

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2008	2009	2010	2011	2012
Capital Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
External Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Program Income (County)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
In-Kind Match County	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
NET FISCAL IMPACT	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>
# ADDITIONAL FTE POSITIONS (Cumulative)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Budget Account No.: Fund _____ Dept. _____ Unit _____ Object _____

Is Item Included in Current Budget? Yes _____ No _____


Reporting Category N/A

B. Recommended Sources of Funds/Summary of Fiscal Impact:
No Fiscal Impact

C. Department Fiscal Review: See memo

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Development and Control Comments:

Sturillo 8-12-08
OFMB  8/12/08
SR 8/11/08

Dr. J. Jacoby 8/13/08
Contract Development and Control
E. Jacoby 8/13/08

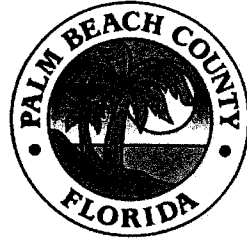
This Contract complies with our contract review requirements.

B. Legal Sufficiency:

W. W. W. 8/13/08
Assistant County Attorney

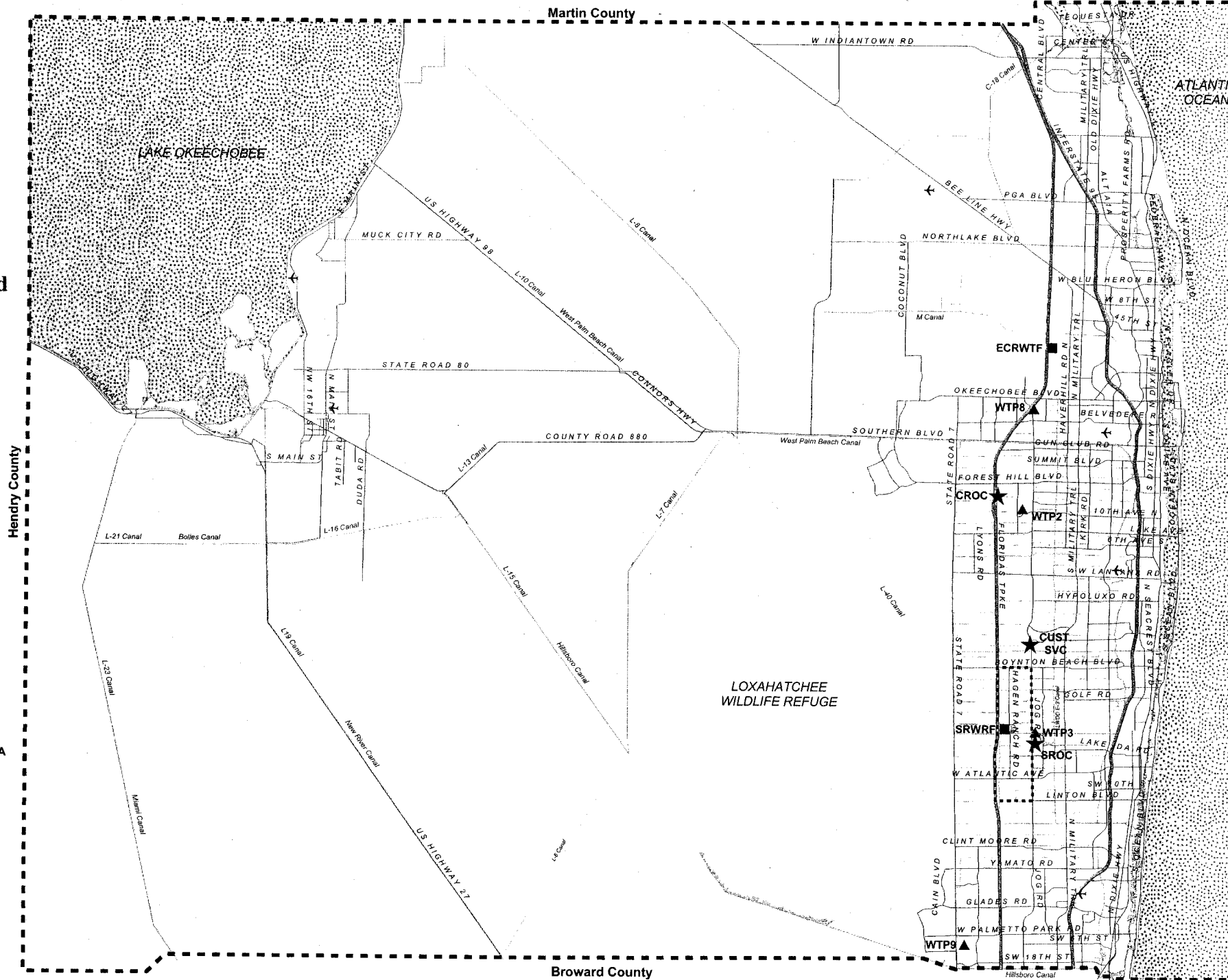
C. Other Department Review:

Department Director



**Palm Beach County
Water Utilities
Service Area (SA) and
Major Facilities**

Attachment 1



Legend

- P.B.C.W.U.D. SA
- - - MANDATORY RECLAIMED SA
- · · COUNTY LIMITS
- ★ Administration
- Water Reclamation Plant
- ▲ Water Treatment Plant
- ⊙ Wetlands



NOT TO SCALE

Res 262-08

**INTERLOCAL AGREEMENT BETWEEN
PALM BEACH COUNTY AND
CITY OF WEST PALM BEACH
RELATED TO RECLAIMED WATER SERVICE**

THIS INTERLOCAL AGREEMENT is made and entered into this _____ day of _____, 2008, between **PALM BEACH COUNTY**, a political subdivision of the State of Florida (hereinafter "County") and the **CITY OF WEST PALM BEACH**, a municipal corporation under the laws of the State of Florida (hereinafter "WPB").

WITNESSETH:

WHEREAS, Section 163.01, Florida Statutes, known as the Florida Interlocal Cooperation Act of 1969, provides a method for governmental entities to cooperate with each other on a basis of mutual advantage to provide services and facilities in a manner that will accord best with the factors influencing the needs and development of local communities; and

WHEREAS, the County and WPB are members of the East Central Regional Wastewater Treatment Facilities Operation Board (hereinafter "ECR"), which was organized and operates pursuant to that certain interlocal agreement among the County, WPB, the Town of Palm Beach, the City of Riviera Beach, and the City of Lake Worth dated September 9, 1992 (hereinafter the "1992 Interlocal Agreement"); and

WHEREAS, pursuant to the 1992 Interlocal Agreement, WPB operates the ECR facilities, at the direction of the ECR; and

WHEREAS, the County, by separate agreement with the ECR and WPB, will design, bid, finance, permit, and construct certain Reclaimed Water facilities located on ECR Property (hereinafter the "FPL ECR Reclaimed Water Facilities"); and

WHEREAS, in accordance with the 1992 Interlocal Agreement, WPB will operate and maintain the FPL ECR Reclaimed Water Facilities; and

WHEREAS, in order to provide Reclaimed Water to FPL, County will construct certain Reclaimed Water facilities outside of ECR Property (hereinafter the "FPL Offsite Reclaimed Water Facilities"); and

WHEREAS, in order to expedite the construction of the FPL Offsite Reclaimed Water Facilities, County wishes to construct certain of the FPL Offsite Reclaimed Water Facilities within WPB Property; and

WHEREAS, County and WPB wish to cooperate in coordinating the County's use of said WPB Property for the FPL Offsite Reclaimed Water Facilities; and

WHEREAS, the City of West Palm Beach is the owner of the Water Catchment Area (the "Water Catchment Area") for public water supply purposes and for environmental, educational and conservation purposes, pursuant to the Special Laws of the Florida Legislature, Ch. 67-2169 ("The Special Act"), as amended; and the Water Catchment Area serves as a natural surface water supply source for the City of West Palm Beach and has been designated as a Class I potable water supply protected by State and Federal laws; and

WHEREAS, the FPL Offsite Reclaimed Water Facilities will parallel three existing developments (hereinafter "WPB Customers") which are within the WPB utility service area; and

WHEREAS, subject to availability, and the terms and conditions of this Agreement, WPB wishes to purchase Reclaimed Water in bulk from the County for sale to the WPB Customers; and

WHEREAS, in order to take advantage of the environmental and economic benefits related to Reclaimed Water, the parties wish to cooperate in the distribution of Reclaimed Water to end users.

