

**COST SHARE AGREEMENT
BETWEEN THE ST. JOHNS RIVER WATER MANAGEMENT DISTRICT
AND
CITY OF ROCKLEDGE
PURSUANT TO THE DISTRICT'S
WATER PROTECTION & SUSTAINABILITY PROGRAM**

For good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. **Purpose of Agreement.** This cost share agreement is authorized by the St. Johns River Water Management District ("the District") from funding designated for construction of alternative water supplies pursuant to the Florida Water Protection & Sustainability Program ("the Program"), which is governed by sections 373.0831 and 373.1961 Fla. Stat. (2005). Funding received through this Agreement shall be used solely for the construction of the alternative water supply project identified in Exhibit A, Statement of Work and Exhibit B, Supplemental Information Package ("the Project"). Recipient hereby agrees that funding received from the District for the Project may not be used for any work associated with the research, design, and permitting aspects of the Project. This agreement consists of the following items: Exhibit A, Statement of Work, Exhibit B, Supplemental Information Package, Exhibit C, Cost Schedule, Attachment 1, District Supplemental Instruction, Attachment 2, Notice to Proceed, and all other attachments and exhibits.
2. **Execution of Agreement.** This cost share agreement shall constitute an offer until authorized, signed and returned to the District by Recipient. Failure to do within sixty (60) days of receipt shall result in a retraction of this offer by the District.
3. **Term of Agreement.** This Agreement shall extend from the Effective Date through February 28, 2008 ("Completion Date").

The Effective Date of this Agreement shall be the date upon which the last party to this Agreement has dated and executed the same. Recipient shall not be eligible for reimbursement for any work that is commenced, or costs that are incurred, prior to the Effective Date.

4. **Scope of Project.** Recipient shall commence work funded hereunder ("the Work") within fifteen (15) days after receipt of the fully executed Agreement from the District, and shall prosecute the Work diligently in accordance with Exhibit "A", "Statement of Work" (attached), and Exhibit "B", Supplemental Information Package (attached). Recipient shall not commence work in subsequent fiscal years, until the District issues a written Notice to Proceed (Attachment 2).
5. **Permits.** Recipient is required to obtain any and all permits from governmental entities that are necessary for performance of the Work. Any Work not properly permitted prior to implementation or completed without proper permits shall not be considered in compliance with this Agreement, shall not constitute Work performed hereunder, and shall not be approved for payment by the District. Recipient shall be solely responsible for any fines or penalties associated therewith and the cost of removal of said unauthorized construction.
6. **Legislative Requirements.** The Florida Legislature requires recipients of funds granted through the Program to meet several specific conditions. The Recipient must provide the District with written assurance of its continued qualification under these requirements with submittal of its invoice in

order to continue to receive funding hereunder. Details concerning these requirements appear in subsections 373.1961(3)(c), (e) and (j), Fla. Stat.

A Recipient receiving funding through this Agreement that operates a public water supply utility shall be required to develop a rate structure for water customers in the service area of the funded utility that will: (1) promote the conservation of water; and (2) promote the use of water from alternative water supplies.

7. **Project Management.** The parties shall designate Project Managers, who shall be responsible for overall coordination, oversight, and management of the Work. The parties agree to the following persons being designated as Project Manager:

DISTRICT

John Wester, Project Manager
St. Johns River Water Management District
4049 Reid Street
Palatka, Florida 32177
(386) 329-4457
E-mail: jwester@sjrwmd.com

RECIPIENT

James P. McKnight, Project Manager
City of Rockledge
1600 Huntington Lane
Rockledge, Florida 32955
(321) 390-3975
E-mail: jmcknight@cityofrockledge.org

8. **Change in Project Manager.** Either party to this Agreement may change its Project Manager by providing not less than three (3) working days prior written notice of the change to the other party.
9. **Notices.** All notices to each party shall be in writing and shall be either hand-delivered or sent via U.S. certified mail to the respective party's Project Manager at the names and addresses specified above. All notices shall be considered delivered upon receipt. Should either party change its address, written notice of the new address shall be sent to the other parties within five business days. Except as otherwise provided herein, notices may be sent via e-mail or fax, which shall be deemed delivered on the date transmitted and received.
10. **Quarterly Progress Reports.** Recipient shall provide to the District regular project update/status reports by September 1st; December 1st; March 1st and June 1st of each year. Reports will provide detail on progress of the Project and outline any potential issues affecting project completion or the overall schedule. Status reports may be submitted in any form agreed to by District's Project Manager and the Recipient, and may include emails, memos, and letters.
11. **Annual Update.** In accordance with section 373.0361 (7) (b), Fla. Stat., the Recipient shall provide an annual update to the District detailing the progress of the project.
12. **Performance Monitoring.** For as long as the Project is operational, the District shall have the right to inspect the operation of the Project during normal business hours upon reasonable prior notice. Recipient shall make available to the District any data that is requested pertaining to Project performance.
13. **Liability and Insurance.** Each party to the agreement is responsible for all personal injury and property damage attributable to the negligent acts or omissions of that party and the officers, employees and agents thereof. The parties further agree that nothing contained herein shall be construed or interpreted as denying to any party any remedy or defense available to such parties under the laws of the State of Florida, nor as a waiver of sovereign immunity of the State of Florida beyond the waiver provided for in section 768.28, Fla. Stat., as amended. Each party shall acquire

and maintain throughout the term of this agreement such liability, workers' compensation, and automobile insurance as required by their current rules and regulations.

