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OR BOOK: 4965 PAGE 378 PAGE: 1 OF 18
INSTR # 3088047 Doc Type: AGR
Recorded: 4/14/2022 at 4:44 PM
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INTERLOCAL AGREEMENT FOR REGIONAL INTEGRATED LOOP SYSTEM PHASE 2B INTERCONNECT BETWEEN THE PEACE RIVER MANASOTA REGIONAL WATER SUPPLY AUTHORITY AND CHARLOTTE COUNTY

THIS Interlocal Agreement for Regional Integrated Loop System Phase 2B Interconnect ("Agreement") is entered into by and between the Peace River Manasota Regional Water Supply Authority ("Authority"), an independent special district created and existing pursuant to Section 373.1962, Florida Statutes, now found in Section 373.713, Florida Statutes, and Section 163.01, Florida Statutes, acting by and through its governing Board of Directors; and Charlotte County ("Charlotte"), a political subdivision of the State of Florida, acting by and through its Board of County Commissioners, which has the authority to provide water utility service within Charlotte County.

RECITALS:

WHEREAS, both the Authority and Charlotte are authorized to enter into interlocal agreements pursuant to Chapter 163, Florida Statutes; and

WHEREAS, the Authority; Sarasota County, a political subdivision of the State of Florida; Manatee County, a political subdivision of the State of Florida; Charlotte County, a political subdivision of the State of Florida; DeSoto County, a political subdivision of the State of Florida; and the City of North Port, a municipal corporation of the State of Florida (collectively "Customers") entered into the Peace River Manasota Regional Water Supply Authority Master Water Supply Contract, effective October 5, 2005, as amended ("MWSC"); and

WHEREAS, Section 22 of the MWSC provides that the Authority must have written consent of the governing body of a Customer in whose jurisdiction the Authority intends to acquire,

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develop, construct or operate new Authority Water Supply Facilities (the "Host County") and the Host County shall notify the Authority of its decision to grant or deny consent to the Authority toacquire, develop, construct or operate the new Authority Water Supply Facilities; and

WHEREAS, the Authority has notified Charlotte of its intent to design and construct the Regional Integrated Loop System Phase 2B Interconnect (Project), which will be owned and operated by the Authority; and

WHEREAS, upon the effective date of this Agreement, Charlotte, as the Host County, has given its consent to the construction of the Project and both parties desire to set forth their respective duties and obligations with respect to the construction and use of the Project; and

WHEREAS, Charlotte and the Authority agree to connect Charlotte's utility system to the Project at Delivery Point(s) that will be designated as additional Delivery Point(s) under section 10.3 of the MWSC; and

WHEREAS, this Agreement is predicated upon a proposed cooperative funding agreement between the Southwest Florida Water Management District ("SWFWMD") and the Authority for the Project, which would provide that SWFWMD fund at least fifty percent (50%) of the eligible Project costs according to SWFWMD policies; and

WHEREAS, this Agreement does not entitle Charlotte to a greater Water Allocation than that which is authorized pursuant to the provisions of the MWSC and any amendments thereto; and

WHEREAS, the parties recognize and agree that modifications and clarifications will be needed to the Project and that such changes shall be made by mutual agreement by the Executive Director of the Authority and the Charlotte County Administrator.

NOW, THEREFORE, in consideration of the above stated Recitals, mutual covenants and

obligations contained herein, and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. INCORPORATION OF RECITALS. The foregoing recitals are true and correct and are incorporated herein by reference.

2. DEFINITIONS. All capitalized terms used but not defined in this Agreement have the meanings ascribed to them in the MWSC unless otherwise indicated in this Agreement.

2.1 Agreement. This Interlocal Agreement for Regional Integrated Loop System Phase 2B Interconnect.

2.2 Project. The expansion of the Authority's Regional Transmission System within Charlotte County, which includes a new potable water transmission pipeline, pumping, storage and meter facilities, and ancillary components that may be revised in accordance with section 4, which is generally shown and described in the attached Exhibits 1 and 2.

2.3 Hydraulic Entitlement Capacity Fee. The charge to Customer(s) for future connection to this Project pipeline based on percentage of Hydraulic Capacity Entitlement provided to the Customer(s).

2.4 Debt Funded Project Cost. All Project cost, including engineering, construction and cost of property acquisition necessary for the Project that are financed for the Project.

