier covered Transactions
5. FL RUS Bulletin 1780-26, certification for contracts, Grants and Loans
6. FL RUS bulletin 1780-27, Sworn Statement under Florida Statutes on Public Entity crimes.
7. Form RD 1910-11, Applicant Certification, Federal Debt Collection Policies for Consumer or Commercial Debt.
8. Form 400-1, Equal Opportunity Agreement
9. Form 400-4, Assurance Agreement
10. Form AD-1049, Certification regarding Drug-Free Workplace Requirements
11. RDUP Bulletin 1780-27, Loan Resolution
12. RD 1927-9, Preliminary Title Opinion
13. Signed Letter of Conditions
14. Form RD 1942-46, Letter of Intent to Meet Conditions
15. Form RD 1940-1, Request for Obligation of Funds
16. RUS Bulletin 1780-12, Draft Water or Waste System Grant Agreement
17. *Updated Agreement w/ Jones Edmunds*

Please contact us if you have any questions regarding the above requested items.

via home 1/23/08

 Peggy S. Johns
 Area Director

Committed to the future of rural communities.

"USDA is an equal opportunity provider, employer and lender."

To file a complaint of discrimination write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, DC 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 (TDD).