NOW THEREFORE, in consideration of the recitals, covenants, agreements and promises herein contained, and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged by the parties, the parties covenant and agree as follows:

SECTION 1. ACKNOWLEDGMENTS.

1.1 The parties acknowledge and agree that the preceding premises of this Agreement are true and correct and are incorporated herein by reference.

1.2 Each of the parties hereto hereby represents and warrants that it has all requisite power and authority to enter into this Agreement and to carry out its obligations hereunder.

1.3 Each of the parties acknowledges and agrees that the use of Reclaimed Water is in the public interest, as it recaptures an otherwise wasted and unused water resource.

SECTION 2. DEFINITIONS. The parties agree that in construing this Agreement the following terms shall have the meanings indicated:

2.1 "Agreement" means this Agreement between WPB and the COUNTY.

2.2 "County-FPL Reclaimed Water Agreement" means that agreement dated May 20, 2008, between the County and FPL related to the provision of Reclaimed Water by the County to FPL through the use of the FPL ECR Reclaimed Water Facilities and the FPL Offsite Reclaimed Water Facilities.

2.3 "ECR Property" means that certain parcel of real property comprising the ECR described in the Interlocal Agreement.

2.4 "FPL ECR Reclaimed Water Facilities" means those Reclaimed Water facilities which are being constructed for the primary purpose of providing Reclaimed Water to the FPL West County Energy Center and are located on ECR Property.

2.5 "FPL Offsite Reclaimed Water Facilities" means those Reclaimed Water Facilities which are being constructed for the primary purpose of providing Reclaimed Water to the FPL West County Energy Center and are not located on ECR Property.

2.6 "Interconnect Facilities" means the facilities connecting the County's Reclaimed Water Facilities to WPB's Reclaimed Water Facilities, including the Reclaimed Water meter used to measure the Reclaimed Water sold to WPB for resale to the WPB Customers.

2.7 "Reclaimed Water" means Secondary Treated Effluent that has been further treated in the FPL ECR Reclaimed Water Facilities.

2.8 "Secondary Treated Effluent" means Wastewater which has received secondary treatment in the Wastewater Treatment Facilities.

2.9 "Wastewater" means the product received by the Wastewater Treatment Facilities for treatment.

2.10 "Wastewater Treatment Facilities" means the ECR facilities used in the treatment and disposal of Wastewater, not including the ECR Advanced Wastewater Treatment Facilities.

2.11 "WPB Customers" means the three existing developments within the WPB service area which will receive Reclaimed Water from the Offsite Reclaimed Water

Facilities. These three developments are commonly known as Riverwalk, Andros Isle, and Baywinds, and are depicted in **Exhibit "A"**, which is attached hereto and incorporated herein.

2.12 "WPB Property" means land which WPB owns and on which WPB has the legal authority to grant the County the right to locate the FPL Offsite Reclaimed Water Facilities, which is generally located in the vicinity of the section line, as shown on **Exhibit B**, which is attached hereto and incorporated herein. County and WPB shall work toward a mutual agreement as to the specific location of the FPL Offsite Reclaimed Water Facilities. WPB shall have final approval of the centerline alignment of the FPL Offsite Reclaimed Water Facilities, at which time the "WPB Property" shall be specifically defined; however, the location of the FPL Offsite Reclaimed Water Facilities with WPB Property shall generally be as shown on **Exhibit "B"**.

All other capitalized terms in this Agreement shall have the meaning ascribed to them in the Interlocal Agreement unless otherwise defined in this Section or elsewhere in this Agreement.

SECTION 3. COOPERATION ON LOCATION OF FPL OFFSITE RECLAIMED WATER FACILITIES.

3.1 Approval of Location/Design. WPB hereby grants to the County the right to locate the FPL Offsite Reclaimed Water Facilities on the WPB Property upon final location approval. Prior to construction, County shall provide design documents for those portions of the FPL Offsite Reclaimed Water Facilities which are to be constructed on WPB Property, for WPB review and approval. Said approval shall not be unreasonably withheld or delayed. Following approval by WPB of the plans, WPB shall

provide the County with a license for the County to access, construct, operate, and maintain the FPL Offsite Reclaimed Water Facilities within WPB Property. A copy of the form for the license is attached hereto and incorporated herein as **Exhibit "C."**

3.2 Construction Contracts/Insurance/Bonds. WPB shall have the right to review, and approve, any construction contracts in which the FPL Offsite Reclaimed Water Facilities are to be constructed on WPB Property. Said approval shall not be withheld or delayed unreasonably. For those portions of the FPL Offsite Reclaimed Water Facilities which are to be constructed on WPB Property, County shall require that all insurance policies required under the construction contracts name the County and WPB as insured parties. For those portions of the FPL Offsite Reclaimed Water Facilities which are to be constructed on WPB Property, County shall also require that any payment, performance, or other bonds provided by the contractors for the FPL Offsite Reclaimed Water Facilities constructed on WPB property, name the County and WPB as co-obligees of the bonds.

3.3 Construction/Modification. The COUNTY shall construct the FPL Offsite Reclaimed Water Facilities on WPB Property in accordance with the approved design documents. The COUNTY shall not make any modification or alteration to the FPL Offsite Reclaimed Water Facilities on WPB Property without prior approval of WPB, which approval shall not be unreasonably withheld or delayed. The COUNTY shall submit to WPB the design documents for each proposed modification or alteration of the FPL Offsite Reclaimed Water Facilities on WPB Property together with the request for approval of such modification or alteration.

3.4 Permits and Approvals. The COUNTY shall be responsible for obtaining all required governmental permits and approvals for the construction of the FPL Offsite Reclaimed Water Facilities. WPB shall cooperate with the COUNTY in all applications and other efforts to obtain and maintain such governmental permits and approvals.

3.5 Compliance. The FPL Offsite Reclaimed Water Facilities located on WPB Property shall be designed, permitted, and constructed in compliance with all applicable laws and this Agreement. Further, the COUNTY covenants and agrees that so long as it operates the FPL Offsite Reclaimed Water Facilities on WPB Property, it shall be solely responsible for any deviation from such applicable laws, including the payment of any and all fines, fees, penalties or damages assessed against WPB, due to the failure of the FPL Offsite Reclaimed Water Facilities located on WPB Property to satisfy any requirements of the applicable laws.

3.6 Costs for Use of WPB Property. There shall be no direct charge for the County's use of WPB Property for the location of the FPL Offsite Reclaimed Water Facilities. WPB's approval to construct FPL Offsite Reclaimed Water Facilities on WPB Property is in consideration for the provision of bulk reclaimed water to WPB, as provided in Section 4 below.

