

AGREEMENT  
for  
OPERATIONS, MAINTENANCE AND  
MANAGEMENT SERVICES  
for  
HAVANA, FLORIDA

## TABLE OF CONTENTS

|          |      |  |    |
|----------|------|--|----|
| ARTICLE  | 1.0  | SERVICES.....                                    | 1  |
|          | 2.0  | STANDARD OF PERFORMANCE .....                    | 1  |
|          | 3.0  | OWNERS RESPONSIBILITIES .....                    | 1  |
|          | 4.0  | COMPENSATION AND PAYMENT.....                    | 2  |
|          | 5.0  | TERM.....  | 2  |
|          | 6.0  | INDEMNITY AND LIABILITY .....                    | 3  |
|          | 7.0  | INSURANCE .....                                  | 3  |
|          | 8.0  | LABOR DISPUTES.....                              | 4  |
|          | 9.0  | FORCE MAJEURE .....                              | 4  |
|          | 10.0 | ACCESSS TO FACILITIES AND PROPERTY .....         | 4  |
|          | 11.0 | CHANGES .....                                    | 5  |
|          | 12.0 | NO THIRD PARTY BENEFICIARIES .....               | 5  |
|          | 13.0 | JURISDICTION .....                               | 5  |
|          | 14.0 | SEVERABILITY AND SURVIVAL .....                  | 5  |
|          | 15.0 | FINES AND CIVIL PENALTIES .....                  | 5  |
|          | 16.0 | TERMINATION .....                                | 5  |
|          | 17.0 | SUSPENSION, DELAY, OR INTERRUPTION OF WORK ..... | 5  |
|          | 18.0 | DISPUTE RESOLUTION .....                         | 6  |
|          |      | SIGNATURES .....                                 | 6  |
| APPENDIX | A    | DEFINITIONS .....                                | 7  |
|          | B    | SCOPE OF SERVICES .....                          | 9  |
|          | C    | CAPACITY AND CHARACTERISTICS .....               | 13 |

|   |   |    |
|---|---|----|
| D | LOCATION OF PROJECT .....                           | 15 |
| E | COMPENSATION, PAYMENT AND BASE FEE ADJUSTMENT ..... | 16 |
| F | PROJECT VEHICLES AND EQUIPMENT .....                | 18 |
| G | 30-DAY CHEMICAL INVENTORY .....                     | 19 |

## AGREEMENT

for

OPERATIONS, MAINTENANCE, AND

MANAGEMENT SERVICES

THIS AGREEMENT is made and entered into this 1<sup>st</sup> day of October 2009, by and between The Town of Havana, Florida (hereinafter "Owner"), whose address for any formal notice is 711 N. Main Street Havana Floarida 32333 and Operations Management International, Inc., (hereinafter "CH2M HILL OMI") with offices at 9193 South Jamaica Street, Suite 400, Englewood, CO 80112..

Owner and CH2M HILL OMI agree:

### 1. SERVICES

- 1.1 CH2M HILL OMI shall, within the design capacity and capability of the Owner's facilities, manage, operate and maintain the facilities so that the effluent discharged from the facilities meets the requirements specified in Appendix C. The scope of services is defined in detail in Appendix B.

### 2. STANDARD OF PERFORMANCE

- 2.1 CH2M HILL OMI shall perform the services with the degree of skill and diligence normally employed by operations and maintenance personnel performing the same or similar services.
- 2.2 Within the design characteristics and limitations of the Project, CH2M HILL OMI and Owner shall comply with all applicable Federal, State and Local laws which apply to them. In addition, CH2M HILL OMI will ensure that all subcontractors hired by it, to perform services on behalf of the Owner in connection with this Agreement, comply with applicable Federal, State and local laws. Copies of related documents, including licenses and proof of insurance, as applicable, shall be kept on file.

### 3. OWNER'S RESPONSIBILITIES

- 3.1 The Owner shall approve and pay for all expenditures for (1) the purchase of new equipment or facility items that cost more than One Thousand (\$1,000.00) Dollars; or (2) major repairs that significantly extend equipment or facility service life and cost more than Two Thousand (\$2,000.00) Dollars; or (3) expenditures that are planned, non-routine and budgeted by the Owner.
- 3.2 Maintain and renew, with respect to all existing portions of the System, warranties, guarantees, easements, permits, authorizations and licenses that have been granted to the Owner, to the extent the maintenance thereof is not a responsibility of CH2M HILL OMI hereunder.