14. **Diversity.** The District is committed to the opportunity for diversity in the performance of all procurements, and encourages its prime vendors (contractors and suppliers) to make good faith efforts to ensure that women and minority-owned business enterprises (W/MBE) are given the opportunity for maximum participation as the second- and lower-tier participants. To this end, as requested, the District will assist the Recipient by sharing information on W/MBEs to encourage their participation.
15. **Amount of Funding.** For satisfactory performance of the "Work", the District agrees to pay the Recipient a sum in the amount not to exceed \$670,000 or up to twenty percent (20%) of the total construction costs, whichever is less. The Recipient shall provide at least sixty percent (60%) of the construction costs, unless a different amount is authorized pursuant to section 373.1961(3)(e), Fla. Stat. The Recipient shall notify the District's Project Manager in writing upon receipt of additional State funding for the completion of the Project.

It is the intent of the District to reimburse the City up to twenty percent (20%) of the actual construction costs for the drilling of two monitoring wells only upon receipt, by the City, of a permit from the Florida Department of Environmental Protection FDEP for ASR-1 Well, and verification that drilling of ASR-1 has begun.

In the event that the ASR-1 well is not permitted by the Florida Department of Environmental Protection FDEP regardless of circumstance, the costs incurred by City of Rockledge for the drilling of the two monitoring wells shall not be reimbursed.

Multi-Year Funding Allocation. The following represents the anticipated amount of funding the District may authorize for each fiscal year. This information is provided for planning purposes only, and does not represent a commitment on the part of the District. The District reserves the right to revise these amounts annually, prior to the beginning of each Fiscal Year.

Fiscal Year 2007: \$490,000
Fiscal Year 2008: \$180,000

16. **Funding Contingency:** Funding for each applicable fiscal year of this Agreement is at all times contingent upon funding, which may include a single source or multiple sources, including, but not limited to: (1) ad valorem tax revenues appropriated by the District's Governing Board; (2) annual appropriations by the Florida Legislature, or (3) appropriations from other agencies or funding sources. Agreements that extend beyond the current Fiscal Year are subject to annual appropriation of funds, in the sole discretion and judgment of the District's Governing Board, for each succeeding year. Should the Work provided for hereunder not be approved, in whole or in part, for funding by an external funding source, or the Governing Board in succeeding years, the District shall so notify Recipient and this Agreement shall be deemed terminated for convenience in accordance with Paragraph 22, TERMINATION OF AGREEMENT, five (5) days after receipt of such notice, or within such additional time as the District may allow.
17. **Fiscal Year.** For the purpose of this Agreement, Fiscal Year is defined as the period beginning October 1 and ending September 30.
18. **Payment of Funds.** All invoices shall reference the contract number shown on the first page of this Agreement, and shall be submitted either by mail to the St. Johns River Water Management

District, Director, Division of Financial Management, 4049 Reid Street, Palatka, Florida 32177 or by email to acctpay@sjrwmd.com. **Contractor shall transmit invoices using only one of the above two methods, but not both.** Recipient shall submit itemized quarterly invoices for reimbursement based upon the actual Work performed and shall bill as per Exhibit C, Cost Schedule. The District will reimburse the Recipient up to twenty percent (20%) of actual construction costs, but in no event shall the amount exceed \$670,000. The invoice shall include receipts from contractors and/or suppliers for the specified construction expenditures and proof of payment (check number or copy of cancelled check), and verification of the Project complying with local and state building requirements, including verification of any required permits. The District may request supporting information to document invoices as needed. All documentation required for verification of invoices shall be received and approved by the District prior to release of payment. Invoices that do not correspond to the Cost Schedule or other requirements of this paragraph will be returned to Recipient without action within twenty (20) business days of receipt and shall state the basis for rejection of the invoice. Payments shall be made within forty-five (45) days of receipt of an invoice that conforms to this paragraph. The provisions in this paragraph relating to payment of funds shall supersede any other provisions or attachments contained in this Agreement.