3.7 Mitigation. County shall perform all environmental mitigation required to construct the FPL Offsite Reclaimed Water Facilities on property owned by WPB.

SECTION 4. BULK SALE TO WPB CUSTOMERS

4.1 Bulk Agreement. Prior to the provision of any bulk or wholesale Reclaimed Water service from the County to WPB, the County and WPB shall negotiate

in good faith and enter into an agreement for bulk Reclaimed Water service, which will set forth the specific terms and conditions of the County's sale of bulk Reclaimed Water to WPB for sale to the WPB Customers. The County and WPB agree that the terms set forth in this Section 4 shall be incorporated into said agreement.

4.2 Interruptible Service. The parties acknowledge that the FPL ECR Reclaimed Water Facilities are being paid for, at cost, by FPL, and that FPL shall have the primary right to the Reclaimed Water produced by the FPL ECR Reclaimed Water Facilities to meet their Reclaimed Water requirements, as set forth in a separate agreement between the County and FPL. In those instances where FPL does not require the full volume of Reclaimed Water produced by the FPL ECR Reclaimed Water Facilities, the County will be permitted to sell said excess Reclaimed Water to other customers. The sale of any such excess Reclaimed Water shall be provided on an interruptible basis, and the County may place additional restrictions on the flow rate and timing of the provision of such excess Reclaimed Water. As required in that separate agreement between the County and FPL, the bulk rate for sale of the excess Reclaimed Water shall be sufficient to provide a credit to FPL for the various costs paid for by FPL.

4.3 Interconnect Facilities. County and WPB shall cooperate in the design, permitting, and construction of the Interconnect Facilities. Subject to approval of WPB, County may include the design, permitting, and construction of the Interconnect Facilities within the design, permitting, and construction of the FPL Offsite Reclaimed Water Facilities, but said costs shall be separated from the costs of the FPL Offsite Reclaimed Water Facilities. Regardless of whether the design, permitting, and construction of the Interconnect Facilities is undertaken in connection with the design,

permitting, and construction of the FPL Offsite Reclaimed Water Facilities, County and WPB agree to split said design, permitting, and construction costs equally. Regardless of the manner in which the Interconnect Facilities are designed, permitted, and constructed, both the County and WPB shall have the right to review and approve the design documents and construction contracts related to the construction of the Interconnect Facilities. Said approval shall not be unreasonably withheld or delayed.

4.4 Reuse Credits. WPB shall receive any reuse credits or offsets granted by the South Florida Water Management District or other entity for the Reclaimed Water provided to the WPB Customers. The parties expressly acknowledge that the final determination as to whether such reuse credits or offsets are granted and in what proportion such reuse credits or offsets are granted will be determined by entities that are not parties to this Agreement. However, both the County and WPB shall use their best efforts to ensure that any such reuse credits or offsets for Reclaimed Water service to WPB Customers are granted and are granted in the proportions agreed to herein.

SECTION 5. DELEGATION OF AUTHORITY; ACKNOWLEDGMENT OF FPL STEP-IN RIGHTS.

5.1 In accordance with Sections 163.01(12), Florida Statutes, ECR shall delegate, by ECR resolution, to WPB the authority to effect repairs and/or capital improvements to the FPL ECR Reclaimed Water Facilities with respect to FPL's Step-In Rights described below. WPB's obligation allow for the Step-in Rights as to repairs to the FPL ECR Reclaimed Water Facilities is expressly contingent upon the delegation of said rights by the ECR to WPB.

5.2 Section 12.3(a)(iii) of the County-FPL Reclaimed Water Agreement contains a requirement that, upon certain conditions in which the County fails to provide Reclaimed Water pursuant to that agreement, FPL may cause the County to cause WPB to employ one of the independent third-party contractors set forth on **Exhibit D** to take all actions available to WPB under the 1992 Interlocal (as amended or supplemented), and any other delegation, agreement, rule, regulation, or ordinance regulating the operation and maintenance of the ECR Wastewater Facility, to effect repair to and to restore operations of the FPL ECR Reclaimed Water Facilities (said rights hereinafter referred to as the "Step-In Rights"). A copy of said Section 12.3(a)(iii) is attached hereto and incorporated herein as **Exhibit "E"**. WPB hereby acknowledges the Step-in Rights of FPL as set forth in **Exhibit "E"**. WPB's acknowledgment of FPL's Step-In Rights is specifically contingent upon FPL's and County's compliance with all of the terms and conditions set forth in **Exhibit "E"**. County shall cause FPL to indemnify WPB and the ECR Board against any and all claims, loss, damage, expense, costs, fines, penalties and causes of action arising out of FPL's exercise of the Step-In Rights. Further, all costs and expenses related to the Step-In Rights shall be the responsibility of FPL and the County shall, or shall cause FPL to, fully reimburse WPB for any and all costs and expenses paid by WPB arising from FPL's exercise of the Step-In Rights.

SECTION 6. TERM AND EFFECTIVE DATE. The Effective Date of this agreement shall be the date the agreement is approved by the Palm Beach County Board of County Commissioners and filed with the Clerk of the County Court pursuant to 163.01(11), Florida Statutes (the "Effective Date"). The Term of this Agreement shall

begin on the Effective Date and remain in effect for a period of thirty (30) years. The Term of this Agreement may be extended for three (3) successive periods of five (5) years each, upon the same terms and conditions as herein provided, by written agreement of both of the parties to this Agreement prior to expiration of the initial term of this Agreement or any renewal thereof.

SECTION 7. DISPUTE RESOLUTION. Disputes under this Agreement may be resolved by the COUNTY's Authorized Representative and WPB's Authorized Representative. If such Authorized Representatives are unable to reach a resolution and either party believes that the issue is of sufficient merit, the parties shall select a mediator mutually acceptable to both parties to conduct a mediation of the issues involved and make a recommendation to both parties. The parties agree to be responsible for their respective costs and fees incurred during the mediation and that each party shall pay the mediator's fees and costs in equal amounts.

SECTION 8. MISCELLANEOUS PROVISIONS.

8.1 This Agreement incorporates and includes all prior and contemporaneous negotiations, correspondence, conversations, agreements, and understandings applicable to the matters contained herein and the parties agree that there are no commitments, agreements, or understandings concerning the subject matter of this Agreement that are not contained in this document. Accordingly, it is agreed that no deviation from the terms hereof shall be predicated upon any prior contemporaneous representatives or agreements, whether oral or written.

8.2 This agreement may be amended only by written agreement of the parties. A party requesting amendment of the Agreement must propose such

amendment in writing to the other party at least forty-five (45) days prior to the proposed effective date of the amendment.

8.3 If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent be held invalid or unenforceable for the remainder of this Agreement, then the Application of such term or provision to person or circumstances other than those as to which it is held invalid or unenforceable shall not be affected, and every other term and provision of this Agreement shall be deemed valid and enforceable to the extent permitted by law.

8.4. Any notice, request, demand, consent approval or other communication required or permitted by this Agreement shall be given or made in writing and shall be served (as elected by the party giving such notice) by one of the following methods: (i) hand delivery to the other party; (ii) delivery by commercial overnight courier service; or (iii) mailed by registered or certified mail (postage prepaid), return receipt requested.

