

2018-2030

Clay County Water Supply Facilities Work Plan



TABLE OF CONTENTS

1.0	INTRODUCTION	1
1.1	STATUTORY HISTORY	1
1.2	STATUTORY REQUIREMENTS	1
2.0	BACKGROUND INFORMATION	2
2.1	OVERVIEW	2
2.2	THE NORTH FLORIDA REGIONAL WATER SUPPLY PLAN (NFRWSP).....	3
2.3	RELEVANT REGIONAL ISSUES	4
3.0	DATA AND ANALYSIS	4
3.1	POPULATION INFORMATION.....	4
3.2	POTABLE WATER SUPPLIES	5
3.3	POTABLE WATER LEVELS OF SERVICE STANDARD (LOS)	5
3.4	POPULATION PROJECTIONS WITHIN THE CCUA SERVICE AREA	7
3.5	WATER SUPPLY AND POTABLE WATER DEMAND WITHIN THE CCUA SERVICE AREA....	8
3.6	WATER SUPPLY AGREEMENTS.....	8
3.7	WATER SUPPLY PROVIDED BY OTHERS WITHIN THE UNINCORPORATED COUNTY	9
3.8	CONSUMPTIVE USE WATER SUPPLY PERMITS ISSUED TO SERVE CLAY COUNTY	11
3.9	WATER CONSERVATION	11
3.10	WATER REUSE	14
3.12	SECTOR PLANS	17
4.0	CAPITAL IMPROVEMENTS	18
4.1	NFRWSP WATER RESOURCE DEVELOPMENT PROJECT OPTIONS.....	18
4.2	CAPITAL PROJECTS PLAN.....	20
5.0	GOALS, OBJECTIVES AND POLICIES	24
	REFERENCES	25
	APPENDIX	26

LIST OF FIGURES

FIGURE 1 - NORTH FLORIDA REGIONAL WATER SUPPLY PLANNING AREA	3
FIGURE 2 - CCUA'S EXISTING AND PROPOSED WATER SERVICE AREA	6
FIGURE 3 - CITY OF GREEN COVE SPRINGS SERVICE AREA	9
FIGURE 4 - JEA SERVICE WITHIN CLAY COUNTY	10

FIGURE 5 - CCUA'S EXISTING AND PROPOSED RECLAIMED SERVICE AREA..... 16

LIST OF TABLES

TABLE 1 - CITY AND COUNTY POPULATION ESTIMATES AND PROJECTIONS 5

TABLE 2 - CCUA SERVICE AREA POPULATION PROJECTIONS..... 7

TABLE 3 - CCUA PROJECTED WATER FLOW CAPACITIES 7

TABLE 4 - ALLOCATION VS DEMAND (IN MGD) FOR THE CCUA SERVICE AREA..... 8

TABLE 5 - CONSUMPTIVE USE PERMITS..... 11

TABLE 6 - POPULATION PROJECTIONS FOR RECLAIMED SERVICE 14

TABLE 7 - PROJECTED RECLAIMED CAPACITY 15

TABLE 8 - WATER RESOURCE DEVELOPMENT PROJECT OPTIONS 18

TABLE 9 - WATER SUPPLY DEVELOPMENT PROJECT OPTIONS..... 18

TABLE 10 - POTENTIAL WATER SUPPLY DEVELOPMENT, WATER RESOURCE
DEVELOPMENT AND WATER CONSERVATION PROJECT OPTIONS..... 19

TABLE 11 - WATER CONSERVATION PROJECT OPTIONS 20

TABLE 12 - CCUA'S CAPITAL PROJECTS BUDGET AND PLAN..... 20

TABLE 13 - CLAY COUNTY'S WATER PLANNING GOALS, OBJECTIVES AND POLICIES..... 24

1.0 INTRODUCTION

The purpose of Clay County's Water Supply Facilities Work Plan 2018-2030 (Work Plan) is to identify and plan for the water supply sources and facilities needed to serve existing and new development within the County. Chapter 163, Part II Florida Statutes (F.S.), requires local governments to prepare and adopt Work Plans into their comprehensive plans within 18 months after the St. Johns River Water Management District approves a regional water supply plan or its update.

The Work Plan is adopted by reference into the County's Comprehensive Plan by CFE Policy 1.1.13, and in accordance with CFE Policy 1.1.12, will be updated every time the water management district governing board approves an updated regional water supply plan that affects the County. This is the first water supply facilities work plan developed for the County.

The Work Plan will reference the initiatives already identified to ensure adequate water supply for Clay County. According to state guidelines, the Work Plan and the comprehensive plan must address the development of traditional and alternative water supplies, service delivery and conservation and reuse programs necessary to serve existing and new development for at least a 10-year period.

The Work Plan is divided into five sections:

Section 1 – Introduction

Section 2 – Background Information

Section 3 – Data and Analysis

Section 4 – Work Plan Projects/Capital Improvement Element/Schedule

Section 5 – Goals, Objectives and Policies

1.1 STATUTORY HISTORY

The Florida Legislature enacted bills in the 2002, 2004, 2005 and 2011 sessions to address the state's water supply needs. These bills, in particular Senate Bills 360 and 444 (2005 legislative session), significantly changed Chapters 163 and 373, F.S. by strengthening the statutory links between the regional water supply plans prepared by the water management districts and the comprehensive plans prepared by local governments. In addition, these bills established the basis for improving coordination between local land use and water supply planning.

1.2 STATUTORY REQUIREMENTS

Clay County has considered the following statutory provisions when developing this Work Plan.

1. The Legislature enacted bills in 2002, 2004 and 2005 to address the State's water supply needs. These bills, especially Senate Bills 360 and 444 (2005), created a statutory link between the Regional Water Supply Plans (RWSP) prepared by water management districts (WMDs) and comprehensive plans prepared by local governments. Thereby, the Legislature established a coordinated planning process between local level land use planning and WMD's regional water supply planning by necessitating the incorporation of enhanced water supply planning requirements into local government comprehensive plans.

2. Local governments must address in their comprehensive plan the water supply sources necessary to meet and achieve existing and projected water use demand for the comprehensive plan's established planning period, considering the applicable RWSP.
3. Local governments subject to a WMD's regional water supply planning area must adopt a water supply facilities work plan (WSFWP) and related comprehensive plan amendment. [Section 163.3177(6)(c)3, F.S.]
4. WSFWP-related comprehensive plan amendments should identify the local government's program to implement traditional and alternative water supply projects, and reuse and water conservation practices/projects necessary to meet existing and future water demands. [Section 163.3177(6)(c)3, F.S.]
5. In addition, each local government comprehensive plan needs to address or include:
 - a. Coordination of the comprehensive plan with the appropriate WMD's RWSP. [Section 163.3177(6)(h)3, F.S.]
 - b. Water supply and facility concurrency. [Section 163.3180(2), F.S.]
 - c. An update of the Conservation Element to identify the current and projected water needs and sources for a minimum 10-year period. [Section 163.3177(6)(d), F.S.]
 - d. A 5-year Schedule of Capital Improvements that includes water supply development components, if needed. [Section 163.3177(3), F.S.]
6. Also, the Future Land Use Map and related policies must be based on appropriate data and analysis to demonstrate the availability of water supplies and water supply facilities necessary to accommodate the water use demand. [Section 163.3177(6)(a)2.d, F.S.]

2.0 BACKGROUND INFORMATION

2.1 OVERVIEW

Clay County is located in Northeast Florida and covers an area of 644 square miles. It forms the southwest corner of the four county Jacksonville Metropolitan Statistical Area (MSA), which includes Duval, Clay, St. Johns, and Nassau Counties. Clay County is comprised of the unincorporated portion of the County and four municipalities: Orange Park, Green Cove Springs (the county seat), Penney Farms and Keystone Heights. The County is home to over 205,000 people with an estimated 91% of the people living in the unincorporated area.

In 1992, Clay County acquired the Kingsley Service Company (KSC) utility system as its first step into the provision of utilities. By Ordinance 93-7, the County established the Clay County Water and Sewer Authority as an Independent Special District. The District's purpose was for acquiring, constructing, financing, owning, managing, providing, promoting, improving, expanding, maintaining, operating, fostering over time the development of regional water, sewer and reclaimed water utility systems to provide such services to the unincorporated areas of the County. In June 1994, the Florida Legislature established the Clay County Utility Authority (CCUA) as an Independent Special District subject to all of the requirements provided in Chapter 189 of the Florida Statutes. Later that same year, the Clay County Water and Sewer Authority transferred all of its properties and activities to CCUA. The Board of County Commissioners is responsible for appointing six of the members of CCUA's Board of Supervisors with the seventh member appointed by the Governor. With the exception of project cost reimbursement via an MSBU to CCUA for water line extension to the Black Creek Hills Subdivision, Clay County has no financial ties to the utility.

At present, CCUA operates twenty-three water treatment plants and seven wastewater treatment plants and associated water distribution, wastewater collection and reclaimed water systems to serve the unincorporated County generally south and west of the Town of Orange Park and within the City of

Keystone Heights. Through interlocal agreements, CCUA also provides service in Bradford County and treatment services for the Town of Penney Farms.

Nearly all of the unincorporated County is served by CCUA with three exceptions. A portion of the Argyle Forest Development of Regional Impact (DRI), which straddles the boundary with Duval County, receives water and sewer service provided by JEA. An area lying south of Black Creek and north of Green Cove Springs is served by the City's utility through an agreement with CCUA. The Melrose Water Association provides service to a small number of homes in southwestern Clay County along with homes in Bradford, Alachua and Putnam counties.

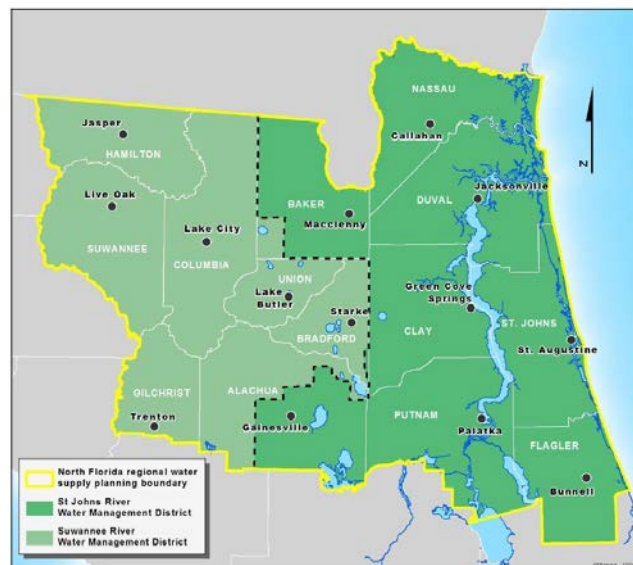
2.2 THE NORTH FLORIDA REGIONAL WATER SUPPLY PLAN (NFRWSP)

The North Florida Regional Water Supply Plan (NFRWSP) is a result of collaboration between Suwannee River and St. Johns River Water Management Districts, the Florida Department of Environmental Protection (FDEP), local governments, public supply utilities, agriculture, industry, commercial business, environmental advocates, and other stakeholders. The goal of the NFRWSP is to project future water needs and water supply sources, identify and evaluate potential impacts to water resources, and develop projects that can be undertaken in order to avoid unacceptable impacts to water resources. The plan has been created to:

1. Identify projected water demands for all use types through the planning horizon;
2. Identify the water resource impacts that could occur as a result of meeting the projected increase in water demand with traditional sources; and
3. Identify technically and economically feasible water resource and water supply development project options that can be implemented to meet future water demands and avoid unacceptable water resource impacts.

The NFRWSP covers a 20-year planning period and is based on the best data available at the time of the plan development. **Figure 1** shows the area included in the NFRWSP.

Figure 1 - North Florida Regional Water Supply Planning Area



Source: North Florida Regional Water Supply Plan (2015-2035), Jan. 13, 2017

2.3 RELEVANT REGIONAL ISSUES

This section discusses the overarching regional issues impacting water supply planning at the local level. The NFRWSP projected that water demands over the planning region will increase by 117 million gallons per day (mgd) by 2035. Potential natural resource impacts that were evaluated included saltwater intrusion into groundwater supplies, impacts to surface water flows and levels, and impacts to wetland hydrology. Impacts to surface waters were evaluated based on minimum flows and levels (MFLs) for surface waters, which define the minimum flow regime necessary to avoid unacceptable ecological or aesthetic impacts.

The conclusions from the NFRWSP are summarized below:

- Fresh groundwater alone cannot meet projected 2035 water demands for the region without causing unacceptable impacts to water resources
- Water conservation and water reuse will be key in meeting future water demands
- Alternative water supply sources will be necessary to sustainably meet future demand
- Water supply and water resource development projects were identified that are sufficient to meet water supply needs while protecting natural resources. The project options included in the NFRWSP will guide water users and suppliers in their efforts to meet the projected demand while protecting our natural resources.

The NFRWSP has noted that uncertainties associated with climate change can further complicate the challenge of how to meet future water supply demands while avoiding unacceptable water resource impacts. Practices that are implemented to address water resource constraints can also mitigate the impacts of climate change. These include decreasing groundwater demand, improving efficiency and reducing losses, improving infrastructure capacity and flexibility, and diversifying water supply sources.

The NFRWSP concludes that water conservation efforts could potentially reduce the projected 2035 water demand by as much as 54 mgd. This represents 46 percent of the projected 117 mgd increase in demand over the 20-year planning horizon and demonstrates the districts' and stakeholders' commitment to water conservation.

In addition to water conservation, the plan identifies an additional 160 mgd of potential project options to guide water users and suppliers in their efforts to meet the projected demand while protecting our natural resources. Project options range from aquifer recharge using reclaimed water or storm water to expansion of reclaimed water systems, rehydration of wetlands, and water reuse. The SJRWMD is committed to working with local governments to share costs to help implement these beneficial projects.

3.0 DATA AND ANALYSIS

CCUA provides water and wastewater service to the unincorporated areas of the county, within the City of Keystone Heights and water treatment services to the Town of Penney Farms. This section describes the projected population growth, associated water demand and level of service (LOS) standards for the areas within Clay County served by CCUA.

3.1 POPULATION INFORMATION

Population within Clay County and its municipalities is projected to grow steadily over the next decade. The population projections for the County in **Table 1** are based on the "medium" population projections published by the University of Florida Bureau of Economic and Business Research (BEBR), which are consistent with Florida Statute requirements for comprehensive planning. The municipality projections

have been calculated based on maintaining a constant (2016) share of the total County population over the planning period, as provided in Section 163.3177(6)(a), F.S. It should be noted that BEBR reduced the population projections for Clay County in 2016 from the previous year's projections which were the basis for CCUA's projections shown in Subsection 3.4.

Table 1 - City and County Population Estimates and Projections

Year	Unincorporated County	Green Cove Springs	Keystone Heights	Orange Park	Penney Farms	Total County
2016	187,142	7,469	1,364	8,606	740	205,321
2020	203,620	8,127	1,484	9,364	805	223,400
2025	222,579	8,883	1,622	10,236	880	244,200
2030	238,894	9,534	1,741	10,986	945	262,100
2035	254,024	10,138	1,851	11,682	1,005	278,700
2040	268,061	10,699	1,954	12,327	1,059	294,100

Source: BEBR, Florida Population Studies, Vol. 50, Bulletin 177, April 2017, Clay County Planning and Building Divisions, 2017. Municipality projections are based on proportion of Total County Population in 2016, according to the Office of Economic and Demographic Research, Oct. 17, 2016.

3.2 POTABLE WATER SUPPLIES

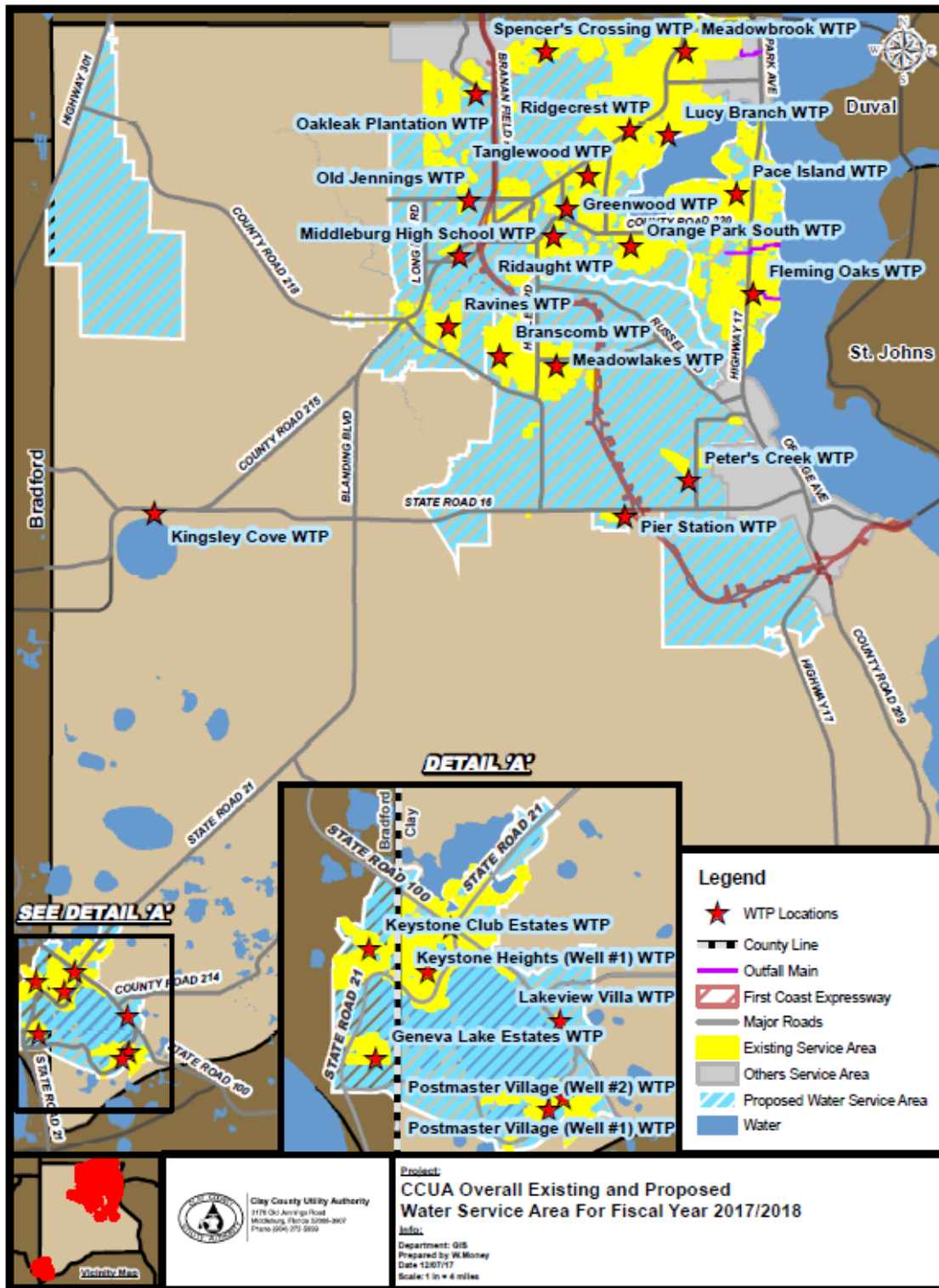
CCUA provides water and wastewater services to a majority of residents within the unincorporated county in addition to residents within Keystone Heights. CCUA also provides service to the Town of Penney Farms and a portion of Bradford County. **Figure 2** illustrates CCUA's existing and proposed water service areas.

The 2040 Comprehensive Plan includes an Urban Service Area boundary within which public facilities and services are, or will be, available by the horizon year. Future Land Use Element (FLU) Policy 1.5.7, while expressing the intent to limit water and sewer service to within the Urban Service Area, provides exceptions to allow for expansion for population growth or to alleviate a threat to health or safety provided agreements to serve are enacted by CCUA or other service providers.

3.3 POTABLE WATER LEVELS OF SERVICE STANDARD (LOS)

Clay County's Comprehensive Plan has established the LOS standard for potable water supply as 311 gpd/ERC in Policy 1.1.1 of the Community Facilities Element (CFE) and Policy 1.3.1 of the Capital Improvements Element (CIE). The County is required to ensure that adequate water supplies and potable water facilities are in place and available to serve new development no later than the issuance of a certificate of occupancy or its functional equivalent. Prior to the issuance of a building permit, the County consults with the applicable water provider to determine whether adequate facilities are or will be available at the time of the anticipated certificate of occupancy or its equivalent.

Figure 2 - CCUA's Existing and Proposed Water Service Area



Source: Biennial Engineering Evaluation & Report Fiscal Years 2016 and 2017 for Clay County Utility Authority, Mittauer & Associates, Inc., February 2018

3.4 POPULATION PROJECTIONS WITHIN THE CCUA SERVICE AREA

The estimates and projections of population in the CCUA service area, and the potable water demand projections through 2040 are presented below in **Tables 2 and 3**. These projections were developed by CCUA using BEBR's medium projections from 2015, which are consistent with the projections used in the North Florida Regional Water Supply Plan. Public water supply utility service areas often include residences that derive their water supply from privately owned (domestic self-supply) wells and small public supply systems. The NFRWSP projects that the population served in 2030 by domestic self-supply systems and small public supply systems will be 93,407.