- 3.3 Approve and pay all amounts associated with the occupancy or operation of the System and the performance of the Services including but not limited to all property, franchise, or other taxes associated with the project, except to the extent CH2M HILL OMI shall be obligated to pay such amounts in accordance with the express terms of this Agreement.
- 3.4 The Owner shall provide CH2M HILL OMI within a reasonable time after request any piece of Owner's heavy equipment that is available so that CH2M HILL OMI may discharge its obligations under this Agreement in the most cost-effective manner.
- 3.5 The Owner shall provide all licenses and insurance for Owner supplied vehicles used in connection with the project.
- 3.6 The Owner shall provide for CH2M HILL OMI's use of all vehicles and equipment currently in use at the project, including the vehicles described in Appendix F.
- 3.7 The Owner agrees to not offer employment or other compensation to employees of CH2M HILL OMI directly working on this project for a period of two years (2) after the end date of this Agreement or said employees re-assignment from this project.
- 3.8 Owner will provide to CH2M HILL OMI all data in Owner's possession relating to the project. CH2M HILL OMI will reasonably rely upon the accuracy and completeness of the information provided by the Owner.

4. COMPENSATION AND PAYMENT

- 4.1 Compensation for the services is described in Appendix E.

5. TERM

- 5.1 The term of this Agreement shall be for five (5) years commencing on October 1, 2009 through September 30, 2014. Thereafter, this Agreement shall be automatically renewed for a successive term of five (5) years (October 1, 2014 through September 30, 2019) unless cancelled by either party not less than 90 days prior to September 30, 2014.
- 5.2 Either party may terminate this Agreement for a material breach of this Agreement by the other party after giving written notice of the breach and allowing the other party a reasonable time to correct the breach. Excepting breaches by Owner for non-payment of CH2M HILL OMI's invoices, neither party shall terminate this agreement without giving the other party thirty (30) days' written notice of intent to terminate for failure of the other party to correct the breach within a reasonable time.

6. INDEMNITY AND LIABILITY

- 6.1 CH2M HILL OMI hereby agrees to indemnify and hold Owner harmless from any claim, liability or damages for property damage or bodily injury, including death, which may arise from CH2M HILL OMI's negligent operations under this Agreement, to the proportion such negligence contributed to the damages, injury, or loss, whether such negligent operation be by CH2M HILL OMI or by subcontractor of CH2M HILL OMI.

- 6.2 Owner agrees to indemnify and hold CH2M HILL OMI harmless from any claim, liability or damages for property damage or bodily injury, including death, which may arise, except to the proportionate extent caused by the negligence or willful misconduct of CH2M HILL OMI, its employees or its subcontractors, to the extent permitted by applicable law.
- 6.3 It is understood and agreed that, in seeking the services of CH2M HILL OMI under this Agreement, Owner is requesting CH2M HILL OMI to undertake inherently unsafe obligations for Owner's benefit involving the presence or potential presence of hazardous substances. Therefore, Owner agrees to hold harmless, indemnify, and defend CH2M HILL OMI from and against any and all claims, losses, damages, liability, and costs including, but not limited to, costs of defense arising out of or in any way connected with the presence, discharge, release, or escape of contaminants of any kind, excepting only such liability as may arise out of the negligence or willful or wanton misconduct of CH2M HILL OMI, its employees or its subcontractors in the performance of services under this Agreement, to the extent permitted by applicable law.
- 6.4 In no event shall CH2M HILL OMI, its subcontractors or their officers or employees be liable for Owner's special, indirect or consequential damages, whether such liability arises in breach of contract or warranty, tort including negligence, strict or statutory liability, or any other cause of action, excepting willful or wanton misconduct.
- 6.5 In no event shall Owner, its officers, agents or employees be liable for CH2M HILL OMI's special, indirect or consequential damages, whether such liability arises in breach of contract or warranty, tort including negligence, strict or statutory liability, or any other cause of action, excepting willful or wanton misconduct.

## 7. INSURANCE

- 7.1 CH2M HILL OMI shall provide the following insurances throughout the term of the Agreement, and shall provide to Owner Certificates of Insurance demonstrating compliance with this provision:
- 7.1.1 Statutory Worker's Compensation and Employers Liability Insurance as required by the State in which the project is performed.
- 7.1.2 Comprehensive Automobile and Vehicle Liability Insurance with One Million Dollars (\$1,000,000) combined single limits, covering claims for injuries to members of the public and/or damages to property of others arising from the use of CH2M HILL OMI owned or leased motor vehicles, including onsite and offsite operations.
- 7.1.3 Commercial General Liability Insurance with limits of One Million Dollars (\$1,000,000) per occurrence and in the aggregate, covering claims for injuries to members of the public or damages to property of others arising out of any covered act or omission of CH2M HILL OMI or any of its employees, or subcontractors.

