



Staff Report

File #: 15-408, **Version:** 1

Agenda Date: 11/10/2015

Subject:

Interlocal Agreement with the City of Safety Harbor for the sale of wholesale potable water.

Recommended Action:

Approval of the Interlocal Agreement with the City of Safety Harbor for the sale of wholesale potable water.

The term of the new agreement is for a period of five (5) years.

Strategic Plan:

Deliver First Class Services to the Public and Our Customers

5.1 Maximize partner relationships and public outreach

5.2 Be responsible stewards of the public's resources

5.3 Ensure effective and efficient delivery of county services and support

Summary:

This agreement is for the wholesale water purchase with the City of Safety Harbor (City), and calls for the City to purchase a minimum of 1 million gallons a day, based on the yearly average of water to the City. The previous agreement expired on October 19, 2014. The term of the new agreement is for a period of five (5) years. The City approved the agreement at its October 5, 2015 City Commission meeting.

Background Information:

The County and the City have previously contracted for the sale and purchase of potable water, at the County's prevailing wholesale potable water rate, to serve the customers in the City's water service area. The current wholesale rate is \$3.9232 per 1,000 gallons. On October 20, 2009, the Board of County Commissioners approved the agreement with the City for a term of five (5) years. Since October 19, 2014, the City has been a month-to-month customer.

Fiscal Impact:

Fiscal Year 2015 Revenue - \$1,998,001.17

Water Enterprise Fund

Staff Member Responsible:

Robert M. Powell, Director, Utilities

Partners:

City of Safety Harbor

AGREEMENT

THIS AGREEMENT, made and entered into as of the ____ day of _____, 2015, by and between PINELLAS COUNTY, a political subdivision of the State of Florida, acting by and through its Board of County Commissioners, hereinafter referred to as "COUNTY," and the CITY OF SAFETY HARBOR, FLORIDA, a municipal corporation within said Pinellas County, acting by and through its CITY Commission, hereinafter referred to as "CITY",

WITNESSETH:

WHEREAS, COUNTY and CITY have previously contracted for the sale and purchase of potable water to serve customers in the CITY's water service area; and,

WHEREAS, CITY, to insure an adequate supply of potable water for distribution to its citizens, desires to continue to purchase from COUNTY, a supply of potable water which COUNTY is able to furnish from and through its water supply transmission system; and,

NOW, THEREFORE, in consideration of the monies hereinafter agreed to be paid and the mutual covenants contained herein, the parties hereby mutually agree as follows:

1. COUNTY agrees to furnish CITY up to 2.5 MGD yearly average of water for its use and for redistribution in its water service area, as shown on the attached sketch and marked as Exhibit A and incorporated herein by reference. CITY agrees to purchase from COUNTY a minimum of 1 MGD. MGD within each year of the term of this Agreement for CITY's use and for distribution in its water service area. This minimum purchase commitment by CITY is based on a yearly average.

2. CITY shall have the exclusive right to distribute and make available water service to the customers within its water service area, as described in Exhibit A, and may purchase from COUNTY potable water required to serve the customers within the designated area. At any point during the term of this Agreement, that the CITY determines to provide water itself or otherwise obtain a portion of their potable water needs from sources other than the COUNTY and the COUNTY remains on a standby status to the CITY, for that portion obtained elsewhere, the CITY will be charged a standby fee, that will be determined at the time the CITY obtains water from other sources.
3. The CITY will utilize the connections located at: CR 48 (Allen Avenue) and McMullen-Booth Road, and near CR 576 (Main Street and McMullen-Booth Road) or other locations mutually agreed to by COUNTY and CITY.
4. The CITY will maintain an aggressive cross connection control program in accord with State and Federal Safe Drinking Water Acts and patterned after Pinellas County Code Division 3; Cross Connection Control, Section 126-231 thru Sec. 126-244. Should any contamination or possibility of contamination occur in CITY'S water system for which the CITY is responsible because of failure to have in place an ongoing cross connection control program, the CITY will be responsible for any damage to COUNTY'S water system caused by such failure to have in place an ongoing cross connection control program. Should any contamination or possibility of contamination occur in the CITY'S water system because of the CITY'S failure to properly operate or maintain its water system, the

CITY will be responsible for any damages to the COUNTY'S water system caused by such failure of the CITY to properly operate or maintain its water system. The CITY shall immediately correct any cause of contamination to its water system and take all necessary precautions to ensure the protection of the COUNTY'S water supply and water system. The CITY shall, if possible, within thirty (30) minutes of the knowledge of contamination of the CITY water system, notify the Office of the Director of Pinellas County Utilities or his Successor. If the CITY does not provide an ongoing cross connection control program, the COUNTY may require the installation of backflow devices at the water connections at the CITY'S expense.