Table 2 - CCUA Service Area Population Projections

	Population Projections										
	2015	2020	% Change	2025	% Change	2030	% Change	2035	% Change	2040	% Change
Clay County Population											
BEBR Medium Population Projection ¹	201,800	224,600	11.30	247,000	9.97	268,400	8.66	288,300	7.41	306,100	6.17
NFRWSP CCUA Service Population Projection ²	111,970	125,742	12.30	139,295	10.78	152,300	9.34	164,482	8.00	175,288	6.57
Actual		CCUA Usage Projections									
	ERC Count ³	% of Total	2020 Pop.	2025 ERC	2030 ERC	2035 ERC	2040 ERC				
Total	49,222	100.00	125,742	139,295	152,300	164,482	175,288				
Water (Residential)	41,416	84.14	105,801	117,205	128,147	138,397	147,490				
Water (Commercial)	7,806	15.86	19,941	22,090	24,153	26,085	27,799				

Notes:

- 1) Bureau of Economic and Business Research
- 2a) Projections are based on the NFRWSP projections which include all usage types
- 2b) Includes 1% conversion from domestic self-supply to utility supplied usage
- 2c) 2040 population estimate is based on average % change decline in previous periods (1.43%)
- 3) ERC Count is from September 2015

Table 3 - CCUA Projected Water Flow Capacities

WTP	2015 ERC ¹	% of ERC ²	2015 Pop. Served ³	2015 ADF (MGD)	2020 Pop. Served	2020 ADF (MGD)	2025 Pop. Served	2025 ADF (MGD)	2030 Pop. Served	2030 ADF (MGD)	2035 Pop. Served	2035 ADF (MGD)	2040 Pop. Served	2040 ADF (MGD)	2015 per capita flow ⁴ (gpd)	Design Capacity (MGD)
Lucy Branch	3,726	7.57	8,476	0.463	9,378	0.512	10,340	0.565	11,150	0.609	11,857	0.648	12,436	0.679	54.63	5.257
Meadowbrook	6,537	13.28	14,870	1.118	16,454	1.237	18,141	1.364	19,562	1.471	20,802	1.564	21,819	1.640	75.18	8.786
Ridgecrest	5,228	10.62	11,893	2.325	13,159	2.573	14,508	2.836	15,645	3.059	16,636	3.252	17,450	3.411	195.50	9.678
Tanglewood	2,575	5.23	5,858	0.863	6,481	0.955	7,146	1.053	7,706	1.135	8,194	1.207	8,595	1.266	147.33	3.488
Greenwood	1,501	3.05	3,414	0.057	3,778	0.063	4,165	0.070	4,492	0.075	4,776	0.080	5,010	0.084	16.69	0.637
OP South	2,580	5.24	5,869	0.133	6,494	0.147	7,160	0.162	7,721	0.175	8,210	0.186	8,611	0.195	22.66	2.800
Ridaght	2,864	5.82	6,515	0.052	7,209	0.058	7,948	0.063	8,571	0.068	9,114	0.073	9,559	0.076	7.98	1.529
Old Jennings	1,719	3.49	3,910	0.786	4,327	0.870	4,770	0.959	5,144	1.034	5,470	1.100	5,738	1.153	201.00	5.664
Spencer	3,472	7.05	7,898	0.554	8,739	0.613	9,635	0.676	10,390	0.729	11,048	0.775	11,589	0.813	70.14	4.488
Oakleaf	1,920	3.90	4,368	1.222	4,833	1.352	5,328	1.491	5,746	1.608	6,110	1.709	6,408	1.793	279.79	4.152
Middleburg High	64	0.13	146	0.027	161	0.030	178	0.033	192	0.036	204	0.038	214	0.040	185.46	0.509
Fleming Oaks	6,315	12.83	14,365	1.196	15,895	1.323	17,525	1.459	18,898	1.573	20,095	1.673	21,078	1.755	83.26	6.147
Pace Island	4,503	9.15	10,243	1.126	11,334	1.246	12,496	1.374	13,476	1.481	14,329	1.575	15,030	1.652	109.92	6.941
Meadowlakes	3,001	6.10	6,827	0.614	7,554	0.679	8,328	0.749	8,981	0.808	9,550	0.859	10,016	0.901	89.94	4.757
Ravines	1,146	2.33	2,607	0.347	2,884	0.384	3,180	0.423	3,429	0.456	3,647	0.485	3,825	0.509	133.11	1.915
Pier Station	56	0.11	127	0.015	141	0.017	155	0.018	168	0.020	178	0.021	187	0.022	117.75	0.086
Peter's Creek	147	0.30	334	0.028	370	0.031	408	0.034	440	0.037	468	0.039	491	0.041	83.73	0.640
Keystone Club	204	0.41	464	0.001	513	0.001	566	0.001	610	0.001	649	0.001	681	0.001	2.15	0.788
Keystone Heights	225	0.46	512	0.016	566	0.018	624	0.020	673	0.021	716	0.022	751	0.023	31.26	0.588
Geneva Lakes	136	0.28	309	0.034	342	0.038	377	0.041	407	0.045	433	0.048	454	0.050	109.90	0.165
Postmaster Village	1,277	2.59	2,905	0.378	3,214	0.418	3,544	0.461	3,822	0.497	4,064	0.529	4,262	0.555	130.12	2.438
Kingsley Cove	2	0.00	5	0.000	5	0.000	6	0.000	6	0.000	6	0.000	7	0.000	0.00	0.128
Green Cove Springs	24	0.05	55	0.000	60	0.000	67	0.000	72	0.000	76	0.000	80	0.000	0.00	0.128
Governor's Park	0	0.00	0	0.000	1,000	0.102	1,100	0.112	1,600	0.164	2,000	0.205	2,500	0.256	102.26	0.600
Future Plant 1	0	0.00	0	0.000	300	0.031	550	0.056	1,100	0.112	1,700	0.174	2,600	0.266	102.26	0.450
Future Plant 2	0	0.00	0	0.000	0	0.000	150	0.015	300	0.031	450	0.046	600	0.061	102.26	0.450
Future Plant 3	0	0.00	0	0.000	0	0.000	150	0.015	400	0.041	800	0.082	1,200	0.123	102.26	0.450
Future Plant 4	0	0.00	0	0.000	550	0.056	750	0.077	1,000	0.102	1,200	0.123	1,500	0.153	102.26	0.450
Future Plant 5	0	0.00	0	0.000	0	0.000	0	0.000	0	0.000	150	0.015	300	0.031	102.26	0.450
Future Plant 6	0	0.00	0	0.000	0	0.000	0	0.000	300	0.031	1,000	0.102	1,500	0.153	102.26	0.450
Future Plant 7	0	0.00	0	0.000	0	0.000	0	0.000	300	0.031	550	0.056	800	0.082	102.26	0.450
Total	49,222	100	111,970	11.355	125,742	12.753	139,295	14.128	152,300	15.449	164,482	16.687	175,288	17.786		

Notes:

- 1) ERC count is from Customer Counts 09/2015 Summary WTP by Grid
- 2) Percent of total from table above
- 3a) Equal to %ERC times projected population
- 3b) Projected populations are based on 2015 % population served excluding new plant customers
- 4) Future plants, including GP, use a system-wide average per capita demand.
- 5) Highlighted cells are estimates

Source: *Biennial Engineering Evaluation & Report Fiscal Years 2016 and 2017 for Clay County Utility Authority, Mittauer & Associates, Inc., February 2018*

3.5 WATER SUPPLY AND POTABLE WATER DEMAND WITHIN THE CCUA SERVICE AREA

Water is pumped from fifty wells throughout the county to twenty-three water treatment plants before reaching CCUA’s customers. The water supply system has two Consumptive Use Permits (CUPs) from the St. Johns River Water Management District. CUP # 416 allows withdrawals of 32.566 million gallons per day (mgd) on an annual average basis of groundwater from the upper and lower Floridan aquifer for public supply distribution. This permit was issued in 2010 and is due to expire on December 31, 2025. Eighteen of the water treatment facilities fall under this permit. The second permit is CUP # 431 which serves the five treatment plants within the Keystone Heights system. Under this permit, 0.170 million gallons per day (mgd) on an annual average basis may be withdrawn for public supply use. This twenty year permit was issued in 2011.

Based on the projections for population anticipated in 2030, and the assumption that CUP #416 will be renewed for a similar allocation to the 2025 quantity as shown in **Table 4**, water quantities will be available to meet the projected need.

Table 4 - Allocation vs Demand (in MGD) for the CCUA Service Area

	2015	2020	2025	2030
CUP #416 Maximum Allocation	25.911	30.044	34.073	34.073*
CUP #431 Maximum Allocation	0.629	0.697	0.765	0.833
Total Maximum Allocation	26.54	30.741	34.838	34.906
NFRWSP Demand Projections from Table B-5	11.87	13.33	14.77	16.14

*CUP #416 expires in 2025. Allocation is assumed to be same as last year of CUP.

3.6 WATER SUPPLY AGREEMENTS

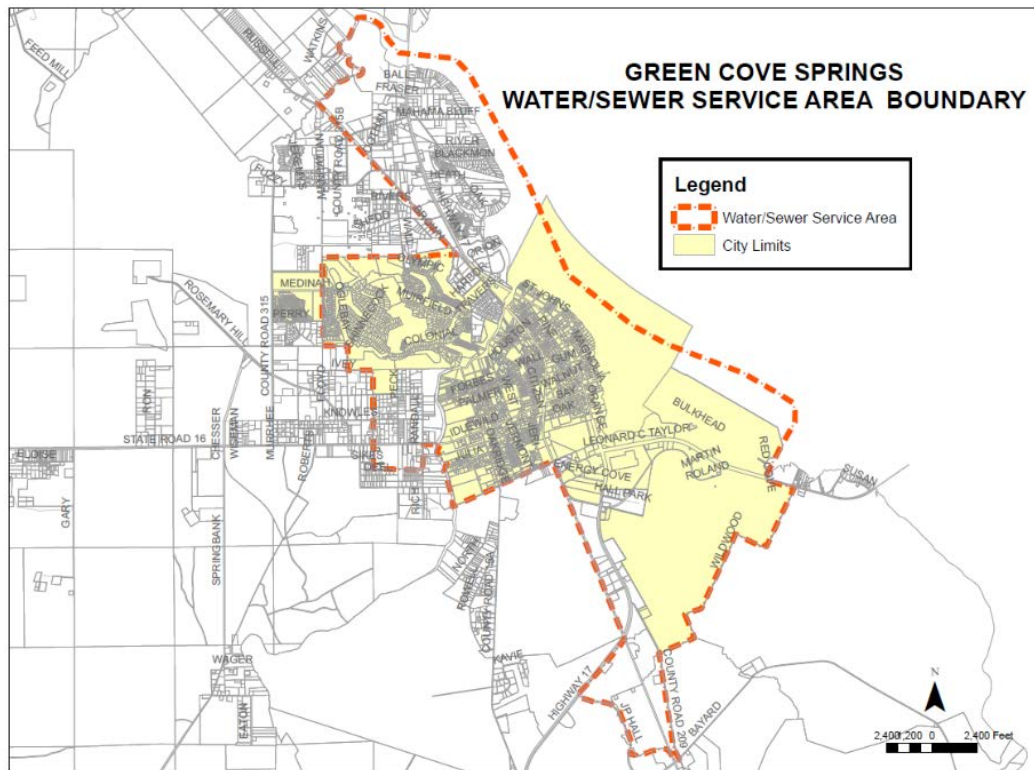
Clay County Utility Authority’s service area includes all of the unincorporated County. However, CCUA does not have facilities in a small area north of the City of Green Cove Springs. An interlocal agreement is in place with the City to serve this area.

CCUA also has interlocal agreements to provide service to the Town of Penney Farms and the City of Keystone Heights. These agreements have been included in the Appendix.

3.7 WATER SUPPLY PROVIDED BY OTHERS WITHIN THE UNINCORPORATED COUNTY

As described earlier, three areas within the unincorporated county are served by providers other than CCUA. Through an agreement with CCUA, the City of Green Cove Springs provides service to an area that lies between Black Creek and the City's northern boundary, as shown in **Figure 3** below.

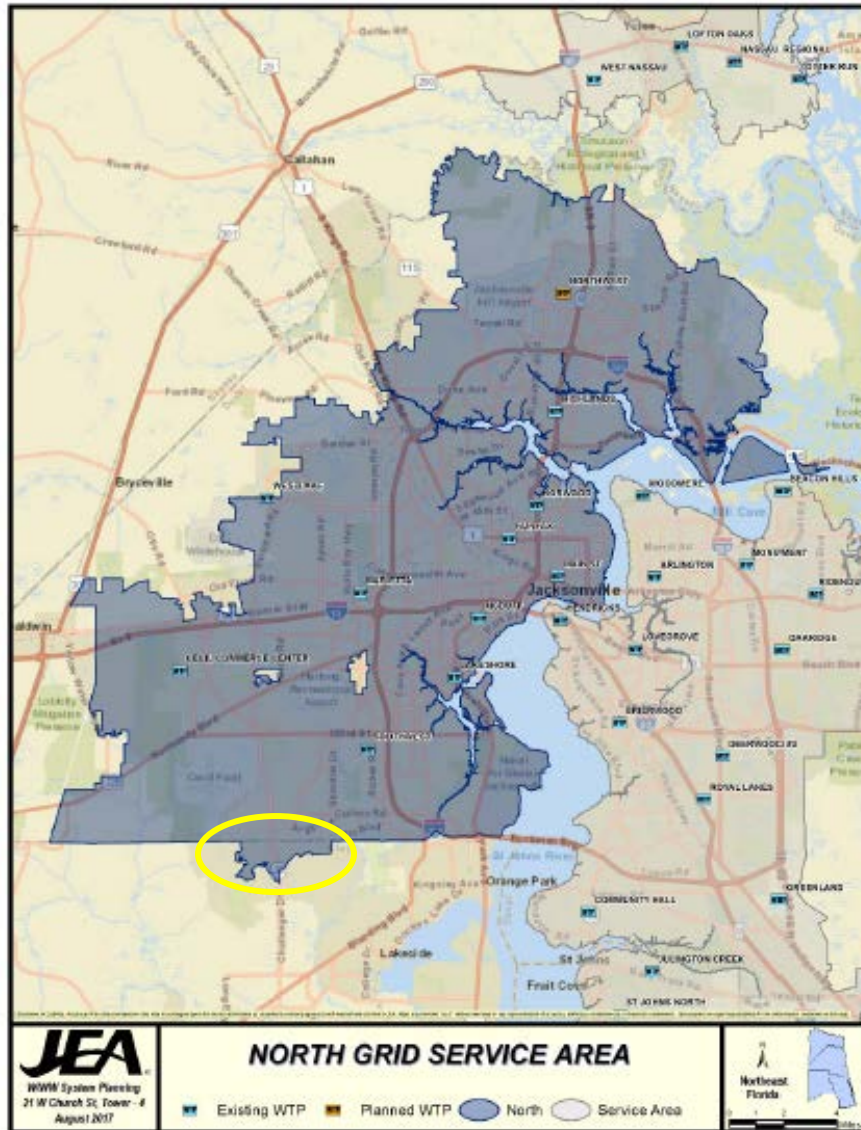
Figure 3 - City of Green Cove Springs Service Area



Source: City of Green Cove Springs, Planning Department

A portion of the Agyle Forest DRI is also served by others (see **Figure 4**)., The DRI, located in north central Clay County, dates back to the mid 1970's, prior to the establishment of CCUA. This development extends across the county line into Duval County and receives water from JEA's North Grid Service Area which is served by the Southwest water treatment facility.

Figure 4 - JEA Service within Clay County



Source: JEA's 2017 Annual Water Resource Master Plan

The Melrose Water Association provides service to a third area of unincorporated Clay County. Two 8” diameter wells, located in Putnam County, are used to withdraw ground water to supply households within Putnam, Alachua, Bradford and Clay County.

3.8 CONSUMPTIVE USE WATER SUPPLY PERMITS ISSUED TO SERVE CLAY COUNTY

Table 5 provides a summary of the consumptive use permits issued to provide water supply to Clay County. Two permits extend beyond the timeframe of this work plan while the others will require renewal.

Table 5 - Consumptive Use Permits

Name and Location	CUP #	Primary Service Area	Estimated Population*	Capacity		Issued Date	Expiration Date
				Use	(mgd)		
City of Green Cove Springs	499	City of Green Cove Springs and portion of Unincorporated County		Public supply	2.135	01/10/12	07/13/24
				Fire protection	7.19		
City of Keystone Heights	431	City of Keystone Heights		Public supply	0.837	11/08/11	11/08/31
				Fire protection	8.68		
Melrose (Putnam)	7961	Alachua, Bradford, Putnam and Clay Counties	1,400	Public supply	.0041**	04/27/01	04/27/21
				Fire protection	1.01		
Oakleaf Plantation (portion of Argyle Forest DRI)	88271-16	JEA North Grid (Southwest Wellfield)		Public supply	12.46**	08/04/16	05/10/31
Town of Orange Park	453	Orange Park Town Limits		Public supply	1.646	01/10/12	04/11/20
				Fire protection	12.67		
Town of Penney Farms	509	Penney Retirement Community	850	Public supply	0.076**	06/20/02	06/20/22
				Fire protection	0.986		
Town of Penney Farms	497	Penney Retirement Community	400	Public supply	.040**	03/23/01	03/23/21
				Golf course irrigation	.019**		
				Landscape irrigation	.004**		
				Fire protection	0.4		
Unincorporated Clay County	416	Unincorporated County		Public supply	32.566	7/9/10	12/31/25

*estimated population as stated in CUP

**permit states million gallons per year; quantity per day based on dividing by 365

3.9 WATER CONSERVATION

Clay County and CCUA recognize the role of water conservation in ensuring a sustainable water supply to meet the needs of the community. Through that commitment, both the County and CCUA have taken action to promote water conservation by enacting programs and policies.

3.9.1 CLAY COUNTY SPECIFIC ACTIONS, PROGRAMS, REGULATIONS OR OPPORTUNITIES

Clay County has taken specific actions aimed at water conservation through its regulations in addition to its enforcement of the use of low flow devices as required by the Florida Building Code.

Restrictions on Permitted Water Use

In 2010, Clay County adopted a water conservation ordinance (Ord. 2010-13) which established requirements for residential and non-residential irrigation. The policy provides for specific irrigation schedules and maximum quantities permitted by season. Additionally, moisture sensors are required to prevent systems from running during periods of sufficient rainfall.

Use of Xeriscape Principles

In 2003, Clay County established tree protection and landscaping standards through Ordinance 2003-19. This policy encourages the use of native plant material requiring less supplemental irrigation. Xeriscape principles were incorporated to also minimize unnecessary overwatering.

Public Education

Clay County has posted a series of public service flyers aimed at educating the public as to the importance of protecting the watershed and its waterways. The flyers encourage water conservation through the use of water saving faucets and toilets and through leak detection and repair. Within the landscape, the use of plants requiring little water is also encouraged.

3.9.2 CLAY COUNTY FINANCIAL RESPONSIBILITIES AS DETAILED IN THE CIE OR CIS

Clay County does not have any financial responsibilities for the provision of public water and therefore does not have any items in the CIE or CIS.

3.9.3 CCUA SPECIFIC ACTIONS, PROGRAMS, REGULATIONS OR OPPORTUNITIES

CCUA has also taken measures aimed at water conservation through its educational materials and programs.

Water Conservation Based Rate Structure

Required by the SJRWMD and intended to encourage customers to reduce their potable water and reclaimed water usage, CCUA adopted a conservation rate structure in 2010. The rate structure was intended to encourage conservation through economic incentives.

Public Education

CCUA is committed to educating the community about water conservation and protecting the environment. Through sharing the SJRWMD's posters and videos with classrooms and home school groups, speaker presentations and facility tours, demonstration gardens and conservation exhibits, CCUA promotes awareness and the need for conservation through its Conserving Clay outreach program. Their website provides the opportunity for consumers to learn more about their current water usage, water saving tips and access to additional links to the SJWMD's website for information about watering restrictions and for creating an attractive landscape through the use of Florida Friendly plant material and principles.

Leak Detection Program

In 2015, CCUA began a leak detection program. If a consumer suspects a leak problem, a field service technician will check the meter for leaks. Tablets, used to test toilets for leaks, are also available through their office or a field service technician.

CCUA also has the ability to monitor for potential leaks through its recently completed Advanced Metering Infrastructure (AMI) project. The new equipment provides the ability to detect leaks based on continuous water usage allowing for follow-up with customers. Based on system data, CCUA has alerted 2,058 customers and conserved almost 16 million gallons of water.

Alternative Water Supply

The NFRWSP projects an increase in regional water supply demand of 117 million gallons per day by 2035 - a demand that freshwater sources alone cannot meet. In response to this need and in anticipation of consumptive use permit renewals in 2025 and 2031, CCUA has been investigating ways to offset impacts from its withdrawals from the Floridan Aquifer. One strategy is through the use of alternative water supplies. An alternative water supply is considered any sustainable water source that does not originate from the upper Floridan Aquifer.

CCUA has been a leader in the use of alternative water supply sources through its reclaimed water system, (developed in 1995), that now provides irrigation to over 11,000 customers. The system serves two primary purposes. The first is to provide a source of lower quality water for irrigation that does not draw on higher quality groundwater. The second purpose is to eliminate discharge of treated wastewater to the St. Johns River and its tributaries. The system does present challenges. Seasonal demand variations either require storage of excess reclaimed water or a need to supplement with additional water during peak periods. CCUA currently has a consumptive use permit to use 181.770 MG per year to supplement the reclaimed water system. This permit will also expire in March 2025. Another challenge is posed by the reduced wastewater volume through the use of water conserving low flow fixtures.

In 2014, CCUA embarked on a study entitled *Reclaimed Water Deficit & Augmentation of Reclaimed Water System Projection Study on Long Term Water Supply*. The intent of the study was to address water conservation through continuation of its reclaimed water initiative and to investigate alternative water supply opportunities. Projected demand for reclaimed water is expected to exceed the supply in 2035 requiring supplementation of some form. At the time, consideration was given to increasing the reclaimed rates to encourage a reduction in demand, however, it was felt that this alternative might result in higher discharge rates to surface waters. Storm water harvesting was considered a more viable option for a long-term alternative water supply.

The study looked at the use of a series of horizontal wells adjacent to the storm water ponds along the First Coast Expressway. Collection pipes would be placed near storm water ponds along the Expressway and would allow for naturally filtered water to enter the system, be disinfected and then pumped to nearby reclaimed water facilities (Oakleaf, Old Jennings and Mid-Clay). The plan would be for the system to expand as Phase III of the Expressway, (Blanding Boulevard to US 17), is built. A second phase would involve coordination with adjacent developments to include storm water harvesting within proposed developments. The total capital cost estimate is \$26.8 million.

Based on the findings of the study, in October 2015, CCUA began a \$1 per water bill Alternative Water Supply (AWS) surcharge and \$325 AWS connection charge for the purpose of developing and implementing AWS to supplement the groundwater supplies and reclaimed water supplies.

In 2016, CCUA again looked at storm water harvesting among other alternative water supply options through a study entitled *Initial Assessment of Alternative Water Supply Options for Clay County Utility Authority*. This study considered the use of excess water from Black Creek as a potable water supply source. Given the Black Creek Water Resource Development Project, (approved after the study) and the proposed MFLs for Lakes Brooklyn and Geneva, this is not likely an option. Water from the St. Johns River

was also considered, but being brackish, would require higher levels of treatment and significant costs to make it a viable source. A fourth option considered direct aquifer replenishment.

In 2017, CCUA launched a pilot storm water harvesting project at a pond in Phase I of the Expressway. Findings from the operating and performance data will provide useful information for future efforts.

3.10 WATER REUSE

State law supports reuse efforts. Section 373.250(1)(a) F.S. provides “the encouragement and promotion of water conservation and reuse of reclaimed water, as defined by the department, are state objectives and considered to be in the public interest.” In addition, Section 403.064(1), F.S., states that “the reuse of reclaimed water is a critical component of meeting the State’s existing and future water supply needs while sustaining natural systems.”

3.10.1 CCUA’S WATER REUSE SYSTEM

In 1995, CCUA began developing its reclaimed water system that now serves over 11,000 customers. Seven water treatment facilities – Fleming Island, Eagle Harbor, Mid-Clay, Miller Street, Oakleaf, Old Jennings and Spencer’s Crossing, provide treated reuse water for irrigation purposes. Three additional facilities are planned to accommodate future growth: Governor’s Park, DarDam Point and NW Clay. Seasonal demand variations either require storage of excess reclaimed water or a need to supplement with additional water during peak periods. CCUA currently has a consumptive use permit to use 181.770 MG per year to supplement the reclaimed water system. This permit will also expire in March 2025. To help minimize the peak demand created when multiple irrigation systems are activated simultaneously, CCUA has developed a demand management policy that limits users to three days a week based on address. Watering times are based on homeowner’s last names when watering between 2:00 am and 7:00 am are also offered.