19. **Final Payment.** The final invoice to the District must be received not later than ninety (90) days after the Completion Date.
20. **Price Escalation.** No price adjustments will be approved during the term of this Agreement. This includes, but is not limited to, adjustments due to cost of living increases and/or unforeseen site conditions.
21. **Repayment of Funds.** Funds shall be subject to repayment by Recipient after expiration of this Agreement if, upon a post-project audit examination, the District finds that: (1) Recipient has spent funds for purposes other than those provided for herein, (2) Recipient has received duplicate funds from the District for the same purpose, and/or (3) Recipient has received more than one hundred percent (100%) contributions for the project through cumulative public agency cost-sharing funding.
22. **Termination of Agreement.** If the Recipient materially fails to fulfill its obligations under this Agreement, including the specific milestones established in the Agreement, the District shall provide written notice of the deficiency by forwarding a Notice to Cure, citing the specific nature of the material breach. The Recipient shall have thirty (30) days to cure the breach. If the Recipient fails to cure the breach within the thirty (30) day period, the District shall issue a Termination for Default Notice. Should the District terminate for default in accordance with this provision, the District shall be entitled to recover procurement costs in addition to all other remedies under law and/or equity.

The District may terminate this Agreement at any time for convenience upon thirty (30) calendar days prior written notice to the Recipient.

Notwithstanding anything in this Agreement to the contrary, the District reserves the right to terminate the Agreement immediately without notice in the event any of the representations contained in the Project Proposal are found to be false or if the Recipient fails to complete the construction and performance of all work items described in Exhibit A, Statement of Work.

In the event an Agreement is terminated, the District shall ensure all unspent funds are made available for use in the Program.

23. **Failure to Complete Project.** In the event Recipient fails to complete the Project, Recipient shall refund to the District all funds that have been provided to Recipient pursuant to this Agreement; provided, however, that the District, in its sole judgment and discretion, may determine that Recipient has failed to complete the Project due to circumstances that are beyond Recipient's control, or due to a good faith determination that the Project is no longer environmentally or economically feasible, in which event the District may excuse Recipient from the obligation to return the funds provided hereunder. If the Project has not been completed within 30 days after the Completion Date, Recipient shall provide the District with notice regarding its intention as to completion of the Project. The parties shall discuss the status of the Project and may mutually agree to revise the Completion Date or the scope of the Project. Failure to complete the Project within 180 days of the then-current Completion Date shall constitute failure to complete the Project for the purposes of this provision.
24. **Interest of Recipient.** Recipient certifies that no officer, agent, or employee of the District has any material interest, as defined in chapter 112, Fla. Stat., either directly or indirectly, in the business of Recipient to be conducted hereby, and that no such person shall have any such interest at any time during the term of this Agreement.
25. **Independent Contractor.** Recipient is an independent contractor. Neither Recipient nor Recipient's employees are employees of the District. Recipient shall have the right to control and direct the means and methods by which the Work is accomplished. Recipient is solely responsible for compliance with all labor and tax laws pertaining to it, its officers, agents, and employees.
26. **Non-lobbying.** Pursuant to section 216.347, Fla. Stat., as amended, Recipient agrees that funds received from the District under this Agreement shall not be used for the purpose of lobbying the Legislature or any other state agency.
27. **Release of Information.** Records of Recipient that are made or received in the course of performance of the Work may be public records that are subject to the requirements of chapter 119, Fla. Stat. Each party reserves the right to cancel this Agreement for refusal by the other party to allow public access to all documents, papers, letters, or other material related hereto and subject to the provisions of chapter 119, Fla. Stat., as amended.
28. **Audit: Access to Records.** Contractor agrees that the District or its duly authorized representatives shall, until the expiration of five (5) years after expenditure of funds hereunder, have access to examine any of Contractor's books, documents, papers, and other records involving transactions related to this Agreement. Contractor shall preserve all such records for a period of not less than five (5) years. Payment(s) made hereunder shall be reduced for amounts charged that are found on the basis of audit examination not to constitute allowable costs. Contractor shall refund any such reduction of payments. All required records shall be maintained until an audit has been completed and all questions arising from it are resolved. Contractor will provide proper facilities for access to and inspection of all required records. In addition, state and/or federal funds have been utilized by the District, in whole or in part, to fund this Agreement. As a result, the District may be subject to state audit under the Florida Single Audit Act, section 215.97, Florida Statutes, or federal audit, regarding the expenditure of these funds. Contractor shall fully cooperate with any state or federal audit in the same manner as a District audit, as provided above.
29. **Florida Single Audit Act.** The Florida Single Audit Act (FSAA), section 215.97, Florida Statutes, applies to all sub-recipients of state financial assistance, as defined in section 215.97(1)(q), Florida Statutes, that is awarded by the District through a project or program that is

funded, in whole or in part, through state financial assistance to the District. This Agreement involves the disbursement of state funding in the amount of \$335,000. If any state funding is involved, the Recipient is potentially subject to the FSAA. In such event, if Recipient receives more than \$500,000 of state financial assistance during the course of its fiscal year, which includes assistance derived from District and non-District programs, Recipient is subject to compliance with the FSAA. In such event, not later than 20 days after preparation, Recipient shall provide the District with a copy of the audit it prepares in compliance with the FSAA, as it pertains to the Work performed under this Agreement. This information shall be directed to: St. Johns River Water Management District, Mr. Greg Rockwell, Director, Division of Financial Management, 4049 Reid Street, Palatka, FL 32117. Recipient has the sole and complete duty of ensuring compliance with the FSAA


