



Interoffice Memorandum

November 13, 2017

TO: Mayor Teresa Jacobs
and Board of County Commissioners

FROM: Raymond E. Hanson, P.E., Director
Utilities Department

A handwritten signature of Raymond E. Hanson in black ink.

**SUBJECT: BCC AGENDA ITEM – Consent Agenda
November 28, 2017 BCC Meeting
First Amendment to the Reedy Creek Reams Road Wholesale
Interconnect Reimbursement Agreement
Contact Person: Andres Salcedo, P. E., Assistant Director
Utilities Engineering Division
407-254-9719**

Orange County and the Reedy Creek Improvement District (RCID) desire to amend the Reedy Creek Reams Road Wholesale Interconnect Reimbursement Agreement approved by the BCC on March 10, 2015. The approved agreement authorized a reimbursement not-to-exceed amount of \$5,000,000 to RCID for construction of a pipeline needed to provide Orange County an increase in wastewater treatment capacity from 0.75 mgd (million gallons per day) to 2.7 mgd. Due to high growth in the Horizon West service area, Orange County Utilities (OCU) is accelerating the construction of the proposed Southwest Water Reclamation Facility (SWWRF) and will not need the full capacity allowed for in the agreement nor the full length of pipeline considered.

This first amendment to the reimbursement agreement governs the terms under which RCID will be responsible for the construction of a shorter 24-inch force main. Orange County Utilities staff has agreed to reimburse RCID for all costs associated with its construction in an amount not-to-exceed \$2,203,496.79. Following completion of the force main construction, RCID will be responsible for all maintenance and operation of the system. This first amendment will increase the wastewater treatment capacity provided to Orange County from 0.75 mgd to 2.35 mgd. All other terms of the original agreement remain the same.

Orange County Attorney's Office staff reviewed the agreement and find it acceptable as to form. Utilities Department staff recommends approval.

Action Requested: Approval and execution of First Amendment to Reedy Creek Reams Road Wholesale Interconnect Reimbursement Agreement between Orange County and Reedy Creek Improvement District, for a revised cost in an amount not-to-exceed \$2,203,496.79 for the construction of a 24-inch force main.

District 1.

**FIRST AMENDMENT TO REEDY CREEK IMPROVEMENT DISTRICT REAMS ROAD WASTEWATER
INTERCONNECT REIMBURSEMENT AGREEMENT**

APPROVED BY ORANGE
COUNTY BOARD OF COUNTY
COMMISSIONERS

BCC Mtg. Date: November 28, 2017

**FIRST AMENDMENT TO
REEDY CREEK REAMS ROAD WHOLESALE INTERCONNECT REIMBURSEMENT
AGREEMENT
BETWEEN ORANGE COUNTY AND
REEDY CREEK IMPROVEMENT DISTRICT**

**THIS FIRST AMENDMENT TO REEDY CREEK REAMS ROAD WHOLESALE
INTERCONNECT REIMBURSEMENT AGREEMENT** (the “First Amendment”) is made
and entered into as of the date of last execution below by and between ORANGE COUNTY, a
charter county and political subdivision of the State of Florida (the “COUNTY”) whose address
is 201 South Rosalind Avenue, Orlando, Florida 32801 and Reedy Creek Improvement District,
an independent special district created pursuant to Chapter 67-764, Laws of Florida (“RCID”)
whose address is Post Office Box 10170, Lake Buena Vista, Florida 32830. Hereinafter,
COUNTY and RCID may be referred to individually as a “Party” or collectively as the “Parties.”

RECITALS

WHEREAS, on March 10, 2015, RCID and the COUNTY entered into a
reimbursement agreement for the wholesale provision of wastewater service entitled “Reedy
Creek Reams Road Wholesale Interconnect Reimbursement Agreement (the “Agreement”),” and

WHEREAS, in order for the COUNTY to send more wastewater flow to RCID’s
wastewater systems, the construction of one new force main and all related facilities (the
“Project”) is required, instead of two force mains as originally set forth in the Agreement; and

WHEREAS, RCID has agreed to be responsible for the construction of the Project, and
the COUNTY has agreed to reimburse RCID for the costs of constructing the Project pursuant to
the terms of the Agreement, as amended by this First Amendment.