Table 6 - Population Projections for Reclaimed Service

I. Population		Population Projections										
		2015	2020	% Change	2025	% Change	2030	% Change	2035	% Change	2040	% Change
Clay County Population												
BEER Medium Population Projection ¹		201,800	224,600	11.30	247,000	9.97	268,400	8.66	288,300	7.41	306,100	6.17
NFRWSP CCUA Service Population Projection ^{2,3}		30,011	40,340	34.42	50,505	25.20	60,259	19.31	69,395	15.16	77,500	11.68
Percentage of FW Customers Using Reclaimed	26.80											
10/01/2015 Reclaimed Active ERC Count	13,193											
% new FW customers also new RW customers	75.00											
Average Reclaimed Usage (10/2014 - 09/2015)	3.685	MGD										
Daily Per Capita Usage (gpd)	129.45											

Notes:

- 1) Bureau of Economic and Business Research
- 2a) Projections are based on the NFRWSP FW projections which include all usage types
- 2b) Includes 1% conversion from domestic self supply to utility supplied usage
- 3) Assumes that a percentage of new water customers also become new reclaimed customers

Table 7 - Projected Reclaimed Capacity

II. Flow

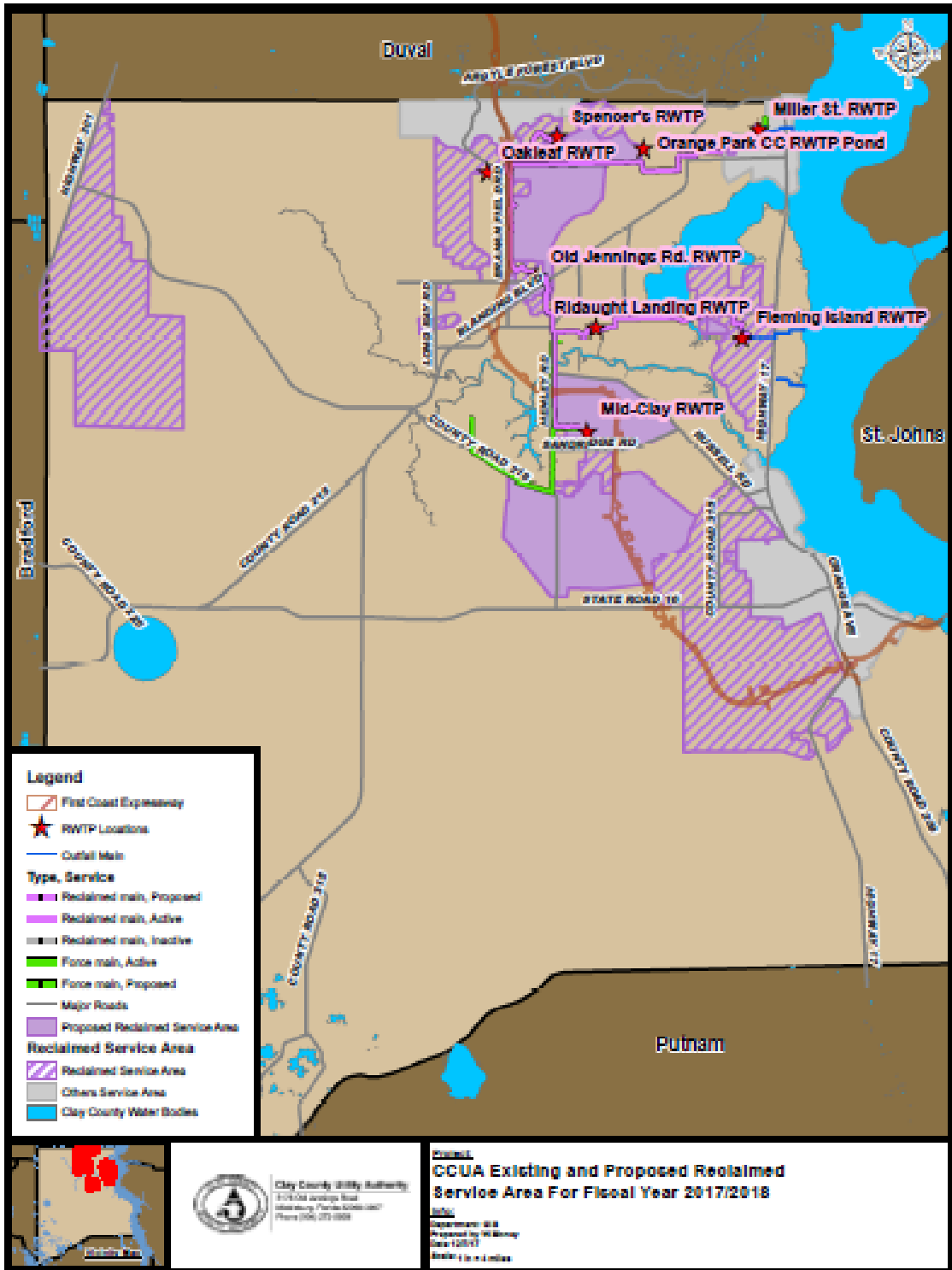
Reclaimed Site	2015 ERC	% of Active	2015 Pop. Served ¹	12 Month ADF (MGD)	2020 Pop. Served	2020 ADF (MGD)	2025 Pop. Served	2025 ADF (MGD)	2030 Pop. Served	2030 ADF (MGD)	2035 Pop. Served	2035 ADF (MGD)	2040 Pop. Served	2040 ADF (MGD)	Permitted Capacity (MGD)
Fleming Island	3,283	24.88	7,468	0.967	9,665	1.25	11,199	1.45	12,755	1.65	13,909	1.80	15,180	1.97	6.370
Eagle Harbor	2,052	15.55	4,668	0.604	6,041	0.78	7,000	0.91	7,973	1.03	8,694	1.13	9,488	1.23	0.000
Mid-Clay	1,230	9.32	2,798	0.362	3,621	0.47	4,186	0.54	4,779	0.62	5,211	0.67	5,687	0.74	2.080
Miller Street	1	0.01	2	0.000	3	0.00	3	0.00	4	0.00	4	0.00	5	0.00	3.000
Oakleaf	3,066	23.24	6,975	0.903	9,026	1.17	10,459	1.35	11,912	1.54	12,990	1.68	14,176	1.84	0.000
Old Jennings	1,391	10.54	3,164	0.410	4,095	0.53	4,745	0.61	5,404	0.70	5,893	0.76	6,432	0.83	
Spencer's Crossing	2,170	16.45	4,936	0.639	6,389	0.83	7,402	0.96	8,431	1.09	9,194	1.19	10,033	1.30	4.730
Governor's Park ⁴	0	0.00	0	0.000	1500	0.19	4000	0.52	6000	0.78	7500	0.97	8500	1.10	
DarDam Point ⁴	0	0.00	0	0.000	0	0.00	1000	0.13	2000	0.26	4000	0.52	5000	0.65	
NW Clay ⁴	0	0.00	0	0.000	0	0.00	500	0.06	1000	0.13	2000	0.26	3000	0.39	
			0			0.00		0.00		0.00		0.00			
Total	13,193	100.00	30,011	3.885	40,340	5.221	50,505	6.538	60,259	7.801	69,395	8.983	77,500	10.032	16.180

Notes:

- 1) ERC count is from Customer Counts 09/2015 Summary Reclaimed WTP by Grid
- 2) Percent of total from table above
- 3a) Equal to %ERC times projected population
- 3b) Projected populations are based on 2015 % population served excluding new plant customers
- 4) All plants use a system-wide average per capita demand.
- 5) Highlighted cells are estimates

Source: Biennial Engineering Evaluation & Report Fiscal Years 2016 and 2017 for Clay County Utility Authority, Mittauer & Associates, Inc., February 2018

Figure 5 - CCUA's Existing and Proposed Reclaimed Service Area



Source: Biennial Engineering Evaluation & Report Fiscal Years 2016 and 2017 for Clay County Utility Authority, Mittauer & Associates, Inc., February 2018

3.11.2 CLAY COUNTY SPECIFIC ACTIONS, PROGRAMS REGULATIONS OR OPPORTUNITIES

Through its policies in the Conservation Element of the Comprehensive Plan, the County supports the use of reclaimed water for residential irrigation and other uses based on availability. Planned growth in the Lake Asbury Master Plan area is also expected to utilize CCUA's reuse program.

3.11.3 CLAY COUNTY FINANCIAL RESPONSIBILITIES AS DETAILED IN THE CIE OR CIS

Clay County does not have any financial responsibilities for the provision of reclaimed water and therefore does not have any items in the CIE or CIS.

3.12 SECTOR PLANS

3.12.1 BRANAN FIELD MASTER PLAN

The Branan Field Master Plan area encompasses approximately 20,000 acres in the north-central part of the County. The central spine to the area began as a two-lane road that offered a third connection to Jacksonville for the County. Since the road's completion in 2001, plans have evolved to the development of a limited access highway (now called the First Coast Expressway) that will ultimately extend from Interstate 10 in Duval County, cross through Clay County and connect to Interstate 95 in St. Johns County. The intent of the Branan Field Sector Plan was to provide an alternative to conventional growth management. Land uses were designated with the goals of creating greater connectivity and a better jobs-housing balance than what had resulted through conventional zoning.

In order to plan and provide public facilities and to limit community impacts, the County has established limits on growth. While retail commercial, office and industrial uses are not subject to growth limitations, residential development is limited to 21,485 units through 2022. Projected build-out for the Branan Field Area is beyond the horizon of this water supply work plan. The Branan Field Master Plan area is located entirely within the Urban Service Area and, only with the exception of some lands within the Rural Suburbs land use designation, is required to be served by central water and sewer services. CCUA currently provides water through the Spencer's Crossing, Ridaught, Middleburg High and Old Jennings water treatment plants. Sewer and reclaimed water service are available through the Spencer's Crossing, Ridaught Landing and Old Jennings wastewater treatment facilities.

3.12.2 LAKE ASBURY MASTER PLAN

The Lake Asbury Master Plan area includes over 30,000 acres of land and, like Branan Field, has been planned in response to the future First Coast Expressway. The Master Plan was borne out of community concern for the expected growth and impact on the natural resources and quality of life in the area. Orderly growth with greater connectivity to reduce sprawl are key components of the Master Plan. Residential development is limited to 21,281 units through 2040. Originally planned for build out in 2030 but slowed in part due to the economy, development in the Lake Asbury area has seen a recent increase as the First Coast Expressway has begun its next phase and determined completion dates.

The Lake Asbury Master Plan area is also completely within the Urban Service Area and would be served by CCUA's water, sewer and reclaimed facilities. Potable water is provided through the Ravines, Branscombe, Meadowlake and potentially the Pier Station water treatment plants. The Mid-Clay wastewater treatment plant would provide the sewer and reclaimed service.

4.0 CAPITAL IMPROVEMENTS

4.1 NFRWSP WATER RESOURCE DEVELOPMENT PROJECT OPTIONS

The tables that follow include projects listed in the NFRWSP for CCUA and other entities within Clay County:

Table 8 - Water Resource Development Project Options

Project Name	Implementing Agency or Entity	Project Description	Project Type	Water Source	Project Capacity (mgd)	Total Capital (\$M)	Estimated Annual O&M	Timeframe for Completion
Black Creek	SJRWMD, local cooperator	Withdrawal near Penney Farms with 200 MGAL reservoir at corner of SR 16 and SR 21; used for land application to spreader field south of Lake Magnolia for recharge or could be utilized by utility.	Recharge	Surface Water	10.00	85.5	\$507,000	2035*

*Project has not started

Source: North Florida Regional Water Supply Plan (2015-2035), Appendix J, Jan. 13, 2017

Table 9 - Water Supply Development Project Options

Project Name	Implementing Entity	Project Description	Project Type	Water Source	Estimated Water Supply Benefit (mgd)	Total Capital (\$M)	Estimated Annual O&M	Timeframe for Completion*
First Coast Outer Beltway Stormwater Ponds	CCUA	Horizontal well and treatment sites at 29 stormwater ponds along SR 23 phase 3 corridor (First Coast Outer Beltway).	Reuse - Pipeline	Stormwater	2.50	\$27.00	\$69,000	2030
Green Cove Regional Reclaimed WTP	CCUA	New reclaim water treatment facility with 0.4 MGD AADF capacity.	Reuse - Supply	Reclaimed Water	0.40	\$1.30	\$24,000	2018
Mid-Clay Land Application and Recovery Site	CCUA	Construction of a rapid infiltration basin and horizontal well recovery system.	Reuse-Storage	Reclaimed Water	2.08	\$2.76	\$199,000	2015
Reclaim Future System Expansion	CCUA	Extension of CCUA reclaimed water transmission and distribution to supply future developments.	Reuse - Pipeline	Reclaimed Water	7.50	\$7.50	\$4,000	2030
Reclaimed Water Transmission/Distribution Main Extensions	CCUA	Extend CCUA reclaimed water infrastructure to developments under construction.	Reuse - Pipeline	Reclaimed Water	0.38	\$1.30	\$1,000	2016
Stormwater Harvest Pilot Project	CCUA	Horizontal well and treatment site to withdraw and treat groundwater near stormwater ponds for reuse supply.	Reuse - Pipeline	Stormwater	0.40	\$1.20	\$4,500	2017
Reclaimed Water Ground Storage Tanks	CCUA	Old Jennings and Ridaught Reclaimed Water Treatment Plants 0.75 MG Ground Storage Tanks (x2)	Reuse-Storage	Reclaimed Water	0.03	\$1.25	\$1,000	2018
LSJRB Reuse and Treatment	CCUA	Primarily a WWTP Upgrade for WQ improvement with secondary implementation of reuse in cooperation with CCUA through an interconnect.	Reuse - Supply	Reclaimed Water	0.25	\$0.27	\$7,800	2013

*Project Status - Projects with past dates have been completed. Projects with 2016-2017 dates are under construction. All other projects have not started.

Source: North Florida Regional Water Supply Plan (2015-2035), Appendix K, Jan. 13, 2017

Table 10 - Potential Water Supply Development, Water Resource Development and Water Conservation Project Options

Project Name	Implementing Entity	Project Description	Project Type	Water Source	Estimated Water Supply Benefit (mgd)	Total Capital (\$M)	Timeframe for Completion
CCUA AWS Initiative	CCUA	Various AWS projects currently being considered for selection and development; currently in study for feasibility, economy, etc.	Supply / Storage	Storm / Surface Water	TBD	0.00 to 103.00	2030
CCUA Data Analytics	CCUA	Outreach/conservation project for our entire potable water system. This project will have an initial cost of approximately \$263,000 and a reoccurring annual cost of approximately \$240,000. Project capacity based on current CCUA demand.	Conservation	N/A	TBD	TBD	2020
Reclaimed Water SCADA System	CCUA	Automated SCADA System for handling/diverting existing Reclaim Water Demand (2015 was 4.51 MGD avg.)	Reuse	Reclaimed Water	TBD	0.68	2016
ACES Project 1 - Clean Alligator Creek Part A	SOLO	Increase flow of Alligator Creek to Lake Brooklyn by surveying, cleaning out debris, and correcting sedimentation caused by low flow conditions, all of which will help to restore inflow to Lake Brooklyn.	Recharge	Stormwater	TBD	0.10	2016
ACES Project 10 - Lake Santa Fe water to Lake Geneva	SOLO	Redirect 5 MGD of surface water by pumping and conveyance structures from Lake Santa Fe to Lake Geneva for recharge.	Recharge	Surface Water	TBD	0.30	2019
ACES Project 11 - Lake Brooklyn Water to Lake Geneva	SOLO	Redirect 3 MGD of surface water by gravity outflow conveyance from Lake Brooklyn to Lake Geneva for recharge.	Recharge	Surface Water	TBD	0.10	2018
ACES Project 12 - Lower Florida Aquifer Water Recharge Lakes	SOLO	Have CCUA pump at the same volume flow conditions, and release water not consumed by its users to Lake Geneva for recharging credit, offsetting the cumulative impact of CCUA drawdown on the Keystone Lakes.	Recharge	Floridan	TBD	0.40	2017
ACES Project 3 - Increase Chemours D002 Water Releases - Pumping to OMA and Etoniah Chain of Lakes	SOLO	Changing flow apportionment and timing initially, and eventually increasing flow capacity of piping and pumping system by replacement with greater capacity systems.	Recharge	Stormwater	TBD	0.25	2018
ACES Project 4 - Plan Chemours Reclamation to Direct Water toward the Etoniah Chain of Lakes	SOLO	Direct water that originates in the mine site by engineering reclamation to deliver and convey water from north to south (rather than east to west), and be pumped up to the Old Minded Area for filtration and storage before release to Alligator Creek South and Etonia Chain of Lakes.	Recharge	Stormwater	TBD	3.00	2020
ACES Project 5 - Channelize Alligator Creek near Lake Brooklyn	SOLO	Survey, channelize by sediment removal and stabilized creek bed, reducing sediment impediments to flow and navigation.	Recharge	Stormwater	TBD	0.50	2017
ACES Project 6 - Piping First Coast Outer Beltway Stormwater Runoff to the OMA and Etoniah Chain of Lakes	SOLO	First Coast Outer Beltway (FCOB) to pump station north of Middleburg Florida and Trail Ridge, to storage pond near OMA Camp Blanding; ultimately the Etonia Chain of Lakes and Etoniah Creek.	Recharge	Stormwater	TBD	10.00	2023
ACES Project 7 - Piping treated water from Starke, FL	SOLO	Construct a pipeline from the City of Starke Water Treatment Plant to the Northeast corner of the OMA. Employ natural sand filtration and purification processes of the unreclaimed mine site with its purified sand to deliver high-quality, low nutrient water to the Etoniah Chain of Lakes	Recharge	Reclaimed Water	TBD	0.10	2017
ACES Project 8 - JEA Treated and Reuse Water to Trail Ridge Corridor and OMA (Camp Blanding) and Etoniah Lakes	SOLO	JEA Redirect 20 MGD of effluent from SJR to Trail Ridge Corridor and OMA for purification and recharge.	Recharge	Reclaimed Water	TBD	10.00	2025
ACES Project 9 - Black Creek Water to Trail Ridge Corridor and OMA (Camp Blanding) and Etoniah Lakes	SOLO	CCUA Redirect 5 MGD of surface water from Black Creek near SJR to Trail Ridge Corridor and OMA for purification and recharge.	Recharge	Surface Water	TBD	3.00	2023

Source: North Florida Regional Water Supply Plan (2015-2035), Appendix L, Jan. 13, 2017

Table 11 - Water Conservation Project Options

Project Name	Implementing Entity	Project Description	Project Type	Water Source	Estimated Water Supply Benefit (mgd)	Total Capital (\$M)	Estimated O& M Costs through 2035	Timeframe for Completion
CCUA AMI	CCUA	Leak Detection Program to reduce water loss; Avg 2015 savings was approximately 74,460 gpd.	Conservation	N/A	0.074	0.04	OT	2015
Meter Reader Replacement	Penney Farms	Replacing existing meters with smart meters.	Conservation	N/A	0.015	0.01	\$10,000	2016

Source: North Florida Regional Water Supply Plan (2015-2035), Jan. 13, 2017

4.2 CAPITAL PROJECTS PLAN

The following is CCUA's adopted 2018/19 Capital Projects Expenditures Budget and Five-Year Capital Projects Plan:

Table 12 - CCUA's Capital Projects Budget and Plan

Clay County Utility Authority
2018/2019 Capital Projects Expenditures Budget
And Five Year Capital Projects Plan
Adjusted for Prior Year Jobs Not Completed as of 4/30/2018

	ADJUSTED FISCAL YEAR 2017/2018	Fiscal Year 2018/2019	Fiscal Year 2019/2020	Fiscal Year 2020/2021	Fiscal Year 2021/2022	Fiscal Year 2022/2023	TOTALS
REVENUES:							
Balance October 1, 2017, to include Transfers	54,618,660						54,618,660
Funds Spent on Jobs Prior to FY 2017/2018	(25,617,966)						(25,617,966)
Renewal, Replacement & Betterment	2,106,362	2,106,362	2,106,362	2,106,362	2,106,362	2,106,362	12,638,172
Departmental Capital Transfer	1,191,435	2,011,118	1,000,000	1,000,000	1,000,000	1,000,000	7,202,553
Environmental Reuse Capital Fund Transfer	925,570	928,325	928,325	928,325	928,325	928,325	5,567,195
Capacity Fees Transfer	1,571,804	1,291,150	1,291,150	1,291,150	1,291,150	1,291,150	8,027,554
Tap-In Capacity Fee Transfer	135,746	-	-	-	-	-	135,746
Alternative Water Supply Transfer	563,178	574,824	589,224	603,624	618,024	632,424	3,581,298
Debt Stabilization	10,134,910	250,000	250,000	250,000	250,000	250,000	11,384,910
Surplus Transfer (Operating Contingency Utility & Capital Reserve, etc.)	3,784,109	3,730,713	3,730,713	3,730,713	3,730,713	3,730,713	22,437,674
Restricted Interest Earnings	4,869	4,869	4,869	4,869	4,869	4,869	29,214
Borrowing/Utilization of Surplus Funds if needed	(19,692,965)	18,122,952	46,861,397	18,123,832	8,377,057	30,441,157	102,233,430
Balances After Transfers	29,725,712	29,020,313	56,762,040	28,038,875	18,306,500	40,385,000	202,238,440
CAPITAL EXPENDITURES:							
RENEWAL, REPLACEMENT & BETTERMENT							
Aldersgate St. 6" WM Replacement	220,000.00						220,000.00
Bellair Unit 4 - Sigbee Ct. and Gano Ct. upgrade water main from 2" to 4"	104,063.74						104,063.74
Blainmore Blvd. E. Water Main Rehabilitation	21,000.00						21,000.00
Blanding Blvd Pressure Reducing Valve	45,000.00						45,000.00
CCUA Main Office Paving and Stripping Rehab	103,500.00						103,500.00
College Dr. - Post Office south to complete 10" loop	114,683.56						114,683.56
Coopergate and Blanding Pressure Reducing Valve	40,000.00						40,000.00
CR 209 to Appalachicola Reroute 20" Reclaim Main	40,923.21						40,923.21
CR 218 Bridge Utility Relocations for FDOT Project	1,204,225.40						1,204,225.40
Departmental Capital	1,105,469.09	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	6,105,469.09
Equipment Storage Facility, Pond & Fencing	0.00		1,020,000				1,020,000.00
Fire Hydrant Replacement and Rehab	643,535.69						643,535.69
Fleming Island Outfall Dock Repair	371,000.50	1,000,000					1,371,000.50
Fleming Island Reg. WWTP - #3 BTU Installation, Design	0.00	750,000	5,000,000				5,750,000.00
Fleming Island Reg. WWTP - 2nd BCR Plant, Two Tanks	0.00	500,000	5,000,000				5,500,000.00
Fleming Island Reg. WWTP - Repair/Restoration of #1 BTU	0.00		2,500,000				2,500,000.00
Fleming Oaks WTP - Generator	14,137.06						14,137.06
Fleming Oaks WTP: Reseal GST No. 2 inside and outside	0.00					200,000	200,000.00
Fleming Oaks WTP: Reseal Hydro-tank inside and paint outside	0.00					75,000	75,000.00
Greenwood - Replace soft start & crossline starters with VFD's	35,000.00						35,000.00
Greenwood - Security Fencing	3.00						3.00
Greenwood Unit 1 Replace 10" water main with thin wall pipe	491,172.62						491,172.62
Keystone - Geneva Lake Estates WTP - Replace 3,000 Gal. Hydro Tank	0.00		60,000				60,000.00
Keystone - Geneva Lakes Estates WTP - Miscellaneous Plant Upgrades	5,000.00						5,000.00
Keystone Chab Estates - Plant Upgrades	13,000.00		1,000,000	900,000			1,913,000.00
Keystone Chab Estates WTP - Replace Backup Generator	22,056.65						22,056.65
Keystone Chab Estates WTP: Reseal Hydro-tank inside and paint outside	0.00					75,000	75,000.00
Keystone Geneva Lake Estates WTP: Replace pipe from well to hydro-tank	0.00		30,000				30,000.00
Keystone Heights Pocommesters Village WTP: Reseal Hydro-tank No. 2 and paint outside	0.00		75,000				75,000.00
Keystone Heights WTP: Reseal Hydro-tank No. 1 and paint outside	0.00		75,000				75,000.00

Clay County Utility Authority
 2018/2019 Capital Projects Expenditures Budget
 And Five Year Capital Projects Plan
 Adjusted for Prior Year Jobs Not Completed as of 4/30/2018

	ADJUSTED						TOTALS
	FISCAL YEAR 2017/2018	Fiscal Year 2018/2019	Fiscal Year 2019/2020	Fiscal Year 2020/2021	Fiscal Year 2021/2022	Fiscal Year 2022/2023	
Keystone WTP-Postmasters Village Second Ground Storage Tank (500,000 gal)	211,061.00						211,061.00
Kingsley Cove WTP Tube Storage Tank	0.00	175,000					175,000.00
Kingsley Lake WTP - Miscellaneous	30,030.32						30,030.32
Kingsley Lake WTP - New Well	70,000.00						70,000.00
Knight Box/Old Jennings Force Main Extension	205,300.00						205,300.00
Lift Station 41 Rehabilitation (41, 72, and 98)	198,500.00						198,500.00
Lift Station 165 Angora Bay Generator Installation	40,000.00	50,000					90,000.00
Lift Station 25 Generator Replacement	45,000.00						45,000.00
Lift Station 28 Generator Replacement	70,000.00						70,000.00
Lift station 63 Rehabilitation	40,763.54						40,763.54
Lift Station Generators (163 & 165)	40,000.00						40,000.00
Lift Station Rehabilitation (2,4,6,43,45 and 52)	317,000.00						317,000.00
Lift Station Rehabilitation (67 & 69)	133,500.00						133,500.00
Lift Station SCADA System	0.00			750,000			750,000.00
LS 25 Generator Replacement	45,000.00						45,000.00
LS 28 Generator Replacement	70,000.00						70,000.00
LS 40 Orange Park Country Club Rehab	10,377.66	30,000					40,377.66
Lucy Branch Maintenance Building Repairs and Renovations	120,000.00						120,000.00
Lucy Branch WTP - Replace 10,000 Gal. Hydro Tank	0.00			190,000			190,000.00
Lucy Branch WTP - Replace electrical system and install softstart and VFD's	0.00		300,000	300,000			600,000.00
Maintenance Facility Phase II & Paving	0.00		870,000				870,000.00
Manhole Repairs	264,973.91	100,000	100,000	100,000	100,000	100,000	764,973.91
Manhole Task Order 6	17,252.97						17,252.97
Manhole Task Order Number 5	433.61						433.61
Marverick Trails Apts - Sewer Repair	25,000.00						25,000.00
Meadow Lake WTP - Repair and Restore the #1 and #2 Glass fused GST's	0.00	300,000					300,000.00
Meadow Lake WTP-New Ground Storage Tank and Electrical Service upgrade	1,676,312.50						1,676,312.50
Meadowbrook & Ravines WTP Improvements	315,132.38						315,132.38
Meadowbrook WTP - Add 16 x 12 Well #5	0.00		400,000				400,000.00
Meadowbrook WTP - Aquastore Ground Storage Tank	0.00	750,000					750,000.00
Meadowbrook WTP - Emerg. Generator Transfer Switch	175,000.00						175,000.00
Meadowlake WTP. Reseal Hydro-tank No. 2 inside and paint outside	0.00	75,000					75,000.00
Mid-Clay Reclaimed WP - Install 3rd High Service Pump	70,000.00						70,000.00
Mid-Clay WWTF Expansion	8,867,056.12						8,867,056.12
Middleburg HS WTP. Replace electrical controls for HS pumps and wells	0.00			45,000			45,000.00
Miller St. WWTP - 2.2 M Ground Storage Tank	0.00		2,750,000				2,750,000.00
Miller St. WWTP - Complete Paving of Loop Flood	30,000.00						30,000.00
Miller St. WWTP - Refurbish Influent Structure (Exterior)	140,000.00						140,000.00
Miller St. WWTP - Replace Grit Structure Roof	20,000.00						20,000.00
Miller St. WWTP - Upgrade Portolet Discharge Facilities	150,000.00						150,000.00
Miller WWTP-Concrete aerator, brush bridges replace & demolish old C12 chamber	133,868.67						133,868.67
Monticello Lift Station Rehab	55,793.62						55,793.62
Multiple LS Rehabilitation- Stations: 14, 33, 39, 58, 64 and 66	155,728.80						155,728.80
O.P. South WTP Well Site Driveway	8,475.00						8,475.00
Oak Leaf RWP - Install 3rd High Service Pump	70,000.00						70,000.00
Oakleaf WTP. Replace electrical controls for HS pumps and wells	0.00		45,000				45,000.00

