

# City of New Port Richey

"The Gateway To Tropical Florida"

5919 Main Street, New Port Richey, Florida 34652

September 2, 2009

Suzannah J. Folsom, P.E.  
Project Manager  
Tampa Bay Water  
2575 Enterprise Road  
Clearwater, FL 33763-1102

Dear Ms. Folsom:

Enclosed please find two fully executed Surplus Water and Operation and maintenance Agreement First Amendment Signed copies. The City Council of the City of New Port Richey approved them at their August 18, 2009 regular Council meeting. We have retained one original for our records.

If you need any other additional information, please feel free to contact me.

Sincerely,

Linda I. Kann, CMC  
City Clerk

Attachs-2

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Folsom  
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**TAMPA BAY WATER, A REGIONAL WATER SUPPLY AUTHORITY  
FIRST AMENDMENT TO NEW PORT RICHEY  
SURPLUS WATER AND OPERATION AND MAINTENANCE AGREEMENT**

THIS FIRST AMENDMENT is entered into this 17<sup>th</sup> day of July, 2009, by and between TAMPA BAY WATER, A Regional Water Supply Authority, an interlocal governmental agency of the State of Florida created and existing pursuant to Sections 163.01, 373.1962 and 373.1963, Florida Statutes (TAMPA BAY WATER), acting by and through its Board of Directors, and the CITY OF NEW PORT RICHEY, a municipal corporation of the State of Florida ("CITY"), acting by and through its City Council.

**WITNESSETH:**

**WHEREAS**, TAMPA BAY WATER was created to develop, recover, store and supply water at wholesale to its Member Governments which include the Counties of Hillsborough, Pinellas and Pasco, and the Cities of Tampa, St. Petersburg and New Port Richey; and

**WHEREAS**, TAMPA BAY WATER and the CITY entered into the Surplus Water and Operation and Maintenance Agreement (the Agreement) on March 20, 2007; and

**WHEREAS**, TAMPA BAY WATER has enhanced its ability to supply water to its Member Governments through the implementation of the West Pasco Infrastructure Project. New infrastructure was installed at the CITY'S Maytum Water Treatment Plant as generally shown in Exhibit "A" to the original Agreement; and Attachment A to this Amendment; and

**WHEREAS**, raw water from the Starkey and North Pasco Wellfields is delivered by TAMPA BAY WATER to the CITY'S Maytum Water Treatment Plant in excess of the CITY'S demand. The excess water is treated by the CITY for re-purchase by TAMPA BAY WATER.

**NOW THEREFORE**, in consideration of the foregoing premises, which shall be deemed an integral part of this First Amendment, TAMPA BAY WATER and CITY intending to be legally bound hereby agree as follows:

Section 1. Paragraph 8 of the Agreement is superseded and replaced with:

**8. DETERMINATION OF ANNUAL ESTIMATED TREATMENT RATE:** TAMPA BAY WATER will send a letter to the CITY prior to October 1<sup>st</sup> of each fiscal year, indicating the annual average flow that is projected to be

purchased, and the calculated and adjusted "Annual Estimated Treatment Rate". To Calculate the Annual Estimated Treatment Rate, first a base treatment rate will be calculated by the following equation:

$$\text{Base Treatment Rate} = 0.006 \cdot (\text{Flow})^2 - 0.098 \cdot \text{Flow} + 0.726$$

This equation is based on the projected annual average flow with the calculated treatment rates for fiscal year 2008 listed in the December 2006 Board Agenda Item 13. These rates and flows are listed in the table below:

Annual Average Flow (MGD)	FY 2008 Rate per 1000 gallons
1.7	\$0.58
2.7	\$0.50
3.7	\$0.45
4.7	\$0.40
6.7	\$0.34