5. The quantity of water delivered to the CITY shall be quantified by a measuring device of standard make and sufficient size, selected and maintained by the COUNTY. The measuring device shall be equipped with an indicating and recording register and a transmitter for telemetering remote readout. In the event future relocation of the measuring device is required by either party, such party shall pay for all relocation costs. The CITY shall pay a monthly service charge for the maintenance and replacement of the flow measuring device and backflow device.
6. The ownership of the flow measuring and backflow devices will remain with the CITY. The CITY will not change, alter, add to, or take away any part of any flow measuring or backflow device without prior approval of COUNTY. The COUNTY will, at its expense, install and retain ownership of the telemetering line from the measuring device to the point of readout.

7. To assure accuracy, the flow-measuring devices shall be tested yearly by the COUNTY with results delivered to the CITY'S Public Works Director within thirty (30) days of test. At other intervals of time, should any question arise as to the accuracy of any flow measuring device, the CITY may require any or all of the flow measuring devices to be tested. Should the tests show the flow measuring device to be registering within an accuracy of two and one half (2-1/2) percent, the CITY shall bear all the expense incurred in the testing. If the tests show the flow measuring device not to be registering within two and one half (2-1/2) percent accuracy, the COUNTY will pay all the expense incurred in the testing and will immediately repair the flow measuring device. For any meter found inaccurate, the COUNTY will adjust the previous month's or months' bills, as appropriate, to reflect the result of the test.
8. The COUNTY agrees that the supply of water to be delivered hereunder shall be at all times continuous, except that temporary cessation of delivery of water at any time by an Act of God; fires, strikes; casualties; accidents; breakdowns of or injuries to machinery, pumps or pipelines; order of civil or military authority; insurrection; riot or any other cause beyond the control of the COUNTY shall not constitute a breach of this Agreement on the part of the COUNTY so long as such causes were not the result of the COUNTY's actions, negligence, or within the control of the COUNTY, and the COUNTY shall not in such case be liable to the CITY or its inhabitants for any damage resulting from an unavoidable cessation of delivery related to one of the causes stated in this paragraph, so long as

such causes were not the result of the COUNTY's actions, negligence, or within the control of the COUNTY.

9. It is recognized by both parties hereto that the COUNTY supplies water to other municipalities on a wholesale basis, and also to many thousands of retail users, and it is agreed that at any time when the total demand for water by all of the users, including the CITY, exceeds the capacity of the COUNTY'S water supply and distribution system, both wholesale and retail customers will receive equal priority for the supply of water; and in such event, the inability of the COUNTY to supply either the wholesale or retail customers' full requirements and needs shall not constitute a breach of this Agreement on the part of the COUNTY. The CITY agrees that should the Director of Pinellas County Utilities or his successor declare an emergency to exist in the supply of water for the COUNTY'S water system, the Director of Pinellas County Utilities or his successor shall have the right and complete authority to allocate or pro-rate water supply to the CITY based upon existing needs of the system, past and present demands on the system by the CITY, and all other reasonable circumstances then existing at the time of the emergency. The CITY's obligation to purchase from the COUNTY a minimum of 1 MGD within each year of the term of this Agreement for the CITY's use and for distribution in its water service area as set forth in Paragraph 1 of this Agreement shall be adjusted to exclude from the yearly average any month(s) during which the Director of Pinellas County Utilities declares an emergency pursuant to this Paragraph 9.