For purposes of notice the addresses are:

COUNTY: Palm Beach County Water Utilities
Department Director
8100 Forest Hill Boulevard
West Palm Beach, FL 33416

With a copy to: Palm Beach County Attorney
301 N. Olive Ave., Ste. 601
West Palm Beach, FL 33401

WPB: City of West Palm Beach
Attn: City Administrator
P.O. Box 3366
West Palm Beach, FL 33402-3366
(or delivery to City Hall)

With a copy to:

City of West Palm Beach
Attn: City Attorney
West Palm Beach, FL 33402-3366
(or delivery to City Hall)

Notice given in accordance with the provision of this paragraph shall be deemed to be delivered and effective on the date of hand delivery or on the second day after the date of the deposit with an overnight courier or on the date upon which the return receipt is signed or delivery is refused or the notice is designated by the postal authorities as not delivered if mailed.

8.5. The Project Manager/Authorized Representative for the WPB will be named by the City upon County's provision of the design documents for WPB's review. The Project Manager/Authorized Representative for the County is the Palm Beach County Water Utilities Department Deputy Director. Each party retains the right to substitute a new or additional Project Manager/Authorized Representative at any time and from time to time by written notice to the other.

8.6. Should either party to this Agreement determine that the other is in default of any of the terms and conditions of this Agreement, written notice shall be given by the non-defaulting party allowing the defaulting party thirty (30) days from the date of receipt of such written notice to cure the defaults. Prior to the initiation of any legal proceedings between the parties, the parties shall comply with any state laws related to resolving disputes between local governments. In the event of default by either party to this Agreement, both parties shall have all remedies available under the laws of the State of Florida including but not limited to injunction to prevent default or specific performance to enforce this Agreement, subject to state law. The rights of the parties shall be

considered cumulative and shall not be waived now or in the future by the exercise of any rights and remedies provided under the terms of this Agreement and authorized by law.

8.7. Time is hereby declared of the essence to the lawful performance of the duties and obligations contained in this Agreement.

8.8. When the required time for performance of an action under this Agreement falls on a weekend day or holiday, the time for performance shall be extended to the next calendar day not falling on a weekend or holiday.

8.9. Notwithstanding any other provisions of this Agreement, WPB and County expressly acknowledge that they have no pledge of or lien upon any real property, personal property, or any existing or future revenue source of the other as security for any amounts of money payable under this Agreement.

8.10. In the event that the performance of this Agreement by either party to this Agreement is prevented or interrupted in consequence of any cause beyond the control of either party, including, but not limited to, Acts of God or of the public enemy, war, national emergency, allocation of or other governmental restrictions upon the use or availability of labor or materials, rationing, civil insurrection, riot, disorder or demonstration, terrorism, strike, embargo, flood, tidal wave, fire, explosion, bomb detonation, nuclear fallout, windstorm, hurricane, earthquake, or other casualty or disaster or catastrophe or water plant failures and water main breaks, neither party shall be liable for such non-performance.

8.11. The failure of either party to insist on the strict performance of any of the agreements, terms, covenants and conditions hereof shall not be deemed a waiver of

any rights or remedies that said party may have for any subsequent breach, default, or non-performance, and said party's right to insist on strict performance of this Agreement shall not be affected by any previous waiver of course or dealing.

8.12. Nothing contained in this Agreement shall be construed to constitute a transfer of powers in any way whatsoever. This Agreement is solely an agreement delineating the parties' respective rights relating to the construction of Reclaimed Water facilities and the provision of Reclaimed Water service, as authorized in Florida Statutes, Chapter 163. The governing bodies for the County and WPB shall each maintain all legislative authority with regard to their respective political subdivision. All of the privileges and immunities from liability; exemption from laws, ordinances, and rules; and pensions and relief, disability, workers compensation and other benefits which apply to the activity of officers, agents or employees of any public agents or employees of any public agency when performing their respective functions within the territorial limits for their respective agencies shall apply to the same degree and extent to the performance of such functions and duties of such officers, agents, or employees extra-territorially under the provisions of this Agreement.

8.13. The County and WPB shall each maintain adequate records pursuant to this Agreement for at least the minimum period required by Chapter 119, Florida Statutes, or four (4) years, or final resolution of matters resulting from any litigation or claim, whichever period is longer. Both parties to this Agreement reserve the right, upon reasonable request and during normal business hours, to have access to such books, records, and documents as required in this section for the purpose of inspection.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed the day, month and year aforesaid.

ATTEST:

[Signature]
City Clerk

CITY OF WEST PALM BEACH

[Signature]
By: Lois J. Frankel, Mayor

CITY ATTORNEY'S OFFICE

Approved as to form
And legal sufficiency

By: [Signature]
Date: 7.3.08

Dated: July 7, 2008

ATTEST:

SHARON R. BOCK

PALM BEACH COUNTY, FLORIDA,
BY ITS BOARD OF COUNTY
COMMISSIONERS

By: _____
Clerk and Comptroller

BY: _____
Addie L. Greene, Chairperson

APPROVED AS TO FORM AND LEGAL
SUFFICIENCY:

Date: _____

By: _____
County Attorney

APPROVED AS TO TERMS AND
CONDITIONS:

By: [Signature]
Department Director

EXHIBIT "A"

"WPB CUSTOMERS"

W.P.B. CCUSTOMERS - RIVERWALK, BAYWINDS, AND ANDROS ISLES

Exhibit "A"