Clay County Utility Authority
 2018/2019 Capital Projects Expenditures Budget
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Okleaf WTP: Reseal GST inside and outside	0.00	200,000					200,000.00
Old Jennings Road RWTP - Ground Storage Tank	138,746.01						138,746.01
Old Jennings Road WTP - Replace 5,000 Gal. Hydro Tank	0.00		130,000				130,000.00
Old Jennings Road WTP: Replace electrical controls for HS pumps and wells	0.00			45,000			45,000.00
Orange Park High School Pressure Reducing Valve	45,000.00						45,000.00
Pace Island WTP - 2,000 gal. Conduit	35,000.00						35,000.00
Pace Island WTP: Reseal GST No. 1 and 2 inside and outside	0.00					350,000	350,000.00
Pace Island WTP: Reseal Hydro-tank inside and paint outside	0.00	75,000					75,000.00
Peters Creek WTP - Land Costs	60,574.30						60,574.30
Peter's Creek WTP 2nd GST	0.00					650,000	650,000.00
Peter's Creek WTP 3rd Well	0.00			500,000			500,000.00
Peter's Creek WTP Expansion & Upgrades	180,000.00	1,800,000					1,980,000.00
Peter's Creek WTP: Reseal Hydro-tank No. 1 inside and paint outside	0.00		75,000				75,000.00
Peters Creek WWTP - Land Acquisition	634,050.00						634,050.00
Pier Station WTP - Add Second 5,000 gal. Hydro Tank	127,000.00						127,000.00
Pier Station WTP - Drill Second Well	0.00		100,000	950,000			1,050,000.00
Pier Station WTP Expansion	0.00				2,500,000		2,500,000.00
Pressure Reducing Valve Assembly - Old Jennings Road	18,717.43						18,717.43
Project Contingency	725,017.00	707,813	1,384,440	683,875	446,500	985,000	4,932,645.00
Ravines WTP - Add a No. 3 Well	0.00	40,000	500,000				540,000.00
Ravines WTP - Replace 10,000 Gal. Hydro Tank	0.00				190,000		190,000.00
Ravines WTP - Security Fencing	39,906.18						39,906.18
Ravines WTP 2nd GST	0.00			100,000	650,000		750,000.00
Refurbishing six well heads and upper well casings FORL GWMB	20,227.49						20,227.49
Ridgely WTP: Replace Aerator	0.00		70,000				70,000.00
Ridgely WWTP - Install Micro-screen and Grit Removal Equipment	500,000.00						500,000.00
Ridgely WWTP - Refurbish Influent Structure-Intermediate Chamber Only	225,000.00						225,000.00
Ridgecrest WTP - Replace Softstart & Crossline Starters with VFD's	0.00	850,000					850,000.00
Ridgecrest WTP - Sandblast and Paint GSTs and hydrotank	0.00			350,000			350,000.00
Ridgecrest WTP: Reseal GST inside and outside	0.00					200,000	200,000.00
Sandridge To Meadowlake 12" Water Main Loop	90,900.00						90,900.00
Spencer WWTP - Upgrade BCR Screw and Disc Thickeners	0.00	750,000					750,000.00
Spencer WWTP - Upgrade BCR Tanks to 15K from 10K	0.00	850,000					850,000.00
Spencers WTP - Ground Storage & High Service Pump	0.00				70,000	600,000	670,000.00
Spencer's WTP: Refurbish well No. 2	0.00		40,000				40,000.00
Spencer's WTP: Replace electrical controls for HS pumps and wells	0.00		45,000				45,000.00
Spencer's WWTP Clarifier #4	158,999.52	1,400,000					1,558,999.52
Spencer's WWTP to Lower St. Johns River Flow Diversion	0.00	285,000					285,000.00
SR21 & Middleburg HS FM Relocation for DOT	80,934.20						80,934.20
Tanglewood WTP - Repair and Reseal No. 1 Glass Fused GST	150,000.00						150,000.00
Tanglewood WTP - 2,000 Gal. Conduit Tank	0.00			35,000			35,000.00
Tanglewood WTP - Replace Emergency Generator	0.00		150,000				150,000.00
Tanglewood WTP: Reseal Glass-fused GST No. 2	0.00	150,000					150,000.00
The Meadows Pressure Reducing Valve	45,000.00						45,000.00
TO #30 Water Main rehab - Doshire - Calvedos	344,399.50						344,399.50
Upgrade Lift station 9-Meadowbrook	104,400.00						104,400.00

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 2018/2019 Capital Projects Expenditures Budget
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US 17 Loop Water Main on the East Side Raggedy Point to Allegro	150,000.00						150,000.00
Waste Water Plant SCADA Controls	0.00					1,000,000.00	1,000,000.00
Water Department Paint Project 2016	211,352.72						211,352.72
Water Main Replacement, Gesunette Court 2"	0.00	50,000					50,000.00
Water Main Replacement, Jonathon Court 2"	0.00	50,000					50,000.00
Water Main Replacement, Lido PL 2"	75,000.00						75,000.00
Water Main Replacement, Loma PL 2"	61,313.70						61,313.70
Water Main Replacement, Virginia Court 2"	50,000.00						50,000.00
Water Main Replacement, Warren Court 2"	0.00	50,000					50,000.00
Water Main Replacements, Mitchell Court 2"	0.00	50,000					50,000.00
Water System SCADA	0.00		750,000				750,000.00
Wesley Road 6" WM Replacement	426,500.00						426,500.00
Wtr & Force main Relocation SR21 @ Azales Ridge Blvd	165,000.00						165,000.00
SYSTEM EXPANSION							
Angora Bay Lift Station and Force Main Cost Share	0.45						0.45
Bradley Creek Crossing Cost Share	129,500.00						129,500.00
Bradley Creek Crossing-Cost Share	79,000.00						79,000.00
Brammen Mill Extension - Challenger Center	2,199,963.80						2,199,963.80
Clay Electric Cooperative Cost Share - Developer Agreement KH14/15-2	0.00						0.00
Cost Share - Extension from Mayfield Annex to Blanding	37,800.00						37,800.00
Governor's Park WTP Design and Build	0.00		1,997,600				1,997,600.00
Governor's Park WWTF Design and Build	0.00		5,000,000				5,000,000.00
Old Jennings Rd-Estimated Cost Share on oversizing to Commercial stub	40,000.00						40,000.00
Old Pointe Plaza Sewer Service	60,000.00						60,000.00
Popeyes - Middleburg	90,000.00						90,000.00
Blanding Blvd. from Azales Ridge to CR-220	0.00		235,000				235,000.00
Blanding Blvd. from CR-220 to Long Bay	0.00	485,000					485,000.00
Blanding from Long Bay into Middleburg	155,000.00						155,000.00
CR 218 & 301 - Industrial Park - Phase I Plant/ Highland DRI, Design	0.00	750,000		5,000,000			5,750,000.00
CR 315 Utility Extensions	3,758.53						3,758.53
CR218 & 301 Industrial Park - Phase I WTP (Highlands DRI)	0.00	250,000		2,000,000			2,250,000.00
CR218 Utility Main Extensions	0.00	150,000	1,500,000	1,000,000			2,650,000.00
CR-220 from Blanding to Long Bay	0.00	200,000					200,000.00
CR-220 from MBHS to Blanding	0.00	375,000					375,000.00
Electronic Water Meters, Growth	595,000.25	225,000	225,000	225,000	225,000	225,000	1,720,000.25
FCOB Utility Crossings	0.00	500,000	1,000,000	1,000,000			2,500,000.00
Fleming Island Reg. WWTP - #4 Clarifier	461,072.87						461,072.87
Green Cove Regional Reclaimed WTP	0.00				500,000	3,000,000	3,500,000.00
Keystone - Bradford County	27,292.14						27,292.14
Keystone - Master Plan WM - Mossy Oaks to Geneva Lake Est.	0.00		900,000				900,000.00
Keystone Airport Sewer Main Extensions	0.00	500,000					500,000.00
Keystone Airport Waste Water Plant Construction	0.00	2,000,000					2,000,000.00
Keystone Airport Water Main Extensions	0.00	500,000					500,000.00
Keystone Airport WTP	0.00	1,000,000					1,000,000.00
Keystone Wastewater Treatment Plant - Phase II Construction	0.00		650,000	6,500,000			7,150,000.00
Long Bay Road from CR-220 to Blanding	360,000.00						360,000.00

Clay County Utility Authority
 2018/2019 Capital Projects Expenditures Budget
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Long Bay Road from Warm Springs Road to CR-220	425,000.00						425,000.00
LS #62 (Jefferson Square) Force Main Extension	0.00	490,000					490,000.00
Mid Clay WWTP - Phase II Plant Expansion	0.00	750,000	7,000,000				7,750,000.00
North Middleburg Force Main Extension	0.00		500,000				500,000.00
North Middleburg Master Pump Station	0.00		750,000				750,000.00
North Middleburg Water Main Crossing Black Creek	0.00		500,000				500,000.00
Peters Creek WWTP - Phase II	0.00	2,000,000					2,000,000.00
Peters Creek WWTP - Phase III Expansion w/ BCR	0.00				2,000,000	20,000,000	22,000,000.00
Ravines to Handy Road Water Main Extension	0.00	500,000	1,000,000	400,000			1,900,000.00
Ravines to Lake Asbury Northern Interconnect	0.00		500,000	500,000			1,000,000.00
Ridgely RWP - 750K Ground Storage Tank	0.00	937,500					937,500.00
Ridgely RWP - Install 3rd High Service Pump	0.00	70,000					70,000.00
Saratoga Springs RWP - Phase I	0.00	300,000	3,000,000				3,300,000.00
Saratoga Springs WTP - Phase I	0.00	500,000	3,500,000				4,000,000.00
Shadowlawn RWP - Phase I	0.00				300,000	3,000,000	3,300,000.00
Shadowlawn WTP - Phase I	0.00			500,000	3,000,000		3,500,000.00
Spencer's Force Main Extensions	0.00				500,000		500,000.00
Spencer's Master Pump Station and Force Main	0.00				750,000		750,000.00
Spencer's Reclaimed Water Main Extensions	0.00				500,000	500,000	1,000,000.00
Spencer's RWP	0.00					3,000,000	3,000,000.00
Spencer's Water Main Extensions	0.00				500,000	500,000	1,000,000.00
Tynes Reclaimed Water Plant (RWP) Design & Construction	551,805.19	2,500,000					3,051,805.19
ALTERNATIVE WATER SUPPLY							
AWS Development	0.00	2,000,000	5,000,000	5,000,000	5,000,000	5,000,000	22,000,000.00
FCOB Ph 3-Preliminary Design & Pilot Project Final Design	1,232,150.00						1,232,150.00
	29,725,711.90	29,020,313.00	56,762,040.00	28,038,875.00	18,306,500.00	40,385,000.00	202,238,439.90

Capital Expenditures Breakdown:

Renewal, Replacement & Betterment	23,278,369	12,037,813	23,504,440	5,913,875	5,031,500	5,160,000	74,925,997
System Expansion	5,215,193	14,982,500	28,257,600	17,125,000	8,275,000	30,225,000	104,080,293
Alternative Water Supply	1,232,150	2,000,000	5,000,000	5,000,000	5,000,000	5,000,000	23,232,150
	29,725,712	29,020,313	56,762,040	28,038,875	18,306,500	40,385,000	202,238,440

5.0 GOALS, OBJECTIVES AND POLICIES

Table 12 includes Clay County's Goals, Objectives, Policies and adopted ordinances that are most relevant to water planning.

Table 13 - Clay County's Water Planning Goals, Objectives and Policies

		2040 Comprehensive Plan	Local Ordinance
Water Source Protection	Protect Water Quality (including aquifer and surface water)	FLU Policy 1.1.1; CFE OBJ 1.6; CFE Policy 1.6.1; CFE Policy 1.8.5; CFE OBJ 1.9; CON OBJ 1.2; CON Policy 1.2.1; CON Policy 1.2.2; CON Policy 1.2.3; CON Policy 1.2.10; CON Policy 1.2.12; CON Policy 1.2.15; CON OBJ 1.3; CON Policy 1.3.1; CON Policy 1.3.2; CON Policy 1.3.3; CON Policy 1.3.5; CON Policy 1.3.6; CON Policy 1.4.5; CON Policy 1.5.10; CON OBJ 1.6; TRA OBJ 3.1; TRA OBJ 3.2; TRA OBJ 5.2; TRA Policy 5.2.1; BF CFE OBJ 1.2; BF CFE Policy 1.2.1; LA CFE OBJ 1.3; LA CFE Policy 1.3.1; LA CON OBJ 1.1; LA CON Policy 1.1.1	Ord. 2006-59 (NPDES)
Provision of Water to Development	Providing Supplies Concurrently	FLU OBJ 1.3; FLU Policy 1.3.1; FLU Policy 1.3.5; FLU Policy 1.5.5; FLU Policy 1.5.8; CIE Policy 1.3.1; FLU Policy 1.3.6; FLU Policy 1.3.7; FLU Policy 1.3.8; CFE OBJ 1.1; CFE Policy 1.1.1; CFE Policy 1.1.5; CFE Policy 1.1.7; CFE Policy 1.1.8; CFE 1.3.5; CON Policy 1.3.4; CIE OBJ 1.4; CIE Policy 1.4.1; CIE Policy 1.4.2; CIE Policy 1.4.3; LA FLU Policy 1.3.2; LA CON Policy 1.2.1;	
	Future Provision	FLU Policy 1.5.4; CFE OBJ 1.3; CFE Policy 1.3.1	
Water Conservation	Quantity	CFE OBJ 1.5; CFE Policy 1.5.2; CON OBJ 1.4; CON Policy 1.2.14; LA CON OBJ 1.2	
	Landscaping Related Efforts	CON Policy 1.2.15; CON Policy 1.3.6; CON Policy 1.4.2; CON Policy 1.4.6; CON Policy 1.8.1; CON Policy 1.8.2	Ord. 2010-13 (Irrigation)
	Education	CON Policy 1.4.1	
Alternative Water Sources	Reclaimed Water	CFE Policy 1.5.1; CON Policy 1.4.4; LA CON Policy 1.2.2	
Intergovernmental Coordination	Planning	CFE Goal 1; CFE Policy 1.1.1; CFE Policy 1.1.12; CFE OBJ 1.3; CFE Policy 1.3.2; CFE Policy 1.3.3; CFE Policy 1.3.7; CON Policy 1.2.11; CON Policy 1.2.12; CON Policy 1.2.14; CON Policy 1.3.1; CON Policy 1.3.7; CON Policy 1.5.7; ICE Policy 1.1.1; ICE Policy 1.1.5; ICE Policy 1.2.1;	

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James B. Jett
Clerk Of Courts
Clay County, FL
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AMENDED INTERLOCAL AGREEMENT

THIS AMENDED INTERLOCAL AGREEMENT ("Agreement") is made and entered into this

25th day of September, 2003, by and between the Clay County Utility Authority ("CCUA"), a local governmental body, corporate and politic, whose address is 3176 Old Jennings Road, Middleburg, Florida 32068-3907 and the City of Keystone Heights ("City"), a municipal corporation, whose address is 555 S. Lawrence Boulevard, Keystone Heights, Florida 32656.

WITNESSETH

Ret Darren L. Shippy, Esquire 2548 Blairstone Ave. Dr. Sallalasan 32301

WHEREAS, the parties to this Agreement entered into an Interlocal Agreement dated November 19, 2002 ("Original Interlocal Agreement");

WHEREAS, since the date of the Original Interlocal Agreement circumstances have changed and the parties to this Agreement desire to have the Original Interlocal Agreement modified to reflect existing circumstances, as well as set forth further agreements between the parties;

WHEREAS, Section 163.01, Florida Statutes, otherwise known as the Florida Interlocal Cooperation Act of 1969 ("Act"), permits local governmental units to make the most efficient use of their powers by enabling them to cooperate with other localities on a basis of mutual advantage and provide services and facilities in a manner that accords best with geographic, economic, population and other factors influencing the needs and development of local communities;

WHEREAS, CCUA and the City are entering into this Agreement pursuant to the Act;

WHEREAS, CCUA owns and operates water, wastewater and reclaimed water facilities in Clay County, Florida pursuant to Special Act 94-491;

WHEREAS, the City desires to take advantage of the expertise and resources of CCUA with respect to the ownership, operation and maintenance of water, wastewater and reclaimed water facilities now serving, and in the future intended to serve, customers within and without the corporate limits of the City;

WHEREAS, by entering into this Agreement, CCUA and the City intend to assist each other with the public facilities and services needed to support development in and around the City concurrent with the impact of such development;

WHEREAS, in order to satisfy concerns of FDEP with respect to the FDEP Loan and FDEP Grant, as referenced in Section 3.5 of this Agreement, it is necessary to amend this Agreement and, in particular, Article VIII, entitled Rates and Charges, and for CCUA to join in Articles III and V of the FDEP Loan;

WHEREAS, the City desires to have existing rates of water customers within the City's corporate limits reduced to bring them in line with CCUA's other systems at the earliest possible date;

WHEREAS, in order to accomplish such a rate reduction it is imperative that CCUA and the City streamline this Agreement so that CCUA can operate, maintain, finance and budget for this system using the same procedures, and consolidated budgeting and financing it uses for the balance of its operations;

WHEREAS, CCUA is in year nine of a fifteen year rate parity program designed to equalize its rates, for all of the systems it owns and operates, at the end of the fifteen year period;

WHEREAS, in return for the efficiencies created by modifying this Agreement in the fashion set forth herein, CCUA will be able to initially reduce the water rates to customers both within and without the City's corporate limits, the affect within the City being a substantial rate reduction and CCUA is willing to add this system to its rate parity program so that complete parity of all of its systems rates will occur at the end of the fifteen years referenced above;

WHEREAS, CCUA and the City believe this Agreement is in the best interest of existing and potential customers located within and without the corporate limits of the City, that duplication of facilities will be avoided, that economies of scale in the expansion of existing facilities will be accomplished, and the public health, safety and welfare of residents and businesses located in Clay County will be promoted;

NOW, THEREFORE, in consideration of the mutual covenants, promises and conditions contained herein, it is mutually agreed by and between the parties to this Agreement as follows:

Article I
Recitals

1.1 The recitals contained above are true and correct.

Article II
Intent and Purpose

2.1 CCUA and the City desire to provide cost efficient water, wastewater and reclaimed water service to existing and potential customers within and without the corporate limits of the City. CCUA and the City also desire to avoid duplication of facilities and accomplish economies of scale in the expansion of existing facilities.

Article III
Findings

3.1 The City is a community that is served by a central potable water system previously owned by Florida Water Services Corporation. The City does not have a central wastewater collection, treatment, disposal or reclaimed water system; therefore, the City's residents and non-residents dispose of their wastewater predominately by means of septic tanks. Commercial development in and around the City has experienced increasing difficulty in obtaining permits and maintaining septic tank systems. Without a central wastewater system or reclaimed water system for areas contiguous to the City's corporate boundaries, future development of those areas will be greatly restricted and environmental concerns due to the continued use of septic tank systems will increase. The City's Council members have recognized the need for many years for a central wastewater collection, treatment and disposal system. Elimination of septic tanks as a method of disposing of wastewater is encouraged by applicable law. Engineers retained by the City recommend the construction of a central wastewater system designed to serve the residents and contiguous non-residents of the City.

3.2 CCUA was created in 1994 as an independent special authority with the overall responsibility to provide water, wastewater and reclaimed water services within certain areas of Clay County, Florida ("Clay County"). The jurisdiction of CCUA is virtually all of unincorporated Clay County. More specifically, CCUA is

charged with the overall responsibility for and has the exclusive power to provide water, wastewater and reclaimed water services within the unincorporated areas of Clay County.

3.3 Special Act 94-491 finds that extensive growth of population and attendant commerce throughout Clay County has given rise to public health and water supply concerns because many areas of unincorporated Clay County are not served by water and wastewater facilities provided for and maintained by governmental agencies, but instead are served by private wells and privately owned package sewage treatment plants or septic tanks. Further, the proliferation of such package sewage treatment plants and use of septic tanks poses a significant risk of contamination of water supply sources in both incorporated and unincorporated areas of Clay County.

3.4 CCUA has the financial resources and operational experience to design, construct and maintain a central wastewater and reclaimed water system for the benefit of the residents and non-residents of the City. CCUA also has the financial resources and operational experience to own, operate, maintain and expand the Central Water Facilities, as defined hereafter.

3.5 The City has secured a loan from the Florida Department of Environmental Protection ("FDEP") in the amount of \$278,000 for the planning and design of wastewater facilities ("FDEP Loan"). The City is also on the priority list to receive a FDEP grant of funds to design and construct the wastewater facilities in the amount of \$2,226,414 ("FDEP Grant").

3.6 [Intentionally omitted].

3.7 CCUA has acquired Florida Water Services Corporation's assets located within Clay County ("Florida Water Assets"). The Florida Water Assets, which consist of a central potable water system, are within and without the corporate limits of the City.

3.8 [Intentionally omitted].

3.9 [Intentionally omitted].

3.10 The water, wastewater and reclaimed water assets to be either constructed or acquired by CCUA and the City pursuant to this Agreement shall be known as the Keystone Heights Area Central Water, Wastewater and Reclaimed Water System (“Keystone Heights Area System”).

**Article IV
Term**

4.1 The term of this Agreement shall be for 20 years from November 19, 2002, unless modified by the parties in accordance with Section 10.8 of this Agreement, or unless extended in order to comply with the terms and conditions of the FDEP Grant (“Term”). In the event that assets comprising part of the Keystone Heights Area System are acquired or constructed after the date of this Agreement with funds or through means similar to the FDEP Grant (“After-Acquired Assets”), meaning similar restrictions regarding the transfer of ownership apply to the After-Acquired Assets, the Term of this Agreement shall extend beyond the time period set forth in this Section 4.1 only as to the After-Acquired Assets. In other words, CCUA and the City intend for the Keystone Heights Area System to transfer to CCUA at the earliest possible time and acknowledge that such transfer may occur as to different parts on different dates depending upon the terms and conditions of funding sources.

