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WASTEWATER RESIDUAL DISPOSAL AGREEMENT BETWEEN CITY OF HIGH SPRINGS AND THE CITY OF GAINESVILLE D/B/A GAINESVILLE REGIONAL UTILITIES

THIS AGREEMENT is made as of the ____ day of _____ 2005, by and between the City of Gainesville, a Florida municipal corporation d/b/a Gainesville Regional Utilities and the City of High Springs, a Florida municipal corporation ("High Springs"). It is hereby agreed that Gainesville Regional Utilities ("Gainesville") will haul, treat, and dispose of wastewater residuals from the water reclamation facility owned and operated by High Springs.

WITNESSETH:

WHEREAS, HIGH SPRINGS owns and operates a wastewater collection and treatment system which produces wastewater residuals as that term is defined herein; and

WHEREAS, HIGH SPRINGS desires to have GAINESVILLE manage and dispose of said residuals; and

WHEREAS, GAINESVILLE has the resources with which to take delivery, haul and dispose of such wastewater residuals in accordance with applicable law.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual provisions contained herein, the parties agree as follows:

1. Term

This contract will become effective immediately and will remain in effect until September 30, 2010, unless terminated sooner by mutual agreement by both parties, or terminated for cause as described below.

2. Termination for Cause

Noncompliance with the material terms and conditions of the Agreement for a period of thirty (30) days after written notification shall constitute cause for termination of this Agreement. Immediately upon notification by either party to the other of noncompliance, hauling of residuals may be suspended at the election of the complying party, until such time that the parties are returned to full compliance or that the Agreement is terminated.

3. GAINESVILLE'S Obligations

GAINESVILLE shall:

- 1.) Remove residuals from HIGH SPRINGS' water reclamation facility and deliver them to GAINESVILLE'S facilities for treatment.
- 2.) Treat, manage and dispose of these residuals according to Florida Department of Environmental Protection (FDEP) and United States

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Environmental Protection Agency (USEPA) requirements and Chapter 62-640, Florida Administrative Code (FAC) and Title 40 Code of Federal Regulations (CFR), Part 503.

- 3.) Maintain, monitor, and operate its wastewater treatment and disposal facilities in compliance with Chapter 62-640, FAC and 40 CFR Part 503.
- 4.) Accept responsibility for the proper measurement and stabilization of residuals prior to disposal as required by Chapter 62-640, FAC.

4. HIGH SPRINGS' Obligations

HIGH SPRINGS Shall:

- 1.) Provide GAINESVILLE with analyses of the wastewater residuals as per the schedule contained in Table 1.
- 2.) Provide updated analyses as required by Chapter 62-640, FAC and 40 CFR Part 503 as may be amended from time to time.
- 3.) Ensure and hereby represent and warrant, that the residuals removed from the HIGH SPRINGS wastewater treatment plant do not exceed the maximum allowable concentrations defined in Table 1, are from domestic origin, and will not at any time during the term of their Agreement contain any hazardous, toxic, or radioactive waste or substances as defined by applicable federal, state, and local laws.
- 4.) If and when HIGH SPRINGS connects to an industrial user, then HIGH SPRINGS' WWTF and subsequently GRU's solids handling facility will be protected with an approved industrial pre-treatment program (IPP) to ensure that HIGH SPRINGS'S biosolids will meet GRU's FDEP permit requirements.
- 5.) Perform record-keeping and management practices to ensure the quality of its biosolids residuals. This may include management and record-keeping activities as may be required for GRU to comply with its Environmental Management System (EMS) for biosolids.

5. Permits & Licensing

GAINESVILLE and HIGH SPRINGS shall be responsible for obtaining all permits, licenses, certifications and insurance for their respective performance of their obligations hereunder insofar as such permits, licenses and certifications are required by law.

6. Right of Refusal

If GAINESVILLE determines at any time that any HIGH SPRINGS residuals demonstrate properties that are not consistent with GAINESVILLE'S permit requirements, have the potential to cause harm to GAINESVILLE'S facilities or personnel, interfere with GAINESVILLE'S operations, cause violation of any of GAINESVILLE'S environmental permits, or may result in violation of any federal, state or local law or ordinance, then GAINESVILLE, in the

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exercise of its sole discretion, may refuse acceptance of HIGH SPRINGS' residuals. In the event GAINESVILLE has already taken possession of the residuals when this determination is made, HIGH SPRINGS, at HIGH SPRINGS' cost and expense, will be responsible for removal and proper disposal of the material.

7. Facilities Access

HIGH SPRINGS will provide GAINESVILLE reasonable access to its residuals storage facilities in order to facilitate efficient loading and hauling operations.

8. Facilities Maintenance

This will include maintenance of access roads, and access to entry/exit locations by HIGH SPRINGS. HIGH SPRINGS will, at HIGH SPRING'S expense, also maintain in good working order any mechanical equipment at all HIGH SPRINGS facilities which are associated with or may affect loading of residuals.