7.2 Owner will maintain the following insurances throughout the term of the Agreement, and shall provide CH2M HILL OMI with Certificates of Insurance to demonstrate compliance with this provision:

7.2.1 Property Damage Insurance for all property including Owner supplied vehicles and equipment for the full fair market value of such property.

7.2.2 Liability Insurance for all motor vehicles and equipment provided by Owner and operated by CH2M HILL OMI under this Agreement.

7.3 Owner and CH2M HILL OMI will provide for a waiver of subrogation against the other as to all insurances required to be carried hereunder, and each party waives any claim against the other arising in contract or in tort which are covered by their respective insurance hereunder.

## 8. LABOR DISPUTES

8.1 In the event activities by Owner's employee groups or unions causes disruption in CH2M HILL OMI's ability to perform the project, Owner, with CH2M HILL OMI's assistance, or CH2M HILL OMI at its own option with Owner's approval, may seek appropriate injunctive court orders during any such disruption, CH2M HILL OMI shall operate the facilities on a best efforts basis until any such disruptions cease, but CH2M HILL OMI cannot assure compliance with all contract conditions.

## 9. FORCE MAJEURE

9.1 Neither party shall be liable for damages, delays, or failure to perform its obligations under this Agreement if performance is made impractical, abnormally difficult, or abnormally costly, as a result of any unforeseen occurrence, including but not limited to fire, flood, strike, acts of God, or other occurrences, beyond its reasonable control. The party invoking this Force Majeure clause shall notify the other party immediately by verbal communication and in writing of the nature and extent of the contingency within ten (10) working days after its occurrence, and shall take reasonable measures to mitigate any impact of Force Majeure.

## 10. ACCESS TO FACILITIES AND PROPERTY

10.1 Owner will make its facilities accessible to CH2M HILL OMI as required for CH2M HILL OMI's performance of its services, and will secure access to any other Owner property necessary for performance of CH2M HILL OMI's services.

10.2 CH2M HILL OMI shall provide 24-hour per day access to Project for Owner's personnel. Visits may be made at any time by any of Owner's employees so designated by Owner's Representative. Keys for the Project shall be provided to Owner by CH2M HILL OMI. All visitors to the Project shall comply with CH2M HILL OMI's operating and safety procedures.

## 11. CHANGES

- 11.1 Owner and CH2M HILL OMI may mutually make changes within the general scope of services of this Agreement. The contract price and schedule will be equitably adjusted pursuant to a written Change Order, Modification or Amendment to the Agreement executed by both parties.
12. NO THIRD PARTY BENEFICIARIES
- 12.1 This Agreement gives no rights or benefits to anyone other than Owner and CH2M HILL OMI and has no third party beneficiaries.
13. JURISDICTION
- 13.1 This Agreement shall be governed by and interpreted in accordance with the laws of the State of Florida.
14. SEVERABILITY AND SURVIVAL
- 14.1 If any of the provisions contained in this Agreement are held for any reason to be invalid, illegal, or unenforceable, the enforceability of the remaining provisions shall not be impaired thereby.
15. FINES AND CIVIL PENALTIES
- 15.1 CH2M HILL OMI shall be liable for those fines or civil per year, which may be imposed by a regulatory agency for violations of the effluent quality requirements specified in Appendix B and Appendix C, that are a result of CH2M HILL OMI's negligent operation. Owner will assist CH2M HILL OMI to contest any such fines in administrative proceedings and/or in court prior to any payment by CH2M HILL OMI. CH2M HILL OMI shall pay the costs of contesting any such fines.
16. TERMINATION
- 16.1 Upon termination of this Agreement, CH2M HILL OMI shall assist Owner in resuming operation of the facilities and all equipment and vehicles. All software and permit documentation shall become the property of the Owner.
17. SUSPENSION, DELAY, OR INTERRUPTION OF WORK
- 17.1 OWNER may suspend, delay, or interrupt the Services of CH2M HILL OMI for the convenience of OWNER. In such event, CH2M HILL OMI's agreement price shall be equitably adjusted.
18. DISPUTE RESOLUTION
- 18.1 The parties will use their best efforts to resolve amicably any dispute, including use of alternative dispute resolution options.

Both parties indicate their approval of this Agreement by their signatures below.

OPERATIONS MANAGEMENT  
INTERNATIONAL, INC.