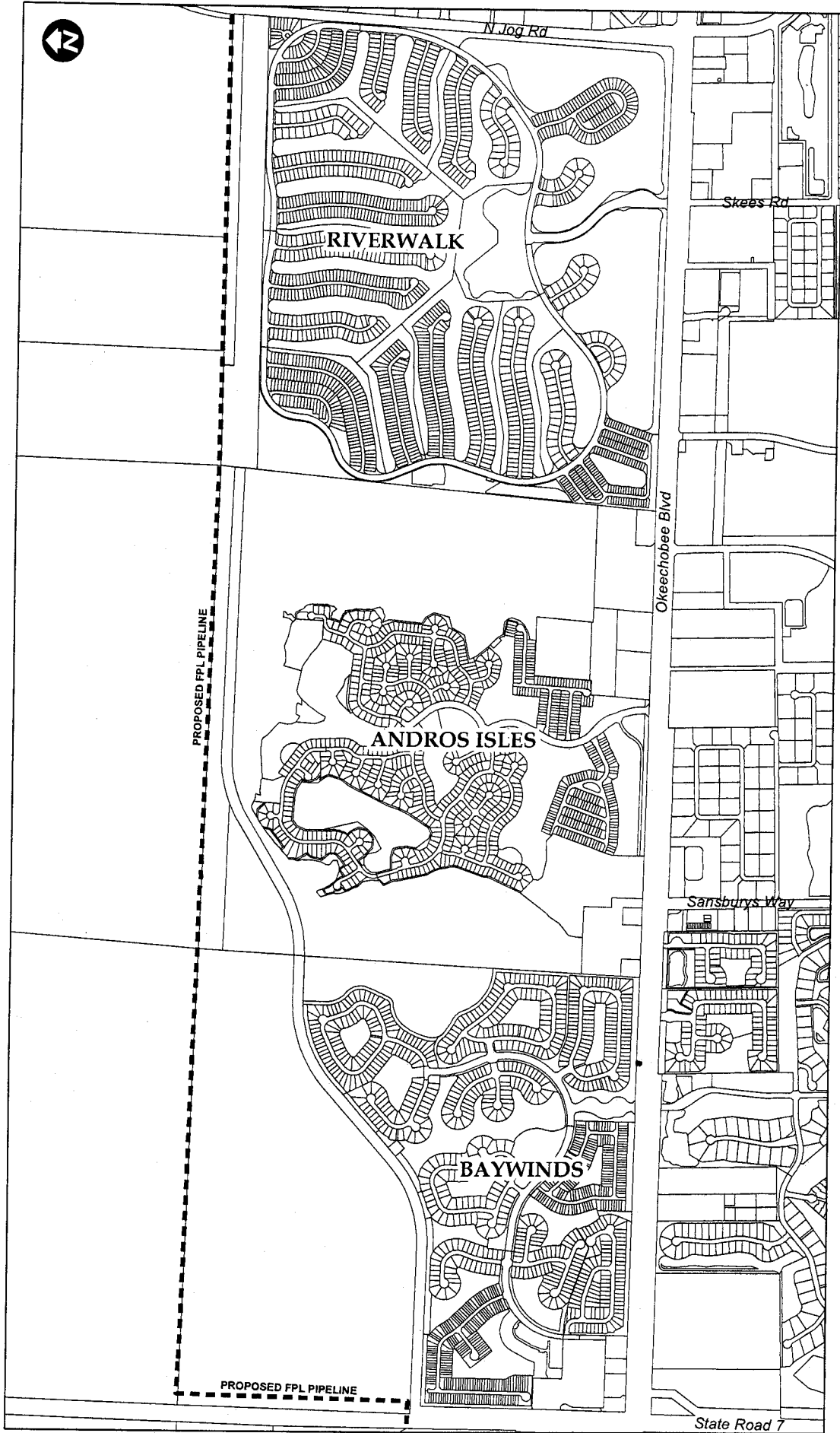
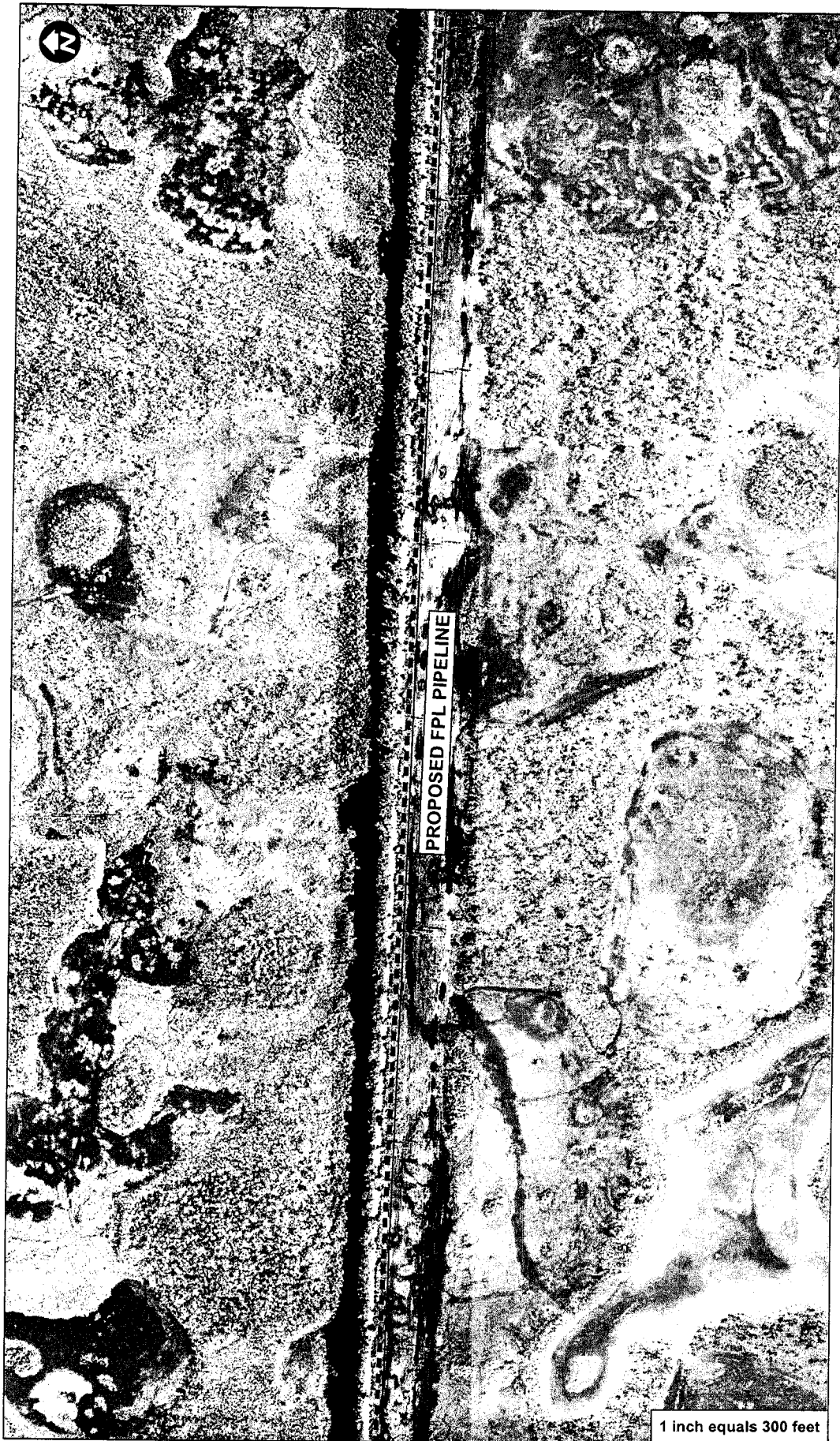


EXHIBIT "B"
"WPB PROPERTY"