The "Annual Estimated Treatment Rate" shall then be calculated by adjusting the base treatment rate for FY 2008 by an index comprised of 50% of the Engineering News Record "Skilled Labor" Index for Atlanta for June of that year and 50% of the Chemical Engineering Plant Cost "Equipment" Index for May of that year as shown in the following equation:

$$\text{Rate for October 1, 20XY} = \text{Base Treatment Rate} * (0.5 * \frac{\text{June 20XY ENR Skilled Labor Index}}{5415.62} + 0.5 * \frac{\text{May 20XY CE Equipment Index}}{634.0})$$

Section 2. Paragraph 9 of the Agreement is superseded and replaced with:

**9. PAYMENT OF WATER CHARGE:** It is the intent of TAMPA BAY WATER and the CITY that the water delivered to the CITY from the Regional System for the purpose of being delivered back to TAMPA BAY WATER as treated water for transmission to Pasco County, shall be provided to the CITY at no cost and returned to TAMPA BAY WATER at a cost equal only to the quantity of water delivered back to TAMPA BAY WATER (in thousands of gallons) multiplied by the "Annual Estimated Water Treatment Rate" established in Section 8 above. The flow that TAMPA BAY WATER purchases from the CITY shall be measured at the location set forth in Exhibit A of the original Agreement.

TAMPA BAY WATER will send monthly invoices that include the daily flows at the following billing meters as shown in Attachment A to this Amendment:

- Billing Meter 2 - Surplus Purchase Water
- Billing Meter 3 - Regional to Maytum Influent
- Billing Meter 4 - Starkey and North Pasco to Maytum

On the CITY's monthly invoices, the variable rate will only be applied to the sum of the flows measured at Billing Meters 3 and 4, less the flow at Billing Meter 2. The CITY will receive a credit on the monthly invoice for the Annual Estimated Treatment Rate multiplied by the flow measured at Billing Meter 2.

Section 3. Paragraph 10 of the Agreement is superseded and replaced with:

**10. END OF FISCAL YEAR "TRUE-UP":** Within forty-five (45) days following the end of the TAMPA BAY WATER'S fiscal year, TAMPA BAY WATER calculates the "true-up" for fixed costs as per Section 13.E of the Master Water Supply Contract. The "true-up" for the CITY's portion of TAMPA BAY WATER's fixed costs will be calculated based on the amount of water delivered to the CITY from the North Pasco and Starkey Wellfields (Billing Meter 4) and Regional Point of Connection (Billing Meter 3), less the surplus water delivered by the CITY to TAMPA BAY WATER measured at the location set forth in Exhibit A of the original Agreement (Billing Meter 2). These meter locations are shown in the plant schematic provided as Attachment A. Invoicing and payment for said "true-up" amounts shall be made within the timeframes stated in the Master Water Supply Contract.

Within one hundred eighty (180) days following the end of the CITY'S fiscal year, the CITY's auditors will certify actual expenses and water production rates and use these to "true-up" the Annual Estimated Treatment Rate for the previous fiscal year. Upon completion of the "true-up" calculation, the CITY will submit the results in a letter, with an invoice, or a check, for the amount equal to the difference between the actual and estimated rates multiplied by the actual quantity of treated water purchased by TAMPA BAY WATER for the previous fiscal year. TAMPA BAY WATER shall make payment, if required, within thirty (30) days of receipt of a complete and accurate invoice.

Section 4. This Amendment will be retroactively effective to October 1, 2008 for FY 2009. A correction for the invoices submitted by TAMPA BAY WATER and the CITY during FY 2009 will be completed as per the procedure outlined in Attachment B.

Section 5. This Amendment is hereby made a part of, and incorporated in its entirety, into the Surplus Water and Operation and Maintenance Agreement.

Section 6. In all the other respects the Surplus Water and Operation and Maintenance Agreement is hereby reaffirmed by the parties and remains in full force and effect.

**IN WITNESS WHEREOF,** TAMPA BAY WATER and CITY have executed this First Amendment to the Agreement on the day first written above.