Authorized signature:

*Natalie Eldredge*

Natalie Eldredge  
Vice President

Date: 11/4/09

THE TOWN OF HAVANA, FLORIDA

Authorized signature:

*Howard McKinnon*

Name: Howard McKinnon  
Title: Town Manager

Date: 11-13-09

## Appendix A

### DEFINITIONS

- A.1 "Adequate Nutrients" means plant influent nitrogen, phosphorous, and iron contents proportional to BOD<sub>5</sub> in the ratio of five (5) parts nitrogen, one (1) part phosphorous, and one-half (0.5) part iron for each one hundred (100) parts BOD<sub>5</sub>.
- A.2 "Base Fee" means the compensation paid by Owner to CH2M HILL OMI for the base services defined in Appendix B of this Agreement for any year of the Agreement. The Base Fee is specified in Appendix E.1 and will be renegotiated annually. This compensation does not include payments for Requests by Owner that are incidental to or outside the Scope of Services.
- A.3 "Biologically Toxic Substances" means any substance or combination of substances contained in the plant influent in sufficiently high concentrations so as to interfere with the biological processes necessary for the removal of the organic and chemical constituents of the wastewater required to meet the discharge requirements of Owner's NPDES permit. Biologically toxic substances include but are not limited to heavy metals, phenols, cyanides, pesticides, and herbicides.
- A.4 "BOD" means Biochemical oxygen demand
- A.5 "Capital Expenditures" means any expenditures for (1) the purchase of new equipment or facility items that cost more than One Thousand Dollars (\$1,000); or (2) Major Repairs that significantly extend equipment or facility service life and cost more than Two Thousand Dollars (\$2,000); or (3) expenditures that are planned, non-routine, and budgeted by Owner.
- A.6 "Change in the Scope of Services" means those events or services which either change the basis of cost or add additional scope to the services provided in this Agreement which are anticipated as long term events (greater than one year). Such events or services include but are not limited to, services and/or cost presently the responsibility of Owner, newly mandated regulatory requirements, construction and the impacts thereof, and changes in the Project(s) characteristics.
- A.7 "Cost" means the total of all costs determined on an accrual basis in accordance with Generally Accepted Accounting Principles (GAAP), including but not limited to direct labor, labor overhead, chemicals, materials, supplies, utilities, equipment, maintenance, repair, and outside services.
- A.8 "Incidental Services" means those services requested by Owner incidental to/or not specifically identified or included in CH2M HILL OMI's Costs, but are related or similar in nature to the services contemplated under this Agreement, including but not limited to, services and/or cost for plant or facility upgrades, rate studies, short term construction and the impacts thereof, engineering studies, and other short term incidental projects.
- A.9 "Major Repairs" means those repairs that significantly extend equipment or facility service life and cost more than Two Thousand Dollars (\$2,000).
- A.10 "Preventive Maintenance" means the cost of those routine and/or repetitive activities required or recommended by the equipment or facility manufacturer or CH2M HILL OMI to maximize the service life of the equipment, sewer, vehicles, and facility.

- A.11 "Project" means all equipment, vehicles, grounds, and facilities described herein and where appropriate, the operations, maintenance, and management of such.
- A.12 "Repairs Cost" means the cost of those non-routine/non-repetitive activities required for operational continuity, safety, and performance generally resulting from failure or to avert a failure of the equipment, sewer, vehicle, or facility or some component thereof.
- A.13 "TSS" means total suspended solids.

## **Appendix B**

### **SCOPE OF SERVICES**

for

Wastewater Treatment, Effluent Disposal, Spray Field and Lift Station Operation

CH2M HILL OMI SHALL:

#### **B.1 WASTEWATER TREATMENT PLANT AND EFFLUENT DISPOSAL SYSTEM**

- B.1.1 Within the design capacity and capability of the Wastewater Treatment Plant (Plant), manage, operate, and maintain the Plant so that effluent discharged from the Plant meets the requirements specified in NPDES permit No.FI0030333-001 (copy attached), unless one or more of the following occurs: (1) Plant influent does not contain Adequate Nutrients to support operation of the Plant's biological processes and/or contains Biologically Toxic Substances that cannot be removed by the existing process(es) and facilities; (2) dischargers into Owner's sewer system violate any or all regulations as stated in the applicable Sewer Ordinance Town of Havana, Section 19-1-19-75 and, (3) the flow, influent biochemical demand (BOD<sub>5</sub>,) and/or total suspended solids (TSS) exceeds the Plant's design parameters; in which even Appendix C.2 specifies responsibilities and remedies.
- B.1.2 Alter as needed, the process and/or facilities to achieve the objectives of this Agreement; provided, however, that no alteration shall be without Owner's written approval if alteration shall cost in excess of One Thousand Dollars (\$1,000).
- B.1.3 Provide staff for operation of the facility 8 hours per day, 5 days per week, including response to emergency calls 24 hours per day, 7 days per week, within one (1) hour of its occurrence. CH2M HILL OMI shall designate, as a minimum, one staff member as standby to respond to such calls. CH2M HILL OMI will also provide weekend checks each day for all six (6) Town lift stations and plant visits each weekend day per FDEP permit requirements.
- B.1.4 Offer employment to all personnel of Owner assigned full-time to the Project as of the effective date of this Agreement, providing benefits and wages comparable to those wages and benefits provided by Owner. CH2M HILL OMI will continue to provide employment to all personnel who accept employment with CH2M HILL OMI so long as their positions are necessary to CH2M HILL OMI's performance under this Agreement, and they continue to perform their duties in a satisfactory manner. CH2M HILL OMI agrees not to offer employment or other compensation to other employees of the Owner for a period of two years (2) after the end date of this Agreement. CH2M HILL OMI agrees not to terminate existing personnel without cause.
- B.1.5 Staff the Project with a sufficient number of qualified employees who possess the managerial, administrative, and technical skills to perform the services specified in this Agreement, and where appropriate, the certification requirements mandated by the State.
- B.1.6 Pay all Cost incurred in normal Project operations.
- B.1.7 Maintain aesthetics of the facilities:

- B.1.7.a In general, maintain all facilities in a clean, neat, and orderly fashion
- B.1.7.b Administrative and other occupied spaces shall be kept clean, dry, and habitable
- B.1.7.c Other spaces and floors shall be free of sewage, screenings, sludge, debris, etc.
- B.1.7.d Equipment, tools, and material will be properly stored
- B.1.8 Operate the facilities in a manner such that odor and noise are minimized within the design capacity and capabilities of the facilities. The cost of any upgrades or modifications to the facility above it's capacity and specifications to accomplish this will be treated as a Capital Improvement.
- B.1.9 Prepare and submit to Owner for transmittal to appropriate agencies, all regulatory reports pertaining to routine operation and maintenance of the facilities specified herein. CH2M HILL OMI shall comply with all current local, State and Federal notice and reporting requirements, regarding violations, upsets, excursions, or emergencies related to the Wastewater Treatment Facilities.
- B.1.10 Provide for the disposal of screenings, grit, scum, sludges, and biosolids to existing disposal sites. Any change in the Cost of this service due to increased or unusual quantities of material, or increases in landfill rates, hauling costs, or tipping fees shall constitute a change in scope and give cause for an adjustment in fee. Owner and CH2M HILL OMI agree that Owner is the Generator of the screenings, grit, scum, sludges and biosolids.
- B.1.11 Where land application is used as the method for disposal of biosolids, CH2M HILL OMI shall comply with the State FAC 62-640 and Federal 40 CFR 503 regulations applicable to such method. Specifically, CH2M HILL OMI shall assist Owner in securing all permits and land use agreements, and perform soils and biosolids testing, and report the volume and quantity of biosolids land applied. CH2M HILL OMI may use the existing Owner secured permits and land application sites.
- B.1.12 Provide computerized maintenance (MP2), process control, (OP10) and laboratory management systems for the Project. Owner shall have the right to inspect these records during normal business hours. The maintenance program will include documentation of spare parts inventory. This system shall be capable of providing historical data.
- B.1.13 Place, at each permanently staffed project facility, a copy of CH2M HILL OMI's Corporate Safety Program and provide all employees training specific to this Program, within forty-five (45) days from the effective date of this Agreement. The cost of any Capital Improvement required at the Project to bring the facilities within OSHA compliance at commencement of services will be paid by the Owner. Any changes in OSHA regulations requiring subsequent improvements to the facilities will be an out-of-scope event subject to compensation changes.
- B.1.14 CH2M HILL OMI agrees to provide job related training for personnel in the areas including but not limited to operation, quality, maintenance, safety, supervisory skills, laboratory, and energy management. All such training shall be fully documented. Where employees are required by law or regulation to hold current licenses, certificates or authority to perform the work required of their respective positions, CH2M HILL OMI shall provide the training and agree with the

employee to a reasonable time frame for the employee to qualify for such certificate, license or authority.