30. **Royalties and Patents.** Recipient shall pay all royalties and patent and license fees necessary for performance of the Work and shall defend all suits or claims for infringement of any patent rights and save and hold the District harmless from loss on account thereof.
31. **Governing Law.** This Agreement shall be construed according to the laws of the State of Florida.
32. **Venue.** In the event of any legal proceedings arising from or related to this Agreement, venue for such proceedings shall be in Orange County, Florida.
33. **Attorney's Fees.** In the event of any legal or administrative proceedings arising from or related to this Agreement, including appeals, each party shall bear its own attorney's fees.
34. **Waiver of Right to Jury Trial.** In the event of any civil proceedings arising from or related to this Agreement, Recipient hereby consents to trial by the court and waives its right to seek a jury trial in such proceedings, provided, however, that the parties may mutually agree to a jury trial.
35. **Construction of Agreement.** This Agreement shall not be construed more strictly against one party than against the other merely by virtue of the fact that it may have been prepared by counsel for one of the parties, it being recognized that both parties, have contributed substantially and materially to the preparation hereof.
36. **Entire Agreement.** This Agreement, upon execution by Recipient and the District, constitutes the entire agreement of the parties. The parties are not bound by any stipulations, representations, agreements, or promises, oral or otherwise, not printed or inserted herein. Recipient agrees that no representations have been made by the District to induce Recipient to enter into this Agreement other than as expressly stated herein. This Agreement cannot be changed orally or by any means other than written amendments referencing this Agreement and signed by all parties.
37. **Separate Counterparts.** This Agreement may be executed in separate counterparts, which shall not affect its validity.

IN WITNESS WHEREOF, the St. Johns River Water Management District has caused this contract to be executed this 2nd day of January, 2007, in its name by its Executive Director, and the Recipient has caused this Agreement to be executed on the day and year written below in its name by its duly authorized representatives, and, if appropriate, has caused the seal of the corporation to be attached.

ST. JOHNS RIVER WATER
MANAGEMENT DISTRICT

CITY OF ROCKLEDGE

By: 
Kirby B. Green III, Executive Director

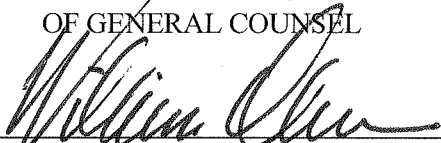
By: 
Larry L. Schultz, Mayor

Typed Name and Title

Date: January 2, 2007

Date: December 20, 2006

APPROVED BY THE OFFICE
OF GENERAL COUNSEL


Stanley J. Niego, Sr. Assistant General Counsel

Attest: 

Betsi Beatty Moist, City Clerk
Typed Name and Title

**EXHIBIT A
STATEMENT OF WORK
WATER PROTECTION AND SUSTAINABILITY PROGRAM**

I. INTRODUCTION/BACKGROUND

The Florida Water Protection and Sustainability Program (WPSP) was created through passage of Senate bills 360 and 444 during the 2005 legislative session and were subsequently signed into law by Governor Jeb Bush. The purpose of this program is to provide cost-share funding for construction of alternative water supply projects. The St. Johns River Water Management District will implement the program within its region as described below.

To be considered eligible for this cost-share funding program, projects must first be identified in the District Water Supply Plan (DWSP). After projects are incorporated into the DWSP, they are further evaluated as to their suitability for this funding program. The identification of water supply development projects in the DWSP does not guarantee funding assistance through this funding program. For the purpose of this program, cost sharing is identified as reimbursement by the District for construction costs of alternative water supply development projects.

Projects were evaluated in accordance with legislation requiring consideration of 12 specific factors, along with four additional factors added by the Governing Board and supplemental information provided by the sponsors. The results of the evaluations and proposed funding levels for FY 07 were presented at a public meeting held at the District on July 12, 2006. On August 8, 2006, the District's Governing Board gave final approval of the projects and funding levels for FY 07.

The City of Rockledge Water System Expansion – ASR Project was approved. The City of Rockledge (City) is the lead agency on this project.

II. OBJECTIVES:

The project will achieve the following objective: Annually provide and additional 120 MG of reclaimed water storage.