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ATTEST:

*Gerald J. Seeber*

Gerald J. Seeber, General Manager

TAMPA BAY WATER, A Regional Water  
Supply Authority

By: *Mark Syp*

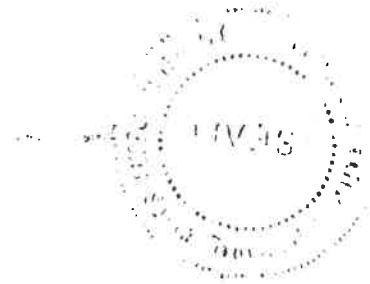
Its: Chairman

Date: 8/17/09

APPROVED AS TO FORM:

(SEAL)

*Bruce Brenner*  
Office of General Counsel



ATTEST:

CITY OF NEW PORT RICHEY

*Linda J. Kann, CMC*  
City Clerk

By: *Scott McPherson*

By: Scott McPherson, Mayor

Date: 9-1-09

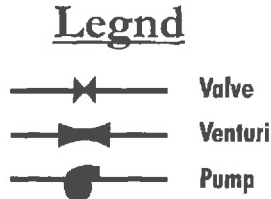
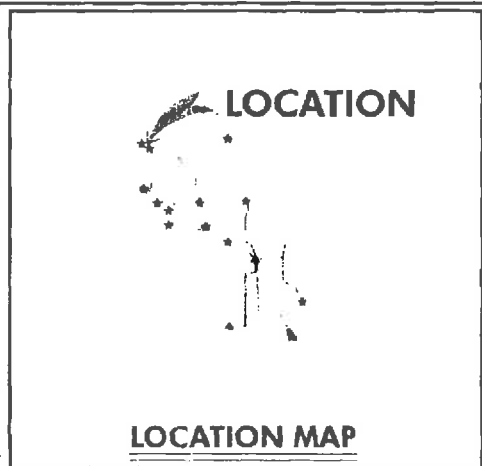
APPROVED AS TO FORM:

(SEAL)

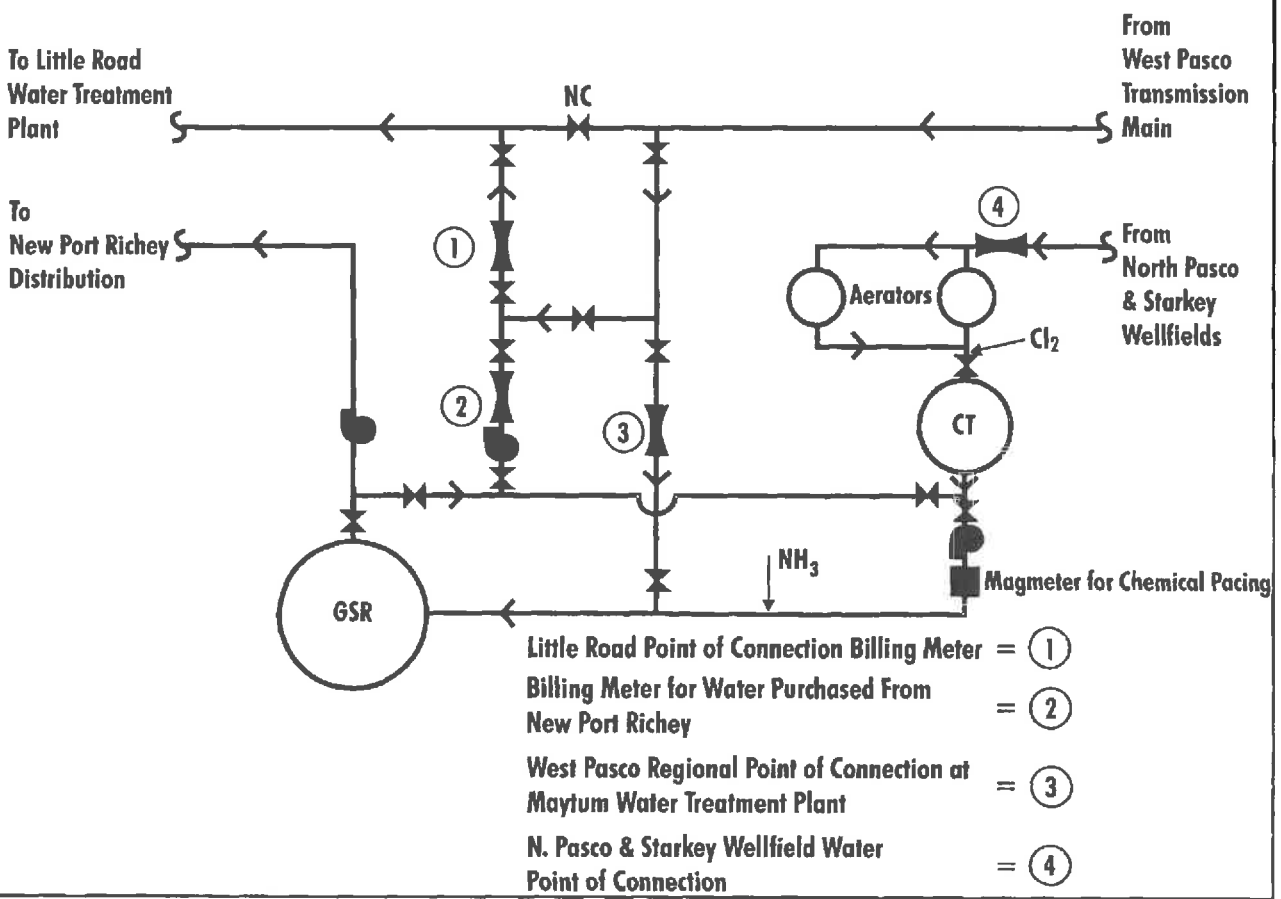
*Robert Mee*  
Office of the City Attorney