NOW, THEREFORE, in consideration of the premises hereof and the mutual covenants
set forth herein, the Parties hereby agree as follows:

SECTION 1. **RECITALS INCORPORATED.** All of the recitals contained herein are
true and correct, and are incorporated herein and made a part hereof by this reference.

SECTION 2. Section 2.b. of the Agreement is amended as follows:

b. Project construction. The Project shall be constructed in accordance with the
terms of the 2017 Substitute Letter Agreement attached as **Exhibit “A”**. Construction
shall be completed no later than June 30, 2018 and the project shall generally consist of

FIRST AMENDMENT TO REEDY CREEK IMPROVEMENT DISTRICT REAMS ROAD WASTEWATER INTERCONNECT REIMBURSEMENT AGREEMENT

the improvements as shown on **Exhibit "B"**. RCID shall own the Project in accordance with Section 8 of the 2017 Substitute Letter Agreement.

SECTION 3. All permits have been obtained.

SECTION 4. Section 4 of the Agreement shall be amended as follows:

a) The total design cost for the project including consultants and RCID internal staff time was \$258,652.80. During construction of the Project, RCID shall invoice, monthly in advance, the County for the monthly estimated construction costs as provided by the selected contractor.

b) The total estimated cost of the Project is \$1,903,496.79 as set forth in the revised **Exhibit "C"**. The Project shall have a not-to-exceed cost of \$2,203,496.79.

SECTION 5. The second paragraph of Section 5 of the Agreement shall be amended as follows:

All claims, disputes and other matters between the Parties shall first be addressed between the RCID's Utility Planning and Engineering Manager and the COUNTY's Utilities Assistant Director, who will promptly confer in an effort to resolve the dispute. If no resolution is reached, the complaint or dispute shall be submitted in writing to the RCID's District Administrator and the COUNTY's Utilities Director. Within ten (10) days after delivery of such notice, representatives of both Parties will meet at a mutually acceptable time and place, and thereafter as often as they reasonably deem necessary, to exchange relevant information and to attempt to resolve the dispute. If the matter has not been resolved within thirty (30) days of the disputing Party's notice, or if the Parties fail to meet within ten (10) days if practicable and possible, either Party may submit the dispute to non-binding mediation.

SECTION 7. This First Amendment shall be effective on the date the last Party signs this First Amendment.

All other terms and provisions of the Agreement, unless specifically modified by this First Amendment shall remain in full force and effect.

**FIRST AMENDMENT TO REEDY CREEK IMPROVEMENT DISTRICT REAMS ROAD WASTEWATER
INTERCONNECT REIMBURSEMENT AGREEMENT**

IN WITNESS WHEREOF, the Parties hereto have caused this First Amendment to be executed
as of the dates indicated below.



ORANGE COUNTY, FLORIDA

By: Board of County Commissioners

By: *Teresa Jacobs*
Teresa Jacobs
Orange County Mayor

ATTEST: Phil Diamond, CPA, County Comptroller
As Clerk of the Board of County Commissioners

By: *Katie Smith*
Deputy Clerk

Print: **Katie Smith**

Date: **NOV 28 2017**

FIRST AMENDMENT TO REEDY CREEK IMPROVEMENT DISTRICT REAMS ROAD WASTEWATER INTERCONNECT REIMBURSEMENT AGREEMENT

REEDY CREEK IMPROVEMENT DISTRICT

By: _____

John H. Classe, Jr.
District Administrator

Witnesses:

Date: _____

10/25/17

Wanda S. Skon

Print Name: Wanda S. Skon

Tina Williams

Print Name: Tina Williams

STATE OF FLORIDA

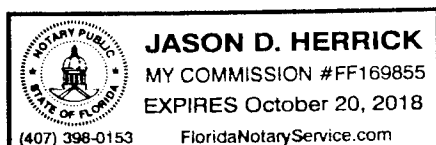
COUNTY OF ORANGE

The foregoing instrument was acknowledged before me this 25th day of October, 2017. John H. Classe, Jr. as District Administrator of **REEDY CREEK IMPROVEMENT DISTRICT**, a political subdivision of the State of Florida, who is [☒] personally known to me or [☐] has produced _____ as identification.