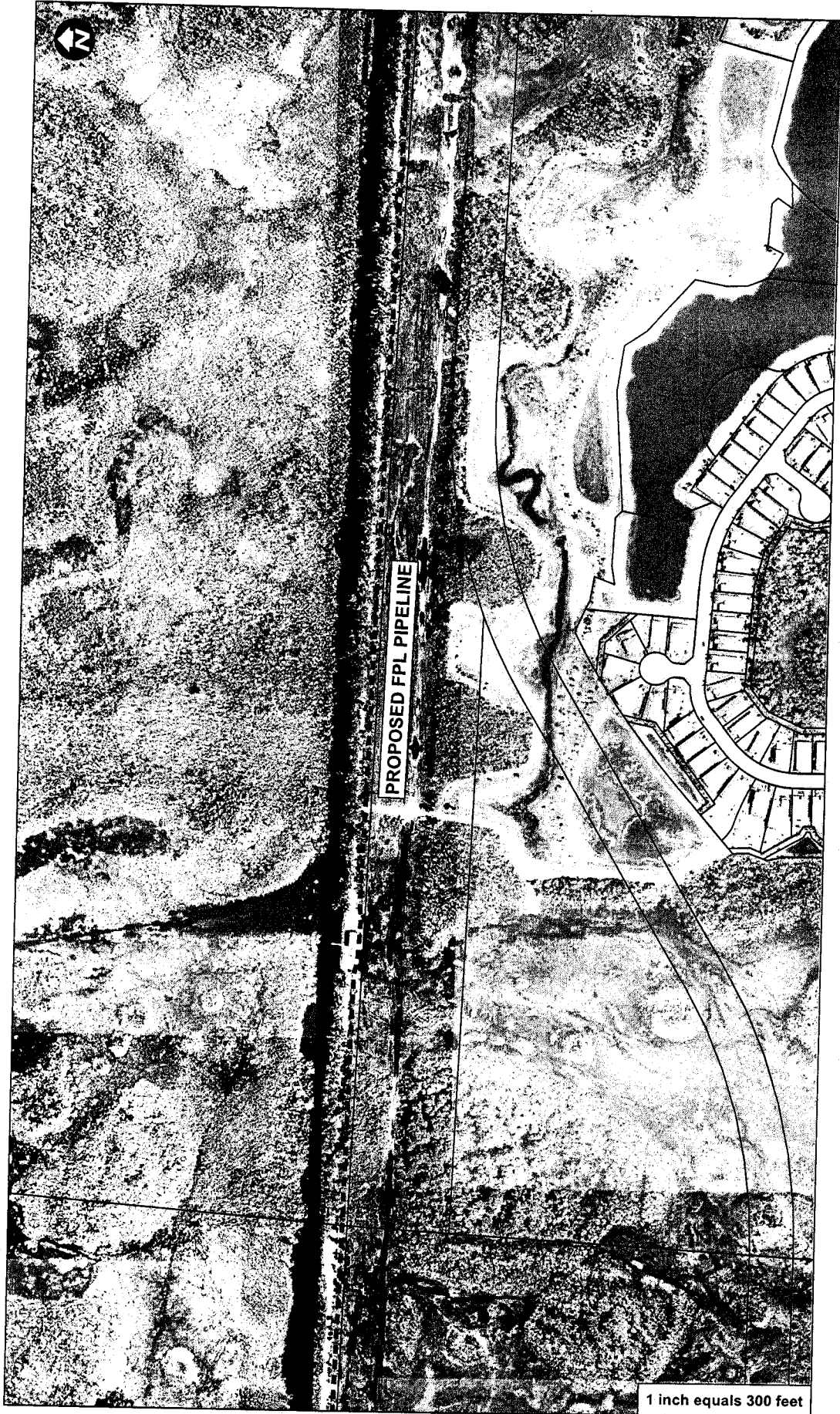
PROPOSED FPL PIPELINE ROUTE WITHIN CITY OF WEST PALM BEACH



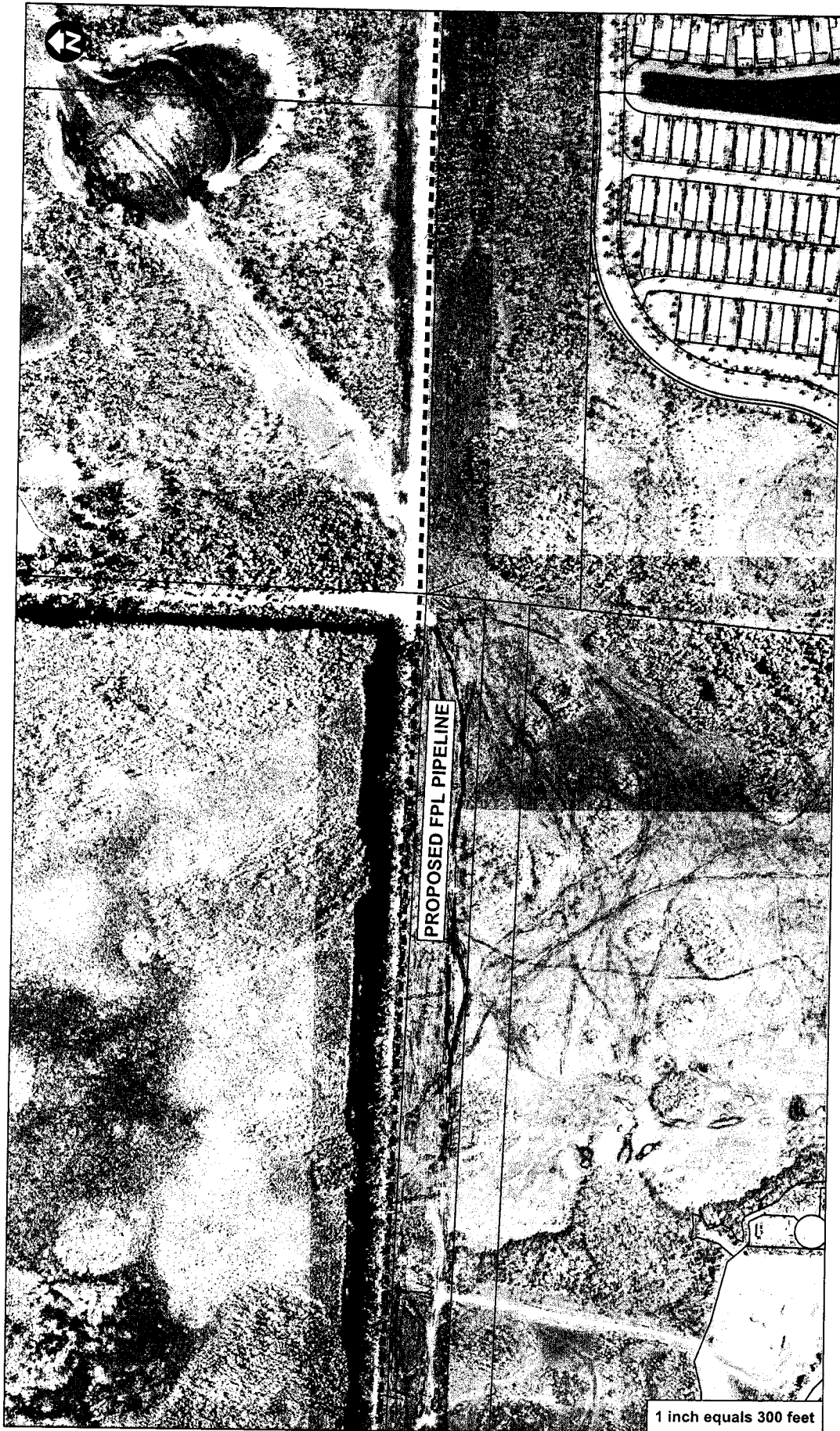
PROPOSED FPL PIPELINE ROUTE WITHIN CITY OF WEST PALM BEACH



PROPOSED FPL PIPELINE ROUTE WITHIN CITY OF WEST PALM BEACH



PROPOSED FPL PIPELINE ROUTE WITHIN CITY OF WEST PALM BEACH



PROPOSED FPL PIPELINE ROUTE WITHIN CITY OF WEST PALM BEACH

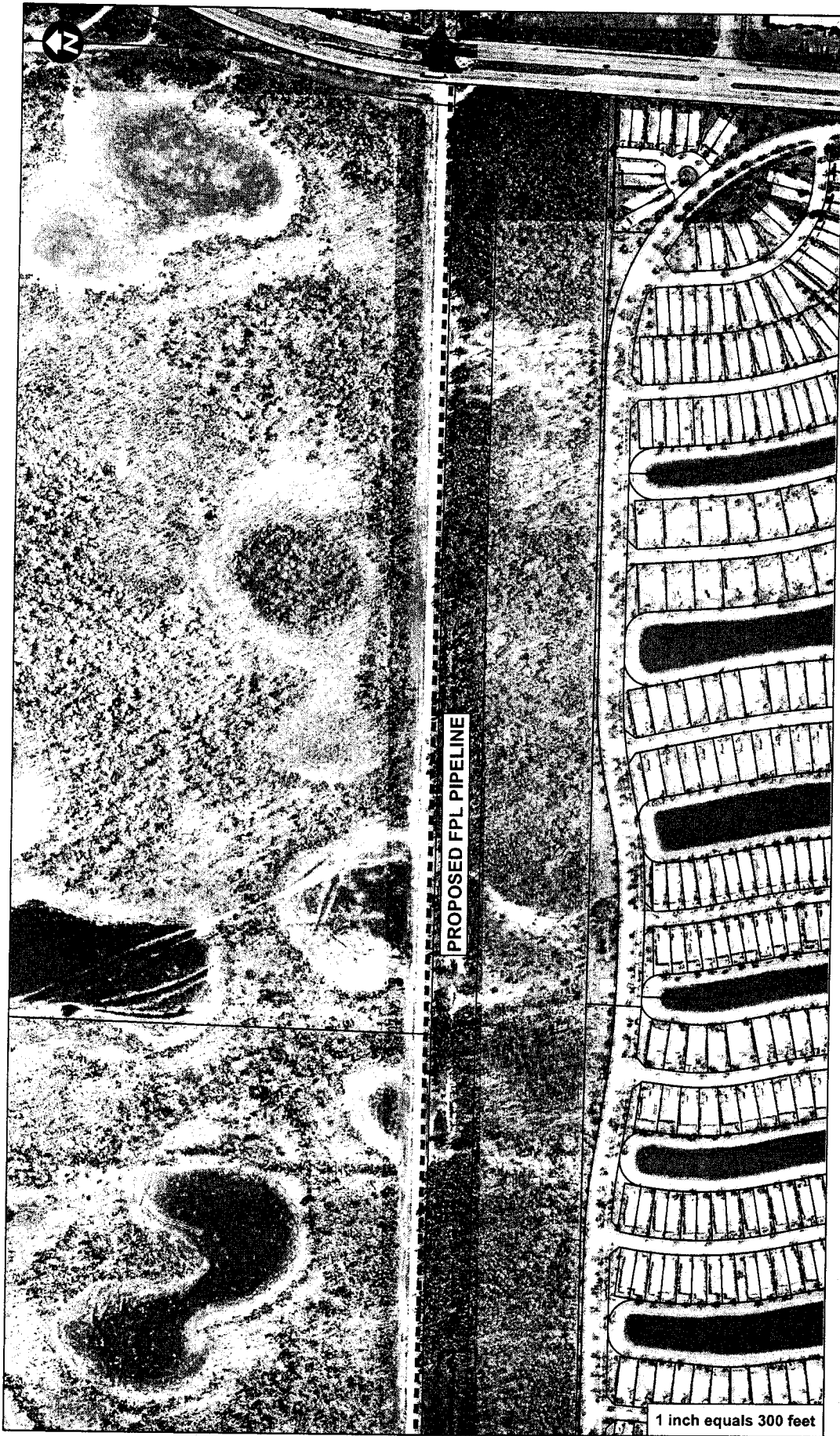


EXHIBIT "C"

PREPARED BY AND RETURN TO:

LICENSE

THIS IS A LICENSE made _____, granted by THE CITY OF WEST PALM BEACH (hereinafter referred to as "Grantor"), whose address is, 200 2nd Street, West Palm Beach, FL 33401 _____ in favor of **PALM BEACH COUNTY** ("Grantee"), whose address is 301 N. Olive Ave., West Palm Beach, FL 33401.

RECITALS

WHEREAS, Grantee has requested and Grantor has agreed to grant to Grantee a non-exclusive license over and upon that portion of Grantor's Property legally described on **Attachment "1"** attached hereto (the "License Area").

NOW THEREFORE, in consideration of the grants, agreements and covenants contained herein, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. The foregoing recitals are true and correct and incorporated herein.
2. Grantor hereby grants to Grantee, a non-exclusive license over and upon the License Area for installation of a reclaimed water pipeline and appurtenant facilities ("Facilities.") This grant shall permit Grantee the authority to enter upon the License Area at any time to install, operate, maintain, service, construct, reconstruct, remove, relocate, repair, replace, improve and inspect the Facilities in, on, over, under and across the License Area.
3. Grantee acknowledges and agrees that Grantee's use and enjoyment of its interest in the License Area is and shall be strictly limited to that specifically granted herein. Grantee further agrees to exercise the rights granted hereunder in a manner which minimizes the impact upon Grantor's use and enjoyment of Grantor's Property.
4. Grantee shall be solely responsible for and shall, at its sole cost and expense, promptly repair any damage, pay any liabilities, damages, and fines, and perform any required environmental clean-up and remediation arising out of Grantee's exercise of the rights granted hereby and restore the License Area, any improvements now existing or constructed hereinafter therein, to the condition it was in prior to such damage, using materials of like kind and quality.
5. This License shall inure to the benefit of and shall burden Grantee, and its successors and assigns.

6. Neither Grantor's nor Grantee's interest in the License Area shall be subject to liens arising from Grantee's use of the License Area, or exercise of the rights granted hereunder. Grantee shall promptly cause any lien imposed against the License Area to be discharged or transferred to bond.

7. Grantor hereby retains all rights relating to the License Area not specifically conveyed by this License including the right to use the License Area and any improvements now existing or constructed hereinafter therein, and the right to grant to third parties additional licenses in the License Area or the right to use the improvements therein, provided such uses or grants do not interfere with the rights provided to Grantee by this license.

