

**SEMINOLE COUNTY GOVERNMENT  
AGENDA MEMORANDUM**

**SUBJECT:** Amended and Restated Interlocal Agreement, South Seminole North Orange  
County Wastewater Transmission Authority (SSNOCWTA)

**DEPARTMENT:** Environmental Services **DIVISION:** Administration

**AUTHORIZED BY:** *Robert G. Adolphe* **CONTACT:** Bob Adolphe **EXT.** 2012  
Robert G. Adolphe, P.E., Director

<b>Agenda Date</b> <u>10/28/2003</u> <b>Regular</b> <input type="checkbox"/> <b>Consent</b> <input checked="" type="checkbox"/> <b>Work Session</b> <input type="checkbox"/> <b>Briefing</b> <input type="checkbox"/>
<b>Public Hearing – 1:30</b> <input type="checkbox"/> <b>Public Hearing – 7:00</b> <input type="checkbox"/>

**MOTION/RECOMMENDATION:**

Approve the Amended and Restated Agreement between SSNOCWTA and Seminole County for Wastewater Transmission Service.

**BACKGROUND:**

This Amended and Restated Agreement (Agreement) being requested for BCC approval reflects a continuing partnership arrangement between the Seminole County (County) and the SSNOCWTA for the provision of wastewater transmission in the Southcentral area of Seminole County.

The Agreement is a continuation of the original partnering arrangements as approved by the BCC in 1981. There are no material revisions to the responsibilities of the parties, to associated cost sharing or flow allocations.

Reviewed by:	<u><i>[Signature]</i></u>
Co Atty:	<u><i>[Signature]</i></u>
DFS:	_____
Other:	_____
DCM:	<u><i>[Signature]</i></u>
CM:	<u><i>[Signature]</i></u>
File No.	<u>CESA02</u>

*10.21.03*

AMENDED AND RESTATED INTERLOCAL AGREEMENT

THIS AMENDED AND RESTATED INTERLOCAL AGREEMENT, made and entered as of the 1st day of October, 2003, by and between the SOUTH SEMINOLE AND NORTH ORANGE COUNTY WASTEWATER TRANSMISSION AUTHORITY, a political subdivision of the State of Florida, hereinafter referred to as the "Authority," and SEMINOLE COUNTY, a political subdivision of the State of Florida, hereinafter referred to as the "Customer."

WITNESSETH:

WHEREAS, the City of Orlando, Florida ("Orlando") and the "Customers" hereinafter named have, for several years, cooperated with each other with respect to the treatment of wastewater at a regional wastewater treatment and disposal facility in accordance with Public Law 92-500 (hereinafter defined as the "Facility"); and

WHEREAS, in order to evidence their respective understandings, they have, from time to time, executed interlocal agreements and addenda thereto (hereinafter referred to as "interlocal agreements") outlining (but necessarily often in general language) their respective rights, covenants and obligations with respect thereto; and

WHEREAS, the Authority was created by Chapter 78-617, Laws of Florida, Special Acts of 1978, to function as the agency through which the wastewater generated within the Authority's legislated boundaries will be transmitted to the Facility; and

WHEREAS, Orlando constructed the Facility, and, to that end, issued and sold its TWENTY-TWO MILLION DOLLARS (\$22,000,000) City of Orlando, Florida, Sewer Revenue Bonds, Series 1978; and

WHEREAS, it was necessary for the Authority to issue and sell its Authority Bonds in order to finance the construction of wastewater transmission facilities hereinafter defined as the "System" for the transportation of wastewater from the Customers to the Facility and for improvements to the System; and

WHEREAS, an interlocal agreement was executed between the Authority and Orlando and uniform agreements were entered into between the Authority and each of its governmental Customers; and

WHEREAS, the Authority must undertake certain improvements to its System in order to assure continued operation of its System for the benefit of its Customers; and

WHEREAS, it is now in the interest of all parties to further clarify and specify in greater detail the mutual and respective rights, privileges, and obligations of the parties with respect to the utilization of the System and the payment therefor by entering into this Amended and Restated Interlocal Agreement; and

NOW, THEREFORE, in consideration of the mutual covenants and promises hereinafter set forth on the part of both parties to be kept and performed, the parties do mutually agree as follows:

**SECTION 1. DEFINITIONS.**

As used in this Contract:

"Act" or "Enabling Act" means Chapter 78-617, Laws of Florida, Special Acts of 1978, and subsequent amendments, if any, to the extent not consistent with obligations of contract among the parties.

"Authority" means the South Seminole and North Orange County Wastewater Transmission Authority created by the Act.

"Agreement" means this Amended and Restated Interlocal Agreement and any amendments or supplements hereto.

"Authority Bonds" means bonds or bond anticipation notes issued or to be issued by the Authority to finance the acquisition, construction or improvement of the System or other Project as provided by the Act.

"Board" shall mean the members of the governing body of the Authority appointed to represent each governmental entity encompassed by the Act.

“Bond Resolution” means each resolution of the Authority authorizing its Authority Bonds, which shall initially mean Resolution 93-04 of the Authority duly adopted on June 18, 1993 as amended and supplemented from time to time.