**Article V
Central Wastewater and Reclaimed Water System**

5.1 In recognition of the City’s need for a central wastewater system and CCUA’s financial resources and expertise in the design, construction, operation and maintenance of such a system, CCUA shall design, obtain permits, construct, operate and maintain such a system, including reclaimed water facilities if financially feasible, intended to serve the residents and contiguous non-residents of the City, including a collection system (gravity lines), a transmission system (pumping stations and force mains), treatment plants and disposal of treated effluent, whether as reclaimed water or otherwise, including any modifications or additions thereto (“Central Wastewater Facilities”), upon the terms and conditions contained in this Agreement. CCUA shall be the lead

agent and assume the primary responsibility with respect to the design, permitting, construction, operation and maintenance of the Central Wastewater Facilities.

5.2 The City's responsibilities with respect to the Central Wastewater Facilities shall be as follows:

5.2.1 Deliver and make available to CCUA the existing FDEP Loan monies and expected FDEP Grant monies for use in defraying the cost of the design and construction of the Central Wastewater Facilities;

5.2.2 When required by agencies administering grants in order to comply with proper legal documentation, apply for grants, where available and approved by the council of the City of Keystone, to expand and/or repair or improve the Central Wastewater Facilities within or without the corporate limits of the City.

5.2.3 Provide use permits within City streets and properties and assist CCUA in securing any easements necessary to properly construct and operate the Central Wastewater Facilities within the corporate limits of the City;

5.2.4 [Intentionally omitted];

5.2.5 [Intentionally omitted];

5.2.6 Appoint and designate CCUA as the City's agent for permitting of all matters related to the Central Wastewater Facilities, including modifications or additions thereto.

5.2.7 Where necessary as part of a bond covenant, loan agreement, or grant agreement, etc., adopt such resolutions, ordinances or enter into such mutually acceptable arrangements with CCUA as are necessary to ensure mandatory connection by customers situated within the corporate limits of the City to the Central Wastewater Facilities and, if applicable, reclaimed water facilities;

5.2.8 [Intentionally omitted];

5.2.9 Execute documents and perform such other actions as are reasonably necessary to carry out the intent and purpose of this Agreement;

5.2.10 For customer convenience, provide the customer service responsibility as delineated in Exhibit "A";

5.2.11 Promptly take all reasonable and necessary steps in an effort to annex the initial wastewater treatment plant site to the City, and zone it for use as a wastewater treatment plant and effluent disposal site;

5.2.12 Pay its prorata share of the cost of the acquisition by condemnation of the parcel of property, being approximately 15.75 acres in size, 5.7 acres of which will be used by the City for a maintenance yard and for other City purposes. This agreement is a reaffirmation that CCUA and the City shall jointly own the wastewater treatment plant site, subject to the terms of this agreement, and, in particular, Article V; and

5.2.13 Execute the proper documentation to join CCUA with the City in its existing contract with Kelley Engineering, Inc. for the professional engineering services associated with the design and construction of the Central Wastewater Facilities and instruct Kelley Engineering, Inc. to report to and coordinate with CCUA from the date of this Agreement.

5.3 CCUA's responsibilities with respect to the Central Wastewater Facilities, to the extent economically feasible, shall be as follows:

5.3.1 Master Plan for the Central Wastewater Facilities and, where feasible, reclaimed water facilities within and without the corporate limits of the City;

5.3.2 Secure all plant sites and appropriate zoning, and construct or have constructed and operate such plants;

5.3.3 Design, permit, and construct/expand, or have constructed, as necessary, the collection, transmission, distribution, treatment and disposal systems to service customers within and without the corporate limits of the City, including the review and approval of plans for expansion;

5.3.4 Manage and sign permitting documentation;

5.3.5 Prepare, approve and administer developer agreements (in CCUA's standard format) for system extensions;

5.3.6 Prepare, approve and administer supplemental agreements to this Agreement (in CCUA's standard format) with respect to system connection charges, plan review charges, inspection charges and any other service availability charges applicable to service and provide plant capacity for such expansion; prepare, approve and administer execution of project close-out documents in favor of and identifying CCUA as the owner, including warranty or other deeds, owner's affidavits, bills of sale, value of acceptance schedules, warranty security, warranty inspection, secure easements within new developments and administer correction of any warranty deficiencies;

5.3.7 Attend pre-construction conferences, inspect jobs periodically during construction, perform final inspections and administer final certification and acceptance of systems for ownership and maintenance;

5.3.8 Invoice and collect connection charges and service availability charges, all in accordance with CCUA's then existing rates, subject to the modification necessary to transfer the full benefit of grants to those existing residents and non-residents within the City that lie within a grant project area and who connect to the facilities installed with the grant money. The conceptual calculation of this modification is shown in Exhibit "B";

5.3.9 Invoice customers for services rendered pursuant to the rates and charges provided for in this Agreement;

5.3.10 In cooperation with the City prepare and administer applications to the FDEP for grant assistance to expand the Central Wastewater and, where feasible, reclaimed water facilities;

5.3.11 Secure bonds, loans (including state revolving fund loans) and service availability charges to finance expansion of the Central Wastewater Facilities and reclaimed water facilities;

5.3.12 Install and read meters;

5.3.13 Subject to Section 5.2.10 of this Agreement, perform disconnection from service for non-payment and collection of accounts receivable and assess and collect all service charges;

5.3.14 Subject to Section 5.2.10 of this Agreement, handle all contact with customers with respect to applications for service, service complaints, disconnection from service, move-ins, move-outs, and customer inquiries;

5.3.15 Maintain customer account records;

5.3.16 Perform locate services for the collection and transmission and distribution systems, which may be requested from time to time by contractors or individuals performing underground construction;

5.3.17 Perform repairs to the collection and transmission systems and, if damage is caused thereto by a third-party, invoice and collect for the cost to make repairs thereto;

5.3.18 Administer, as a part of CCUA's annual budget and five year capital plan, in accordance with its debt service coverage requirements and which shall be subject to amendment, revision and budget transfers as directed and approved by CCUA's Board of Supervisors, the total operation, maintenance and expansion of the Central Wastewater Facilities, subject to, when appropriate, CCUA Board of Supervisor approval, including payment of the debt-service requirements of the FDEP Loan;

5.3.19 Execute documents and perform such other actions as are reasonably necessary to carry out the intent and purpose of this Agreement;

5.3.20 Provide wastewater service to the Keystone area wastewater customers based on the CCUA's Mid-Clay wastewater rates, the current version of which is shown on Exhibit "C". CCUA expects to invoice such rates quarterly; and

5.3.21 In payment of the services provided in Section 5.2.10, CCUA agrees to pay 5% of the wastewater service revenue collected within the City's corporate limits to the City for its services.

5.3.22 Include the City as an additional insured on all insurance policies insuring or otherwise providing coverage with respect to the Central Wastewater Facilities.

5.4 [Intentionally omitted].

5.5 CCUA shall have the right to extend lines and expand facilities, as in its discretion and at such locations, as it deems necessary and economically feasible, in order to provide wastewater or reclaimed water service to customers connecting to the Central Wastewater Facilities and where applicable, reclaimed water facilities.

5.6 [Intentionally omitted].

5.7 CCUA and the City, to the maximum extent possible, shall ensure compliance with Section 381.00655, Florida Statutes.

5.8 CCUA and the City shall jointly own the Central Wastewater Facilities, subject to the terms of this Agreement.

5.9 Subject to the terms of the FDEP Grant, at such time as all indebtedness is repaid with respect to the Central Wastewater Facilities (defined as the repayment of the FDEP Loan and defeasance of all bonds issued by either CCUA or the City for the purpose of constructing the Central Wastewater Facilities) or upon termination of this Agreement, whichever occurs first, ownership of the Central Wastewater Facilities shall automatically vest solely in CCUA without further action by either CCUA or the City and all operations from that day forward shall be completely under CCUA's control and the City irrevocably consents to CCUA having the exclusive right to provide wastewater and reclaimed water service within the corporate limits of the City, as such limits may be modified. At such time, CCUA shall assume sole responsibility for all liabilities and obligations related to the Central Wastewater Facilities. For the purpose of this Section 5.9, CCUA and the City agree and acknowledge that the terms of the FDEP Grant prohibit the transfer of the assets subject to the FDEP Grant, without FDEP consent, prior to the expiration of the assets' expected useful life, which is 20 years.

Article VI
Florida Water Services Corporation Water Utility Assets

6.1 CCUA has acquired the Florida Water Assets through condemnation. This Agreement is a reaffirmation that CCUA and the City shall jointly own the Florida Water Assets, subject to the terms of this Agreement and, in particular, Article VII.

6.2 [Intentionally omitted].

6.3 [Intentionally omitted].

6.4 [Intentionally omitted].

6.5 [Intentionally omitted].

Article VII
Central Water System

7.1 The City's responsibilities with respect to the Florida Water Assets and any modifications or additions thereto (collectively "Central Water Facilities), shall be as follows:

7.1.1 When required by agencies administering grants in order to comply with proper legal documentation, apply for grants, where available and approved by the council of the City of Keystone, to expand and/or repair or improve the Central Water System within or without the corporate limits of the City;

7.1.2 Provide use permits within City streets and properties and assist CCUA in securing any easements necessary to properly construct and operate the Central Water Facilities within the corporate limits of the City;

7.1.3 [Intentionally omitted];

7.1.4 [Intentionally omitted];

7.1.5 Appoint and designate CCUA as the City's agent for permitting of all matters related to the Central Water Facilities, including modifications or additions thereto;

7.1.6 Where necessary, as part of a bond covenant, loan agreement, or grant agreement, etc., adopt such resolutions, ordinances or enter into such mutually acceptable arrangements with CCUA as are

necessary to ensure mandatory connection by customers situated within the corporate limits of the City to the Central Water Facilities;

7.1.7 [Intentionally omitted].

7.1.8 Execute documents and perform such other actions as are reasonably necessary to carry out the intent and purpose of this Agreement; and

7.1.9 For customer convenience, provide the customer service responsibility as noted in Exhibit "A".

7.2 CCUA's responsibilities with respect to the Central Water Facilities, to the extent economically feasible, shall be as follows:

7.2.1 Master Plan for the Central Water Facilities within and without the corporate limits of the City;

7.2.2 Secure all plant sites and appropriate zoning, and construct and operate such plants;

7.2.3 Design, permit, and construct/expand or have constructed, as necessary, water supply, treatment and distribution systems to service customers within and without the corporate limits of the City, including the review and approval of plans for expansion;

7.2.4 Manage and sign permitting documentation;

7.2.5 Prepare, approve and administer developer agreements (in CCUA's standard format) for system extensions;

7.2.6 Prepare, approve and administer supplemental agreements to this Agreement (in CCUA's standard format) with respect to system connection charges, plan review charges, inspection charges and any other service availability charges applicable to service and provide plant capacity for such expansion; prepare, approve and administer execution of project close-out documents in favor of and identifying CCUA as the owner, including warranty or other deeds, owner's affidavits, bills of sale, value of acceptance schedules,

warranty security, warranty inspection, secure easements within new developments and administer correction of any warranty deficiencies;

7.2.7 Attend pre-construction conferences, inspect jobs periodically during construction, perform final inspections and administer final certification and acceptance of systems for ownership and maintenance;

7.2.8 Invoice and collect connection charges and service availability charges, all in accordance with CCUA's then existing rates, subject to the modification necessary to transfer the full benefit of grants to those existing residents and non-residents within the City that lie within a grant project area and who connect to the facilities installed with the grant money. The conceptual calculation of this modification is shown in Exhibit "B";

7.2.9 Invoice customers for services rendered pursuant to the rates and provided for in this Agreement;

7.2.10 In cooperation with the City and, where applicable, with the mutual approval of the City and CCUA, prepare and administer applications to the FDEP for grant assistance to expand the Central Water Facilities;

7.2.11 Secure bonds, loans (including state revolving fund loans) and service availability charges to finance expansion of the Central Water Facilities;

7.2.12 Install and read meters;

7.2.13 Subject to Section 7.1.9 of this Agreement, perform disconnection from service for non-payment and collection of accounts receivable and assess and collect all service charges;

7.2.14 Subject to Section 7.1.9 of this Agreement, handle all contact with customers with respect to applications for service, service complaints, disconnection from service, move-ins, move-outs, and customer inquiries;

7.2.15 Maintain customer account records;

7.2.16 Perform locate services for the distribution systems, which may be requested from time to time by contractors or individuals performing underground construction;

7.2.17 Perform repairs to the treatment and distribution systems and, if damage is caused thereto by a third-party, invoice and collect for the cost to make repairs thereto;

7.2.18 Administer system, as a part of CCUA's annual budget and five year capital plan, in accordance with its debt service coverage requirements and which shall be subject to amendment, revision and budget transfers as directed and approved by CCUA's Board of Supervisors, the operation, maintenance and expansion of the Central Water Facilities, subject to, when appropriate, CCUA Board of Supervisor approval;

7.2.19 Execute documents and perform such other actions as are reasonably necessary to carry out the intent and purpose of this Agreement;

7.2.20 Modify water service rates on October 1, 2003 to those shown on Exhibit "D", subject to public hearing and final action of CCUA's Board of Supervisors. CCUA expects to invoice such rates quarterly; and

7.2.21 In payment of the services provided in Section 7.1.9, CCUA agrees to pay 5% of the water service revenue collected within the City's corporate limits to the City for its services.

7.2.22 Include the City as an additional insured on all insurance policies insuring or otherwise providing coverage with respect to the Central Water Facilities.

7.3 [Intentionally omitted].

7.4 CCUA shall have the right to extend lines and expand facilities, as in its discretion and at such locations it deems necessary and economically feasible, in order to provide water service to customers connecting to the Central Water Facilities included in CCUA's then current Rate Resolution and Service Availability Policy.

7.5 [Intentionally omitted].

7.6 At such time as all indebtedness is repaid with respect to the Central Water Facilities (defined as the defeasance of all bonds issued by either CCUA or the City for the purpose of acquiring or expanding the Central Water Facilities) or upon termination of this Agreement, whichever occurs first, ownership of the Central Water Facilities shall automatically vest solely in CCUA without further action by either CCUA or the City and all operations from that day forward shall be completely under CCUA's control and the City irrevocably consents to CCUA having the exclusive right to provide water service within the corporate limits of the City, as such limits may be modified. At such time, CCUA shall assume sole responsibility for all liabilities and obligations related to the Central Water Facilities.

7.7 CCUA and the City shall jointly own the Central Water Facilities, subject to the terms of this Agreement.

Article VIII Rates and Charges

8.1 The rates and charges to be imposed for services rendered pursuant to this Agreement shall be determined by CCUA; however, the City shall receive (i) written notice of any public hearing conducted by CCUA in which rates or charges with respect to the Keystone Heights Area System are scheduled to be on the Agenda with the right to attend and provide comment thereto, and (ii) upon request by the City, copies of any documentation in the possession and control of CCUA and upon which CCUA intends to rely with respect to establishing rates or charges with respect to the Keystone Heights Area System. As to the Central Wastewater Facilities, CCUA shall impose and set rates and charges, at a minimum, in accordance with the requirements of Clean Water State Revolving Fund Loan Agreement CS12048102P, by and between the State of Florida Department of Environmental Protection and City of Keystone Heights, Florida, in which CCUA has joined for the limited purpose of agreeing to be bound by and act in accordance with Articles III and V of that Agreement.

8.2 Nothing contained in this Agreement shall be construed to prevent the City from imposing a municipal tax pursuant to Section 166.231, Florida Statutes, upon the termination of this Agreement.

8.3 The City shall be responsible for the audit requirements of the FDEP grant and loan identified in Section 3.5 above and for all future grant and loan agreements it may enter into in conjunction with grant and/or loan projects for water, wastewater, and reclaimed water systems within the City.

Article IX Enforcement of Agreement

9.1 The parties stipulate that damages resulting from a breach of this Agreement can not be reasonably ascertained, in part, because of the uncertainty of the cost of providing water, wastewater, and reclaimed water service as well as the uncertainty of the revenue to be derived from providing water, wastewater, and reclaimed water service. The parties also stipulate that lengthy litigation to avail a party of the provisions of this Agreement undermines the intent and purpose of this Agreement, particularly in consideration of the significant capital investments to be made.

9.2 If a party breaches this Agreement, the other party may notify the breaching party of such breach by delivering written notice to the breaching party as set forth in Section 10.2 of this Agreement. Such notice shall identify the breach complained of and request that the breaching party cease and desist from continuing such breach and, if applicable, that the breaching party cure such breach. If, within 30 days after delivery of the written notice, the breaching party fails to acknowledge the breach or acknowledges the breach, but fails to cease and desist from continuing such breach or, if applicable, fails to cure such breach, the other party may institute an action to enjoin the breaching party from continuing such breach of this Agreement and shall be entitled to relief without a showing of irreparable harm. The parties stipulate that proof of a breach of this Agreement shall be sufficient for a court of competent jurisdiction to (i) enter an injunction prohibiting the breaching party from continuing such breach of this Agreement, (ii) require a cure of such breach, and (iii) award such other relief as is necessary and consistent to carry out the intent and purpose of this Agreement.

Article X
Miscellaneous Provisions

10.1 This Agreement and any documents referenced herein, collectively embody the entire agreement and understanding between the parties and there are no other agreements or understandings, oral or written, with reference to this Agreement that are not merged into and superseded by this Agreement. This Agreement may be executed in one or more counterparts, each of which shall be considered an original.

10.2 Any notice or other document required or allowed to be given pursuant to this Agreement by any party to another shall be in writing and shall be delivered personally, or by recognized overnight courier or sent by certified mail, postage prepaid, return receipt requested, or by facsimile transmission with written confirmation.

If to CCUA, such Notice shall be addressed to CCUA at:

Ray O. Avery, Executive Director
Clay County Utility Authority
3176 Old Jennings Road
Middleburg, Florida 32068-3907

with a copy to:
Grady H. Williams, Jr., LL.M.
1543 Kingsley Avenue, Building 5
Orange Park, Florida 32073

If to the City, such notice shall be addressed to the City at:

Lloyd A. Green, Mayor
City of Keystone Heights
555 S. Lawrence Boulevard
Keystone Heights, Florida 32656

with a copy to:

Kopelousos & Bradley, P.A.
City Attorney
1279 Kingsley Avenue, Suite 118
Orange Park, Florida 32073

10.3 The headings used are for convenience only and they shall be disregarded in the construction and interpretation of this Agreement.

10.4 The drafting of this Agreement constituted a joint effort of the parties and the Agreement's interpretation shall assume that no party had any more input or influence than any other. All words, terms, and conditions herein contained are to be read in concert, each with the other, and a provision contained under one heading may be considered to be equally applicable under another heading in the interpretation of this Agreement.

10.5 This Agreement is solely for the benefit of the parties to this Agreement and no other causes of action shall accrue upon or by reason hereof, to or for the benefit of any third party, who or which is not a formal party to this Agreement.

10.6 If any term or provision of this Agreement is determined by appropriate judicial authority to be illegal or otherwise invalid, such provision shall be given its nearest legal meaning or be construed as deleted, as such authority determines, and the remainder of this Agreement shall be construed to be in full force and effect.

10.7 In the event of any litigation that arises between the parties with respect to this Agreement, the prevailing party shall be entitled to reasonable attorney and paralegal fees and court costs at all trial and appellate levels; provided, however, this provision shall not be interpreted as a pledge of *ad valorem* tax revenues.

10.8 This Agreement may be amended only if executed in writing and signed by all of the parties to this Agreement.

10.9 This Agreement shall be governed by, and construed and interpreted in accordance with, the laws of the State of Florida.

10.10 This Agreement shall be binding upon and inure to the benefit of the parties' successors and assigns. No party may assign its rights under this Agreement without the prior written consent of the other party.

10.11 CCUA and the City shall each conduct hearings, provide notice to any party and adopt appropriate resolutions as may required by law in order to carry out the intent, purpose and terms of this Agreement.

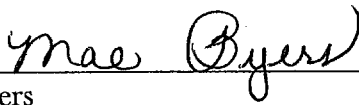
10.12 CCUA shall save and hold harmless the City from any and all losses or damages, claims, demands, deficiencies, liabilities, obligations, costs and/or expenses, including attorney's fees, suffered by the City, whether accrued, absolute, contingent or otherwise, and which result from any material breach by CCUA of any of its covenants or obligations under this Agreement. The City shall save and hold harmless CCUA from any and all losses or damages, claims, demands, deficiencies, liabilities, obligations, costs and/or expenses, including attorney's fees, suffered by CCUA, whether accrued, absolute, contingent or otherwise, and which result from any material breach by the City of any of its covenants or obligations under this Agreement.

IN WITNESS WHEREOF, the parties have executed or have caused this Agreement to be duly executed in several counterparts, each of which counterpart shall be considered an original executed copy of this Agreement, the day and year first written above.

ATTEST:

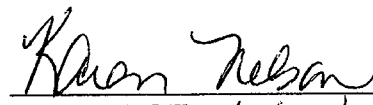
CLAY COUNTY UTILITY AUTHORITY


Janice Loudermilk
Clerk

By: 
Mae Byers
Chairman

ATTEST:

CITY OF KEYSTONE HEIGHTS


Karen McGill Nelson
Clerk

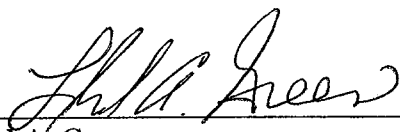
By: 
Lloyd A. Green
Mayor

EXHIBIT "A"

Limited Customer Service to be provided by staff of the City of Keystone

1. Allow CCUA to install a mailbox for CCUA payments at the City Hall in Keystone where customers can drop off their payments.
2. For customer convenience, City Hall staff shall accept applications for new customers to have service turned on. Customers will be required to appear in person at City Hall to complete the application and pay \$75.00, and any additional service charges that may apply. City Hall representative shall attach a copy of the customer's driver's license and documentation with their social security number to the copy of the application being forwarded to CCUA's office. Customer's service will be turned on within 24 hours unless the customer pays a \$25.00 service charge for same day service. If customer needs same day service, City Hall representative shall contact CCUA's Customer Service department to make arrangements for the service to be turned on.
3. City Hall staff will accept payments for returned checks or to restore service turned off due to non-payment, at the City Hall. The representatives at City Hall shall call the main CCUA Customer Service department to verify the amount that needs to be collected and to have a Field Service Technician dispatched to reconnect the customer's service. City Hall shall put all applications and customer payments in the mailbox at the end of the day to be picked up by CCUA the following morning.

EXHIBIT "B"

Conceptual Example of Calculation of Charges for Connection of Existing Businesses and Residences within the City Limits of Keystone for Grant Projects

	Water Plant Capacity Charge	Wastewater Plant & Trunk Main Capacity Charge	Distribution & Collection System	
CCUA's current Service Availability Charges (subject to change)	<u>\$235</u>	<u>\$1,420</u>	<u>100% of cost of system</u>	
Conceptual Calculation of Service Availability Charges for Grant Projects:				
	Land	Plant	Distribution & Collection System	Total
Total estimated cost of Phase I Grant Project, including upgrades required by CCUA	\$150,000	\$843,115	\$2,006,885	\$3,000,000
Add/Subtract final actual cost adjustments	<u>\$100,000</u>	<u>\$0</u>	<u>\$100,000</u>	<u>\$200,000</u>
Final Cost	\$250,000	\$843,115	\$2,106,885	\$3,200,000
Less cost associated with modification to plants and other over sizing required by CCUA	<u>\$0</u>	<u>(\$412,250)</u>	<u>\$0</u>	<u>(\$412,250)</u>
	\$250,000	\$430,865	\$2,106,885	\$2,787,750
Less portion covered by Grant (actual land budget with construction cost allocated prorata)	<u>(\$150,000)</u>	<u>(\$352,990)</u>	<u>(\$1,723,424)</u>	<u>(\$2,226,414)</u>
	\$100,000	\$77,875	\$383,461	<u>\$561,336</u>
ERC capacity by component	<u>1,071 *</u>	<u>357 **</u>	<u>200 ***</u>	
Estimated conceptual charge, per ERC	<u>\$93.37</u>	<u>\$218.14</u>	<u>\$1,917.31</u>	<u>\$2,228.81</u>

* - Based on 300,000 GPD Master Plan @ 280 GPD, per ERC

** - Based on 100,000 GPD @ 780 GPD, per ERC

*** - Assumed number of ERCs. Not confirmed.

NOTE:

- (1) - Above does not include meter installation charges and fire protection charges, however, if grant is designated to cover these, they will be included in the calculation.
- (2) - This conceptual formula is based on our best judgment of how this would work, but in any event the overriding consideration is to be sure the connection of existing businesses and residences within the City limits of Keystone gets 100% of the equitable benefit of the grants it secures for the purpose of offsetting connection charge cost for existing businesses and residences within the City. All new developments shall pay 100% of CCUA's Service Availability charges and all redevelopments shall pay 100% of CCUA's service availability charges for any increase in capacity requirements.
- (3) - The above illustration is conceptual and is only for the purpose of illustrating all of the various components of the calculation that we believe could come into play on the current and future grant projects.