(NOTARY SEAL)

Jason D. Herrick

Notary Public Signature



(Name typed, printed or stamped)

Notary Public, State of _____

Commission No.: _____

My Commission Expires: _____

**FIRST AMENDMENT TO REEDY CREEK IMPROVEMENT DISTRICT REAMS ROAD WASTEWATER
INTERCONNECT REIMBURSEMENT AGREEMENT**

EXHIBIT “A”

2017 Substitute Letter Agreement



RAYMOND E. HANSON, P. E., *Director*

9150 Curry Ford Road
Orlando, Florida 32825-7600
Telephone: 407-254-9809
Fax: 407-254-9899
Email: Ray.Hanson@ocfl.net

October 11, 2017

John H. Classe, Jr., District Administrator
Reedy Creek Improvement District
Post Office Box 10170
Lake Buena Vista, FL 32830

**Re: 2017 Substitute Letter Agreement for Orange Lake/Reams Road
Wastewater Interconnection and Wholesale Service**

Dear Mr. Classe:

Orange County, doing business as Orange County Utilities (the "County"), and Reedy Creek Improvement District ("RCID") executed the Substitute Letter Agreement for Orange Lake/Reams Road Wastewater Interconnection and Wholesale Service (the "2015 Letter Agreement") on February 5, 2015. The County requests modification to the 2015 Letter Agreement which will supersede and replace the 2015 Letter Agreement in the entirety as set forth in this letter agreement (the "2017 Substitute Letter Agreement"). In this 2017 Substitute Letter Agreement, the County and RCID may be referred to individually as a "Party," and collectively as the "Parties."

1. **Territorial Agreement.** The Territorial Agreement dated September 20, 2008 (the "Territorial Agreement") shall remain in effect and unchanged, except as to the terms and conditions contained in this 2017 Substitute Letter Agreement as authorized by Section 6 of the Territorial Agreement related to wholesale wastewater service.

2. **Connections to RCID's Wastewater System.** Attached hereto and incorporated herein as **Exhibit "A"**, is a map showing the location of the agreed upon connections to RCID's wastewater system. Pipe sizing, areas to be served, the location and the pressure requirements of each of the two connection points are described below:

2.1 **Orange Lake.** The County and RCID acknowledge that the Orange Lake connection point was constructed prior to the execution of this 2017 Substitute Letter Agreement. Moreover, the Orange Lake connection point is or will transfer wastewater flows from an area including, but not limited to, the following developments in the southwest service area of Orange County: Orange Lake, Grand Pallisades and Village I of Horizons West. The Orange Lake connection point is located at the southern terminus of a twelve-inch force main located along Hartzog Road approximately three thousand feet south of the intersection of Western Way as indicated in **Exhibit "B,"** attached hereto and incorporated by reference herein. Wastewater flow transferred by

the County to the RCID wastewater system through this connection will have a residual pressure of at least thirty five psi, as measured at the connection point.

2.2 **Reams Road.** The County and RCID acknowledge that the Reams Road connection point was constructed prior to the execution of this 2017 Substitute Letter Agreement. The Reams Road connection point will transfer wastewater flows from the general area known as Horizons West, plus adjacent development within two miles of Horizons West. The Reams Road connection point is a twelve-inch force main connection, and is located near the intersection of Reams Road and Bay Court as indicated in **Exhibit "C,"** attached hereto and incorporated by reference herein. The Reams Road pipeline will be modified when RCID installs a new force main as indicated in **Exhibit "D,"** attached hereto and incorporated by reference herein. Wastewater flow transferred by the County to the RCID wastewater system through this connection will have a residual pressure of at least twenty five psi, as measured at the connection point.

3. **Connection Costs.** The County shall be solely responsible for paying the costs of the new force main as designated in **Exhibit "D,"** in accordance with Section 6.4 of the Territorial Agreement.