“Committed Flow” means the average daily flow, expressed in millions of gallons per day (MGD) which Orlando agrees will be available at the Facility, throughout the term of this Agreement and the agreement between the Customer and Orlando for treatment of sewage collected within the Customer’s retail sewer service area.

“Customer” means any governmental entity or private utility within the legislated service area of the Authority which delivers Wastewater to the facilities of the Authority for transmission, including, but not limited to, the City of Casselberry, the City of Winter Park, the City of Maitland, and Seminole County.

“EPA” means the United States Environmental Protection Agency.

“Facility” means the Wastewater treatment and disposal facility located at a site known as Iron Bridge in Seminole County, Florida.

“Facility Plan” means that document identified as “the facility plan, Orlando Easterly 201 Planning Area”, dated July, 1977, EPA Project No. C120399022 as appended and amended from time to time and approved by EPA.

“MGD” means million gallons per day.

“Non-Ad Valorem Revenues” means all revenues and receipts of the Customer, other than ad valorem tax receipts, which are legally available to the Customer, and are otherwise unencumbered, for use by the Customer in satisfying the obligations of this Agreement.

“Orlando” means the City of Orlando, a municipal corporation created and existing under the laws of the State of Florida.

“Project” means any project previously undertaken by the Authority to finance the acquisition or construction of the System or related improvements, enlargements, or reconstruction of the System undertaken by the Authority as provided and authorized by the Act.

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“System” means the system of gravity and force mains and lift stations shown on pages VIII D-47 through 60 of Volume III, Technical Appendix of the Facility Plan, as the same may have been amended pursuant to Section 6(14) of Chapter 78-617, Laws of Florida, as of the effective date of execution hereof.

“Wastewater” means sewage or effluent of any nature or originating from any source, including residential wastes or industrial wastes resulting from any processes or industry, manufacture, trade, or business, or from the development of any natural resources.

**SECTION 2. The Authority agrees:**

(1) To operate and maintain the System in accordance with the Act and applicable law and lawful rules of all regulatory agencies having jurisdiction. The Authority will provide for the operation and maintenance of the System in such manner as to comply with the terms of Section 6, Subsection 11(C), of the Act, which provides that the Authority shall contract the operation and maintenance of its System to one or more of the represented participating governmental entities or to a private contractor.

The Authority has, in accordance with the Act, established a policy of contracting with the represented sponsoring governments within their respective service areas to avoid duplication of operating and maintenance personnel, equipment and facilities so that maximum use of existing systems shall be made and required services are made available at the lowest possible cost. The Authority has established a policy of contracting with private contractors pursuant to advertised competitive bidding procedures unless a majority of all of the members of the Board shall elect to waive bidding procedures for a particular contract and to obtain the professional or technical services required pursuant to competitive negotiation procedures substantially in accordance with Section 287.055, Florida Statutes, and any amendments thereto.

(2) To receive from the Customer, subject to Section 6 hereof, Wastewater or a metered bulk delivered basis at one (1) or more lift stations, as identified in Exhibit A attached hereto and incorporated herein, and agrees to transport said Wastewater through its System to the point of connection with the Orlando gravity interceptor manhole located on Dean Road

near the Orange-Seminole County line in conformity with law and the rules of all regulatory authorities having jurisdiction.

(3) To continue to develop plans to provide Wastewater transmission service to present and future population centers within the Authority's boundaries in a timely manner and to continue to coordinate its planning and programs with those of the appropriate municipal, county, state, and federal agencies. Before the Authority's System shall be expanded beyond the scope of facilities defined as the "northerly interceptor system", in the Facility Plan, the Facility Plan shall be amended to include the proposed expansion in accordance with applicable federal and state laws and regulations. The amended Facility Plan shall be approved by the Authority, and said approval shall require the affirmative vote of a minimum of three (3) members of the Board. The local share of the costs of said expansions of the System shall be paid by the entity or entities to be served by the expansion, unless the Board unanimously approves allocating said costs uniformly to all Customers of the Authority's System.

(4) To install, calibrate and read any existing meters and any meters that may be necessary in the future and other devices to provide data necessary in the determination of the flow of Wastewater and the calculation of charges due from the customer for the transportation, treatment and disposal of Wastewater and, on or before the fifth (5th) day of each calendar month, report the figures of the actual flows of each of the Customers for the preceding month to Orlando and to all of the Customers.

The Authority shall check the accuracy of each metering installation at least once every three (3) months or such other times as shall be requested by Orlando or the Customer. If found to be in error from true accuracy, the meter shall be recalibrated immediately in the presence of a representative of Orlando or the Customer (as the case may be) by the Authority. If an error of more than 2 percent (2%) is verified, the bills for one-half (1/2) of the period since the previous meter accuracy check shall be adjusted at current rates to reflect the volume of overread or underread exceeding two percent (2%). If the requested accuracy test is more frequent than the 3 month test and the accuracy is found to be within the limits of two percent (2%), the party requesting the test shall pay the cost of said test.