3. PURPOSE AND TERM. This Agreement sets forth the rights and obligations of the parties with respect to the construction and use of the Project. The MWSC terms and conditions also apply to all aspects of the potable water delivered pursuant to this Agreement. The term of this Agreement begins on its effective date and will end when Charlotte no longer receives potable water from the Authority pursuant to the MWSC and any extensions and amendments.

4. CONSENT/NEW DELIVERY POINT. Charlotte consents to the construction

and operation of the Project under section 22 of the MWSC. The Project's Delivery Point(s) shall be added by mutual agreement of the parties as provided in section 10.3 of the MWSC.

5. DESIGN AND CONSTRUCTION OF THE PROJECT/WATER DELIVERY. The Project shall be capable of supplying Charlotte potable water at an adequate flow and water pressure to meet Charlotte's water needs as may be deemed appropriate and as described in Exhibits 1 and 2. The specific details of the Project, e.g., Project location, alignment, Delivery Point(s), delivery pressures, flows, and Project components, will be developed and mutually agreed to by the parties. As may be needed, authority and responsibility is delegated to the Executive Director of the Authority and the Charlotte County Administrator to modify, clarify, or revise the engineering, design, construction and operation specifications of the Project as agreed in writing by both parties and Exhibits 1 and 2 shall be replaced to reflect such mutually agreed in written revisions. Any pipeline or utility appurtenances owned by Charlotte shall be located so asto maintain a reasonable clearance on all sides of the Project to allow for necessary operations and maintenance access. The Authority agrees to make reasonable efforts not to interfere with any Charlotte operations on Charlotte-owned lands and rights-of-way during the construction of the Project. Charlotte agrees to make reasonable efforts not to interfere with any Authority operations on Charlotte-owned lands and rights-of-way during the construction of the Project.

6. COLLABORATIVE CONSTRUCTION. The Authority and Charlotte will ensure that their respective consultants and contractors will work in a cooperative fashion to expedite the Projects in the most cost-effective manner. The Charlotte Utility Director or his designee may attend any regularly scheduled construction update meetings with the Authority and its contractor on the Project. The Authority shall provide written notice by email at least 48 hoursprior to the regularly schedule contractor construction update meetings to the Charlotte County Utility Director.

7. FUNDING FROM CHARLOTTE. Charlotte shall contribute an estimated $34,000,000 based on current forecasts for the Project's costs. A breakdown of Charlotte's estimated contributions are shown in Exhibit 3. Charlotte's final contribution shall be based on the final cost of the Project paid by the Authority but will not exceed $37,500,000 ("Charlotte Cap"). Charlotte will fund its obligations under this Agreement as provided in section 16.2 of the MWSC.

8. AUTHORITY FUNDING AND HYDRAULIC CAPACITY ENTITLEMENT. Funding by the Authority will include the monies for the Project that the Authority receives from SWFWMD and any other state or federal source. The Authority shall be responsible for all engineering and construction costs that exceed the Charlotte Cap. All Hydraulic Capacity in the Project that is not granted to Charlotte pursuant to section 9 shall be retained by the Authority. All operation and maintenance costs for the Project shall be incorporated into the Authority's annual rate applicable to the Customers of the Authority pursuant to the MWSC. If the engineer's cost estimate for the Project exceeds the Total Project Cost for the Project shown on Exhibit 3, either party shall have the option to declare this Agreement null and void.

9. CHARLOTTE HYDRAULIC CAPACITY ENTITLEMENT. Charlotte's Hydraulic Capacity Entitlement in the Project shall be determined by calculating its percentage share of the final cost of the Project after its completion, with the Executive Director of the Authority and the Charlotte County Administrator certifying in writing the final percentage share of the cost to the Authority and Charlotte.

10. PAYMENT FOR USE OF AUTHORITY'S AND/OR CHARLOTTE'S HYDRAULIC CAPACITY ENTITLEMENT.

10.1 If a Customer requests to purchase Hydraulic Capacity Entitlement for this Project, the Authority will notify Charlotte in writing the amount (percentage) of Hydraulic Capacity the