- B.1.15 Where applicable, monitor and report the volume and nature of septic tank hauler discharges.
- B.1.16 Perform all laboratory testing and sampling currently required by the NPDES permit. Additional laboratory testing and sampling requested by the Owner will be provided on a fee per test basis to be determined at the time of the request.
- B.1.17 Provide and document all Preventive Maintenance for the Plant, effluent disposal, spray field and lift stations. Owner shall have the right to inspect these records during normal business hours. Owner agrees to pay additional labor costs resulting from third party actions or damages to the spray field.
- B.1.18 Provide, document, and conduct a "repair vs replace" analysis for all Major Repairs for the Plant. Where repair costs are less than 40 percent of replacement costs, the item will be repaired. Where repair costs are greater than 40 percent of replacement costs and the item qualifies as a Capital Expense, the analysis will be submitted to Owner for a decision concerning replacement.
- B.1.19 Provide and document repairs for the project. The Repairs Limit described in Appendix E shall not include the salary cost of CH2M HILL OMI's onsite personnel assigned to the project making such repair. However, due to the size, complexity, technical nature, or timing for completion of such repairs, CH2M HILL OMI may subcontract or provide CH2M HILL OMI personnel outside of the project to make such repairs and charge such services to the Repairs budget. CH2M HILL OMI will provide Owner with a detailed monthly report and accounting of all Repairs.
- B.1.20 Obtain and retain copies of documentation required by the NPDES permit or issued by Federal or State regulators relating to the Project. If CH2M HILL OMI becomes aware that it is not able to obtain certain documentation, CH2M HILL OMI shall advise Owner and Owner shall provide reasonable assistance to CH2M HILL OMI to obtain the information. Owner shall promptly forward any documentation or information that it receives relating to the Project to CH2M HILL OMI for inclusion in the Project files.
- B.1.21 CH2M HILL OMI will maintain riser sprinkler to insure proper irrigation. This includes keeping the risers free of vegetation.
- B.1.22 CH2M HILL OMI will mow the riser runs on a regular basis during the growing season. Owner and CH2M HILL OMI will agree to a set schedule before the mowing season begins.
- B1.23 CH2M HILL OMI will repair any riser sprinkler heads damaged during logging. CH2M HILL OMI and Coastal representatives will meet before any logging operations begin to lessen the chance of damage to sprinklers.
- B.1.24 CH2M HILL OMI will repair any leaks in the spray field irrigation system.
- B.1.25 CH2M HILL OMI will assist the Owner in obtaining the necessary resources to level riser runs after logging.

B.1.26 CH2M HILL OMI will assist the Owner in obtaining the necessary resources to maintain the roadways.

**B.2 LIFT STATIONS**

B.2.1 Conduct daily checks and record findings of each lift station.

B.2.2 Provide computerized maintenance management and work order systems for all lift stations. Owner shall have the right to inspect these records during normal business hours. The maintenance program will include documentation of spare parts inventory. This system shall be capable of providing historical data.

B.2.3 Monitor, record and manage electrical usage.

B.2.4 Provide and document all Preventive Maintenance for the lift stations. Owner shall have the right to inspect these records during normal business hours.

B.2.5 Provide, document, and conduct a “repair vs replace” analysis for all Major Repairs for the Plant. Where repairs costs are less than 40 percent of replacement costs, the item will be repaired. Where repair costs are greater than 40 percent of replacement costs and the item qualifies as a Capital Expense, the analysis will be submitted to Owner for a decision concerning replacement.

B.2.6 Provide and document repairs for the project. The Repairs Limit described in Appendix E shall not include the salary cost of CH2M HILL OMI’s onsite personnel assigned to the project making such repair. However, due to the size, complexity, technical nature, or timing for completion of such repairs, CH2M HILL OMI may subcontract or provide CH2M HILL OMI personnel outside of the project to make such repairs and charge such service to the Repairs budget. CH2M HILL OMI will provide Owner with a detailed monthly report and accounting of all Repairs. CH2M HILL OMI will obtain Town’s written consent for repairs over Twenty Thousand (\$20,000) Dollars per repair.

B.2.7 Provide and document repairs for the project. The Repairs Limit described in Appendix E.

B.2.8. CH2M HILL OMI shall utilize their strategic alliance accounts to purchase laboratory and chemical supplies for the Facility. CH2M HILL OMI shall detail out such costs separately to Owner with each invoice.

B.2.9. CH2M HILL OMI shall use Owner’s tax exemption for capital expenses incurred for the Facility. In the event CH2M HILL OMI is not allowed to utilize such exemption, Owner shall reimburse CH2M HILL OMI such taxes incurred and paid by CH2M HILL OMI.