(5) To prepare, approve, adopt, execute and, if necessary, amend an annual budget for the Authority for each fiscal year the Authority is in existence. The budget system shall be established in accordance with the Bond Resolution, shall control the finances of the Authority, shall conform with the requirements of law and this Agreement and shall be governed by sound financial practices and generally accepted accounting principles. The budget shall be balanced so that the total of the estimated receipts, including balances brought forward, shall equal the total of the appropriations and reserves. To the extent applicable, the budget shall conform to the Uniform Classification of Accounts referred to in Chapter 129, Florida Statutes.

**SECTION 3. The Customer agrees.**

(1) To deliver up its Committed Flow of Wastewater to the System in accordance with the Facility Plan.

(2) To make payments monthly to the Authority for transportation service by the Authority. Authority charges are made up of five (5) components as approved by EPA identified as follows:

- Fee Component 1: System operation and maintenance costs.
- Fee Component 2: System administrative costs not included in Component # 1 above.
- Fee Component 3: Debt service requirements relating to Authority Bonds.
  - a. annual interest costs.
  - b. annual principal costs.
  - c. coverage factor of .25 of annual interest and principal costs.
- Fee Component 4: Other payments necessary to meet covenants made to secure holders of Authority Bonds, to-wit:
  - a. Reserve Fund.
  - b. Renewal and Replacement Fund.
  - c. Depreciation Reserve Fund
- Fee Component 5: Hydraulic Peaking Factor Surcharge, if any.

Each of the foregoing components is more specifically defined and stated with respect to its method of computation and payment in Exhibit B attached hereto and incorporated herein and initialed by each party executing or endorsing this Agreement. The monthly payment of Authority charges shall be made as follows:

a. On the fifteenth (15<sup>th</sup>) day of each month, Customer shall pay Authority charges made up of Fee Component 3 and Fee Component 4 as more fully described in Exhibit B hereto attached;

b. On the fifteenth (15<sup>th</sup>) day of each month, Customer shall pay Authority charges made up of Fee Component 1; Fee Component 2; and Fee Component 5, as more fully described in Exhibit B hereto attached.

(3) Financial review and analysis of the operating costs of the Authority will be made annually, the first being the regular annual audit after the Authority began operation of the System and connected lift stations. Based on such analysis, the monthly charge per gallon for each component of the monthly charge except Fee Components 3 and 4 shall be adjusted prospectively upward or downward as determined by the Board in accordance with the manner provided in Exhibit B for the coming budget year.

The Authority shall invoice the Authority charges outlined in Sections 2 and 3 on or before the fifth (5<sup>th</sup>) day of each calendar month and the Customer shall pay such invoices on or before the fifteenth (15<sup>th</sup>) day of that month.

Regardless of whether the actual flow of Wastewater delivered by the Customer to the Authority in any month shall be less than the Committed Flow which the Customer has agreed to deliver to the Authority, the Customer shall pay the Authority charges computed as provided in Exhibit B, based upon its Committed Flow.

It is anticipated that payment of Fee Components 3 and 4 may result in accumulation of a surplus after all requirements of the Bond Resolution have been met. On the twentieth (20<sup>th</sup>) day of each month but only after all requirements of the Bond Resolution are fully satisfied and there remains a surplus in the Revenue Fund, then that surplus shall be refunded by the Authority to its Customers in the same proportion as each Customer's proportional share of the total payment for Fee Component 3 and 4.



(4) To maintain its sewage collection System, force mains, and lift stations in such manner as to comply with county, state and federal regulatory agency requirements germane to general operations and infiltration inflow.

(5) To require pretreatment of industrial wastes when such wastes are not amenable to treatment with normal domestic sewage or are otherwise incompatible with the Facility's treatment operation and to refuse to accept industrial wastes when not sufficiently pretreated to standards as required by PL 95-217 and the general pretreatment regulations (40 CFR 403).

(6) To direct a surveillance and enforcement program to insure compliance by its industrial customers. The surveillance and enforcement program will provide monthly reports of wastewater strength to the Authority as may be required by federal law and regulations.

(7) To provide operation and maintenance of each of the lift stations as identified in Exhibit A. Major repairs or replacement costs of ONE THOUSAND FIVE HUNDRED AND NO/100 DOLLARS (\$1,500.00) or more to any one of the System's lift stations shall be contracted by the Authority at its expense. If such repairs or replacements or necessary upgrades are made necessary as a result of a Customer's negligence or inadequate operation and maintenance as determined by an expert consulting professional engineer retained by the Authority in accordance with standard operating procedures prevailing in the industry, then the Customer shall pay for such additional costs necessitated thereby, or payment of such additional costs by the Authority shall be subject to unanimous approval of the Authority.

The Authority will be responsible for the operation and maintenance of any lift station which provides service to two (2) or more entities in such manner as to comply with the terms of Section 6, Subsection 11(b) of the Act. The lift stations which are pumping Wastewater from two (2) or more entities, and which are subject to the provisions of this Section, are identified in Exhibit C attached hereto and incorporated herein.