Customer requests to purchase ("Purchase Request"). Charlotte shall have Thirty (30) days from the receipt of the Purchase Request to notify the Authority in writing if it will sell any of its Hydraulic Capacity Entitlement and designate the percent amount for sale. Whether to sell, and the amount to sell, are in the sole discretion of Charlotte. If Charlotte does not wish to sell any portion of its Hydraulic Capacity, the Authority may sell a portion of Authority capacity in the pipeline. Once the amount the Customer will purchase is determined, Customer and Authority will enter into an agreement establishing Customer's Hydraulic Capacity Entitlement. The Hydraulic Entitlement Capacity Fee shall be the percentage of Hydraulic Capacity Entitlement provided to the Customer of the future value of the total Debt Funded Project Cost at the time of the sale of capacity. This future value is calculated by applying the Engineering News Record (ENR) Construction Cost Index to the Debt Funded Project Cost from date final completion of the Project to the date of the sale of the capacity to the Customer. Hydraulic Entitlement Capacity Fee shall be paid to the party or parties that supply the Hydraulic Capacity in whole or in part on a pro-rata basis on the percentage supplied by Charlotte or the Authority.

10.2 If the Authority sells its Hydraulic Capacity Entitlement, one hundred percent (100%) of the Hydraulic Entitlement Capacity Fee paid by Customer to the Authority shall be applied to the remaining Debt Service Cost of the Project.

11. REAL PROPERTY AND EASEMENTS.

11.1 Real Property Acquisition. Charlotte shall cooperate with the Authority in the Authority's acquisition of all interests in real property (if any) necessary for the Project. Charlotte shall pay all reasonable costs for acquisition of real property interests necessary for the Project. The Authority shall involve Charlotte with the property valuations prior to acquisitions.

11.2 Any property located in Charlotte County acquired by the Authority for the Project shall be transferred in fee simple to the County after the Authority has recorded an easement

pursuant to this section, in its name, necessary for the Project.

11.3 Easements. Charlotte and the Authority will execute the necessary documents, including easements or license agreements for lands owned by Charlotte.

11.3.1 Construction Easements. Charlotte shall grant the necessary construction easements to the Authority to allow for the construction of the Project at no cost to the Authority. The Authority shall provide in the contracts with all contractors for the Project, that in addition to the Authority, Charlotte shall have the authority to issue a stop work demand if a construction activity endangers, interferes or damages existing Charlotte facilities along the Project route.

11.3.2 Perpetual, Nonexclusive and Exclusive Easements. Charlotte shall grant perpetual, nonexclusive and exclusive easements to the Authority for all real property owned by Charlotte on or within which the Project is located at no cost to the Authority. Exclusive easements will be issued for lands beneath and immediately adjacent to new storage tanks, pumping stations and electrical buildings for the Project. In addition, Charlotte shall cause to be conveyed to the Authority all easements covering areas needed to access and operate the Project by recordable document in a form satisfactory to both the Authority and Charlotte at no cost to the Authority.

11.3.3 Ownership. The Authority shall retain in its own name any easement interest in real property acquired by or granted to the Authority in connection with the Project.

12. PERMITS. The Authority shall use its best efforts to obtain all permits necessary to construct and operate the Project, and Charlotte shall promptly cooperate with the Authority in obtaining such permits. The Authority shall obtain all required permits prior to construction of the Project.

13. OPERATIONAL PROTOCOL. The Authority and Charlotte County shall develop a written operational protocol for the Phase 2B Interconnect Project ("Operational Protocol") to include protocol for operating and maintenance of the Project prior to the

commencement of construction of the Project. At a minimum, the Operational Protocol will define the rights and obligations of the responsible parties with respect to the operations, maintenance and regulatory activities necessary for the Authority to meet its obligation to provide potable waterto Charlotte. Nothing in the Operational Protocol shall conflict or supersede this Agreement. The Operational Protocol shall be effective upon execution by the Authority Board and the Charlotte Board of County Commissioners.

14. To the extent permitted by law and by funding agreements for the Project, the Authority will encourage the contractor and subcontractors hired for the Project use lodging establishments within Charlotte County during construction of the Project, when overnight lodging is needed. Further to the extent permitted by law and the funding agreements, the Authority will encourage the Contractor to use Charlotte County based subcontractors qualified to perform work for the Project.

15. COMPLETION DATE. The Authority shall make all reasonable efforts to complete the Project no later than March 1, 2026.

16. OWNERSHIP INTERESTS. Nothing within this Agreement or any previous agreements shall be construed to convey to Charlotte any ownership interest in any portion of the assets of the Authority Water Supply Facilities and Transmission System, including this Project. The Authority shall have complete ownership of the Project.

17. EXISTING INFRASTRUCTURE. All existing infrastructure owned by Charlotte shall remain owned by Charlotte unless otherwise mutually agreed upon by the parties.