III. SCOPE OF WORK:

This project includes the construction of an aquifer storage and recovery system to allow the City to further expand its reclaimed water system and to provide service during peak periods. The project includes two storage wells designated ASR-1 and ASR-2.

It is the intent of the District to reimburse the City up to twenty percent (20%) of the actual construction costs for the drilling of two monitoring wells only upon receipt, by the City, of a permit from the Florida Department of Environmental Protection FDEP for ASR-1 Well, and verification that drilling of ASR-1 has begun.

IV. TASK IDENTIFICATION:

The City shall be responsible for the following:

- Obtaining project final design, construction plans and specifications

- Providing a copy of City's executed construction contract documents to the District's project manager
- Providing copies of any subsequent change orders to the contract to the District's project manager
- Obtaining all required permits, including right of access to the project site, related to project construction and subsequent operation of the facility
- Obtaining FDEP permit for ASR-1 Well
- Compliance with all permits
- Procurement for project construction
- Provide documentation to the District that drilling of ASR-1 has begun within thirty (30) days of start-up
- Supervision and inspection of construction
- Construction contract administration
- Timely submittal of invoices for actual construction costs in accordance with the cost share agreement (i.e. quarterly, with appropriate substantiation) to enable proper review by the District's Project Manager prior to payment authorization.
- Progress reports to the District's project manager identifying project progress to date, key milestones reached, overall project schedule versus time for project completion, key issues to be resolved, project time and projected costs versus actual cost to date.
- Certification of construction phase completion by a Professional Engineer registered in the State of Florida
- Compliance with cost accounting practices and procedures required for reimbursement of funds expended for the Florida Water Protection and Sustainability Program.

V. TIMEFRAMES AND DELIVERABLES

- City shall commence work under the Agreement within fifteen (15) calendar days after the effective date of the Agreement
- City shall provide District copies of the construction contract bid documents and the Cost Schedule for the awarded construction contract within thirty (30) days of contract award. The Cost Schedule, and the reimbursement percentage calculation, described in Section VI, below, shall be incorporated into this agreement as Exhibit C.
- City shall provide certification of construction completion within thirty (30) days of project completion.
- City shall complete the project, including all tasks defined in this Agreement no later than December 30, 2008.

VI. CONTRACT BUDGET

The estimated total construction cost of this project is \$3,357,970. The project cost share from the WSPSP is as follows:

FY 07: \$490,000
FY08: \$180,000
Total not-to-exceed WSPSP funds: \$670,000

District shall reimburse City up to twenty percent (20%) of construction cost eligible in accordance with the WSPSP, limited to an amount not to exceed \$670,000.

District's quarterly reimbursement to City shall be a percentage of the amount paid the contractor during the reimbursement period. The percentage shall be calculated based on the amount allocated by District

divided by the amount of the construction contract represented by the Cost Schedule. In the event the project is completed below the contracted price, District shall reimburse City the amount of the remaining funds provided for in this Agreement up to an amount not exceeding twenty percent (20%) of the total project cost or the total value of that portion of the as-built project that is eligible for WPSP funding, whichever is less.

FY2007 Updates Only

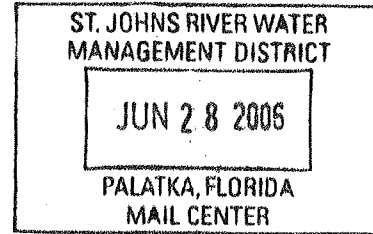
Rockledge Reclaimed Water System Expansion – ASR Project

FY2007 Updates Only

JONES EDMUNDS

June 27, 2006

Mr. John Wester
Water Protection and Sustainability Program
St. Johns River Water Management District
4049 Reid Street
P.O. Box 1429
Palatka, FL 32178-1429



RE: Rockledge Reclaimed Water System Expansion – ASR Project
Water Protection and Sustainability Program Supplemental Information
Jones Edmunds Project No.: 08802-034-02-1000

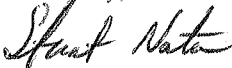
Dear Mr. Wester:

Enclosed is the response to the WSPSP Supplemental Information Request for the City of Rockledge Reclaimed Water ASR Project.

Please note that engineering fees for design of additional treatment were not included in the response for the ASR project, since it is not known at this time whether additional treatment will be required.

If you have questions or require additional information regarding the project, please feel free to call me at 352-377-5821. I look forward to working with you and your staff. Thank you.