**SECTION 4. The Customer further covenants and agrees:**

(1) Pursuant to Section 9 of the Act, to develop and establish a user charge system, as required and approved by EPA, charge and collect from all users of its collection system user charges and other charges sufficient at all times to pay:

- a. the cost of operation and maintenance of its wastewater collection system;
- b. the debt service requirements, if any, of all its outstanding bonds secured by a pledge of revenues of its Wastewater collection system; and
- c. all sums becoming due to the Authority pursuant to this Agreement.

(2) To budget, appropriate, and pay to the Authority from such fees and user charges, and, only to the extent absolutely necessary (when all of the Customer's funds derived from such user charge system as described above shall have been exhausted) from other legally available Non-Ad Valorem Revenues of the Customer, all sums from time to time becoming due under this Agreement before the same becomes delinquent. Such covenant and agreement shall not be construed to give the Authority a prior claim on the Customer's Non-Ad Valorem Revenues, nor shall it be construed so as to give the Authority or its bondholders the power to require the Customer to levy and collect any Non-Ad Valorem Revenues other than those generated by the user charge system referred to in Subsection 1 immediately above. Accordingly, such covenant and agreement shall not be construed to create a lien on or pledge of any of the Customer's such other Non-Ad Valorem Revenues nor be construed to prevent or preclude Customer from hereafter issuing obligations payable from and secured by a prior lien upon and pledge of any portion of any of such legally available Non-Ad Valorem Revenues.

**SECTION 5. The parties hereto mutually agree:**

(1) That Orlando has or will reserve, for the use of itself and the Customers, the portions of the capacity of the Facility stated in the following Table:

<u>CUSTOMER</u>	<u>COMMITTED FLOW</u>	<u>PERCENTAGE OF</u>	
		<u>COMMITTED FACILITY CAPACITY</u>	<u>COMMITTED SYSTEM CAPACITY</u>
Casselberry	3.3950 MGD	9.913%	25.714%
Winter Park	5.9620 MGD	17.408%	45.156%
Maitland	1.1000 MGD	3.212%	8.332%
Seminole County	2.7460 MGD	8.018%	20.798%
SUBTOTAL	13.2030 MGD	38.551%	100.000%
<u>NOT CUSTOMERS OF AUTHORITY</u>			
Orlando	20.6715 MGD	60.336%	
Orange County	0.375 MGD	1.093%	
Reserve for Future Allocation by Seminole County	<u>5.7505 MGD</u>		
TOTAL	40.0000 MGD	100.000%	100.000%

Changes or adjustments of the Committed Flows allotted to the named entities, or allocations to new Customers shall be made pursuant to interlocal agreements or corporate agreements, pre-existing or hereafter made substantially in the form of this Agreement; provided, however, Seminole County will advise the Authority of an allocation of the above "Reserve for Future Allocation by Seminole County" to insure adequate protection for the Authority Bonds, in the event that any Customer is assigned by Seminole County any part of the 5.7505 MGD reserved by Seminole County pursuant to its agreement with the City of Orlando. When all or any part of the 5.7505 MGD, "Reserve for Future Allocation by Seminole County", is allocated for use by any Customer through the System, the amount so allocated shall become Committed Flow of that Customer and the Authority shall then recalculate all Customers' percentages of Committed System Capacity so that the Customer receiving such allocation pays its proportionate share of Authority charges corresponding to its total Committed Flow. The Authority shall notify its Customers of such recalculation by providing

to each Customer an amendment to the table contained in Section 5(1) hereof, showing the effects of such recalculation.

Whenever all or any part of the 5.7505 MGD "Reserve for Future Allocation by Seminole County" shall be temporarily assigned by Seminole County for the use of any Customer, then such "Reserve" Capacity shall be included as part of the Committed Flow (Committed System Capacity) of the assignee Customer for purposes of computing Authority charges due from that Customer. Whenever such temporary assignment shall be made, the Authority shall then recalculate all Customer's percentages of Committed System Capacity for purposes of computing Authority charges due from the Customers so that the Customer receiving such temporary assignment shall pay its proportionate share of Authority charges for debt service during the time such temporary assignment shall be in effect. It shall be expressly understood that nothing herein shall be construed as creating a legal claim of the assignee Customer entitling that Customer to a permanent claim of such Reserve Capacity, nor shall it be construed as restricting or eliminating the right of Seminole County to subsequently reassign or allocate such Reserve Capacity in accordance with the terms of the agreement between Seminole County and Orlando. It is further expressly understood that such temporary assignment shall not alter the actual allocation of Committed Flows as specified in the existing agreements between the Customers and Orlando.

(2) That the lift station(s) identified in Exhibit A of the Agreement at the point(s) of connection and any existing force main being utilized as part of the "northerly interceptor system" will become the property of the Authority in accordance with the terms of Section 6, Subsection 14, of the Act.

(3) That any temporary cessation of Wastewater transmission services resulting from necessary maintenance work, breakdown of or damage to machinery, pumps or pipelines, acts of God, fire, strikes, casualty, insurrection, riot, civil disorder, or military Authority shall not constitute a breach of this Agreement on the part of either party, and neither party shall be liable to the other for damage resulting from such temporary cessation of services.