8. To the extent permitted by law and subject to and conditional upon the limitations set forth in Section 768.28, Florida Statutes, the Grantee, its successors and assigns, shall indemnify and hold the Grantor harmless from and against any and all loss, suit, action, legal or administrative proceeding, claim, demand, damage, liability, interest, costs and/or expense of whatsoever kind or nature due to personal injury, property damage and/or environmental damage arising in any manner directly or indirectly related to Grantee's use of the License Area.

9. It is mutually agreed that the license contained herein is for the use and benefit of Grantee, its successors, and assigns and is not intended and shall not be construed as a dedication to the public of any portion of the License Area for public use.

10. Licensee's use of the License Area shall not be inconsistent with or violate Special Laws of the Florida Legislature, Ch. 67-2169, as amended ("the Special Act"), or any applicable laws or regulations governing Class I potable water supplies or the Water Catchment Area.

11. Upon completion of installation of the Facilities, Grantee shall provide to the Grantor's Public Utilities Director, as-built surveys or drawings of the Facilities located in the License Area.

12. In the event that any section, paragraph, sentence, clause, or provision hereof be held by a court of competent jurisdiction to be invalid, such shall not effect the remaining portions of this License and the same shall remain in full force and effect.

13. This License shall be governed by, construed and enforced in accordance with the laws of the State of Florida. Venue shall be in Palm Beach County, Florida. This License shall not be construed more strongly against any party regardless of who was responsible for its preparation or drafting.

14. This License contains the entire understanding and agreement of the parties with respect to the subject matter hereof. No amendment will be effective except in writing signed by all parties.

15. This License shall not be revoked unless the Grantee defaults in its obligations under this License or Grantee's use of the License Area is inconsistent with or violates the Special Act, or any applicable laws or regulations governing Class I potable water supplies or the Water Catchment Area, presently in effect or as may be amended; or interferes with the

Grantor's use or maintenance of its property or facilities located therein. The Grantor shall provide the Grantee with written notice of any inconsistent use or interference and allow thirty (30) days time for the Grantee to cure any such inconsistency or interference. However, in the event of an emergency affecting water quality in the Water Catchment Area, upon notice from the Grantor, the Grantee shall be required to take immediate action to cure any such emergency. Grantor acknowledges that this License is granted for the particular purpose of locating reclaimed water pipelines, that the Grantee will expend substantial amounts of money carrying out that particular purpose, and that said expenditures will be specifically made in reliance on the granting of this License.

16. Exhibits attached hereto and referenced herein shall be deemed to be incorporated in this License by reference.

IN WITNESS WHEREOF, the parties have executed this License on the date set forth hereinabove.