18. RATES. The rates charged to Charlotte for water delivered through the Regional Transmission System and this Project shall be governed by the MWSC.

19. FUTURE CONNECTIONS. Charlotte shall give the Authority thirty (30) days notice of any intended tie-ins or interconnections to this Project and the Authority shall not

unreasonably withhold its approval of any such connections.

20. NOTICES. All notices, demands, requests, and other communications hereunder shall be deemed sufficient and properly given, if in writing and delivered in person to the following addresses, or via email, or sent by certified or registered mail, postage prepaid with return receipt requested, at such addresses; provided, if such notices, demands, requests or other communications are sent by mail, they shall be deemed as given on the third day following such mailing which isnot a Saturday, Sunday, or a day on which United States mail is not delivered: the Authority's Executive Director's Office, 9415 Town Center Parkway, Lakewood Ranch, Florida 34202; Charlotte County Administrator, 18500 Murdock Circle, Port Charlotte, Florida 33948. Any party may, by like notice, designate any further or different address to which subsequent notices shall be sent. Any notices hereunder signed on behalf of the notifying party by a duly authorized attorney at law shall be valid and effective to the same extent as if signed on behalf of such party by a duly authorized officer or employee.

21. RECORDATION OF AGREEMENT AND EFFECTIVE DATE. Upon execution of this Agreement by the Authority and Charlotte, the Authority shall have this Agreement recorded in the Public Records of Charlotte and Manatee Counties. This Agreement shall take effect upon the filing of fully executed copies with the Clerks of the Circuit Court of Charlotte and Manatee Counties ("Effective Date").

22. APPLICABLE LAW AND VENUE. The laws of the State of Florida shall govern the validity, interpretation, construction and performance of this Agreement. The sole and exclusive venue for any litigation involving this Agreement shall be in Hillsborough County, Florida, if filed in state court and in the Middle District of Florida if filed in federal court.

23. ENTIRE AGREEMENT. The parties agree there are no commitments, agreements, or understandings concerning the Project that are not contained in this document, and that this Agreement together with the MWSC shall constitute the entire agreement of the parties with regard to the Project.

24. AMENDMENTS. This Agreement may be amended only by a writing duly executed by the Authority and Charlotte except as provided for in section 5.

25. DISCLAIMER OF THIRD PARTY BENEFICIARIES. This Agreement is solely for the benefit of the parties to this Agreement. No right or cause of action shall accrue upon or by reason hereof inure to or for the benefit of any third party.

26. WAIVER. Unless otherwise specifically provided by the terms of this Agreement, no delay or failure to exercise a right resulting from any breach of this Agreement shall impair such right or shall be construed to be a waiver thereof, but such right may be exercised from timeto time and as often as may be deemed expedient. Any waiver shall be in writing and signed by the party granting such waiver. If any representation, warranty or covenant contained in this Agreement is breached by any party and thereafter waived by another party, such waiver shall belimited to the particular breach so waived and shall not be deemed to waive, either expressed or impliedly, any other breach under this Agreement.

27. SEVERABILITY. In the event any provision of this Agreement shall, for any reason, be determined invalid, illegal or unenforceable in any respect the parties hereto shall negotiate in good faith and agree to such amendments, modifications or supplements to this Agreement or such other appropriate actions as shall, to the maximum extent practicable in the light of such determination implement and give effect to the intentions of the parties as reflected herein, and the other provisions of this Agreement, as amended, modified, supplemented or otherwise affected by such action, shall

remain in full force and effect.

28. SOVEREIGN IMMUNITY. The parties intend to avail themselves of the benefits of Sections 768.28 and 163.01(9)(c), Florida Statutes, and of other statutes and common law governing sovereign immunity to the fullest extent possible. In accordance with Section 163.01(5)(o), Florida Statutes, therefore, neither party is jointly liable for the torts of the officers or employees of the other, or any other tort attributable to the other, and that each party shall be liable for the torts of its officers or employees and then only to the extent of the waiver of sovereign immunity or limitation of liability specified in Section 768.28, Florida Statutes, and other applicable law. Nothing in this Agreement is intended to inure to the benefit of any third party for the purposes of allowing any claim that would otherwise be barred under the Doctrine of Sovereign Immunity or by operation of law.

29. DISPUTES. Both parties agree to follow the directives of the "Florida Governmental Conflict Resolution Act," Chapter 164, Florida Statutes.