(4) To cooperate with each other and with Orlando in the future development and utilization of the capacity of the Facility and to that end will provide each other with advance planning data as to projected growth and additional flow requirements so that the Authority can continuously predetermine its needs to provide transportation capacity.

(5) To provide each other with all necessary information pertinent to each system and service area which any federal, state, or local agencies shall require in any application for financial assistance in the construction of the System or the Customer's collection facilities. Further, the Customer and the Authority agree to use their best efforts to adopt such rules and regulations, execute such agreements, and do such work as said agencies may require as part of the Authority's or the Customer's applications for funds and, to the extent not unreasonable, to meet such requirements with regard to future applications for funds. Such actions shall not be unreasonably withheld by the Authority or the Customers.

(6) The obligation of the Customer to pay all sums due under this Agreement shall not constitute a general obligation or an indebtedness of the Customer within the meaning of any constitutional or statutory limitation or provision.

## **SECTION 6.**

(1) The Authority may receive from any Customer within the Authority's service area and deliver to Orlando, Wastewater in excess of that Customer's Committed Flow if, but only if:

a. The total flow of Wastewater through the System to the Facility does not exceed the total Committed Flow of all Customers; and

b. (1) The excess flow does not exceed two percent (2%) of the Committed Flow of the Customer for the fiscal year; and (2) with the consent of Orlando and the Authority, one or more other Customers assigns to that Customer, temporarily or permanently, a corresponding portion of its or their Committed Flow. In such event, the Customer receiving an assignment of Committed Flow shall pay, for account of the assignor, a pro rata part of assignor's Authority charges corresponding to the amount of

Committed Flow assigned. Provisions of this paragraph shall not apply to the allocation of the Reserve for Future Allocation of Seminole County. Seminole County will promptly advise the Authority of any allocation of its Reserve for Future Allocation in order to allow the Authority to make the proper adjustments to its Customer billing schedule in a timely manner, as required by the Bond Resolution and the Agreement.

c. If the Customer shall deliver to the System on any day, Wastewater in excess of its Committed Flow (and each time this occurs), the Authority shall on the following day notify the Customer of the amount of such excess flow. Should such excess flow occur on 25 of any consecutive 30 days the Authority shall proceed by injunction or other legal process to restrain further delivery to the System of Wastewater in excess of the Customer's Committed Flow. Should the delivery by the Customer to the System of excess flow for a lesser period impair or threaten the ability of the Authority to keep its deliveries to the Facility within the maximum allowed by contract between the Authority and Orlando, the Authority may, at its option, take such legal action. Should delivery of excess flow by one Customer to the System cause consequential damages to another Customer, that other Customer may, in as much as each Customer is a third party beneficiary under each of the other Customer Agreements with the Authority, bring an action for damages resulting from such a breach of this Agreement against that Customer in a court of appropriate jurisdiction.

Delivery of excess flow for more than five days out of each thirty days will result in the Customer delivering such excess flow being charged an additional charge for each occurrence equal to the operation, maintenance and administrative charges identified as Fee Components 1 and 2 for that Customer for one month. In addition, the standard operation, maintenance and administrative charges identified as Fee Component 1 and 2 of the Authority will be adjusted to reflect total Wastewater delivered during the month. The Customer so charged for such excess flow will have the right to an appeal to the Authority Board and the decision of the Board will be final.

(2) Orlando will not exceed its Committed Flow by an amount which will impair its ability to receive the aggregate of the Committed Flow of all the Customers without the unanimous vote of all members of the Board nor will the Authority deliver to the Facility Wastewater in excess of the aggregate of the Committed Flow of all its Customers without the written consent of Orlando.

#### **SECTION 7.**

The prompt payments to the Authority by the Customer of all Authority charges becoming due under the term of this Agreement is of the essence of this Agreement. If any payment is not made in full when due, the deficiency shall be reasonable costs and expenses, including attorney's fees, incurred by the Authority by reason of Customer's failure to pay in full all payments when due. This provision shall not be construed so as to limit the rights of the Authority to proceed immediately as provided in Section 10 of the Act to enforce the payment of amounts in default.

#### **SECTION 8.**

This Agreement is entered into pursuant to and is designed to accomplish the purposes of Chapter 78-617, Laws of Florida, which Statute, as it now exists, is deemed to be a part of this contract and, to the extent of any conflict, shall control over the terms of this contract.

Any sale of Authority Bonds which is negotiated shall comply with Chapter 218, Part III, Florida Statutes, and all amendments thereto. A contemplated negotiated sale of Authority Bonds shall require prior written notice of all Customers of the Authority and approval of the terms and conditions of such negotiated sale by a majority vote of all the members of the Board.