EXHIBIT "C"

Mid-Clay System Rates

Residential Service:

Base Facility Charge:	Quarterly
All Meter Sizes	\$ 43.72
Consumption Charge (per 1,000 gallons of metered water, maximum of 30,000 gallons per quarter)	\$ 2.48
Unmetered-Flat Rate	\$ 122.23
Multi-Family Unmetered Per Unit	\$ 81.92

General Service:

Base Facility Charge:	Quarterly
Meter Size	
5/8" x 3/4"	\$ 43.72
3/4"	65.62
1"	109.34
1 & 1/2"	218.65
2"	349.95
3"	699.89
4"	1,093.57
6"	2,187.08
8"	3,499.29
10"	5,027.89

Consumption Charge (per 1,000 gallons of metered water)	\$ 2.96
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EXHIBIT "D"

Proposed Rates vs. Present Rates

Base Facility Charge:

Meter Size	Proposed Rates Quarterly	Present Rates Quarterly
5/8" X 3/4"	\$28.23	\$ 28.83
3/4"	\$42.35	\$ 43.29
1"	\$70.58	\$ 72.12
1 & 1/2"	\$141.15	\$ 144.15
2"	\$225.84	\$ 230.70
3"	\$451.68	\$ 461.40
4"	\$705.75	\$ 720.90
6"	\$1,411.50	\$ 1,441.83
8"	\$2,258.40	\$ 2,306.94
10"	\$3,246.45	\$ 3,316.17
Consumption Charge (per 1,000 gallons of metered water)	1.49	\$ 2.08

Illustrative Quarterly Bill, based on 30,000 gallons per quarter:

Present Rates:

Base Charge	\$28.83	
Usage (30 @ \$2.08)	\$62.40	
Quarterly	\$91.23	
Annually	\$364.92	\$364.92

Proposed Rates:

Base Charge	\$28.23	
Usage (30 @ \$1.49)	\$44.70	
Quarterly	\$72.93	
Annually	\$291.72	\$291.72
Annual Savings		\$73.20 25% (\$73.20 / \$291.72)

INTERLOCAL AGREEMENT

THIS INTERLOCAL AGREEMENT (“Agreement”) is made and entered into this 6th day of November, 2007, by and between the Clay County Utility Authority (“CCUA”), a local governmental body, corporate and politic, whose address is 3176 Old Jennings Road, Middleburg, Florida 32068-3907 and the City of Green Cove Springs (“City”), a municipal corporation, whose address is 321 Walnut Street, Green Cove Springs, Florida 32043.

WITNESSETH

WHEREAS, Section 163.01, Florida Statutes, otherwise known as the Florida Interlocal Cooperation Act of 1969 (“Act”), permits local governmental units to make the most efficient use of their powers by enabling them to cooperate with other localities on a basis of mutual advantage and provide services and facilities in a manner that accords best with geographic, economic, population and other factors influencing the needs and development of local communities;

WHEREAS, CCUA and the City are entering into this Agreement pursuant to the Act and Special Act 94-491 (“Special Act”);

WHEREAS, CCUA owns and operates water, wastewater and reclaimed water facilities in Clay County, Florida pursuant to the Special Act and pursuant to the Special Act “is charged with the overall responsibility for ... and ... power to provide water and sewer services and facilities [generally] with[in] the [unincorporated areas of Clay County]”;

WHEREAS, by entering into this Agreement, CCUA and the City intend to assist each other with the public facilities and services needed to support water and wastewater service to Gustafson’s processing plant owned by Gustafson’s, LLC, which is situated in unincorporated Clay County;

WHEREAS, CCUA and the City believe that duplication of facilities will be avoided, that economies of scale in the expansion of existing facilities will be accomplished, and the public health, safety and welfare of residents and businesses located in Clay County will be promoted by entering into this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants, promises and conditions contained herein, it is mutually agreed by and between the parties to this Agreement as follows:

**Article I
Recitals**

1.1 The recitals contained above are true and correct.

**Article II
Intent and Purpose**

2.1 CCUA and the City desire to provide cost efficient water and wastewater service to Gustafson's processing plant in accordance with the requirements of the Special Act and this Agreement.

2.2 This Agreement is subject to CCUA and Gustafson's, LLC entering into a written developer or service agreement upon terms and conditions acceptable to CCUA. If CCUA and Gustafson's, LLC do not enter into a written developer or service agreement, this Agreement shall be null and void.

**Article III
Findings**

3.1 CCUA and the City entered into an Interlocal Agreement in March 1998 ("1998 Interlocal Agreement") pursuant to which "the parties intend[ed] ... to describe the terms under which the City [would] provide [water and wastewater] services to defined, unincorporated areas of

Clay County and the terms under which [CCUA would] utilize portions of the City's water and wastewater capacities to serve its customers outside the defined unincorporated area to be served by the City." Other than setting forth the manner in which water and wastewater service will be delivered to Gustafson's processing plant, this Agreement does not alter, amend, or modify the terms of the 1998 Interlocal Agreement, which remains in full force and effect.

3.2 CCUA is willing and shall provide water and wastewater service to Gustafson's processing plant in accordance with the terms of this Agreement and a written developer or service agreement to be entered into by and between CCUA and Gustafson's, LLC.

3.3 The City has capacity available in its wastewater treatment plant and is willing to make such capacity available to CCUA for the purpose of CCUA providing wastewater service to Gustafson's processing plant, which will avoid the duplication of facilities.

3.4 The City is willing to convert from being the retail provider of water service to Gustafson's processing plant to being the bulk service provider and billing CCUA for such service in accordance with the terms set forth in this Agreement.

3.5 The legal description for the real property where Gustafson's processing plant is situated is attached as **Exhibit "A."**

Article IV Rights and Responsibilities of City and CCUA

4.1 With respect to the water and wastewater service to be delivered to Gustafson's processing plant, the City shall:

4.1.1 Reserve and allocate to CCUA 125,000 gallons per day capacity in its wastewater treatment plant separate and apart from capacity reserved to CCUA pursuant to the 1998

Interlocal Agreement.

4.1.2 In concert with CCUA, review and approve the plans for construction of a pretreatment facility, pump station, sampling points, metering, force main pipe, and connections to the City's wastewater system, including upgrades to three City downstream manholes.

4.1.3 Consent to the connection of a wastewater force main to the City's manhole at the site conceptually shown on the area photograph attached as **Exhibit "D."**

4.1.4 Accept wastewater flows from the pretreatment facility at the times and at the rates of flow set forth in the draft Industrial User Permit (Permit No. GC 07-01) attached as **Exhibit "B,"** with the understanding that the rates of flow may be increased by mutual agreement of CCUA and the City.

4.1.5 Maintain and operate, at its expense, the off-site collection system and pump station(s) necessary to accept and deliver the wastewater flows from Gustafson's processing plant to the City's wastewater treatment plant at pumping rates set forth in the draft Industrial User Permit (Permit No. GC 07-01) attached as **Exhibit "B."**

4.1.6 Accept, treat and properly dispose of up to 125,000 gallons per day based on a 30 day moving average of wastewater from Gustafson's processing plant, provided such wastewater meets the pretreatment limits set forth in draft Industrial User Permit (Permit No. GC 07-01) attached as Exhibit "B." The maximum daily flow shall not exceed 150,000 gallons.

4.1.7 Read the meter(s) and, thereafter, invoice CCUA at 92.5% of the City's General Service (Commercial) wastewater service rate, as such rate may be modified from time to time for all customers of a like or same class.

4.1.8 If the City ceases to treat the wastewater from Gustafson's processing plant at

any time within ten years from the date the City began to treat such wastewater, refund to CCUA the connection charges paid by CCUA to the City to reserve the 125,000 gallons per day capacity according to the following schedule:

<u>Years of Service</u>	<u>Refund</u>
1-7	30%
8	20%
9	10%

4.1.9 Subject to the next sentence, [cease billing Gustafson's for water service other than for purposes of Gustafson's bottling water operations for which the City may sell water directly to Gustafson's, and], instead, bill CCUA for bulk service to Gustafson's at 92.5% of the City's water service rate. The City shall not require CCUA to pay connection charges for the Gustafson's processing plant facilities now being served by the City's water system; however, if future expansion of such facilities creates additional demand upon the City's water system, the City may require CCUA to pay connection charges for such additional demand based upon the then approved City's connection charges.

4.2 With respect to water and wastewater service to be delivered to Gustafson's processing plant, CCUA shall:

4.2.1 In concert with the City, review and approve the plans for construction of a pretreatment facility, pump station, sampling points, metering, force main pipe, and connections to the City's wastewater system, including upgrades to three City downstream manholes.

4.2.2 Permit and, thereafter, maintain the pretreatment program covering the Gustafson's account.

4.2.3 Review and monitor the (i) results of Gustafson's routine sampling as required under draft Industrial User Permit (Permit No. GC 07-01) attached as **Exhibit "B"**; and (ii) wastewater being delivered to the City for Biochemical Oxygen Demand and Suspended Solids loads and, thereafter, assess whether a surcharge is due from Gustafson's as a result of considering CCUA's Abnormal Strength Waste Discharge Factor, as set forth in attached **Exhibit "C."** If a surcharge is due, CCUA shall notify the City, which shall include the surcharge in the next billing to CCUA. CCUA shall require Gustafson's to perform daily monitoring/sampling of their effluent to ensure they are in compliance with the permit issued to them by CCUA.

4.2.4 Immediately deliver to the City all reports and notifications required pursuant to draft Industrial User Permit (Permit No. GC 07-01) attached as **Exhibit "B."**

4.2.5 Subject to Section 4.1.8 of this Agreement, pay to the City at the time of signing this Agreement the City's connection charges to reserve 125,000 gallons per day capacity in the City's wastewater treatment plant; however, if CCUA's connection charges exceed the City's connection charges, CCUA shall pay to the City CCUA's connection charges to reserve the capacity.

4.2.6 Pay to the City (i) 92.5% of the City's General Service (Commercial) wastewater service rate, as such rate may be modified from time to time for all customers of a like or same class; (ii) 92.5% of the City's water service rate, as such may be modified from time to time for all customers of a like or same class, both (i) and (ii) with respect to the water and wastewater service provided to Gustafson's processing plant; and (iii) pay any surcharge that is due from Gustafson's as a result of considering CCUA's Abnormal Strength Waste Discharge Factor, as set forth in attached **Exhibit "C."**

4.2.7 Own and maintain the meter(s).

4.2.8 Own and maintain the wastewater force main between the pump station to the point of connection at the City's manhole.

Article V Enforcement of Agreement

5.1 The parties stipulate that damages resulting from a breach of this Agreement can not be reasonably ascertained, in part, because of the uncertainty of the cost of providing water and wastewater service as well as the uncertainty of the revenue to be derived from providing water and wastewater service. The parties also stipulate that lengthy litigation to avail a party of the provisions of this Agreement undermines the intent and purpose of this Agreement.

5.2 If a party breaches this Agreement, the other party may notify the breaching party of such breach by delivering written notice to the breaching party as set forth in Section 6.2 of this Agreement. Such notice shall identify the breach complained of and request that the breaching party cease and desist from continuing such breach and, if applicable, that the breaching party cure such breach. If, within 30 days after delivery of the written notice, the breaching party fails to acknowledge the breach or acknowledges the breach, but fails to cease and desist from continuing such breach or, if applicable, fails to cure such breach, the other party may institute an action to enjoin the breaching party from continuing such breach of this Agreement and shall be entitled to relief without a showing of irreparable harm. The parties stipulate that proof of a breach of this Agreement shall be sufficient for a court of competent jurisdiction to (i) enter an injunction prohibiting the breaching party from continuing such breach of this Agreement; (ii) require a cure of such breach; and (iii) award such other relief as is necessary and consistent to carry out the intent and purpose of this Agreement. In the event of an emergency which may cause damage to the other party's facilities, then in such event, notice shall be given by the quickest means available and repairs

to cure the damage shall be made by the responsible party forthwith upon receipt of notice.

Article VI
Miscellaneous Provisions

6.1 This Agreement and any exhibits referenced herein, collectively embody the entire agreement and understanding between the parties and there are no other agreements or understandings, oral or written, with reference to this Agreement that are not merged into and superseded by this Agreement. This Agreement may be executed in one or more counterparts, each of which shall be considered an original.

6.2 Any notice or other document required or allowed to be given pursuant to this Agreement by any party to another shall be in writing and shall be delivered personally, or by recognized overnight courier or sent by certified mail, postage prepaid, return receipt requested, or by facsimile transmission with written confirmation.

If to CCUA, such Notice shall be addressed to CCUA at:

Ray O. Avery, Executive Director
Clay County Utility Authority
3176 Old Jennings Road
Middleburg, Florida 32068-3907

with a copy to:

Grady H. Williams, Jr., LL.M.
1279 Kingsley Avenue, Ste. 117
Orange Park, Florida 32073

If to the City, such notice shall be addressed to the City at:

Don Bowles
City Manager
City of Green Cove Springs
321 Walnut Street.
Green Cove Springs, Florida 32043

with a copy to:

L. J. Arnold, III Esq.
City Attorney
P.O. Box 1570
Green Cove Springs, Florida 32043-1570

6.3 The headings used are for convenience only and they shall be disregarded in the construction and interpretation of this Agreement.

6.4 The drafting of this Agreement constituted a joint effort of the parties and the Agreement's interpretation shall assume that no party had any more input or influence than any other. All words, terms, and conditions herein contained are to be read in concert, each with the other, and a provision contained under one heading may be considered to be equally applicable under another heading in the interpretation of this Agreement.

6.5 This Agreement is solely for the benefit of the parties to this Agreement and no other causes of action shall accrue upon or by reason hereof, to or for the benefit of any third party, who or which is not a formal party to this Agreement.

6.6 If any term or provision of this Agreement is determined by appropriate judicial authority to be illegal or otherwise invalid, such provision shall be given its nearest legal meaning or be construed as deleted, as such authority determines, and the remainder of this Agreement shall be construed to be in full force and effect.

6.7 In the event of any litigation that arises between the parties with respect to this Agreement, the prevailing party shall be entitled to reasonable attorney and paralegal fees and court costs at all trial and appellate levels; provided, however, this provision shall not be interpreted as a pledge of *ad valorem* tax revenues.

6.8 This Agreement may be amended only if executed in writing and signed by all of the parties to this Agreement.

6.9 This Agreement shall be governed by, and construed and interpreted in accordance with, the laws of the state of Florida.

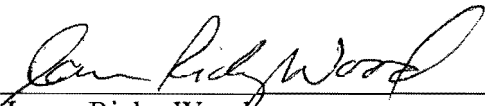
6.10 This Agreement shall be binding upon and inure to the benefit of the parties' successors and assigns. No party may assign its rights under this Agreement without the prior written consent of the other party.

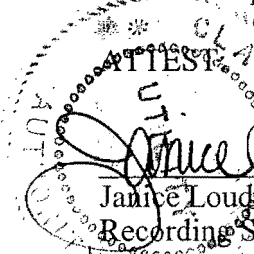
6.11 CCUA and the City shall each conduct hearings, provide notice to any party and adopt appropriate resolutions as may required by law in order to carry out the intent, purpose and terms of this Agreement.


6.12 This Interlocal agreement shall become effective upon filing same with the Clerk of the Circuit Court of Clay County as required by F.S. 163.01.

IN WITNESS WHEREOF, the parties have executed or have caused this Agreement to be duly executed in several counterparts, each of which counterpart shall be considered an original executed copy of this Agreement, the day and year first written above.


CLAY COUNTY UTILITY AUTHORITY

By: 
James Ricky Wood
Chairman



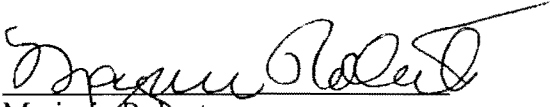

Janice Loudermilk
Recording Secretary

APPROVED AS TO FORM:

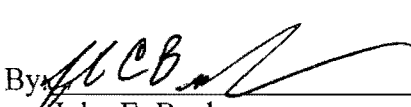

Grady H. Williams, Jr., Esq.

ATTEST:

CITY OF GREEN COVE SPRINGS

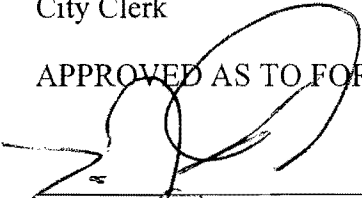


Marjorie Robertson
City Clerk

By 

John E. Buchanan
Mayor

APPROVED AS TO FORM:



L. J. Arnold, III
City Attorney

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Exhibit "A"

OR BOOK 1545 PAGE 0511

A track of land consisting of ± 13.06 acres located in Clay County, State of Florida in the N.W. of Section thirty eight (38), Township Six (6) south, Range twenty six(26) East and more particularly described as follows:

Commence at the center line of Green Cove Ave. at the intersection of Green Cove Ave. and County Road 15A. Thence south along County Road 15A a distance of 1120.5' to a point of beginning (P.O.B.) (iron pipe) continuing south along C.R. 15A 755.8' to an iron pipe (35.0' east of centerline of C.R. 15A) (CR#2) turn an angle of 89° 30' from P.O.B. and continue east a distance 284.8' to an iron pipe (CR#3) turn an angle of 110° 0' from CR#2 and continue north a distance of 161.55' to a brass cap set in concrete (CR#4) turn an angle of 270° 0' from CR#3 and continue east a distance of 287.1' to an iron pipe (CR#5) turn an angle of 189° 15' from CR#4 a distance of 32.9' to a brass cap set in concrete (CR#6) turn an angle of 199° 0' from CR#5 and continue south east 22.4' to a brass cap set in concrete (CR#7) turn an angle of 108° 45' from CR#6 continue east a distance of 15.2' to a brass cap set in concrete (CR#8) turn an angle of 146° 0' from CR#7 and continue north east a distance of 52.2' to an iron rod (CR#9) turn an angle of 238° 45' from CR#8 and continue a distance of 94.2' to an iron pipe (CR#10) turn an angle of 119° 0' from CR#9 and continue 475.2' to an iron pipe (CR#11) turn an angle of 82° 45' from CR#10 and continue a distance of 497.1' to an iron pipe (CR#12 located @ fence corner) turn an angle of 166° 0' and continue a distance of 583.0' to the Point Of Beginning.

SEE ATTACHED MAP

Exhibit "B"
Page 1 of 15



Clay County Utility Authority
Wastewater Department
3176 Old Jennings Road
Middleburg, Florida 32068-3907
Telephone (904) 272-5999
Facsimile (904) 213-2498
www.clayutility.org

*Working together to
protect public
health, conserve our
natural resources,
and create long-term
value for our
ratepayers.*

Permit No. GC 07-01

INDUSTRIAL USER PERMIT

In accordance with the provisions of section 4.2 of Clay County Utility Authority Resolution No. 97/98-11

Gustafsons, LLC
1950 SE Highway 484
Bellevue, Florida 34420

is hereby authorized to discharge industrial wastewater from the above identified facility and through the outfall identified herein into the Clay County Utility Authority sewer system in accordance with the conditions set forth in this permit. Compliance with this permit does not relieve the permittee of its obligation to comply with any or all applicable pretreatment regulations, standards or requirements under local, State, and Federal laws, including any such regulations, standards, requirements, or laws that may become effective during the term of this permit.

Noncompliance with any term or condition of this permit shall constitute a violation of the Clay County Utility Authority Resolution No. 97/98-11.

This permit shall become effective on **November 1, 2007** and shall expire at midnight on **November 1, 2012**.

If the permittee wishes to continue to discharge after the expiration date of this permit, an application must be filed for a renewal permit in accordance with the requirements of section 5.7 of Clay County Utility Authority Resolution No. 97/98-11, a minimum of 90 days prior to the expiration date.

[Official Seal of Control Authority]

By:
Ray O. Avery, Executive Director

Issued this 1st day of November, 2007

Exhibit "B"
Page 2 of 15

PART 1 - EFFLUENT LIMITATIONS

A. During the period of November 1, 2007 through November 1, 2012, the permittee is authorized to discharge process wastewater to the Green Cove Springs sewer system from the outfalls listed below.

Description of outfalls:

<u>Outfall</u>	<u>Descriptions</u>
D001	Wet well prior to pumping to City of Green Cove Springs system.

B. During the period of November 1, 2007 through November 1, 2012, the discharge from the process wastewater and domestic sources shall not exceed the following effluent limitations. Effluent at this location consists of flow from process waste and domestic waste..

EFFLUENT LIMITATIONS

<u>Parameter</u>	<u>Instantaneous Maximum (mg/l)</u>	<u>Daily Maximum (mg/L)</u>	<u>Monthly average (mg/l)</u>
COD ₅	200*	--	--
TSS	200*	--	--
Oil & Grease	100*	--	--
pH	6.5-8.5*	--	--
TKN	45*	--	--

* Limits are based on Section 78 of the Green Cove Springs Municipal Code.

C. The permittee shall not discharge wastewater containing any of the following substances from any of the outfalls:

1. At no time shall any biocides be discharged to the Green Cove Springs collection system.
2. Solids collected or produced in the facility including the pretreatment plant.
3. Fats, wax, grease, or oils of petroleum orig., whether emulsified or not, in excess of one hundred 100 mg/l or containing substances which may solidify or become viscous at temperatures between 32 degrees F (0 degrees C) and 140 degrees F (60 degrees C);
4. Any gasoline, benzene, naphtha, fuel oil or other flammable or explosive liquids, solids or gases unless otherwise noted in B above;
5. Any effluent having a temperature higher than 104 degrees F (40 degrees C);
6. Any ashes, cinders, sand, mud, straw, shavings, metal, glass, rags, feathers, tar, plastics, wood, paunch, manure, or any other solid or viscous substances capable of causing obstructions or other interferences with proper operation of the sewer system;
7. Any pollutant, including oxygen demanding pollutants (BOD etc.) at flow rates and/or concentrations which will cause the pollutant to pass through to the receiving waters or interfere with the City of Green Cove Springs wastewater treatment facility. For the purpose of this section, the terms pass through and interference have the same definitions as appear in Resolution No. 97/98-11.

D. All discharges shall comply with all other applicable laws, regulations, standards, and requirements contained in

Exhibit "B"
Page 3 of 15

Clay County Utility Authority Resolution No. 97/98-11, Green Cove Springs Municipal Code and any applicable State and Federal pretreatment laws, regulations, standards, and requirements including any such laws, regulations, standards, or requirements that may become effective during the term of this permit.

PART 2 - MONITORING REQUIREMENTS

A. From the period beginning on the effective date of the permit until the expiration date, the permittee shall monitor outfall D001 for the following parameters, at the indicated frequency:

<u>Sample Parameter (units)</u>	<u>Sample Location</u>	<u>Frequency</u>	<u>Sample Type</u>
Flow (gpd)	See note 2	Continuous	Meter
CBOD ₅ (mg/l)	See note 1 & note 3	1/Month	24 hour Composite
TSS (mg/l)	See note 1 & note 3	1/Month	24 hour Composite
Oil & Grease	See note 1	1/Month	Grab
pH	See note 1	1/Month	Meter/Grab
TKN	See note 1 & note 3	1/Month	24 hour Composite

Notes

1. Sample location consists of flow from all facility processes prior to discharge to the Green Cove Springs collection system.
2. Daily flows are to be recorded from the permittee's flow meter. Flow meter shall be equipped with totalizer and recording device. Average Annual Discharge flow rates are limited to 44 gpm from 7:00 am to 11:00pm and 175 gpm 11:00pm to 7:00 am. The 30 day moving average shall not exceed .125 MG. Maximum daily flow rates are limited to 53 gpm from 7:00 am to 11:00pm and 210 gpm 11:00pm to 7:00 am. The maximum daily flow shall not exceed .150 MG.
3. 24 hour composite samples shall be flow proportional.