30. DEFAULT AND REMEDY. Recognizing the region's paramount need for a safe and dependable source of water supply, the parties agree the remedy for a breach of the Agreement shall be specific performance, injunctive relief and any other equitable relief, as well as monetary damages.

31. ATTORNEYS FEES AND COST. In the event there is litigation arising under or related to this Agreement, each party shall pay its own attorney's fees and costs and expenses incurred in enforcing the Agreement, including attorneys' fees, expert witness fees, fees and costs on appeal, and the cost of paraprofessionals working under the supervision of an attorney, expended or incurred in connection therewith, whether resolved by out-of-court settlement, arbitration, pre-trial settlement, trial or appellate proceedings.

32. FURTHER ASSURANCES. The parties shall use all reasonable efforts to provide such information, execute such further instruments and documents and take actions as may be reasonably requested by the other party and not inconsistent with the provisions of this Agreement and not involving the assumption of obligations or liabilities different from, in excessof or in addition to those expressly provided for in this Agreement to carry out the intent of this Agreement.

33. CONSENTS. To the extent that the consent of any party to this Agreementis required as a condition to the action of other parties, such consent shall not be unreasonably withheld.

34. GOOD FAITH. The parties agree to exercise good faith and fair dealing in respect to all matters relating to this Agreement.

35. SUCCESSORS AND ASSIGNS. This Agreement shall be binding upon and inure to the benefit of the respective successors, permitted assigns, administrators and trustees of the Authority and Charlotte.

36. RELATIONSHIP OF THE PARTIES. Nothing herein shall be deemed to constitute any party a partner or joint venturer, or to create any fiduciary relationship among the parties. Nothing within the Agreement or any previous agreement shall be construed to convey to Charlotte any ownership interest in any portion of the Authority Water System, including the Project.

37. EXECUTION OF AGREEMENT. This Agreement shall be executed in two duplicate originals, any of which shall be regarded for all purposes as an original and all of which shall constitute the same instrument.

38. SECTION CAPTIONS AND REFERENCES. The section headings and captions contained herein are included for convenience only and shall not be considered part of this Agreement or affect in any manner its construction or interpretation. Except as otherwise indicated, all references herein to sections are to sections of this Agreement.

39. AMBIGUITY. The parties agree that each one has played an equal part in the negotiation and drafting of this Agreement, and in the event any ambiguity should be asserted or realized in the interpretation or construction of this Agreement, the result of such ambiguity shall be equally assumed and realized by each party.

40. INTERLOCAL AGREEMENT. This Agreement shall constitute an interlocal agreement pursuant to section 163.01, Florida Statutes.

[THIS SECTION INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Authority and Charlotte have executed this Agreement on April 6th, 2022.

ATTEST:

Mike Coates
Executive Director

PEACE RIVER MANASOTA REGIONAL WATER SUPPLY AUTHORITY

Alan Maio
Chair

Date: April 6, 2022

BOARD APPROVED

APR - 6 2022

Peace River Manasota
Regional Water Supply Authority

Approved as to Form:

Douglas Manson
General Counsel for the Authority

STATE OF FLORIDA
COUNTY OF Manatee

I HEREBY CERTIFY that on this day, before me, an officer duly authorized in the State aforesaid and in the County aforesaid to take acknowledgments, personally appeared by means of [✓] physical presence or [ ] online notarization Alan Maio to me known to be the person described in and who executed the foregoing instrument on behalf of the Peace River Manasota Regional Water Supply Authority and acknowledged before me that he executed same as a free act and deed for the usesand purposes therein stated.

WITNESS my hand and official seal in the County and State last aforesaid this 6th day of April, 2022.

Notary Public
Print Name: Rachel Kersten
My Commission Number: GG 309818

Rachel Kersten
Commission # GG 309818
Expires March 29, 2023
Bonded thru Aaron Notary

BOARD OF COUNTY COMMISSIONERS
OF CHARLOTTE COUNTY, FLORIDA

By: _____
William G. Truex, Chairman

Date: 3-22-2022

ATTEST:
Roger D. Eaton, Clerk of the Circuit Court and Ex-officio Clerk of the Board of County Commissioners

By: _____
Deputy Clerk

AGR 2022-023

Approved as to form and correctness:

By: _____
Janette S. Knowlton, County Attorney
LR-22-0147

EXHIBIT 1

Project Location & Conceptual Pipeline Alignment Area

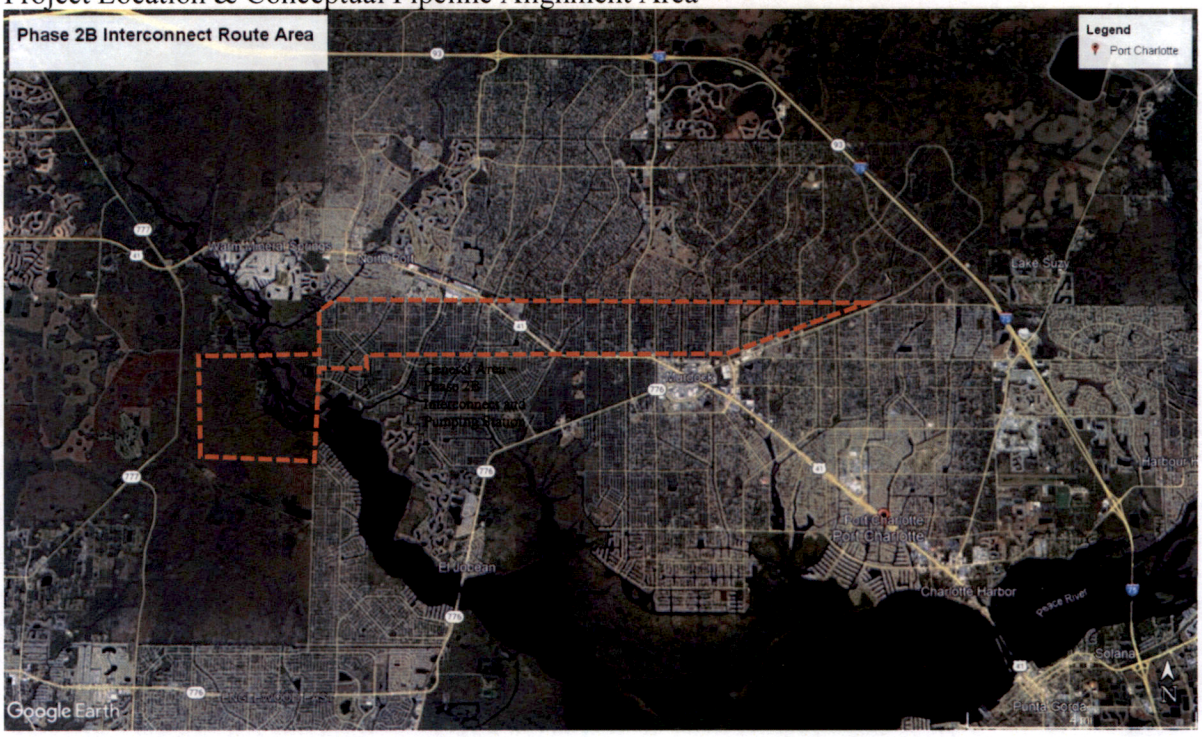

EXHIBIT 2
General Description of Project Components

a) Pipeline: Approximately 13 miles of 42-inch to 48-inch diameter pipe which begins near the western end of the existing Phase 2 Regional Interconnect and 36" RTM in Charlotte County near the intersection of Harbor and Veterans Blvd, then extending generally westward, crossing the Myakka River and terminating at or in the vicinity of the Charlotte County Gulf Cove Booster Station.

b) Metering Facilities and Appurtenances: Meter assemblies as deemed appropriate to make the project fully functional for water transfer and delivery.

c) Delivery of Potable Water: A high degree of flexibility to enable delivery of required supply and support future connection with the Regional Integrated Loop System Phase 2C Interconnect and other extension/expansion of the regional system.

EXHIBIT 3
Estimated Project Costs

Item	Total Project Cost	Charlotte Funding	SWFWMD Co-Funding
Probable Costs Subject to SWFWMD Co-Funding			
42" and 48" Diameter Pipeline	$45,304,000	$22,653,000	$22,653,000
Metering Facilities and Appurtenance	$400,000	$200,000	$200,000
Subtotal Engineering & Construction	$55,760,000	$27,880,000	$27,880,000
Contingency	$11,152,000	$5,576,000	$5,576,000
Total Engineering & Construction	$66,912,000	$33,456,000	$33,456,000
Probable Costs Not Subject to SWFWMD Funding			
Property & Easements	$500,000	$500,000	
Legal & Other	$75,000	$75,000	