4. **Volume and Delivery of Wastewater.**

4.1. For both Orange Lake and Reams Road locations, the wastewater shall be delivered to points of connection as shown in **Exhibit "A."** At both connection points, the County will deliver, and RCID will accept, treat, and dispose of, a volume of wastewater as defined in Section 4.2 below.

4.2. RCID agrees to accept, treat and dispose or reuse up to 2,350,000 gallons per day (gpd) annual average flow (AADF) of wastewater from the combination of the Reams Road and Orange Lake connection points upon the in-service date of the new force main referred to in Sections 2.2 and 3, for a term of fifteen years, subject to other provisions of this 2017 Substitute Letter Agreement.

4.2.1 **Reams Road:** RCID agrees to accept, treat and dispose/reuse up to 2,100,000 gpd AADF (and 2,917 gpm PHF) of wastewater flow at Reams Road as of the Effective Date of this 2017 Substitute Letter Agreement. Upon 30 days written notice by RCID, the capacity at the Reams Road connection can be reduced to 2,000,000 gpd AADF (and 2,778 gpm PHF).

4.2.2 **Orange Lake:** RCID agrees to accept, treat and dispose/reuse up to 250,000 gpd AADF (and 521 gpm PHF) of wastewater flow at Orange Lake as of the Effective Date of this 2017 Substitute Letter Agreement. The County's delivery of wastewater to the Orange Lake connection point shall not exceed 250,000 gpd AADF and 521 gpm PHF without prior written notification to RCID and receipt of written approval from RCID.

4.2.3 In the event of an emergency which affects the ability of RCID to accept the County's wastewater flow at the Reams Road and/or Orange Lake connection points, RCID shall immediately notify the County. RCID and the County shall cooperate and coordinate resources to manage such an emergency. The County shall divert as much flow as possible from the RCID interconnect(s) and the County shall utilize all available resources to support RCID's response to the emergency event. In partial support of RCID's response to the emergency event, the County shall make available to RCID, at County's expense, two portable diesel-powered emergency pumps for use at RCID's Lift Station #7. If the emergency is such that the County's diversion of flow does not totally relieve the emergency, and RCID cannot accept any or all of the remaining undiverted flow from the County, the unacceptable flow is to be collected in appropriate truck(s)/vehicle(s) and hauled to the closest RCID or County location which can accept the County's flow. In such an emergency, RCID shall not be responsible for any costs incurred by the County or for any County non-compliance issues except for cases of RCID negligence or willful misconduct, and the County shall not be responsible for any costs incurred by RCID or for any RCID non-compliance issues except for cases of County negligence or willful misconduct.

4.3. The County represents that no wastewater delivered under this 2017 Substitute Letter Agreement shall come from industrial users, as defined in Chapter 62-625, Florida Administrative Code, and that in accordance with Chapter 62-625, no industrial users shall be allowed within the area serviced by this interconnection unless the County gives prior notification to RCID and obtains written approval thereof.

4.4. Any reclaimed water generated from RCID's treatment of the County's wastewater pursuant to this 2017 Substitute Letter Agreement shall belong to RCID, which shall be free to use the generated reclaimed water for its own purposes and designs.

4.5. The Parties agree that if the County's delivery of wastewater to the Reams Road connection point results in excessive, persistent odors in RCID's wastewater collection system – particularly at RCID Lift Station 7 as defined in Section 4.7 below – that cannot be treated by the existing odor control facility at Lift Station 7, the County shall reduce or eliminate its flow to the Reams Road connection point or be responsible to pay RCID for all costs to treat and remove said excessive odors with specific details of any treatment/removal system and the payment thereof to be negotiated in a separate agreement that will be executed by both Parties before commencement of said system installation and operation. RCID is expected and agrees to maintain the existing odor control facility at Lift Station 7 to the manufacturer standards. Nothing herein prevents the County from treating its wastewater prior to it being delivered to the Reams Road connection point to minimize/eliminate odor formation within RCID's wastewater system.