B. All handling and preservation of collected samples and laboratory analyses of samples shall be performed in accordance with 40 CFR Part 136 and amendments thereto unless specified otherwise in the monitoring conditions of this permit.

Exhibit "B"
Page 4 of 15

PART 3 - REPORTING REQUIREMENTS

A. Monitoring Reports

Monitoring results obtained shall be summarized and reported on an Industrial User Monitoring Report Form once per month. The reports are due on the 28th day of each month following the respective monitoring period. The first report is due on December 28th, 2007 for November 2007. The report shall indicate the nature and concentration of all pollutants in the effluent for which sampling and analyses were performed during the calendar month preceding the submission of each report including measured maximum and average daily flows.

- B. If the permittee monitors any pollutant more frequently than required by this permit, using test procedures prescribed in 40 CFR Part 136 or amendments thereto, or otherwise approved by EPA or as specified in this permit, the results of such monitoring shall be included in any calculations of actual daily maximum or monthly average pollutant discharge and results shall be reported in the monthly report submitted to the Clay County Utility Authority. Such increased monitoring frequency shall also be indicated in the monthly report.

C. Automatic Resampling

If the results of the permittees wastewater analysis indicates that a violation of this permit has occurred, the permittee must:

1. Inform the Clay County Utility Authority of the violation within 24 hours; and
2. Repeat the sampling and pollutant analysis and submit, in writing, the results of this second analysis within 30 days of the first violation.

D. Accidental Discharge Report

1. The permittee shall notify the Clay County Utility Authority immediately upon the occurrence of an accidental discharge of substances prohibited by Resolution 97/98-11 or any slug loads or spills that may enter the public sewer. The Clay County Utility Authority should be notified by telephone at (904) 272-5999. The notification shall include location of discharge, date and time thereof, type of waste, including concentration and volume, and corrective actions taken. The permittees notification of accidental releases in accordance with this section does not relieve it of other reporting requirements that arise under local, State, or Federal laws.

Within five days following an accidental discharge, the permittee shall submit to the Clay County Utility Authority a detailed written report. The report shall specify:

- a. Description and cause of the upset, slug load or accidental discharge, the cause thereof, and the impact on the permittees compliance statues. The description should also include location of discharge, type, concentration and volume of waste.
- b. Duration of noncompliance, including exact dates and times of noncompliance and, if the noncompliance is continuing, the time by which compliance is reasonably expected to occur.

Exhibit "B"
Page 5 of 15

- c. All steps taken or to be taken to reduce, eliminate, and/or prevent recurrence of such an upset, slug load, accidental discharge, or other conditions of noncompliance.

- E. All reports required by this permit shall be submitted to the Clay County Utility Authority at the following address:

Clay County Utility Authority
Attn.: Pretreatment Coordinator
3176 Old Jennings Road
Middleburg, Florida 32068

PART 4 - SPECIAL CONDITIONS

SECTION 1 - ADDITIONAL/SPECIAL REQUIREMENTS.

- A. The permittee shall install, operate and maintain adequate treatment facilities to ensure compliance with the discharge limitations required in this permit.
- B. The treatment facilities shall be reviewed and approved by the control authority prior to commencement of discharge.
- C. Operation and Maintenance manuals shall be available and located on site.
- D. The permittee shall perform daily/monthly monitoring/sampling of their effluent to ensure they are in compliance with the provisions of this permit.

SECTION 2 - REOPENER CLAUSE

- A. This permit may be reopened and modified to incorporate any new or revised requirements contained in a National Categorical Pretreatment Standard.
- B. This permit may be reopened and modified to incorporate any new or revised requirements resulting from the Clay County Utility Authority's reevaluation of its local limits.
- C. This permit may be reopened and modified to incorporate any new or revised requirements developed by the Clay County Utility Authority as are necessary to ensure POTW compliance with any and all regulatory standards.

PART 5 - STANDARD CONDITIONS

SECTION A. GENERAL CONDITIONS AND DEFINITIONS

1. Severability

The provisions of this permit are severable, and if any provision of this permit, or the application of any provision of this permit to any circumstance, is held invalid, the application of such provision to other circumstances, and the remainder of this permit, shall not be affected thereby.

Exhibit "B"
Page 6 of 15

2. Duty to comply

The permittee must comply with all conditions of this permit. Failure to comply with the requirements of this permit may be grounds for administrative action, or enforcement proceedings including civil or criminal penalties, injunctive relief, and summary abatements.

3. Duty to mitigate

The permittee shall take all reasonable steps to minimize or correct any adverse impact to the public treatment plant or the environment resulting from noncompliance with this permit, including such accelerated or additional monitoring as necessary to determine the nature and impact of the noncomplying discharge.

4. Permit Modification

This permit may be modified for good causes including, but not limited to, the following:

- a. To incorporate any new or revised Federal, State, or local pretreatment standards or requirements.
- b. Material or substantial alterations or additions to the discharger's operation processes, or discharge volume or character which were not considered in drafting the effective permit.
- c. A change in any condition in either the industrial user or the POTW that requires either a temporary or permanent reduction or elimination of the authorized discharge.
- d. Information indicating that the permitted discharge poses a threat to the Control Authority's collection and treatment systems, POTW personnel or the receiving waters.
- e. Violation of any terms or conditions of the permit.
- f. Misrepresentation or failure to disclose fully all relevant facts in the permit application or in any required reporting.
- g. Revision of or a grant of variance from such categorical standards pursuant to 40 CFR 403.13.
- h. To correct typographical or other errors in the permit.
- i. To reflect transfer of the facility ownership and/or operation to a new/operator.
- j. Upon request of the permittee, provided such request does not create a violation of any applicable requirements, standards, laws, or rules and regulations.

The filing of a request by the permittee for a permit modification, revocation and reissuance, or termination, or a notification of planned changes or anticipated noncompliance, does not stay any permit condition.

Exhibit "B"
Page 7 of 15

5. Permit Termination

This permit may be terminated for the following reasons:

- a. Falsifying self-monitoring reports
- b. Tampering with monitoring equipment
- c. Refusing to allow timely access to the facility premises and records
- d. Failure to meet effluent limitations
- e. Failure to pay fines
- f. Failure to pay sewer charges
- g. Failure to meet compliance schedules

6. Permit Appeals

The permittee may petition to appeal the terms of this permit within thirty (30) days of the notice.

The petition must be in writing; failure to submit a petition for review shall be deemed to be a waiver of the appeal. In its petition, the permittee must indicate the permit provisions objected to, the reasons for this objection, and the alternative condition, if any, it seeks to be placed in the permit.

7. Property Rights

The issuance of this permit does not convey any property rights of any sort, or any exclusive privileges, nor does it authorize any injury to private property or any invasion of personal rights, nor any violation of Federal, State, or local laws or regulations.

8. Limitation on Permit Transfer

Permits may be reassigned or transferred to a new owner and/or operator with prior approval of the Clay County Utility Authority:

- a. The permittee must give at least thirty (30) days advance notice to the Clay County Utility Authority
- b. The notice must include a written certification by the new owner which:
 - (i) States that the new owner has no immediate intent to change the facility's operations and processes
 - (ii) Identifies the specific date on which the transfer is to occur
 - (iii) Acknowledges full responsibility for complying with the existing permit.

Exhibit "B"
Page 8 of 15

9. Duty to Reapply

If the permittee wishes to continue an activity regulated by this permit after the expiration date of this permit, the permittee must submit an application for a new permit at least 90 days before the expiration date of this permit.

10. Continuation of Expired Permits

An expired permit will continue to be effective and enforceable until the permit is reissued if:

- a) The permittee has submitted a complete permit application at least ninety (90) days prior to the expiration date of the user's existing permit.
- b) The failure to reissue the permit, prior to expiration of the previous permit, is not due to any act or failure to act on the part of the permittee.

11. Dilution

The permittee shall not increase the use of potable or process water or, in any way, attempt to dilute an effluent as a partial or complete substitute for adequate treatment to achieve compliance with the limitations contained in this permit.

12. Definitions

- a) Daily Maximum – The maximum allowable discharge of pollutant during a calendar day. Where daily maximum limitations are expressed in units of mass, the daily discharge is the total mass discharged over the course of the day. Where daily maximum limitations are expressed in terms of a concentration, the daily discharge is the arithmetic average measurement of the pollutant concentration derived from all measurements taken that day.
- b) Composite Sample – A sample that is collected over time, formed either by continuous sampling or by mixing discrete samples. The sample may be composited either as a time composite sample: composed of discrete sample aliquots collected in one container at constant time intervals providing representative samples irrespective of stream flow; or as a flow proportional composite sample: collected either as a constant sample volume at time intervals proportional to stream flow, or collected by increasing the volume of each aliquot as the flow increases while maintaining a constant time interval between the aliquots.
- c) Grab Sample – An individual sample collected in less than 15 minutes, without regard for flow or time.
- d) Instantaneous Maximum Concentration – The maximum concentration allowed in any single grab sample.
- e) Cooling Water –
 - (1) Uncontaminated: Water used for cooling purposes only which has no direct contact with any raw material, intermediate, or final product and which does not contain a level of contaminants detectably higher than that of the intake water.
 - (2) Contaminated: Water used for cooling purposes only which may become contaminated either through the use of water treatment chemicals used for corrosion inhibitors or biocides, or by direct contact with process materials and/or wastewater.
- f) Monthly Average – The arithmetic mean of the values for effluent samples collected during a

Exhibit "B"
Page 9 of 15

calendar month or specified 30 day period (as opposed to a rolling 30 day window).

- g) Weekly Average – The arithmetic mean of the values for effluent samples collected over a period of seven consecutive days.
- h) Bi-Weekly – Once every other week.
- i) Bi-Monthly – Once every other month
- j) Upset – Means an exceptional incident in which there is unintentional and temporary noncompliance with technology-based permit effluent limitations because of factors beyond the reasonable control of the permittee, excluding such factors as operational error, improperly designed or inadequate treatment facilities, or improper operation and maintenance or lack thereof.
- k) Bypass – Means the intentional diversion of wastes from any portion of a treatment facility.

13. General Prohibitive Standards

The permittee shall comply with all the general prohibitive discharge standards in Resolution 97/98-11. Namely, the industrial user shall not discharge wastewater to the sewer system:

- a) Having a temperature higher than 104 degrees F (40 degrees C);
- b) Containing more than 100 ppm by weight of fats, oils, and grease;
- c) Containing any gasoline, benzene, naphtha, fuel oil or other flammable or explosive liquids, solids or gases; and in no case pollutants with a closed cup flashpoint of less than one hundred forty (140) degrees Fahrenheit (60 C), or pollutants which cause an exceedance of 10 percent of the Lower Explosive Limit (LEL) at any point within the POTW.
- d) Containing any garbage that has not been ground by household type or other suitable garbage grinders;
- e) Containing any ashes, cinders, sand, mud, straw shavings, metal, glass, rags, feathers, tar, plastics, wood, paunch, manure, or any other solids or viscous substances capable of causing obstructions or other interferences with proper operation of the sewer system;
- f) Having a pH lower than 5.0 or higher than 12.5 unless otherwise noted in this Permit, or having any other corrosive property capable of causing damage or hazards to structures, equipment or personnel of the sewer system;
- g) Containing toxic or poisonous substances in sufficient quantity to injure or interfere with any wastewater treatment process, to constitute hazards to humans or animals, or to create any hazard in waters which receive treated effluent from the sewer system treatment plant. Toxic wastes shall include, but are not limited to wastes containing cyanide, chromium, cadmium, mercury, copper, and nickel ions;
- h) Containing noxious or malodorous gases or substances capable of creating a public nuisance; including pollutants which result in the presence of toxic gases, vapors, or fumes;
- i) Containing solids of such character and quantity that special and unusual attention is required for

Exhibit "B"
Page 10 of 15

their handling;

- j) Containing any substance which may affect the treatment plant's effluent and cause violation of the NPDES permit requirements;
- k) Containing any substance which would cause the treatment plant to be in noncompliance with sludge use, recycle or disposal criteria pursuant to guidelines or regulations developed under section 405 of the Federal Act, the Solid Waste Disposal Act, the Clean Air Act, the Toxic Substances Control Act or other regulations or criteria for sludge management and disposal as required by the State;
- l) Containing color which is not removed in the treatment processes;
- m) Containing any medical or infectious wastes;
- n) Containing any radioactive wastes or isotopes; or
- o) Containing any pollutant, including BOD pollutants, released at a flow rate and/or pollutant concentration which would cause interference with the treatment plant.

14. Compliance with Applicable Pretreatment Standards and Requirements

Compliance with this permit does not relieve the permittee from its obligations regarding compliance with any and all applicable local, State and Federal pretreatment standards and requirements including any such standards or requirements that may become effective during the term of this permit.

SECTION B. OPERATION AND MAINTENANCE OF POLLUTION CONTROLS

1. Proper Operation and Maintenance

The permittee shall at all times properly operate and maintain all facilities and systems of treatment and control (and related appurtenances) which are installed or used by the permittee to achieve compliance with the conditions of this permit. Proper operation and maintenance includes but is not limited to: effective performance, adequate funding, adequate operator staffing and training, and adequate laboratory and process controls, including appropriate quality assurance procedures. This provision requires the operation of back-up or auxiliary facilities or similar systems only when necessary to achieve compliance with the conditions of the permit.

2. Duty to Halt or Reduce Activity

Upon reduction of efficiency of operation, or loss or failure of all or part of the treatment facility, the permittee shall, to the extent necessary to maintain compliance with its permit, control its production or discharges (or both) until operation of the treatment facility is restored or an alternative method of treatment is provided. This requirement applies, for example, when the primary source of power of the treatment facility fails or is reduced. It shall not be a defense for a permittee in an enforcement action that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance with the conditions of this permit.

3. Bypass of Treatment Facilities

- a) Bypass is prohibited unless it is unavoidable to prevent loss of life, personal injury, or severe property damage or no feasible alternatives exist.
- b) The permittee may allow bypass to occur which does not cause effluent limitations to be exceeded, but only if it is also for essential maintenance to assure efficient operation.

Exhibit "B"
Page 11 of 15

- c) Notification of bypass:
- (1) Anticipated bypass. If the permittee knows in advance of the need for a bypass, it shall submit prior written notice, at least ten days before the date of the bypass, to the Clay County Utility Authority
 - (2) Unanticipated bypass. The permittee shall immediately notify the Clay County Utility Authority and submit a written notice to the POTW within 5 days. This report shall specify:
 - (i) A description of the bypass, and its cause, including its duration;
 - (ii) Whether the bypass has been corrected; and
 - (iii) The steps being taken or to be taken to reduce, eliminate and prevent a reoccurrence of the bypass.

4. Removed Substances

Solids, sludges, filter backwash, or other pollutants removed in the course of treatment or control of wastewaters shall be disposed of in accordance with section 405 of the Clean Water Act and Subtitles C and D of the Resource Conservation and Recovery Act.

SECTION C. MONITORING AND RECORDS

1. Representative Sampling

Samples and measurements taken as required herein shall be representative of the volume and nature of the monitored discharge. All samples shall be taken at the monitoring points specified in this permit and, unless otherwise specified, before the effluent joins or is diluted by any other waste stream, body of water or substance. All equipment used for sampling and analysis must be routinely calibrated, inspected and maintained to ensure their accuracy. Monitoring points shall not be changed without notification to and the approval of the Clay County Utility Authority.

2. Flow Measurements

If flow measurement is required by this permit, the appropriate flow measurement devices and methods consistent with approved scientific practices shall be selected and used to ensure the accuracy and reliability of measurements of the volume of monitored discharges. The devices shall be installed, calibrated, and maintained to ensure that the accuracy of the measurements are consistent with the accepted capability of that type of device. Devices selected shall be capable of measuring flows with a maximum deviation of less than 10 percent from true discharge rates throughout the range of expected discharge volumes.

3. Analytical Methods to Demonstrate Continued Compliance

All sampling and analysis required by this permit shall be performed in accordance with the techniques prescribed in 40 CFR Part 136 and amendments thereto, otherwise approved by EPA, or as specified in this permit.

4. Additional Monitoring by the Permittee

If the permittee monitors any pollutant more frequently than required by this permit, using test procedures identified in Section C.3, the results of this monitoring shall be included in the permittee's self-monitoring reports.

Exhibit "B"
Page 12 of 15

5. Inspection and Entry

The permittee shall allow the Clay County Utility Authority, or an authorized representative, upon the presentation of credentials and other documents as may be required by law, to:

- a) Enter upon the permittee's premises where a regulated facility or activity is located or conducted, or where records must be kept under the conditions of this permit;
- b) Have access to and copy, at reasonable times, any records that must be kept under the conditions of this permit;
- c) Inspect at reasonable times any facilities, equipment (including monitoring and control equipment), practices, or operations regulated or required under this permit;
- d) Sample or monitor, for the purposes of assuring permit compliance, any substances or parameters at any location; and
- e) Inspect any production, manufacturing, fabricating, or storage area where pollutants, regulated under the permit, could originate, be stored, or be discharged to the sewer system.

6. Retention of Records

- a) The permittee shall retain records of all monitoring information, including all calibration and maintenance records and all original strip chart recordings for continuous monitoring instrumentation, copies of all reports required by this permit, and records of all data used to complete the application for this permit, for a period of at least three years from the date of the sample, measurements, report or application.

This period may be extended by request of the Clay County Utility Authority at any time.

- b) All records that pertain to matters that are the subject of special orders or any other enforcement or litigation activities brought by the Clay County Utility Authority shall be retained and preserved by the permittee until all enforcement activities have concluded and all periods of limitation with respect to any and all appeals have expired.

7. Record Contents

Records of sampling and analyses shall include:

- a) The date, exact place, time, and methods of sampling or measurements, and sample preservation techniques or procedures;
- b) Who performed the sampling or measurements;
- c) The date(s) analyses were performed;
- d) Who performed the analyses;
- e) The analytical techniques or methods used; and
- f) The results of such analyses.

Exhibit "B"
Page 13 of 15

8. Falsifying Information

Knowingly making any false statement on any report or other document required by this permit or knowingly rendering any monitoring device or method inaccurate, is a crime and may result in the imposition of criminal sanctions and/or civil penalties.

SECTION D. ADDITIONAL REPORTING REQUIREMENTS

1. Planned Changes

The permittee shall give notice to the Clay County Utility Authority 90 days prior to any facility expansion, production increase, or process modifications which results in new or substantially increased discharges or a change in the nature of the discharge.

2. Anticipated Noncompliance

The permittee shall give advance notice to the Clay County Utility Authority of any planned changes in the permitted facility or activity which may result in noncompliance with permit requirements.

3. Automatic Resampling

If the results of the permittee's wastewater analysis indicates a violation has occurred, the permittee must notify the Clay County Utility Authority within 24 hours of becoming aware of the violation and repeat the sampling and pollutant analysis and submit, in writing, the results of this repeat analysis within 30 days after becoming aware of the violation.

4. Duty to Provide Information

The permittee shall furnish to the Clay County Utility Authority within 10 days any information which the Clay County Utility Authority may request to determine whether cause exists for modifying, revoking and reissuing, or terminating this permit, or to determine compliance with this permit. The permittee shall also, upon request, furnish to the Clay County Utility Authority within 10 days copies of any records required to be kept by this permit.

5. Signatory Requirements

All applications, reports, or information submitted to the Clay County Utility Authority must contain the following certification statement and be signed as required in Sections (a), (b), (c) or (d) below:

"I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations."

- a) By a responsible corporate officer, if the Industrial User submitting the reports is a corporation. For the purpose of this paragraph, a responsible corporate officer means:
 - (i) a president, secretary, treasurer, or vice-president of the corporation in charge of a principal business function, or any other person who performs similar policy- or decision-making functions for the corporation, or;

Exhibit "B"
Page 14 of 15

- (ii) the manager of one or more manufacturing, production, or operation facilities employing more than 250 persons or having gross annual sales or expenditures exceeding \$25 million, if authority to sign documents has been assigned or delegated to the manager in accordance with corporate procedures.
- b) By a general partner or proprietor if the Industrial User submitting the reports is a partnership or sole proprietorship respectively.
- c) The principal executive officer or director having responsibility for the overall operation of the discharging facility if the Industrial User submitting the reports is a Federal, State, or local governmental entity, or their agents.
- d) By a duly authorized representative of the individual designated in paragraph (a), (b), or (c);
 - (i) the authorization is made in writing by the individual described in paragraph (a), (b), or (c);
 - (ii) the authorization specifies either an individual or a position having responsibility for the overall operation of the facility from which the Industrial Discharge originates, such as the position of plant manager, operator of a well, or a well field superintendent, or a position of equivalent responsibility, or having overall responsibility for environmental matters for the company; and
 - (iii) the written authorization is submitted to the City.
- e) If an authorization under paragraph (d) of this section is no longer accurate because a different individual or position has responsibility for the overall operation of the facility, or overall responsibility for the environmental matters for the company, a new authorization satisfying the requirements of paragraph (d) of this section must be submitted to the Clay County Utility Authority prior to or together with any reports to be signed by an authorized representative.

6. Operating Upsets

Any permittee that experiences an upset in operations that places the permittee in a temporary state of noncompliance with the provision of either this permit or with any section of Resolution 97/98-11, shall inform the Clay County Utility Authority within 24 hours of becoming aware of the upset at (904) 272-5999.

A written follow-up report of the upset shall be filed by the permittee with the Clay County Utility Authority within five days. The report shall specify:

- a) Description of the upset, the cause(s) thereof and the upset's impact on the permittee's compliance status;
- b) Duration of noncompliance, including exact dates and times of noncompliance, and if not corrected, the anticipated time the noncompliance is expected to continue; and
- c) All steps taken or to be taken to reduce, eliminate and prevent recurrence of such an upset.

The report must also demonstrate that the treatment facility was being operating in an appropriate manner.

A documented and verified operating upset shall be an affirmative defense to any enforcement action brought against

Exhibit "C"

SECTION 14. ABNORMAL STRENGTH WASTE SURCHARGE FACTOR.

For those Customers which the Utility has agreed to serve and either Customer or the Utility has determined that the strength of the sewage is greater than 200 parts per million ("ppm") of biochemical oxygen demand ("BOD") or chemical oxygen demand ("COD"), or total suspended solids ("TSS"), then an abnormal strength surcharge will be applied to the quarterly bill. Biochemical oxygen demand or "BOD" means the quantity of oxygen in the biochemical oxidation of the organic matter in the wastewater under standard laboratory procedures in five (5) days at twenty degrees centigrade (20 degrees C), expressed in milligrams per liter. The BOD shall be determined in accordance with procedures set forth in the Standard Methods for the Examination of Water and Wastewater, 18th Edition. The greater concentration of either BOD or COD will be used in the surcharge calculation but not both. The surcharge factor is calculated in the following manner:

Average concentration BOD plus average concentration TSS divided by 400. Multiply the quotient by the wastewater consumption charge to account for the higher BOD and TSS concentrations.

Example:

$[(x+y)/400]*a = \text{Adjusted Wastewater Consumption Charge}$

Where:

x = Average concentration, BOD or COD

y = Average concentration, TSS

a = Normal wastewater consumption charge.



Clay County Utility Authority

3176 Old Jennings Road
Middleburg, Florida 32068-3907
Telephone (904) 272-5999
Facsimile (904) 213-2498
www.clayutility.org

Daily 4-5-08

1/4/08
*Working together to
protect public health,
conserve our natural
resources, and create
long-term value for
our ratepayers.*

October 5, 2007

Mrs. Martina C. Kohler
Town Manager
Town of Penney Farms
P.O. Box 1041
Penney Farms, Florida 32079-1041

Re: Transmittal of Interlocal Agreement between the Clay County Utility Authority and the
~~Town of Penney Farms.~~


Dear Mrs. Kohler:

At our regular meeting on Tuesday, October 2, 2007, the Clay County Utility Authority Board of Supervisors approved the Interlocal Agreement between the Clay County Utility Authority and the Town of Penney Farms for wholesale wastewater service to the Town of Penney Farms. Enclosed is a fully executed copy for your use and records.

Keep up informed as your design progresses. I would like to know your estimated timeline from now until you divert your flow to us.

Please feel free to contact me at (904) 213-2401, or via e-mail at ravery@clayutility.org, if you have any questions or require any additional information.