Sincerely,



Stuart B. Norton
Project Manager

M:\08802-Rockledge\034-02 ASR Phase III\Funding Assistance\2007 Funding Update\2006-06-26_2007_SJRWMD_FundingResponseCoverLtr.doc

Enclosure

xc: Brian F. Hepburn, Jones Edmunds
Allan H. Biddlecomb, P.G., Jones Edmunds
Claude D. Tankersley, P.E., Jones Edmunds
Alan LaDuke, Water Reclamation Facilities Director, City of Rockledge

730 NE Waldo Rd
Gainesville, FL 32641

352.377.5821 Phone
352.377.3166 Fax
www.jonesedmunds.com

Fiscal Year 2006-2007
St. Johns River Water Management District
WPSP Supplemental Information Request
City of Rockledge Reclaimed Water System Expansion ASR Project

1. *What is the current status of the project?*

Preliminary design is complete. A Feasibility Assessment Report was completed in May 2005. A UIC Well Construction permit was submitted to FDEP on September 2, 2005 and an RFI Response was submitted to FDEP and SJRWMD on June 20, 2006. Well design is currently 60% complete and estimated to be 100% complete in August 2006.

2. *What are the estimated start and end dates for the **construction phase**?*

Construction of the first Aquifer Storage and Recovery Well (ASR-1) and associated monitoring wells is estimated to begin in November 2006. Completion of construction and baseline testing of ASR-1 is estimated to be April 2007. Construction of wellhead facilities for ASR-1 will begin in June 2007 and will be completed by September 2007.

If ASR-1 yields approximately 2 MGD, it will be the only ASR well constructed at this time. However, if the well yield of ASR-1 is only 1 MGD, then a second ASR well (ASR-2) and associated monitoring wells will be required. Completion of construction and testing for ASR-2 and construction of wellhead facilities will be completed at a future date (FY 2008) when additional storage is needed to meet peak demand needs.

Note: Both ASR-1 and ASR-2 are included in the FDEP UIC construction permit application. Well design and construction will be similar for both ASR wells and associated monitoring wells.

3. *Provide a current estimate of the capital costs as defined in 373.019(2) Florida Statutes (i.e. "Capital costs" means **planning, design, engineering, and project construction costs**). List the costs for each of the four categories.*

Feasibility Study and Initial UIC Permit Application	\$145,000
Additional Planning and Permitting	\$110,000
Engineering	\$120,000
Construction Cost ASR-1	\$1,215,445
Construction Cost ASR-2	\$1,152,525
Construction of Additional Treatment (if required)	\$990,000

Construction Cost with Testing for ASR-1:

ASR Well (ASR-1)	\$349,800.00
Storage Zone Monitor Well (SZMW-1)	\$303,600.00
Shallow Monitor Well (SMW-1)	\$64,350.00
ASR Wellhead Facilities (ASR-1)	\$385,000.00
Water Table Monitor Well (WTMW-1)	\$2,200.00
Construction Contingency (10%)	\$110,495.00
Construction Cost ASR-1 =	\$1,215,445.00

Construction Cost for ASR-2:

ASR Well (ASR-2)	\$349,800.00
Storage Zone Monitor Well (SZMW-2)	\$246,400.00
Shallow Monitor Well (SMW-2)	\$64,350.00
Water Table Monitor Well (WTMW-2)	\$2,200.00
ASR Wellhead Facilities (ASR-2)	\$385,000.00
Construction Contingency (10%)	\$104,775.00
Construction Cost ASR-2 =	\$1,152,525.00

Additional Treatment (if required):

In-line UV Disinfection System	\$605,000.00
Pump Station and piping	\$385,000.00
Construction Cost =	\$990,000.00

A determination for adding additional treatment will be made when water quality testing is complete. FDEP has requested that six sets of bi-monthly samples be collected over a one-year period to determine if the water quality meets the standards.

The cost increase from the previous submittal is due to escalation of prices for materials and construction, from time initial cost estimate was completed until construction begins.

4. *Does the project prevent or limit adverse water resource impacts? Briefly explain how.*

The City of Rockledge is located in a Priority Water Resource Conservation Area. Records show that demand for reclaimed water was greater than supply 60 days per year during recent years.

The project will provide approximately 120 MG of additional annual storage capacity of reclaimed water, which will be available during the dry season to supplement the plant-reclaimed water supply and allow residential and commercial users to use more reclaimed water in lieu of potable water.

5. *Does the project reduce competition for water supplies? Briefly explain how.*

Yes. The project will annually provide an additional 120 MG of reclaimed water storage, which will reduce competition for potable water supplies by providing greater availability of reclaimed water to meet demand during the dry season. This will reduce the demand on potable water resources currently used for irrigation purposes.

6. *Does the project replace traditional sources of water in order to help implement a minimum flow or level? Briefly explain how.*

No. However, this project will require a Consumptive Use Permit.

7. *If you are implementing a goal-based water conservation program pursuant to 373.227 FS, have you achieved the targets for that program? Briefly describe.*

The project does not include implementing a goal-based water conservation program. It will include adding reclaimed water meters and a rate structure to reclaimed water customers as a water conservation measure.