4.6. Odors at Lift Station 7 shall be measured at a distance of no less than fifty feet from the wetwell at Lift Station 7 by taking the hydrogen sulfide concentration in the air. If the hydrogen sulfide concentration average of four measurements taken over a ten minute period exceeds one half parts per million, the odor is deemed excessive.

5. **Meters.** Ownership, operation, maintenance, calibration and replacement of the wholesale meters shall be the responsibility of RCID in accordance with Section 6.5 of the Territorial Agreement.

6. **Wastewater Rates and Billing.** RCID will charge and the County will pay a wholesale rate equivalent to 47% of RCID's SC-1 retail rate (currently \$5.96 per thousand gallons of wastewater flow equating to a wholesale rate of \$2.80 per thousand gallons). Whenever RCID raises the SC-1 rate, County's wholesale rate shall likewise increase proportionately. RCID shall notify the County in writing sixty days in advance of adopting a new rate. Notwithstanding the foregoing, at no time shall the wholesale wastewater rate RCID charges the County hereunder exceed the lowest wastewater service rate RCID charges any of its retail customers. Billing and payment shall be pursuant to Section 6.6 of the Territorial Agreement.

7. **Term.** This 2017 Substitute Letter Agreement shall be effective on the date of execution by the last Party hereto ("Effective Date") for a term of fifteen years (the "Initial Term"). The term of this 2017 Substitute Letter Agreement shall be renewed automatically for two successive terms of seven years beyond the Initial Term unless terminated by either party pursuant to Section 9 below.

8. **Reams Road Connection Point and Modifications (Section 2.2).** RCID shall own and have title to the new force main referenced in Section 2.2 above.

9. **Termination.** The Parties shall not have the right to terminate this 2017 Substitute Letter Agreement for a period ending on the second anniversary of the in-service date of the force main referenced in Section 2.2 above. After the expiration of the two-year period described above, either Party may terminate this 2017 Substitute Letter Agreement upon written notice given to the other Party at least five years prior to the date of termination. The County shall pay RCID for wastewater delivered and treated to the date of termination and cessation of wastewater service.

10. **Emergency Interconnects.** Prior to the expiration of any term of this 2017 Substitute Letter Agreement or the termination of this 2017 Substitute Letter Agreement, the Parties agree that the Orange Lake and Reams Road interconnections shall be used as Emergency Interconnects as provided under Section 6 of the Territorial Agreement. The Parties agree that a new agreement governing the use of the Orange Lake and Reams Road interconnects for Emergency Interconnects will be needed to be executed and effective by the date of expiration of this 2017 Substitute Letter Agreement pursuant to Section 7 above or the date of termination pursuant to Section 9 above.

11. **Notices.** Any notice required or allowed to be delivered pursuant to this 2017 Substitute Letter Agreement shall be in writing and be deemed to be delivered

when (a) hand delivered to the official hereinafter designated; (b) delivered by nationally recognized overnight courier service; or (c) received when such notice is deposited in the United States mail, postage prepaid, certified mail, return receipt requested, addressed to a Party at the address set forth opposite the Party's name below, or such other address as the Party shall have specified by written notice to the other Party delivered in accordance herewith:

For RCID: Reedy Creek Improvement District
District Administrator
1900 Hotel Plaza Blvd.
Lake Buena Vista, FL 32830
Phone: 407-934-7853
Fax: 407-934-6200

For RCID operations: Reedy Creek Energy Services
Water & Waste Resources
Phone: 407-824-7447
Fax: 407-824-5868

For the County: Orange County Director of Utilities
9150 Curry Ford Road, 3rd Floor
Orlando, Florida 32825

For County operations: Water Reclamation Division
Phone: 407-254-9683
Fax: 407-254-9899

When notice is required due to maintenance and repairs, the Parties shall notify each other at the operations telephone and facsimile numbers provided above or such other numbers that have been specified by written notice to the other Party.

12. **Disclaimer of Third-Party Beneficiaries.** This 2017 Substitute Letter Agreement is solely for the benefit of RCID and the County, and no right or cause of action shall accrue upon or by reason hereof, to or for the benefit of any third party not a formal Party hereto.

