



OFFICE OF LOCAL DEFENSE COMMUNITY COOPERATION

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ARLINGTON, VA 22202-3711



Ms. Heather Lindsay
Mayor
City of Milton
6738 Dixon Street
Milton, FL 32572

FEB 05 2024

RE: Office of Local Defense Community Cooperation Award Number HQ0005211007901
Economic Development Administration Award Number 04-79-07727

Dear Mayor Lindsay:

The United States Department of Defense, through the Office of Local Defense Community Cooperation (OLDCC), and the United States Department of Commerce, Economic Development Administration (EDA) made the subject federal financial assistance awards to the City of Milton (City) for improvements to the City's wastewater system. The OLDCC Award is provided in support of the construction of approximately 38,000 linear feet of a 24-inch sewer line from Naval Air Station (NAS) Whiting Field to the City's planned wastewater treatment facility, and the EDA Award is intended to support the complementary construction of the new wastewater treatment facility. The completion of each of these projects is dependent on the other.

Both projects require compliance with provisions of the National Environmental Policy Act (NEPA) and will therefore rely, as a practical matter, on technical support from NAS Whiting Field's environmental office. A technically sufficient NEPA document is necessary for both OLDCC and EDA to conclude the NEPA process and to proceed with their respective awards. The OLDCC Award expressly restricts the City from proceeding with construction or undertaking any other ground-disturbing project activities prior to receiving written notice from OLDCC that the analysis and documentation requirements of NEPA have been met. Presently, OLDCC, which is slated to conduct NEPA review per the grant agreements, does not have sufficient environmental documentation from the City to move forward with its NEPA review.

A local community group self-identified as Save [the] Blackwater River (SBR) has corresponded repeatedly with OLDCC and EDA. Through their retained counsel, this incorporated community group provided the City, OLDCC, and EDA with an analysis completed by an environmental firm that is averse to and critical of the planned improvements to be funded by our awards. SBR alleges that the wastewater system improvements, as presently designed, will damage the quality of the water in the river and adversely impact aquatic wildlife. We understand that the City and SBR have been unable to reach an agreed upon solution to amicably address and resolve the objections and concerns of SBR, and litigation appears likely should the project proceed.

Both OLDCC and EDA require at least a reasonable period in which to review NEPA documentation, and, if necessary, to request more information. As such, the original agreements included deadlines for the City's NEPA submissions in addition to establishing timelines for other key project milestones. OLDCC and EDA established these deadlines, in part, to account for the statutory funding time limits on the grant programs. Neither agency can approve the start of construction with a timeline that will leave the City unable to complete the project before the statutory funding time limits expire. The NEPA deadlines have been extended multiple times; however, there is insufficient time to extend these deadlines further. Thus, OLDCC and EDA must receive the NEPA documentation, in addition to other information requests that may follow, on or before March 1, 2024, in order to ensure the City is able to meet a construction schedule within the statutory funding timelines.

OLDCC and EDA advise the City that, on or before March 1, 2024, the City must meet the following requirements:

- A.) All permits needed for the construction of the pipeline and the wastewater system improvements must be issued without qualifications or reservations. Copies of the permits shall be provided to OLDCC and EDA together with a written confirmation from both the City and the City's Third-Party Engineer that no additional permits are required from local, state, and federal authorities. OLDCC and EDA expect that the City will provide all required permits for the proposed construction, including but not limited to, permits for i.) the OLDCC pipeline, ii.) the river crossing permit (which is currently expired), and iii.) the wastewater treatment facility and associated spray fields funded by EDA.
- B.) The NEPA analyses being undertaken by the City has been to the satisfaction of NAS Whiting Field environmental review and is acceptable for OLDCC and EDA consideration, including adequate response to any issues raised and adequate response to any public comments received through the draft Environmental Assessment public comment submissions. Further, all requests by OLDCC for information from the City for the NEPA analysis has been provided.

The Third-Party Engineer for the project must certify in writing that all OLDCC and EDA improvements to be constructed pursuant to the Awards can and will be completed, and applicable certificates of completion issued, by all agencies providing permits for the project not later than June 30, 2026.

- C.) The City will confer with SBR and its attorneys to confirm, in writing, that SBR and its attorneys have reviewed the project permits and that all objections have been addressed. The City shall also identify in writing any other non-NEPA public comments received by the City concerning the projects and shall certify that those public comments have been addressed to the satisfaction of the parties providing such comments.

And

- D.) The City must demonstrate that the two projects remain financially viable. To satisfy this requirement, the following documentation must be provided:

- i.) The City and the Third-Party Engineer must separately certify that the respective projects can be completed within the eligible cost structures as described in the grant agreements. The total amount of the OLDCC Award is \$3,000,000 and the total amount of the EDA Award is \$5,857,453.
- ii.) The City shall explain, if there are cost overruns exceeding the amounts set forth in the respective Awards, how such costs will be funded without delays in the project timelines.

If the City has not complied with the requirements of the preceding paragraph for any reason on or before March 1, 2024, OLDCC and EDA will ask the City to consider voluntarily termination of both awards. If the City declines to voluntarily terminate within fifteen (15) calendar days from the date of our request, OLDCC and EDA may proceed to terminate our awards for noncompliance with the terms and conditions of each grant agreement.

If you have any questions regarding this correspondence, you may contact Michael Wilson of OLDCC at 703-697-2188 or email at michael.a.wilson179.civ@mail.mil.

Sincerely,

WILSON.MICHAEL.ANDigitally signed by
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07911
Date: 2024.02.05 11:55:18 -05'00'

Michael A. Wilson
Deputy Director, Compliance
Office of Local Defense
Community Cooperation

H. Philip Paradice, Jr.

H. Philip Paradice, Jr.
Atlanta Regional Director
Economic Development Administration

Digitally signed by H. Philip
Paradice, Jr.
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CC Captain Paul Flores, Commanding Officer, Naval Air Station Whiting Field