8. *Show the quantity of water produced by the project as compared to its cost.*

The total estimated construction cost is \$3,357,970 (assuming two ASR wells and additional treatment are needed). It is assumed that the project life for the ASR facilities will be 40 years, therefore; the total quantity of water stored would be 4,800 MG. The construction cost divided by the total quantity of water stored over the life of the project would yield \$0.70/1,000 gallons stored. If only one ASR well is needed, the cost would decrease to \$0.46/1,000 gallons stored. (The cost for one well with no additional treatment would be \$0.25/1,000 gallons.) Interest was not included in the above calculations since the city does not plan to finance the project.

9. *Is construction and delivery of reuse water to end users a major component of the project? If so, briefly describe the implementation of reuse water to end users.*

Yes, reclaimed water is the sole basis for construction of Aquifer Storage and Recovery Wells. The City needs the additional reclaimed water storage capacity to meet existing demand during the dry season and to expand the reuse distribution system to new customers. In recent years, dry season demand for reclaimed water has increased above the supply and resulted in shortages during the months of May and June.

10. Will a multi-jurisdictional water supply entity or regional water supply authority implement the project? If so, briefly describe.

No. The City of Rockledge will implement the reclaimed water expansion project.

11. Is the project part of a plan to implement two or more alternative water supply projects all of which will be operated to produce water at a uniform rate? Explain briefly.

Yes, this project is part of a plan to expand the City of Rockledge Reclaimed Water System. The project includes construction of a 6 MG ground storage tank to supplement supply during short-term peak demand periods, and the Aquifer Storage and Recovery Wells for reclaimed water storage to supplement supply during the dry season.

At this time, the City sends approximately 200 MG of wastewater effluent to the deep injection well for disposal each year. The ASR wells will recharge reclaimed water for storage during months with low demand and recover the water to supplement supply during the high demand months.

12. Show the percentage of project costs to be funded by the water supplier or water user, broken down by calendar year.

The estimated percentages of project costs are listed below:

FY 2003 – 1.33%
FY 2004 – 1.33%
FY 2005 – 1.34%
FY 2006 – 6%
FY 2007 – 90%

13. Provide a project timeline, or work breakdown structure, that details the overall project timeframe, broken down by **planning, design, engineering, and project construction phases**.

The project timeline is as follows:

Feasibility Study	February 2003-March 2005
Permitting for Well Construction	September 2005-August 2006
Well Design	March 2006-October 2006
ASR -1 Well Construction	November 2006-April 2007
ASR-1 Wellhead Facilities Final Design	April 2007-June 2007
ASR-1 Wellhead Facilities Construction	June 2007-September 2007
ASR-2 Well Construction	To Be Determined (FY 2008)

14. *Is your project a subsequent phase of an alternative water supply project that is under way? Briefly explain.*

The City already produces and distributes reclaimed water and this project is an expansion of the reclaimed water system. However, this is the first year that the City of Rockledge has applied for alternative water supply grant funding.

15. *Provide a letter, attesting to, and signed by your auditors of record of your current annual financial report, as to whether and in what percentage your entity is transferring water supply system revenues to the local government general fund in excess of reimbursements for services received from the general fund, including direct and indirect costs and legitimate payments in lieu of taxes based on your most recent certified financial audit.*

The original letter was submitted with the January 2006 submittal. A copy of the letter is attached.

16. *Provide the list of permits required to proceed with the project along with their anticipated approval dates.*

FDEP Class V, Group 3 Underground Injection Control (UIC) Well Construction Permit

Submitted September 2, 2005
Anticipated approval date August 2006

SJRWMD Well Construction Permit (Initial CUP Application)

Anticipated Submittal Date June 2006
Anticipated Approval Date August 2006

SJRWMD Injection Well Permit (40C-5 Permit)

Submitted September 2, 2005
Anticipated approval date August 2006

17. *Has your entity budgeted and funded this project internally?*

Yes.

18. *If your entity has budgeted and funded this project, when will those budgeted funds be made available for use?*

Well Design and Permitting	FY 2006
Well Construction	FY 2007
ASR-1 Wellhead Facilities Final Design and Construction	FY 2007

The funds are currently budgeted for planning, permitting and final design to begin this year (2006). Construction will be budgeted for October 2006 – December 2007. Funds were previously budgeted for feasibility study and initial FDEP permit application in February 2003.

19. *What percentage of funding are you requesting for your project construction costs?*

40% of the construction costs.

Section II

Rate Structures

Provide substantiation of your water utility's response to meet the requirement:

Development of rate structure for water customers in the service area of the funded utility that will:

- A. Promote the conservation of water*
- B. Promote the use of water from alternative water supplies*

The City does not operate a water system, therefore; water rates are not an issue. There is currently a \$10/month flat fee for residential reclaimed water for properties 1 acre and less. For residents with greater than 1 acre of property the flat rate is \$12/month. Commercial customers have a sliding rate structure for larger users depending on the size of lines or meters serving the customer.