## Appendix C

### CAPACITY AND CHARACTERISTICS

of

### WASTEWATER TREATMENT PLANT(S)

- C.1 Wastewater Treatment Plant(s) Design Capacity(ies) is/are described as follows :

Parameter

|                                   |                 |
|-----------------------------------|-----------------|
| Flow, million gals/day            | <u>.400 MGD</u> |
| BOD <sub>5</sub> , pounds per day | <u>667</u>      |
| TSS, pounds per day               | <u>667</u>      |
| Daily Peaking Factor              | <u>.800</u>     |

All parameters shall be based on the design average dry weather flow with the Daily Peaking Factor being the multiplier applied to the design average dry weather flow

- C.2 In the event any one of the Project influent characteristics, suspended solids, BOD<sub>5</sub>, or flow, exceeds the design parameters stated above, CH2M HILL OMI shall return the plant effluent to the characteristics required by the NPDES permit in accordance with the following schedule after Project influent characteristics return to within design parameters.

| <u>Characteristics Exceeding<br/>Design Parameters By</u> | <u>Recovery Period<br/>Maximum</u> |
|---|------------------------------------|
| 10% or Less   | 5 days                             |
| Above 10% Less than 20%                                   | 10 days                            |
| 20% and Above   | 30 days                            |

Notwithstanding the above schedule, if the failure to meet effluent quality limitations is caused by the presence of Biologically Toxic Substances or the lack of Adequate Nutrients in the influent, then CH2M HILL OMI will have a thirty (30) day recovery period after the influent is free from said substances or contains Adequate Nutrients.

- C.3 CH2M HILL OMI shall not be responsible for fines or legal action as a result of discharge violations within the period that influent exceeds design parameters, does not contain Adequate Nutrients, contains Biologically Toxic Substances, and the subsequent recovery period.

- C.4 The estimated Cost for services under this specification is based on the following Project characteristics:

| <u>Parameter</u>                  |                 |
|-----------------------------------|-----------------|
| Flow, million gals/day            | <u>.306 MGD</u> |
| BOD <sub>5</sub> , pounds per day | <u>293</u>      |
| TSS, pounds per day               | <u>199</u>      |

The above characteristics are the actual twelve- (12) month averages prior to the date services are first provided under this Agreement. A change of five percent (5%) or more in any of these characteristics during the term of this Agreement shall constitute a change in scope.

## Appendix D

### LOCATION OF PROJECT

CH2M HILL OMI agrees to provide the services necessary for the operation, maintenance, and management of the facilities described herein:

- D.1 All equipment, grounds, and facilities now existing within the current property boundaries of or being used to operate Owner's Wastewater Treatment Plant(s) located at:

*Wastewater Facility location - 110 14<sup>th</sup> Ave, Havana, Florida*

*Lift station locations*

- 1. 216 Dogwood Ave*
- 2. 5<sup>th</sup> Street Northeast*
- 3. 112 5<sup>th</sup> Ave East*
- 4. 12<sup>th</sup> Ave East*
- 5. 101 Technogily Way*
- 6. 110 14<sup>th</sup> Ave*
- 7. US Hwy 12/Cascade Falls Subdivision*
- 8. US Hwy 27/Dollar General*

*Sprayfield Location – 112 14<sup>th</sup> Ave, Havana, Florida*

## Appendix E

### COMPENSATION, PAYMENT AND BASE FEE ADJUSTMENT FORMULA

#### E.1 COMPENSATION

- E.1.1 Owner shall pay to CH2M HILL OMI as compensation for services performed under this Agreement a Base Fee of Two Hundred Twelve Thousand One Hundred Seventy Dollars (\$212,170) for the period of October 1, 2009 through September 30, 2010. Subsequent years' base fees shall be determined as hereinafter specified.
- E.1.2 Changes in the Base Fee shall be negotiated annually, three (3) months prior to anniversary of the effective date hereof. Base Fee adjustments shall be negotiated using Labor & Benefits, Electricity, Chemicals, Sludge Hauling, Repairs and Other Direct Costs as the basis of adjustment for base fee. Owner and CH2M HILL OMI agree that good faith negotiations resulting in mutual Agreement is the preferred methodology to be used to determine changes in the Base Fee. In the event that Owner and CH2M HILL OMI fail to agree, the Base Fee may be determined by the application of the Base Fee adjustment formula shown in Appendix E.3. In the event that Owner and CH2M HILL OMI fail to agree on any single component listed above, the Base Fee adjustment formula shown in Appendix E.3 may be utilized to effect the change.
- E.1.3 Provide and document all Repairs for the Project, provided the total amount CH2M HILL OMI shall be required to pay does not exceed Eleven Thousand Dollars (\$11,000) during the above contract term. Owner shall pay for all Repairs in excess of the Repair limit. All repairs over Eleven Thousand Dollars (\$11,000) must be approved by the Owner.
- E.1.4 Reserved
- E.1.5 The Repairs Limit shall be negotiated each year, three (3) months prior to anniversary of the effective date hereof in accordance with Appendix E.1.2 above; should Owner and CH2M HILL OMI fail to agree, the Repairs Limit will be determined by the prior years actual direct Repairs Cost plus application of the Consumer Price Index (CPI) component of the base fee adjustment formula shown in Appendix E.3.
- E.1.6 The total amount CH2M HILL OMI shall be required to pay for Solids Disposal Cost shall not exceed the Solids Disposal Limit of Two Thousand Dollars (\$2,000) during the above period of this Agreement. CH2M HILL OMI shall provide Owner with a detailed invoice of Solids Disposal cost over the Solids Disposal Limit and Owner shall pay CH2M HILL OMI for fifty percent (50%) of all Solids Disposal Cost in excess of such limit. CH2M HILL OMI will rebate to Owner the fifty percent (50%) of the amount that actual Solids Disposal cost are less than the annual Solids Disposal Limit in any year (or as otherwise specified) of this Agreement.
- E.1.7 The Solids Disposal Cost shall be negotiated each year, three (3) months prior to anniversary of the effective date hereof in accordance with Appendix E.1.2 above; should Owner and CH2M HILL OMI fail to agree, the Solids Disposal Cost will be determined by the prior years actual direct Solids Disposal Cost plus application of the Consumer Price Index (CPI) component of the base fee adjustment formula shown in Appendix E.3.