Very truly yours,
CLAY COUNTY UTILITY AUTHORITY


Ray O. Avery
Executive Director

ROA/mlr
Enclosure

INTERLOCAL AGREEMENT

THIS INTERLOCAL AGREEMENT ("Agreement") is made and entered into this 14th day of September 2007, by and between the **Clay County Utility Authority** ("CCUA"), a local governmental body, corporate and politic, whose address is 3176 Old Jennings Road, Middleburg, Florida 32068-3907 and the **Town of Penney Farms** ("Town"), a municipal corporation, whose address is 4100 Clark Avenue, P.O. Box 1041, Penney Farms, Florida 32079-1041.

WITNESSETH

WHEREAS, Section 163.01, Florida Statutes, otherwise known as the Florida Interlocal Cooperation Act of 1969 ("Act"), permits local governmental units to make the most efficient use of their powers by enabling them to cooperate with other localities on a basis of mutual advantage and provide services and facilities in a manner that accords best with geographic, economic, population, and other factors influencing the needs and development of local communities;

WHEREAS, CCUA and the Town are entering into this Agreement pursuant to the Act;

WHEREAS, CCUA owns and operates water, wastewater, and reclaimed water facilities in Clay County, Florida pursuant to Special Act 94-491;

WHEREAS, the Town desires to take advantage of the expertise and resources of CCUA through the use of CCUA's existing wastewater treatment and disposal facilities, which require the construction by the Town of a master pumping station and transmission mains;

WHEREAS, by entering into this Agreement CCUA and the Town intend to assist each other with the public facilities and services needed to treat the existing wastewater flows and the wastewater flows from future development in the Town concurrent with the impact of such development;



WHEREAS, CCUA and the Town believe this Agreement is in the best interest of existing and potential future customers located within the corporate limits of the Town, that duplication of facilities will be avoided, that economies of scale in the expansion of existing facilities will be accomplished, and the public health, safety and welfare of residents and businesses located in Clay County will be promoted;

NOW, THEREFORE, in consideration of the mutual covenants, promises and conditions contained herein, it is mutually agreed by and between the parties to this Agreement as follows:

**Article I
Recitals**

1.1 The recitals contained above are true and correct.

**Article II
Intent and Purpose**

2.1 CCUA and the Town desire to provide cost efficient wastewater transmission, treatment, and disposal service to existing and potential customers within the corporate limits of the Town through the use of CCUA's wastewater treatment and disposal facilities.

**Article III
Findings**

3.1 The Town is a community that is served by a central wastewater system formerly owned by Penney Retirement Community ("PRC") or by septic tanks. The ownership and operation of the system has been assumed by the Town. Without a central wastewater system for areas within the Town's corporate boundaries, future development in the Town will be greatly restricted and environmental concerns due to the continued use of septic tank systems will increase. Elimination of septic tanks as a method of disposing of wastewater is encouraged by applicable law. Engineers retained by the Town have recommended the construction of a master pumping station in the Town,

the Town's assumption of PRC's responsibility regarding wastewater treatment and disposal service, and eventually after completion and connection to the system, the treatment and disposal of the Town's wastewater by CCUA.

3.2 CCUA was created in 1994 as an independent special authority with the overall responsibility to provide water, wastewater, and reclaimed water services within certain areas of Clay County, Florida ("Clay County"). The jurisdiction of CCUA is virtually all unincorporated Clay County. More specifically, CCUA is charged with the overall responsibility for and has the exclusive power to provide water, wastewater, and reclaimed water services within the unincorporated areas of Clay County.

3.3 Special Act 94-491 finds that extensive growth of population and attendant commerce throughout Clay County has given rise to public health and water supply concerns because many areas of unincorporated Clay County are not served by water and wastewater facilities provided for and maintained by governmental agencies, but instead are served by private wells and privately owned package sewage treatment plants or septic tanks. Further, the proliferation of such package sewage treatment plants and use of septic tanks poses a significant risk of contamination of water supply sources in both incorporated and unincorporated areas of Clay County.

3.4 CCUA has the operational experience to design, construct, and maintain a wastewater treatment and disposal system for the benefit of the residents of the Town now and in the future.

3.5 The Town has secured grants from governmental entities to construct the facilities contemplated by this Agreement, which include a master pumping station and transmission mains to connect to CCUA's facilities.

3.6 The transmission mains are intended to consist of parallel wastewater force mains, 8" and 10" in diameter, with connecting valving, constructed from the master pumping station to a point

of connection (as defined herein) (see conceptual map attached hereto as Exhibit "A"). Subject to Section 5.4, the capacity to be reserved for the Town in the transmission mains is to be 0.233 million gallons per day ("MGD"), based on the most recent three months daily average flow.

Article IV Term

4.1 The term of this Agreement with respect to the wastewater treatment and disposal service provided by CCUA shall be indefinite. Subject to Section 5.7, the term of this Agreement with regard to the joint ownership of the transmission mains shall be 20 years from substantial completion of the transmission mains, unless modified by the parties in accordance with Section 8.8 of this Agreement, or unless modified in order to comply with the terms and conditions of any governmental loans or grants. Except as otherwise provided herein, the joint ownership of the transmission mains shall include only the transmission mains located outside the current limits of the Town that will be paid for and installed by the Town. The transmission mains that will be installed, both in and outside the Town are shown in Exhibit "A" and referred therein as new 8" & 10" force mains. The collection lines located within the Town and used to transport wastewater to the master pump station shall be owned by the Town. The current limits of the Town are shown on Exhibit "B". The transmission lines located within the Town, but used to transport wastewater from the Town's master pumping station to CCUA's Wastewater Treatment Plant shall be jointly owned by the Town of Penney Farms and CCUA, but maintained by and at the expense of CCUA.

4.2 As used herein the Town's Wastewater System shall include but not be limited to the collection lines, lift stations and such other items needed to move wastewater to the master pump station located within the Town of Penney Farms.

Article V
Responsibilities and Rights Associated with Town's Wastewater System, Transmission Mains, and Wholesale Wastewater Service

5.1 The Town's responsibilities with respect to the Town's wastewater system, and wastewater service shall be as follows:

5.1.1 To secure all funding necessary to construct the Town's wastewater system and the transmission mains;

5.1.2 To have the transmission main designed by Mittauer & Associates, Inc., a Florida licensed engineering company, which company has been selected by the Town's required bid process to prepare the construction plans in accordance with CCUA's specifications and details for same;

5.1.3 To secure all permits for the Town's wastewater system and the transmission mains required by all agencies and CCUA;

5.1.4 To require a Florida licensed underground utility contractor, selected by the grant requirements for the bid process, to install the transmission mains in accordance with plan designed by Mittauer & Associates, Inc. and approved by CCUA.

5.1.5 To allow CCUA's representatives to inspect the construction and installation of the transmission mains.

To require a two-year warranty and two-year maintenance warranty bond from the contractor who installs the transmission mains and to enforce the warranty in the event defects in materials and workmanship are detected within the two-year warranty period. Work by CCUA to protect public health and welfare which the parties agree are the result of a warranty issue shall be reimbursed to CCUA by the contractor or the maintenance bond surety.

5.1.6 Both parties agree that this Interlocal Agreement is contingent upon securing easements to accommodate the route of the transmission mains. The Town agrees to use its best effort and influence to secure the easements necessary to accommodate the transmission mains. Failure of the parties hereto, to secure easements will void this Interlocal Agreement;

5.1.7 Once the Town's wastewater system and the transmission mains are placed in service, to pay CCUA a bulk service rate based on metered flows equal to 76.8% of the rate table applicable to the Town's service area, as such may be modified. Presently, this rate table is known as CCUA's Mid-Clay System Rates and a copy is attached hereto as Exhibit "C";

5.1.8 To comply with CCUA's rate resolution and service availability policy, as such may be modified;

5.1.9 To pay additional capacity charges when the capacity levels reserved in this Agreement have been reached, at a rate to be mutually agreed upon by the Town and CCUA;

5.1.10 To provide for accurate metering of wastewater flows at all times. The flow meter shall be calibrated by the Town at its expense at least annually. CCUA may request a meter test at any time and if the flow meter is out of accuracy compliance within the parameters set by the American Water Works Association ("AWWA") or any other applicable industry standard agreed to by the parties, billing will be adjusted accordingly and the Town shall pay the entire cost of the meter test; otherwise, if the flow meter is accurate within the foregoing standards, CCUA shall pay the entire cost of the meter test. The meter shall be designed so that it can be removed for testing or repairs without interrupting service to the Town;

5.1.11 At such time as CCUA is entitled to be the sole owner of the transmission lines subject to this Agreement, to sign all documents for transfer or assignment of ownership of the

transmission mains to CCUA in its individual name, including assignment of all warranties, maintenance bonds, bill of sale, owner's affidavit, and other reasonably requested documents;

5.1.12 To operate and maintain the Town's wastewater system;

5.1.13 To transfer to CCUA all easements secured for the transmission mains;

5.1.14 To execute all documents and perform such other actions as are reasonably necessary to carry out the intent and purpose of this Agreement.

5.1.15 The Town shall be responsible for, at its expense, the audit requirements of all applicable governmental grants and/or governmental loans, which may have special audit provisions, if any, associated with grants and/or government loans obtained by the Town for the construction of the transmission mains.

5.2 CCUA's responsibilities with respect to the Town's wastewater system, the transmission mains, and providing wastewater service shall be as follows:

5.2.1 To review and approve all plans for the Town's master pumping station, the Town's metering of flow design, and the transmission mains;

5.2.2 To attend all pre-construction conferences concerning installation of the Town's master pumping station, flow meter installation, and the transmission mains;

5.2.3 To inspect and observe all testing of the transmission mains in the same manner as other developer installed mains for which CCUA accepts ownership;

5.2.4 To administer close out of the project for final acceptance to activate service;

5.2.5 To operate, maintain, and repair the transmission mains downstream of the master pumping station and wastewater treatment plant servicing the Town;

5.2.6 To provide wastewater treatment plant and disposal capacity to meet the capacity paid for and reserved by the Town;

5.2.7 To sign permitting documentation for the future modifications and connections to the transmission mains;

5.2.8 To connect other developments outside of the limits of the Town as the need for service arises, provided, however, such other connections do not prevent the Town's immediate use of its reserved capacity when such capacity is needed;

5.2.9 Both parties agree that this Interlocal Agreement is contingent upon securing easements to accommodate the route of the transmission mains. CCUA agrees to use its best effort and influence to secure the easements necessary to accommodate the transmission mains. Failure of the parties hereto, to secure easements will void this Interlocal Agreement;

5.2.10 To provide locate services for the transmission mains for third-party construction in the area and respond to all Sunshine State One Call notices for the transmission mains once the transmission mains are accepted for ownership and maintenance by the Town and CCUA;

5.2.11 To invoice the Town for wastewater treatment and disposal services rendered;

5.2.12 After completion of the construction of the transmission mains to perform maintenance and repairs to the transmission mains at CCUA's expense except that it shall be the Town's responsibility to enforce all warranties associated with the transmission mains during the warranty period and require contractor or surety reimbursement to CCUA for cost it incurs for warranty items;

5.2.13 To execute such other documents and perform such other actions as are reasonably necessary to carry out the intent and purpose of this Agreement;

5.2.14 To include the Town as an additional insured on all insurance policies insuring or otherwise providing coverage with respect to the transmission mains.

5.3 CCUA's connection charges and downstream force main cost share charges associated with 75,000 GPD of flow equals \$562,121 [(75,000 ÷ 311 GPD per equivalent residential connection ("ERC") = 241 ERC's x \$2,255 per ERC) + (241 ERC's x \$76 per ERC downstream transmission mains cost share)]. In consideration for the Town's consent for CCUA to connect other developments to the transmission mains, CCUA shall defer collection of the above-referenced connection and cost share charges and CCUA will collect those charges from the developments outside of the Town that connect to and use the interim available capacity of the transmission mains. CCUA shall not allow connections that would prevent the Town's immediate use of its reserved capacity when such capacity is needed. The parties intend that CCUA may accept other connections to the transmission mains during such time as the Town is not using its reserved capacity. In the event that CCUA accepts connections to the transmission mains by third parties that results in the transmission mains reaching capacity prior to the Town using its reserved capacity of 0.233 MGD, CCUA shall, at its expense and without any additional expense to the Town, implement such improvements to the transmission mains that will permit the Town to fully utilize its reserve capacity.

5.4 In recognition that the Town initially needs flow capacity of only 75,000 GPD, after flow capacity of 75,000 GPD has been reached, based on the most recent three month average daily flow, CCUA will invoice additional connection charges to the Town in minimum blocks of 25,000 GPD of capacity. As each cumulative capacity level is reached, the same procedure will be used to invoice for the next block of wastewater treatment plant capacity. With regard to the transmission mains capacity, approximately one year prior to the time when the reserved capacity of 0.233 MGD is expected to be reached, CCUA will determine what improvements must be made to the transmission mains in order to accept from the Town additional flow in excess of 0.233 MGD and,

thereafter, deliver a proposal to the Town for making these improvements. If the Town agrees to proceed with the recommended improvements, this Agreement will be modified to reflect the additional capacity reserved by the Town and the terms for payment by the Town for such capacity. If CCUA and the Town do not agree upon terms for the incremental increases over and above the capacity reserved under this Agreement, flows from the Town shall not exceed the levels reserved herein, whether for wastewater treatment and disposal plant capacity or for the transmission mains capacity;

5.5 CCUA and the Town, to the maximum extent possible, shall ensure compliance with Section 381.00655, Florida Statutes.

5.6 CCUA and the Town shall jointly own the transmission mains, subject to the terms of this Agreement.

5.7 For the purpose of this Section 5.5, CCUA and the Town agree and acknowledge that the terms of applicable governmental grants may prohibit the transfer of the assets subject to the governmental grants, without the Governmental agency's consent, prior to the expiration of the assets' expected useful life, which is 20 years from substantial completion and placing the transmission mains in service. At the earlier of 20 years from the substantial completion and placing of the transmission main in service or such other time as may be required under any applicable governmental grants, ownership of the transmission mains shall automatically vest solely in CCUA without further action by either CCUA or the Town, and CCUA shall assume sole responsibility for the transmission mains.

Article VI
Rates and Charges

6.1 Modification to the rates and charges to be imposed for services rendered pursuant to this Agreement shall be determined by CCUA; however, the Town shall receive (i) written notice of any public hearing conducted by CCUA in which rates or charges with respect to wastewater service to the Town are scheduled to be on the Agenda with the right to attend and provide comment thereto, and (ii) upon request by the Town, copies of any documentation in the possession and control of CCUA and upon which CCUA intends to rely with respect to establishing rates or charges with respect to the wastewater service.

Article VII
Enforcement of Agreement

7.1 The parties stipulate that damages resulting from a breach of this Agreement cannot be reasonably ascertained, in part, because of the uncertainty of the revenue to be derived from providing wastewater service. The parties also stipulate that lengthy litigation to avail a party of the provisions of this Agreement undermines the intent and purpose of this Agreement, particularly in consideration of the significant capital investments to be made.

7.2 If a party breaches this Agreement, the other party may notify the breaching party of such breach by delivering written notice to the breaching party as set forth in Section 8.2 of this Agreement. Such notice shall identify the breach complained of and request that the breaching party cease and desist from continuing such breach and, if applicable, that the breaching party cure such breach. If, within 30 days after delivery of the written notice, the breaching party fails to acknowledge the breach or acknowledges the breach, but fails to cease and desist from continuing such breach or, if applicable, fails to cure such breach, the other party may institute an action to enjoin the breaching party from continuing such breach of this Agreement and shall be entitled to

relief without a showing of irreparable harm. The parties stipulate that proof of a breach of this Agreement shall be sufficient for a court of competent jurisdiction to (i) enter an injunction prohibiting the breaching party from continuing such breach of this Agreement, (ii) require a cure of such breach, and (iii) award such other relief as is necessary and consistent to carry out the intent and purpose of this Agreement.

Article VIII Miscellaneous Provisions

8.1 This Agreement and any documents referenced herein collectively embody the entire agreement and understanding between the parties and there are no other agreements or understandings, oral or written, with reference to this Agreement that are not merged into and superseded by this Agreement. This Agreement may be executed in one or more counterparts, each of which shall be considered an original.

8.2 Any notice or other document required or allowed to be given pursuant to this Agreement by any party to another shall be in writing and shall be delivered personally, or by recognized overnight courier or sent by certified mail, postage prepaid, return receipt requested, or by facsimile transmission with written confirmation.

If to CCUA, such Notice shall be addressed to CCUA at:

Ray O. Avery, Executive Director
Clay County Utility Authority
3176 Old Jennings Road
Middleburg, Florida 32068-3907
with a copy to:

Grady H. Williams, Jr., LL.M.
1543 Kingsley Avenue, Building 5
Orange Park, Florida 32073

If to the City, such notice shall be addressed to the City at:

Martina C. Kohler, Town Manager
Town of Penney Farms
4100 Clark Avenue
P. O. Box 1041
Penney Farms, Florida 32079-1041

with a copy to:

Law Office of Suzanne C. Quinonez, P.A.
P. O. Box 130
Middleburg, Florida 32050

8.3 The headings used are for convenience only and they shall be disregarded in the construction and interpretation of this Agreement.

8.4 The drafting of this Agreement constituted a joint effort of the parties and the Agreement's interpretation shall assume that no party had any more input or influence than any other. All words, terms, and conditions herein contained are to be read in concert, each with the other, and a provision contained under one heading may be considered to be equally applicable under another heading in the interpretation of this Agreement.

8.5 This Agreement is solely for the benefit of the parties to this Agreement and no other causes of action shall accrue upon or by reason hereof, to or for the benefit of any third party, who or which is not a formal party to this Agreement.

8.6 If any term or provision of this Agreement is determined by appropriate judicial authority to be illegal or otherwise invalid, such provision shall be given its nearest legal meaning or be construed as deleted, as such authority determines, and the remainder of this Agreement shall be construed to be in full force and effect.

8.7 In the event of any litigation that arises between the parties with respect to this Agreement, the prevailing party shall be entitled to reasonable attorney and paralegal fees and court

costs at all trial and appellate levels; provided, however, this provision shall not be interpreted as a pledge of *ad valorem* tax revenues.

8.8 This Agreement may be amended only if executed in writing and signed by all of the parties to this Agreement.

8.9 This Agreement shall be governed by, and construed and interpreted in accordance with, the laws of the State of Florida.

8.10 This Agreement shall be binding upon and inure to the benefit of the parties' successors and assigns. No party may assign its rights under this Agreement without the prior written consent of the other party.

8.11 CCUA and the Town shall each conduct hearings, provide notice to any party and adopt appropriate resolutions as may required by law in order to carry out the intent, purpose and terms of this Agreement.

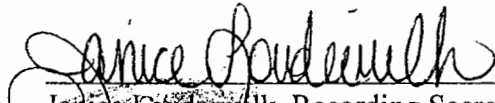
8.12 CCUA shall save and hold harmless the Town from any and all losses or damages, claims, demands, deficiencies, liabilities, obligations, costs and/or expenses, including attorney's fees, suffered by the Town, whether accrued, absolute, contingent or otherwise, and which result from any material breach by CCUA of any of its covenants or obligations under this Agreement. The Town shall save and hold harmless CCUA from any and all losses or damages, claims, demands, deficiencies, liabilities, obligations, costs and/or expenses, including attorney's fees, suffered by CCUA, whether accrued, absolute, contingent or otherwise, and which result from any material breach by the Town of any of its covenants or obligations under this Agreement.

IN WITNESS WHEREOF, the parties have executed or have caused this Agreement to be duly executed in several counterparts, each of which counterpart shall be considered an original

executed copy of this Agreement, the day and year first written above.

ATTEST:

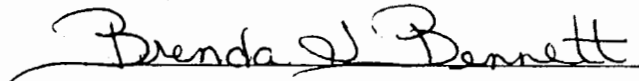
CLAY COUNTY UTILITY AUTHORITY


Janice Coudermilk, Recording Secretary

By: 
James R. Wood, Chairman

ATTEST:

TOWN OF PENNEY FARMS


Brenda J. Bennett, Clerk

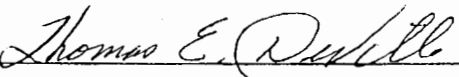
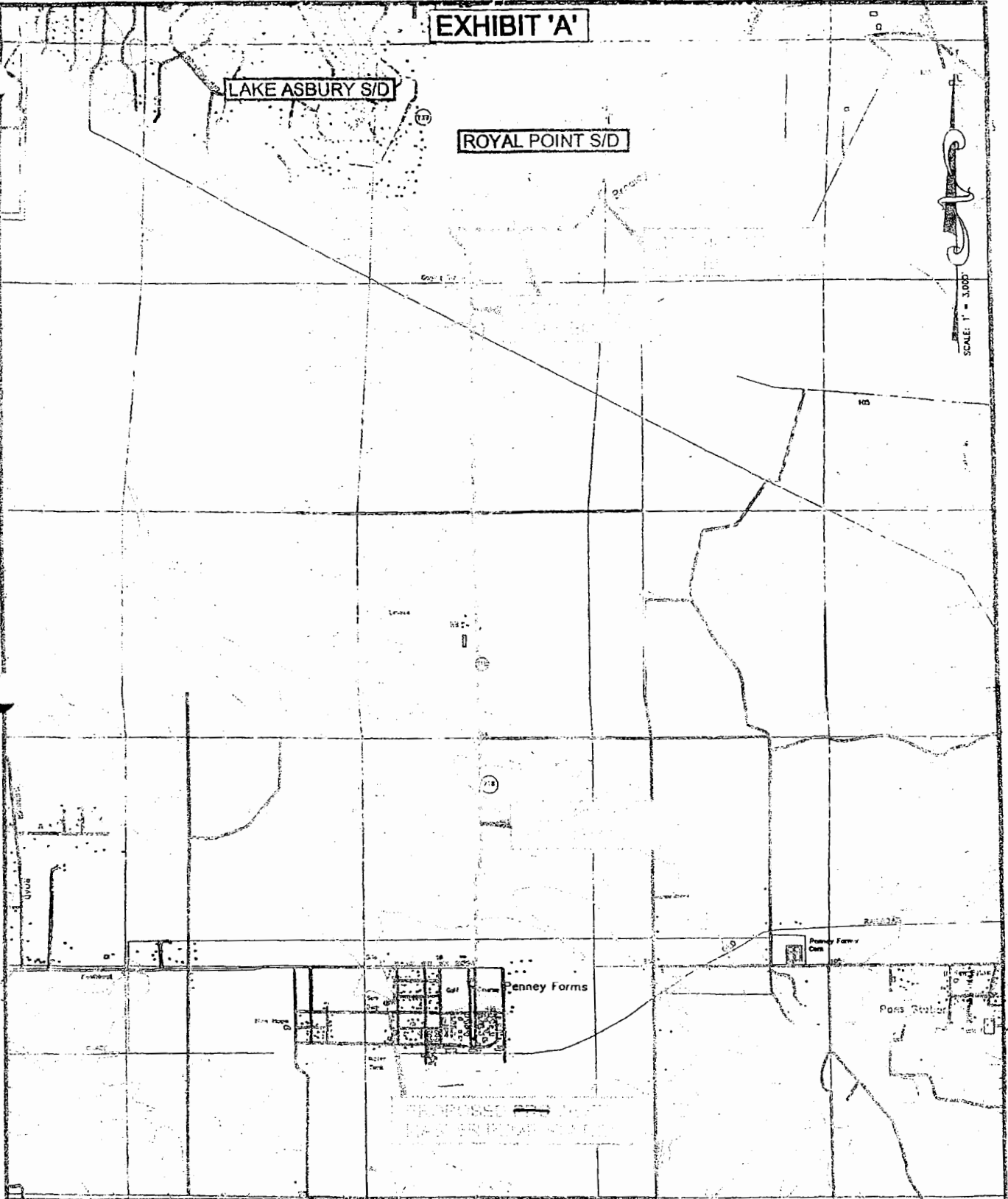
By: 
Thomas E. DeVillo, Mayor

EXHIBIT 'A'

LAKE ASBURY S/D

ROYAL POINT S/D



CLAY COUNTY
UTILITY AUTHORITY

PROJECT:
CONCEPTUAL FORCEMAIN ROUTING
PLAN FROM PENNEY FARMS TO
MID-CLAY WWTP SERVICE AREA

BY:

ACAD FILE NAME
PENNLKASB.DWG
DRAWING NO.