10. In the event that the COUNTY is unable to furnish the amount of water the CITY needs to supply its service area, the CITY shall be entitled to purchase water from other sources for such supply until such time as the COUNTY can again furnish the CITY'S water needs.
11. All water delivered under this Agreement shall conform to applicable state and federal laws and regulations and the standards of the State of Florida Department of Health and the Florida Department of Environmental Protection.
12. The COUNTY will bill the CITY for water used on a monthly billing cycle. Each month the COUNTY will read and record the reading on the register of each of the flow measuring devices and compute the volume of water that has been quantified by the measuring device during the billing cycle. The CITY will, within thirty (30) days from the receipt of the bill, make payment to the COUNTY of the amount shown on the bill. Failure of the CITY to pay when due any amounts billed under the terms of this Agreement shall constitute breach of this Agreement and the COUNTY'S obligation to furnish water may then be voided at the COUNTY'S option. If payment is not made within the time provided in Section 218.335, Florida Statutes, the CITY will pay to the COUNTY interest at the rate established by Section 55.03, Florida Statutes.
13. The CITY will be billed for the water recorded by the flow measuring device at the wholesale rate established by the Board of County Commissioners. The wholesale rate will be based on a pro-rata share of revenue requirements of the COUNTY'S water system to include only

those reasonable production and transmission costs that can be shown to be required for the supply of water to the COUNTY's water users. The rate and fees will become effective October 1 of the same fiscal year as the budget, and may then be revised at any time by the Board as necessary to meet the revenue requirements of the COUNTY'S water system. However, revisions after October 1 which result in increased rates will not be effective until at least sixty (60) days after adoption by the County Commission. Adequate notice, of not less than thirty (30) days, will be given to the CITY before any proposed rate increase is adopted. The following factors shall be used in determining the municipal rate referred to herein:

- A. Operation, maintenance, renewal and administrative costs.
 - B. Payment obligations of annual principal and interest payments on the COUNTY'S water system bonded indebtedness.
 - C. Collection of coverage or other reserves as required by Bond Resolutions and Ordinances.
 - D. Pro-rata share of the costs for construction and maintenance of the production and transmission facilities for the water system.
 - E. Payment of the cost of the water to the COUNTY, should it be purchased from other agencies, plus other costs to the COUNTY required to furnish water to the CITY as described in A through D of this paragraph.
 - F. Peaking use rates.
14. On or before March 1 each year during the term of this Agreement, the

CITY will notify the COUNTY on form provided by the COUNTY of the CITY'S projected requirement by the month for forthcoming year, together with a five (5) year projection of usage.

15. The CITY will accept the potable water at the pressure in the COUNTY'S transmission mains. Notwithstanding paragraph 8 above, the COUNTY will make every effort to maintain a minimum of 35 psi static pressure or greater at all points of delivery to the CITY.
16. The CITY will operate its system in such a manner so as to prevent peaking of flow rates that would place an unequal burden on the COUNTY'S facilities and be out of proportion to other customers of the COUNTY'S water system. Storage to accommodate peak flow demands will be included by the CITY in the design and installation of the distribution system in the CITY'S water service area. "Peaking" is recognized to be the rate of flow which computed daily exceeds a rate one and fifty five hundredths (1.55) times the average gallons per day on a moving annual yearly average.
17. All parties agree that the area described in Exhibit A herein will be the farthest extension of retail water service by the CITY into the COUNTY'S water service area, regardless of future annexation by the CITY. Any encroachment by the CITY beyond this service area boundary into the COUNTY'S water service area, without written agreement from the COUNTY, shall constitute breach of this Agreement and COUNTY'S obligation to furnish water beyond the established COUNTY service area boundary shall be void. It is the intent of both parties by adopting and

observing this service area to avoid duplication of capital investment and maintenance costs and to render water service to the public as efficiently as possible. The CITY recognizes the right of the Pinellas County Board of County Commissioners to designate water service areas for all municipalities in Pinellas County, and accordingly, the CITY agrees not to extend any water line into the COUNTY'S water service area without approval of the Pinellas County Board of County Commissioners. In the event the CITY shall wish to extend its water service area, the CITY shall make appropriate application to the Pinellas County Board of County Commissioners for the passage of a resolution extending the CITY'S service area as requested. The CITY agrees to strictly abide by all decisions of the Board of County Commissioners in regard to applications or requests for extensions of the CITY water service area.