The Authority shall, ninety (90) days prior to the sale of Authority Bonds, notify each Customer in writing of such anticipated sale date; whereupon, each Customer may, at its absolute discretion, pay all or any part of its proportionate share, as determined by provisions of the next sentence, of the principal amount of the proposed Authority Bonds in order to reduce the principal amount of the authorized Authority Bonds. The Customer's proportionate share of the principal amount of the Authority Bonds shall be the amount determined by

multiplying such principal amount of proposed Authority Bonds by the Customer's share of Committed System Capacity as set forth in Section 5.1(1) of the Agreement. In the event the Customer pays to the Authority all of its proportionate share of the principal of the proposed Authority Bonds, the Customer shall no longer have an obligation under the Agreement to pay Fee components 3a, b, c and Fee Component 4a. In the event the Customer pays only a part of its proportionate share of the principal of the proposed Authority Bonds, the Customer's obligation to pay the Fee Components referred to in the preceding sentence shall be reduced by the ratio of the amounts paid compared to the amount which represents the Customer's total obligation for principal payment. For example, if the Authority proposed borrowing \$1 million and if the Customer's percentage of committed System Capacity was twenty percent (20%), the Customer's principal obligation on the proposed borrowing would be \$200,000 and if \$100,000 or fifty percent (50%) of such amount was paid to the Authority as principal payment, the Customer's obligation for Fee components 3a, b and c and Fee Component 4a would be reduced by 50%.

Thirty (30) days in advance of the anticipated sale date of the proposed Authority Bonds or the proposed closing date if the financing contemplated other than through the issuance of a series of Authority revenue bonds, the Customer shall give the Authority written notice of Customer's intention to make payment of part or all of Customer's proportionate share of the Authority's proposed Authority Bonds. The Customer shall make all payments to the Authority in immediately available funds which shall be received by the Authority no later than fourteen (14) days prior to the date of the delivery to the original purchasers (the "Closing") of either the proposed Authority Bonds, which Closing date shall be given to the Customer in writing. Such payment by the Customer to the Authority shall be deposited in an interest-bearing escrow account of the benefit of the Authority and all interest accrued on escrowed funds until closing and delivery of the revenue bonds or the loan agreement shall accrue to the benefit of the depositing Customer.



In the event that this Agreement should become null and void or without effect for any reason, then all prior agreements between the Customer and Orlando shall remain in full force and effect.

#### **SECTION 9.**

This Agreement shall be and remain in full force and effect until such time as the Authority and each of the Customers agree to cease operation of the System but in no case before all Authority Bonds are no longer outstanding provided, however, this Agreement may be modified by amendment agreed to by the parties and approved by all the Customers and Orlando, but no amendments shall reduce the payments required to be made to the Authority to such extent as to impair the debt service requirements of the Authority Bonds or the fiscal ability of the Authority to operate and maintain the System in its most efficient manner. No amendment to this Agreement shall be made without a similar amendment to the corresponding agreement with each Customer executed with the same formality as this Agreement.

This Agreement may be assigned by the Customer with the written permission of the Authority (which shall not be unreasonably withheld) upon a showing satisfactory to the Authority that the assignee has a capability equal to that of the assignor to fully comply with all assignor's covenants and agreements herein and upon submission to the Authority of a written assumption by the assignee of all the obligations of the assignor under this Agreement; provided, however, if the assignee is a private utility Customer such private utility Customer shall execute, as a condition of agreement, the form of contract executed by other private utility Customer(s). Upon such valid execution this Agreement shall become null and void. This Section shall not affect the rights of the Customer to assign or receive assignment of Committed Flow of Wastewater from other Customers as herein elsewhere provided.

#### **SECTION 10.**

Nothing herein shall be construed so as to impair the full performance of the covenants of the Customer contained in its contracts with the holders of outstanding bonds of the Customer.

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**SECTION 11.**

This Agreement shall supercede the Interlocal Agreement dated September 10, 1981 by and between the Authority and Customer and all amendments, if any, thereto.

IN WITNESS WHEREOF, the parties hereto have made and executed this Agreement in ten (10) counterparts, each of which shall be deemed an original, as of October 1, 2003.

SOUTH SEMINOLE & NORTH ORANGE  
COUNTY WASTEWATER TRANSMISSION  
AUTHORITY

(SEAL)

By: \_\_\_\_\_  
Chairman

ATTEST:

\_\_\_\_\_  
Executive Director

SEMINOLE COUNTY

(SEAL)

By: \_\_\_\_\_  
Title: \_\_\_\_\_

ATTEST:

By: \_\_\_\_\_  
Title: \_\_\_\_\_

Approved as to form  
and legal sufficiency:

\_\_\_\_\_  
County Attorney

**EXHIBIT A**  
**CONNECTION AND METER POINTS TO TRANSMISSION SYSTEM**

<u>CITY NAME</u>	<u>STATION NAME</u>	<u>STATION NUMBER</u>
<u>Casselberry</u>		
Connection Pointst	5 Points	3
	Marigold	4
	Eagle	6
	Howell Creek	8
	Sagittarius	10
	Eastbrook	12
Meter Points	Central V	
	Deer Run	
<u>Seminole County</u>		
Connection Points	Indian Hills	2
	Tanglewood	5
	Consumers	13
	Willa Springs	14
	Lakes of Aloma	15
	Tuskawilla Point	20
Meter Points	Aloma Bend	
	Sunshadow	
	Lake Howell	
	Aloma Park	
	Bear Creek	
	Kewannee	
	Wyndot	
<u>Maitland</u>	Maitland-Deloraine Trail	
<u>Winter Park</u>		
Connection Points	Winter Park Central	7
	Winter Park Estates	7
	Monterey	9
	Villa Cordova	17
	Forsyth Road	18
Meter Point	Winter Park Aloma	21
<u>Master Meters</u>		
	1 North (located at Aloma & Tuskawilla Road)	
	1 South (located at Aloma & Tuskawilla Road)	