13. **Severability.** If any part of this 2017 Substitute Letter Agreement is found invalid or unenforceable by any court or competent jurisdiction, such invalidity or unenforceability shall not affect the other parts of this 2017 Substitute Letter Agreement if the rights and obligations of the Parties contained therein are not materially prejudiced and if the intentions of the Parties can continue to be effectuated. To that end, this 2017 Substitute Letter Agreement is declared severable.

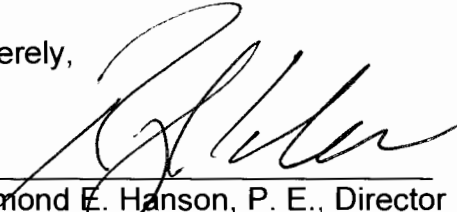
14. **Non-Waiver.** The failure of either Party to insist upon the other Party's compliance with its obligations under this 2017 Substitute Letter Agreement in any one or more instances shall not operate to release such other Party from its duties to comply with such obligations in all other instances.

15. **Applicable Law.** This 2017 Substitute Letter Agreement and the provisions contained herein shall be construed, controlled, and interpreted according to the laws of the State of Florida. Any litigation arising out of this 2017 Substitute Letter Agreement shall be had in the state courts located and lying within Orange County, Florida.

16. **Modifications.** Any and all modifications to the provisions herein shall be made by mutual agreement of the Parties, in writing, and be executed by the Parties hereto.

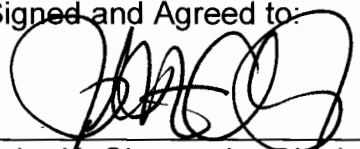
If you agree to this change, please sign both copies in the signature block provided and return one executed copy to my office.

Sincerely,


Raymond E. Hanson, P. E., Director
Orange County Utilities Department

10-11-17
Date

Signed and Agreed to:


John W. Classe, Jr., District Administrator
Reedy Creek Improvement District

10/25/17
Date

C: Andres Salcedo, P. E., Assistant Director, Orange County Utilities
Michael Hudkins, P. E., Manager, Water Reclamation Division, Orange County Utilities
Mark Ikeler, P.E., Chief Engineer, Engineering Division, Orange County Utilities
Christine Ogozaly, Director, RCES
Jason D. Herrick, P.E., Manager, Planning & Engineering RCES

EXHIBIT I "A"



EXHIBIT "B"