18. Nothing contained herein shall prevent the CITY from obtaining some or all of the water necessary to serve to its customers from any other source.
19. This Agreement shall be for a period of five (5) years commencing on the date of execution by both parties, and terminating five (5) years from that date.
20. Both parties represent that the execution of this Agreement has been approved by the governing bodies of both parties in accordance with law and that both parties have the legal authority to execute this Agreement.
21. This Agreement replaces and supersedes all previous Agreements between the COUNTY and the CITY regarding water service.
22. This Agreement may be amended or terminated upon the mutual

agreement of both parties, in writing.

IN WITNESS WHEREOF, the parties herein to have caused this Agreement to be executed by their respective authorized officers and it shall be effective on the day and year first above written.

ATTEST:
KEN BURKE, Clerk

PINELLAS COUNTY, FLORIDA
by and through its Board of County
Commissioners

By: _____
Deputy Clerk
(SEAL)

By: _____
Chairman

APPROVED AS TO FORM
OFFICE OF COUNTY ATTORNEY

By: Joseph A. Manning
Attorney

ATTEST:

CITY OF SAFETY HARBOR FLORIDA

By: Karen Simmas
City Clerk
Date
10/05/2015

By: [Signature] 10/5/15
Mayor Date

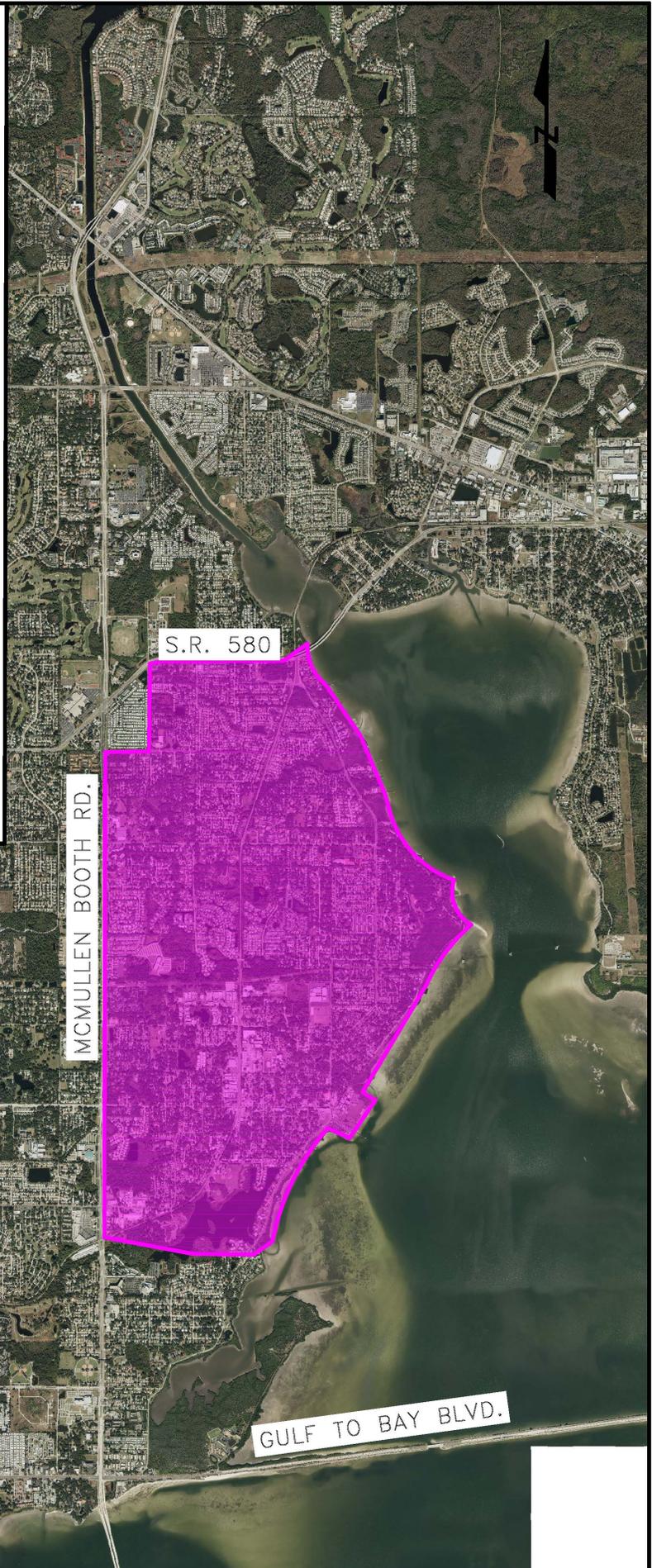
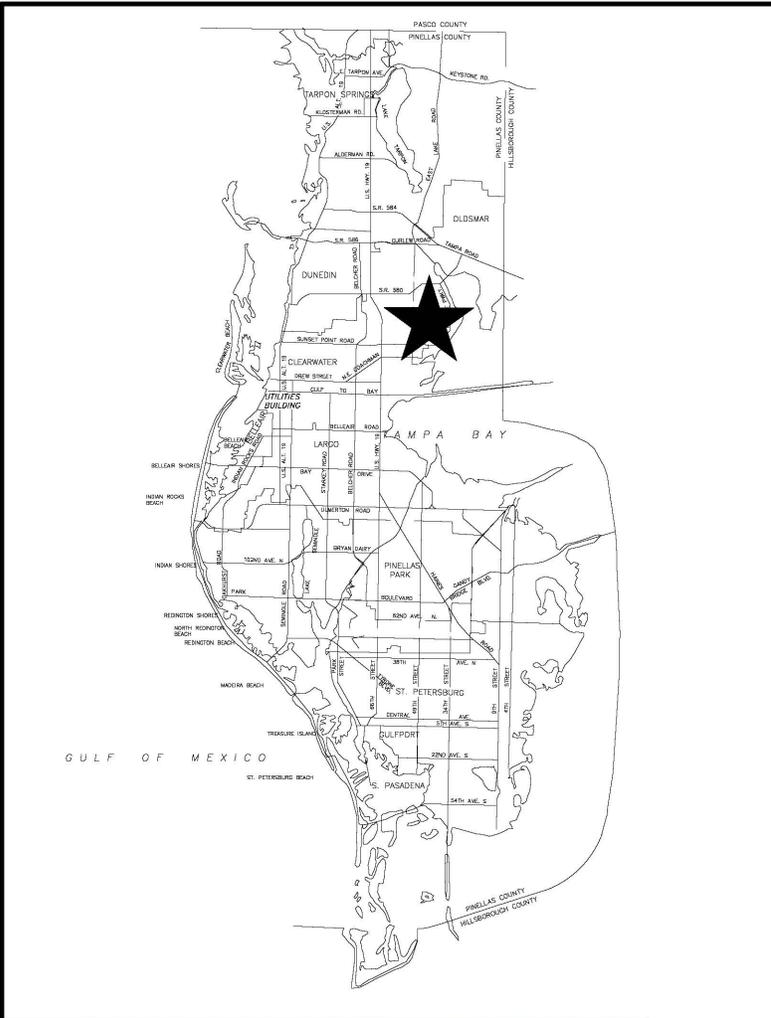
APPROVED AS TO FORM:

By: Menat 10/5/2015
City Attorney Date



EXHIBIT "A" SERVICE AREA BOUNDARY





SAFETY HARBOR WHOLESALe WATER AGREEMENT LOCATION MAP



Risk Management Contract Review

Contract Name	City of Safety Harbor Wholesale Potable Water Agreement				
Bid/Contract#		Granicus	15-408	PID #	
Department	Utilities	Project Mgr	Bob Powell		Date In
Contract Mgr		RUSH?		Pre-Review?	Date Out
Purchasing Contact		Term		Amount	\$1,998,001.17
Type of Contract <small>(select both)</small>	Funding Agreement	Non-Purchasing		Method of Review	E-Review Only (CATS/Legistar)
Limitation of Liability?		Indemnification Language?		If PE to PE, \$768.28?	

Required Coverages	Add'l Language / Exclusions	Limits	Justification
Choose an item.			
Discussed scope & suggested insurance requirements with			
Date/Time/Comments:			
<p>NOTES: THIS IS PUBLIC ENTITY TO PUBLIC ENTITY FOR THE SALE OF POTABLE WATER. NO INSURANCE SUGGESTED.</p>			

Reviewed By: E. Farley		Date 10/15/2015
<input checked="" type="checkbox"/> Ready for Signature	Authorized By Virginia E. Holscher, Director	