**EXHIBIT B**  
**FEE COMPONENTS**

Authority and CUSTOMER agree that rates for transmission of CUSTOMER'S sewage will be based on a reasonable application of the Fee Components set forth below, with such rates being set by the Authority Board, and in accordance with a definitive agreement to be executed between the parties prior to actual transmission of sewage to the Regional Facilities. Authority agrees to afford CUSTOMER the lowest rates for transmission of CUSTOMER'S sewage as Authority makes available to any other user of the same classification whose Service Area lies within the Service Area of the Authority.

**FEE COMPONENT 1**  
**AUTHORITY OPERATION AND MAINTENANCE**

**CRITERIA** — ALL CUSTOMERS

Basic rate per gallon will be arrived at by dividing the total of all Committed Flows through the Transmission System into budgeted Operation and Maintenance Expenditures reduced by revenue from other than provision of Sewer Transmission Service. Should Actual Revenues exceed or be less than Actual Expenditure, the surplus or deficit so realized, as reflected in supplemental information contained in the Authority's annual report of audit, with necessary additional detail to be verified by the Authority's Executive Director, and as adjusted to maintain a reasonable fund balance in the Working Capital Account, will be credited or invoiced to the CUSTOMERS in the next budget year. Such "reasonable fund balance" in the Working Capital account shall not exceed the greater of two (2) months' budgeted requirements for Operations and Maintenance or TWO HUNDRED FIFTY THOUSAND DOLLARS (\$250,000.00), based on the Authority's budget for the fiscal year involved, and shall be utilized only for expenses of Operations and Maintenance as and if required.

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**FEE COMPONENT 2**  
**SYSTEM ADMINISTRATION COSTS NOT**  
**INCLUDED IN FEE COMPONENT 1 ABOVE**

**CRITERIA** – ALL CUSTOMERS

Two (2) types of administration costs will be recognized:

1. Authority Administration and Supervisory Personnel. Administrative Personnel costs, including direct compensation, fringe benefits and payroll taxes, and materials and supplies will be accumulated in a separate cost center. The Fee Component will be calculated on a per-gallon rate by taking the annual expense (A) under this cost center and dividing this by the total of all Committed Flows through the Transmission System (Q), i.e., Administration Costs – Type I = A/Q.

2. Specific Administration Costs Authorized by the Authority Board of Directors and Enabling Legislation. The Fee Component for specific administration costs authorized by the Authority Board and the Act will be calculated on a per-gallon rate in the same manner as Administration Costs – Type I at one hundred percent (100%) of such costs.

**DEFINITIONS** – ALL CUSTOMERS

1. Personnel Costs, Including Personal Services, Materials, and Supplies – Are made up of those types of items as identified under the definition of Operation and Maintenance Expenditures described under Fee Component 1.

2. Total Number of Authority Employees – Will be the total number of Board-approved positions that are allocated in the separate cost center which is to be established for the Authority.

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**FEE COMPONENT 3**  
**ANNUAL DEBT SERVICE CHARGES**

**CRITERIA** – ALL CUSTOMERS

1. Annual Principal Costs. – On the fifteenth (15<sup>th</sup>) day of each month, commencing the month following the effective date of this Agreement, CUSTOMER agrees to make payment to the Authority of the CUSTOMER'S share of the Annual Principal Costs, and to continue paying the same thereafter, irrespective of CUSTOMER'S use or nonuse of the Transmission System on that or any later date.

CUSTOMER'S share of the Annual Principal Costs shall be determined by dividing its Committed Flow by the aggregate of all Committed Flows of all Authority CUSTOMERS. At the time of execution hereof the number of CUSTOMERS and the Committed Flows are known and are listed in the Table contained in Section 5(1) of this Agreement. Each CUSTOMER'S share of the Annual Principal Costs would be that "Percentage of Committed System Capacity" appearing opposite its name in the Table contained in Section 5(1) of this Agreement.

The CUSTOMER'S monthly payment will be computed as follows: Monthly Principal Payment = Annual Bond Principal times 1.25 times percentage share divided by twelve (12). This would commence accumulation of the Principal Payment due October 1 of each year. These payments will continue until the Authority Bonds are no longer outstanding or defeased. Credit will be given when the Reserve Fund is applied to the final payment(s) due under the Authority Bonds of the respective series to which such deposit relates.

2. Annual Interest Costs. On the fifteenth (15<sup>th</sup>) day of each month, commencing in the month following the effective date of this Agreement, CUSTOMER agrees to commence payment to the Authority of the CUSTOMER'S share of the Interest due, as Annual Interest

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CUSTOMER: \_\_\_\_\_

Costs, and to continue paying the same thereafter, irrespective of CUSTOMER'S use or nonuse of the Transmission System on that or any later date.