Attachment A



**Maytum Water Treatment Plant**



<p><b>Maytum Water Treatment Plant</b></p>	<p><b>New Port Richey Water Purchase Agreement Amendment</b></p>	<p>Date: 04-27-09                  DRAWN BY: AG                  CHECKED BY: S.E.                  FILE NAME: NPR WP AGREEMENT.DWG</p>
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## Attachment B

This Amendment makes the following changes to the existing monthly invoice procedures:

- The fixed costs will no longer include estimates for the quantity of water that is purchased and treated by the CITY, and sold to TAMPA BAY WATER.
- The CITY will no longer be billed the variable rate for the quantity of water that is purchased and treated by the CITY, and sold to TAMPA BAY WATER.
- The CITY will no longer bill the unitary rate for the quantity of water that is purchased and treated by the CITY, and sold to TAMPA BAY WATER.
- The CITY will no longer need to send monthly invoices to TAMPA BAY WATER.
- The CITY will receive a credit on their monthly invoice for annual estimated treatment rate multiplied by the quantity of water that is purchased and treated by the CITY, and sold to TAMPA BAY WATER.

### **Correction for Fiscal Year 2009 Monthly Invoices**

For the fiscal year 2009 billing period (October 1, 2008 to September 30, 2009), the monthly invoices for the CITY and TAMPA BAY WATER will be completed as per the existing agreement. This amendment will be retroactively effective to October 1, 2008. To correct the FY 2009 invoices to be in compliance with this Amendment, the CITY will refund an amount equal to the uniform rate (\$2.2451/1000 gallons) less the variable rate (\$0.4373/1000 gallons), multiplied by the quantity of surplus water purchased by TAMPA BAY WATER. The fixed costs will be addressed per the "true-up" correction below.

### **Correction for Fiscal Year 2009 Fixed Cost "True-Up"**

For the fiscal year 2009 billing period fixed cost "true up" calculation, the quantity of water that TAMPA BAY WATER purchased from the CITY will be subtracted from the total annual system demand, and from the CITY's annual demand. This will result in the CITY being responsible for a smaller portion of the TAMPA BAY WATER fixed costs than was originally budgeted, and will result in a refund to the CITY.