- E.1.8 Requests by Owner that are incidental to the Scope of Services shall be invoiced to Owner at CH2M HILL OMI's Cost plus Fifteen percent (15%).
- E.1.9 In the event that a change in the scope of services provided by CH2M HILL OMI occurs, Owner and CH2M HILL OMI will negotiate a commensurate adjustment in Base Fee.

## E.2 PAYMENT OF COMPENSATION

- E.2.1 One-twelfth (1/12) of the Base Fee for the current year shall be due and payable on the first of the month for each month that services are provided.
- E.2.2 All other compensation to CH2M HILL OMI is due on receipt of CH2M HILL OMI's invoice and payable within fifteen (15) days.
- E.2.3 Any monies arising from Rebate accounts (Solids and Repairs) will be paid to Owner within sixty (60) days after the end of each Agreement year.
- E.2.4 Owner shall pay interest at an annual rate equal to Wells Fargo Bank, N.A.'s prime rate plus one and one-half percent (1-1/2%) (said amount of interest not to exceed any limitation provided by law) on payments not paid and received within fifteen (15) calendar days, such interest being calculated from the due date of the payment.

## E.3 BASE FEE ADJUSTMENT FORMULA

$$ABF = BF \times AF$$

Where:

- BF = Base Fee specified in Article 4.1
- ABF = Adjusted Base Fee
- AF = Adjustment Factor as determined by the formula:

$$[(C / C_0) + 0.02]$$

[limited to a maximum of 1 plus five percent (1.05)]

- $C_0$  = CPI for All Urban Consumers (U.S. City Average) as published by U.S. Department of Labor, Bureau of Labor Statistics in the CPI Detailed Report for the month of January that is eighteen (18) months prior to the beginning of the period for which an Adjusted Base Fee is being calculated.
- $C$  = CPI for All Urban Consumers (U.S. City Average) as published by U.S. Department of Labor, Bureau of Labor Statistics in the CPI Detailed Report for the month of January that is six (6) months prior to the beginning of the period for which an Adjusted Base Fee is being calculated.

**Appendix F**

**PROJECT VEHICLES AND EQUIPMENT**

The Project includes all vehicles, rolling stock, and other equipment as follows:

| <b>Year</b> | <b>Make</b>     | <b>Model/Description</b> | <b>Equipment/Vehicle ID No.</b> |
|-------------|-----------------|--------------------------|---------------------------------|
| 2002        | Lawnmower       | Walk behind              | <\$500                          |
| 1998        | Stihl           | Line Trimmer             | <\$500                          |
| 1998        | Homelite        | Line Trimmer             | <\$500                          |
| 1987        | Massey Ferguson | Spray Field Tractor      | B0269                           |
| 1996        | Bush Hog        | Spray Field Mower        | 06616                           |
| 2008        | Kawasaki        | Mule                     | <\$5,000                        |
| 1992        | Ford            | F250 Service Truck       | VIN-TG25119TNA40918EQ-00154     |
| Unknown     | Stihl           | 025 Chain Saw            | <\$500                          |
| Unknown     | Weedeater       | Leaf Blower              | <\$500                          |
| 2004        | Snapper         | Riding Lawnmower         | 21250777 Mo#300922B             |

**Appendix G**

**30-DAY CHEMICAL INVENTORY**

| <b>Chemical</b> | <b>Units</b> | <b>Wastewater Plant</b> |
|-----------------|--------------|-------------------------|
| Chlorine        | 150 pound    | 300 pounds              |