A new reclaimed water ordinance and the installation of reclaimed water meters are planned for the City in FY 2006-2007. The new rate structure and metering will serve to help conserve reclaimed water usage, and may allow for further expansion of the reuse distribution system.

Section III.

1. *Please provide a contact person for questions related to the information you have provided. Contact information should include name, title, telephone number, mailing address and email address.*

Stuart Norton, Hydrogeologist
Project Manager
730 NE Waldo Road
Gainesville, FL 32641
352-377-5821
snorton@jonesedmunds.com



DAVIES, HOUSER & SECREST, CPA, P.A.

BUSINESS CONSULTANTS AND FAMILY WEALTH PLANNERS

Shareholders/Directors

Edward R. Christensen

Stephen A. Ellis

Dawn K. Fearon

January 4, 2006

Directors Emeritus

Floyd C. Lemmon

Walter E. Secrest

Stephen C. Houser

David Henderson
Assistant City Manager
City of Rockledge, Florida
Post Office Box 560488
Rockledge, Florida 32956-0488


Mr. Henderson,

Pursuant to your request for funding, we have reviewed our files to determine what, if any, percentage of wastewater treatment supply system revenues are being transferred to the General Fund in excess of reimbursements for services received (including direct and indirect costs) and payments in lieu of taxes. It appears that, with the exception of the fiscal year ended September 30, 2003 (during which \$96,000 was charged); the City of Rockledge has charged the wastewater treatment system \$80,000 per annum since 1998.

It is my recollection this dollar amount was established fifteen to twenty years ago to reimburse the General Fund for expenses incurred by the City for the administrative staff located in City Hall as well as legal representation by the City Attorney. The method utilized in allocating these expenses was based the number of personnel employed in the wastewater treatment system compared to the number of personnel employed city-wide.

As of September 30, 2005, the City incurred approximately \$1.775 million in administrative and legal costs. Accordingly, the portion borne by the wastewater treatment system equates to 4.5 percent of these costs. Since the amount reimbursed is based strictly on costs incurred, there appears to be no allowance for payments in lieu of taxes or transfers in excess of reimbursements for services received. Therefore, we believe the percentage of wastewater treatment supply system revenues being transferred to the General Fund in excess of reimbursements for services is zero.

DAVIES, HOUSER & SECREST, CPA, P.A.


Edward R. Christensen
Certified Public Accountant

ERC:jlh

Enclosure

EXHIBIT B
SUPPLEMENTAL INFORMATION PACKAGE

**EXHIBIT C
COST SCHEDULE**

To be incorporated into the Agreement as Exhibit C upon execution of the construction contract.

It is the intent of the District to reimburse the City up to twenty percent (20%) of the actual construction costs for the drilling of two monitoring wells only upon receipt, by the City, of a permit from the Florida Department of Environmental Protection FDEP for ASR-1 Well, and verification that drilling of ASR-1 has begun.

ATTACHMENT 1

DISTRICT SUPPLEMENTAL INSTRUCTION

Date: _____; Contract Number: _____

Contract name: _____

To: _____

From: _____; Project Manager

The Work shall be carried out in accordance with the following Supplemental Instructions, issued in accordance with the Agreement. The District's Project Manager, by issuance of these instructions, has determined that they will not result in a change in the Total Compensation or the Completion Date. Prior to proceeding in accordance with these instructions, please indicate your acceptance hereof as provided below and return to the District's Project Manager.

- 1. Contractor's supplemental instructions:

- 2. Description of Work to be changed:

- 3. Description of supplemental instruction requirements:

Approved: _____
District Project Manager

Date: _____

CONTRACTOR approval: (choose one of the items below):

Approved: _____

Date: _____

(It is agreed that these instructions shall not result in a change in the Total Compensation or the Completion Date.)

Approved: _____

Date: _____

(Contractor agrees to implement the Supplemental Instructions as requested, but reserves the right to seek a Change Order in accordance with the requirements of the Agreement.)

Acknowledged: _____
Connie Rozier, Contracts Administrator

Date: _____

cc: Financial Management

ATTACHMENT 2
NOTICE TO PROCEED

DATE:

TO:

FROM: Connie Rozier, Contracts Administrator

RE: Notice to Proceed Work: Contract No. ,

By receipt of this Notice, the Executive Director of the District authorizes work to begin on the above-referenced project for a total not to exceed amount of .

Date of Commencement shall begin on and substantial completion achieved by . Final completion shall be .

Kirby B. Green, III, Executive Director

Date

Harold A. Wilkening III, P.E., Director,
Department of Resource Management

Date

Date

cc: Financial Management