CUSTOMER'S share of the Annual Interest Costs shall be determined by dividing its Committed Flow by the aggregate of all Committed Flows of all Authority CUSTOMERS. At the time of execution hereof the number of CUSTOMERS and the Committed Flows are known and are listed in the Table contained in Section 5(1) of this Agreement. Each CUSTOMER'S share of the Annual Interest Costs would be that "Percentage of Committed System Capacity" appearing opposite its name in the Table contained in Section 5(1) of this Agreement.

The CUSTOMER'S monthly payment will be computed as follows: Monthly Interest Payment = Semi-Annual Bond Interest times 1.25 times percentage share divided by six (6). This would commence accumulation of the Semi-Annual Interest Payment due each October 1 and April 1. These payments will continue until Authority Bonds are no longer outstanding or defeased. Credit will be given when the Reserve Fund is applied to the final payment(s) due under the Authority Bonds of the respective series to which such deposit relates.

3. The factor of 1.25 shown in the two (2) equations above is the current debt service coverage currently required by the Authority's Bond Resolution. Amounts paid by CUSTOMER in excess of annual debt service requirements may be used by the Authority to pay capital costs, renewal and replacement costs or other costs authorized by the Act

CUSTOMER shall be provided notice of any change to the debt service coverage factor required with respect to the issuance of any proposed series of Authority Bonds which notice shall contain an explanation for the proposed change.

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**FEE COMPONENT 4**  
**OTHER PAYMENTS NECESSARY TO MEET COVENANTS MADE TO SECURE**  
**HOLDERS OF AUTHORITY BONDS**

**CRITERIA** – ALL CUSTOMERS

1. Reserve Fund. – On the fifteenth (15<sup>th</sup>) day of each month, the CUSTOMER will pay to the Authority one-twelfth (1/12) of 20% of its share of the Bond Interest and Principal for deposit in the Reserve Fund. No payment shall be required for the Reserve Fund so long as the amount in the Reserve Fund is equal to the Reserve Requirement required to be maintained by the Bond Resolution.

2. Renewal and Replacement Fund. – On the fifteenth (15<sup>th</sup>) day of each month, the CUSTOMER will pay to the Authority its share of an amount equal to one-twelfth (1/12) of five percent (5%) of the Gross Revenues received during the immediately preceding fiscal year. CUSTOMER'S share of said amount shall be its percentage of Committed System Capacity as shown in the Table in Section 5(1). No payment shall be required for the Renewal and Replacement Fund so long as the amount in the Renewal and Replacement Fund is maintained at the level required by the Bond Resolution or such other amount as may be determined by resolution of the Board in accordance with the Bond Resolution.

3. Any deficiencies in the Reserve Fund or the Renewal and Replacement Fund shall be subsequently restored from the first monies available in the Revenue Fund as described in the Bond Resolution.

4. For the retirement of the Authority's obligations under the Bond Resolution, the Authority will budget the Revenue Fund to take into account that all funds remaining on

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deposit in the Reserve Fund shall be applied to the last payment of Principal and Interest on the Authority Bonds.

5. Depreciation Reserve Fund. – On the fifteenth day (15<sup>th</sup>) day of each month, the CUSTOMER will pay to the authority one-twelfth (1/12<sup>th</sup>) of 20.798% of its share of the Depreciation Reserve Requirement. Amounts collected by the Authority pursuant to this section shall be credited to a separate account and shall be used by the Authority to pay the costs of capital Projects.

DEFINITIONS – ALL CUSTOMERS

1. The Depreciation Reserve Requirement shall mean the amount determined each year by the Authority but shall in no case exceed the allowance for depreciation as determined in accordance with generally accepted accounting principles based on the Authority's audited financial statements for the immediately preceding Fiscal Year.

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**FEE COMPONENT 5**  
**HYDRAULIC PEAKING FACTOR SURCHARGE**

**CRITERIA** — ALL CUSTOMERS

1. For each day that a CUSTOMER discharges sewage to the Transmission System for a consecutive 4-hour period at a Flow Rate in excess of two hundred percent (200%) of the ADPF, up to two hundred fifty percent (250%), the CUSTOMER will pay a surcharge of one percent (1%) on its Monthly Service Charge. For each five percent (5%) or fraction thereof in excess of two hundred fifty percent (250%) for a consecutive four-hour period that the Flow exceeds the ADPF, the CUSTOMER will pay an additional one percent (1%) surcharge.

**DEFINITIONS** — ALL CUSTOMERS

1. Average Daily Peak Flow (ADPF) — The total flow during the four (4) consecutive months of greatest flow during the 12-month period ending September 30, divided by the total number of days in such 4-month period. Average Daily Peak Flow in such 4-month period will be based on the CUSTOMER'S previous record until the CUSTOMER shall have been connected to the Transmission System for a 12-month period ending September 30.

Initials:  
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**EXHIBIT C**  
**MULTIPLE SERVICE**  
**CONNECTION POINTS TO TRANSMISSION SYSTEM**

<u>STATION NAME</u>	<u>SERVING</u>	<u>AUTHORITY NUMBER</u>
Indian Hills	Seminole County Casselberry	5
Howell Creek	Seminole County Casselberry	8