ATTEST: _____ City Clerk	THE CITY OF WEST PALM BEACH
CITY ATTORNEY'S OFFICE Approved as to form And legal sufficiency By: _____ Date: _____	By: _____ Lois J. Frankel, Mayor Dated: _____, 200__

ATTEST:
SHARON R. BOCK

By: _____
Clerk and Comptroller

**PALM BEACH COUNTY, FLORIDA,
BY ITS BOARD OF COUNTY
COMMISSIONERS**

BY: _____
Addie L. Greene, Chairperson

APPROVED AS TO FORM AND LEGAL
SUFFICIENCY:

Date: _____

By: _____
County Attorney

APPROVED AS TO TERMS AND
CONDITIONS:

By: _____
Department Director

ATTACHMENT "1" TO EXHIBIT "C"

LICENSE AREA

W.P.B. CCUSTOMERS - RIVERWALK, BAYWINDS, AND ANDROS ISLES

Exhibit "A"

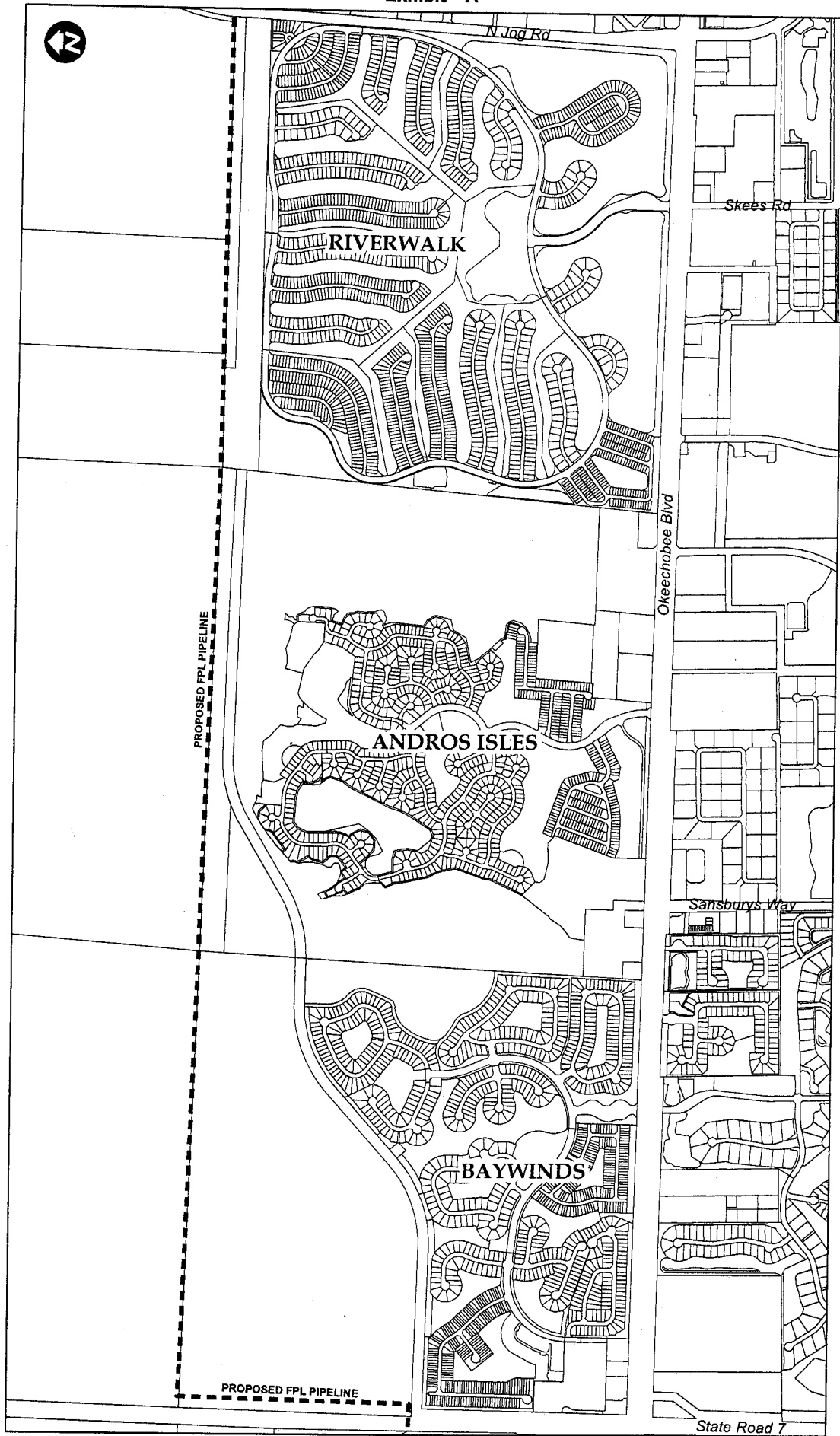


EXHIBIT "D"

List of Deficiency Contractors

Reclaimed Water Project

1. CH2M Hill/OMI
2. Severn Trent Services
3. U.S. Water Services Corporation
4. United Water (Suez)
5. American Water
6. Veolia Environment

EXHIBIT "E"

Section 12.3(a)(iii) - County-FPL Reclaimed Water Agreement

In the event of a County Event of Default pursuant to Sections 12.1 (d), (f), (i) or (j) relating to the Reclaimed Water Project on ECR Property, FPL may, by providing prior written notice to the County and WPB, request that the County cause WPB to employ one of the independent third-party contractors set forth on *Exhibit "J"* (as may be amended by mutual agreement of the County, FPL and WPB) (a "**Deficiency Contractor**") to take all actions to effect repair to and to restore operations of the Reclaimed Water Project on ECR Property consistent with the terms of this Agreement, the ECR Authority and at FPL's expense (a "**Step In**"). The County shall, and shall cause WPB to: (i) within twenty-four (24) hours of receipt of the Step In notice, engage the Deficiency Contractor, (ii) cooperate in good faith with FPL and the Deficiency Contractor to effect the Step In, and (iii) grant the Deficiency Contractor access rights to the Reclaimed Water Project on ECR Property for the purpose of ingress and egress to and from to facilitate the Deficiency Contractor's repair to and operation of the Reclaimed Water Project on ECR Property. The County and FPL shall cause the Deficiency Contractor to comply with all safety procedures and policies of the County, ECR, and WPB with regards to the Reclaimed Water Project on ECR Property and FPL shall, or shall cause the Deficiency Contractor to, defend, indemnify and hold harmless the County, ECR, and WPB from and against any and all claims, loss, damage, expense, costs, fines, penalties, liability and causes of action of every kind and character that are due to any act or omission ("Losses") of the Deficiency Contractor or its agents, employees, subcontractors, invitees, or licensees arising out of, or related to, the Step In provisions and any Losses arising out of FPL's exercise of the Step-In Rights. Upon the completion by the Deficiency Contractor of any repair and the restoration of operations of the Reclaimed Water Project on ECR Property by the Deficiency Contractor, the Deficiency Contractor shall vacate, and WPB shall resume operations of, the Reclaimed Water Project on ECR Property. In the event of a Step In, FPL's reasonable and documented costs and expenses incurred pursuant to the Step In by the Deficiency Contractor shall be deducted solely from the Monthly Base Fee and the Monthly Commodity Fee until such costs and expenses have been reimbursed in full to FPL. Notwithstanding the foregoing, the rights of FPL in effecting such Step In related to the Reclaimed Water Project located on ECR Property shall not exceed the ECR Authority. Such Step In will be without prejudice to the other remedies FPL may have under this Agreement.