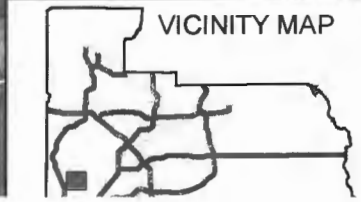
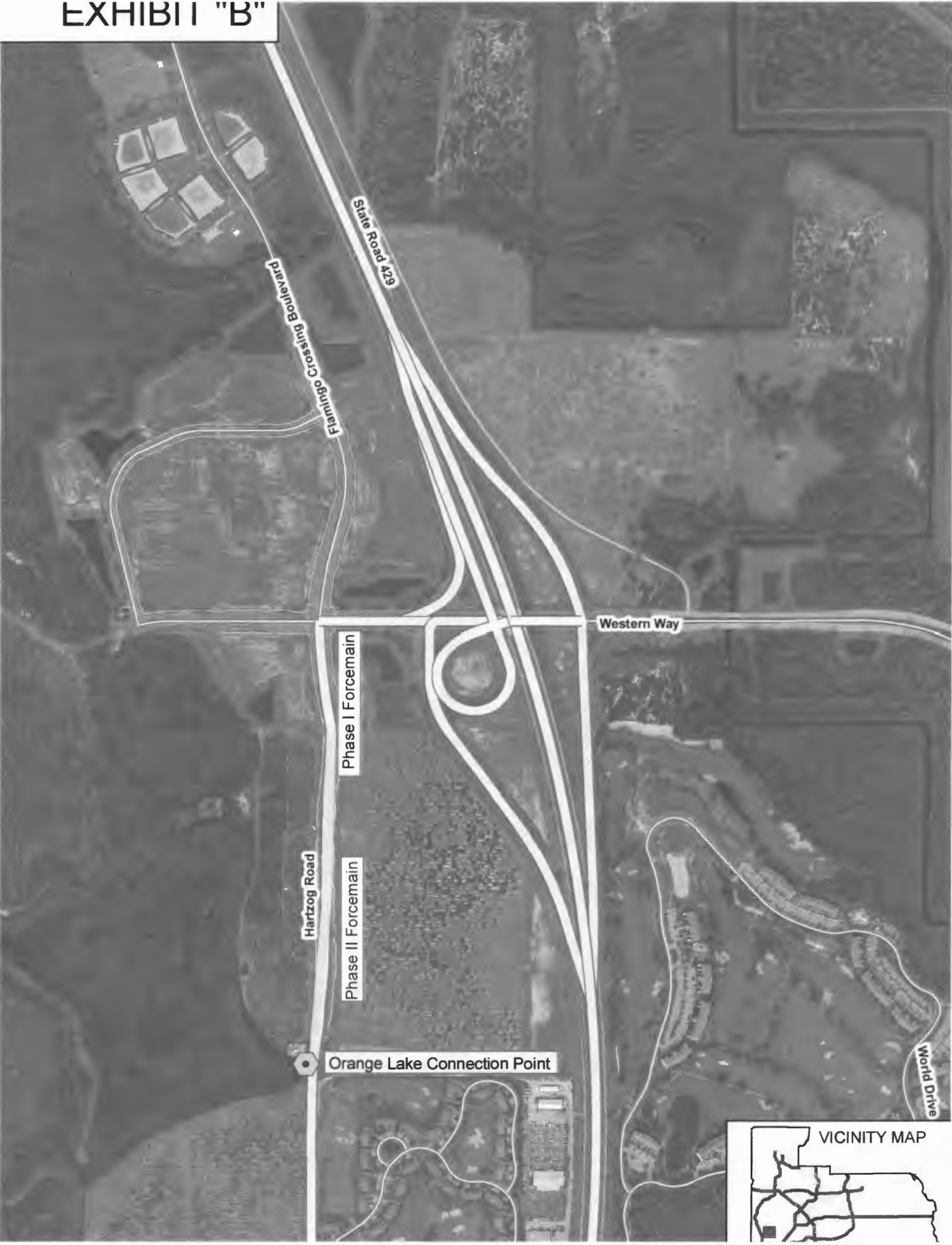


EXHIBIT "C"

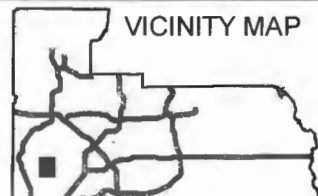
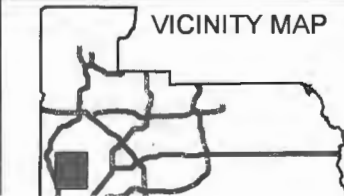


EXHIBIT "D"

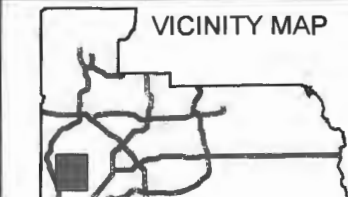


**FIRST AMENDMENT TO REEDY CREEK IMPROVEMENT DISTRICT REAMS ROAD WASTEWATER
INTERCONNECT REIMBURSEMENT AGREEMENT**

EXHIBIT “B”

General Project Location

EXHIBIT "B"



**FIRST AMENDMENT TO REEDY CREEK IMPROVEMENT DISTRICT REAMS ROAD WASTEWATER
INTERCONNECT REIMBURSEMENT AGREEMENT**

EXHIBIT “C”

Detail of Estimated Project Costs

Task	Task Estimate
Design	\$350,000
Construction	\$1,403,496.79
Construction Management (RCID, Reedy Creek Energy Services, External)	\$150,000
Contingency	\$300,000
Total Estimated Project Cost	\$2,203,496.79