9. Scheduling of Hauling Events

HIGH SPRINGS and GAINESVILLE shall schedule mutually agreed upon times and dates for hauling. Either HIGH SPRINGS or GAINESVILLE may temporarily suspend operations and/or cancel and reschedule a hauling event should their respective operational needs so require.

10. Amendments

This Agreement may be amended only by mutual, written Agreement of the Parties. The parties acknowledge, however, that a material change in their respective circumstances, including, but not limited to changes in regulatory requirements that significantly increase the costs of either of their performance under this agreement, shall entitle the impacted party to request amendment to the contract to address such input. Should the parties fail to negotiate such amendment within 30 days of such written request by either for amendment under this paragraph, then either of them may terminate this agreement upon the giving of not less than 30 days written notice of intent to terminate.

11. Indemnification

HIGH SPRINGS shall, to the extent permitted under applicable law, indemnify and hold GAINESVILLE harmless from any loss, cost or damage, to any person or property occurring as a result of the acts or omissions of HIGH SPRINGS, its employees or officers in the performance of its obligations hereunder. Said obligation of indemnity includes, but is not limited to, any loss, cost or damage of any kind sustained by any persons arising out of the presence of any hazardous or toxic substances in the residuals reserved by GAINESVILLE from HIGH SPRINGS.

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GAINESVILLE shall, to the extent permitted under applicable law, indemnify and hold HIGH SPRINGS harmless from any loss, cost or damage to any person or property occurring as a result of the acts or omissions of GAINESVILLE, its officers or employees in the performance of its obligations hereunder.

12. Force Majeure

Neither party shall be considered in default in performance of its obligations herein to the extent that performance of such obligations or any of them is delayed or prevented by force majeure. Force majeure shall include, but not be limited to, hostilities, revolution, civil commotion, strikes, epidemic, accident, fire, flood, wind, hurricane, earthquake, explosion, blockage, or any law, proclamation, regulation, or ordinance, demand, or requirement of any government or governmental agency having or claiming to have jurisdiction over the work, or with respect to materials purchased for the work, or over the parties hereto or other act of government or any act of God or any cause whether of the same or different nature, existing or future; provided that the cause, whether or not enumerated in this provision, is beyond the control and without the fault or negligence of the party seeking relief under this provision. A party asserting force majeure shall give prompt notice of said assertion to the other.

13. Price and Payment

GAINESVILLE will submit to HIGH SPRINGS an invoice at the end of each month which will be due and payable within 30 days. The fee schedule shall be as follows:

| | |
|--------------------------------------|-------------------------------|
| Present – September 30, 2005 | - \$354 per tanker truck load |
| October 1, 2005 – September 30, 2006 | - \$576 per tanker truck load |
| October 1, 2006 – September 30, 2010 | - Price adjusted annually |

Note that these costs are based on a 6,000 gallon tanker truck load. Partial loads will be billed at the same cost as full truckloads. Price is based on a long-term average total solids content of 1.5% solids by weight.

As indicated above, for the period of October 1, 2006 through the end of the contract, the price for these services will be adjusted annually. A review will be conducted by June 30 of each year (starting in June of 2006), at which time the adjusted price that will go into effect the following October 1 will be determined. The review will be based on (1) a total solids price adjustment based on the average total solids concentration of the residuals hauled over the 12 months preceding the annual review, and (2) the Consumer Price Index (CPI) for All Urban Consumers.

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(1) Total Solids Price Adjustment

The prices presented above are based on a long-term average total solids concentration of 1.5% solids by weight. For the annual review, the average total solids concentration (in percent by weight) will be determined for the 12 months preceding the review. The price per tanker truck load will be adjusted as follows:

| 12 month Avg Total Solids (% by weight) | Total Solids Price Adjustment (%)* |
|---|------------------------------------|
| 1.25% – 1.75% | 0% |
| 1.76% - 2.25% | 13.5% |
| 2.26% - 2.75% | 28% |
| 2.76% - 3.25% | 43% |
| > 3.25% | Requires contract amendment |

*Percent adjustment from baseline cost (\$576/tanker load for FY06) which is based on 1.5% solids.

Note: It is not the intent of this contract provision to discourage HIGH SPRINGS from taking actions (such as decanting or thickening) to increase its residuals concentrations. Instead, these price adjustments are intended to reflect the additional treatment costs (on a per gallon basis) associated with a higher residuals concentration.

(2) CPI Adjustment

The Consumer Price Index for All Urban Consumers (US City Average, Not Seasonally Adjusted) published by the U.S. Department of Labor will be used. The CPI adjustment will be calculated as the ratio of the published for the previous calendar year divided by the CPI for the calendar year before that. (For the June 2006 review, the 2005 annual average CPI will be divided by the 2004 annual average CPI to determine the CPI adjustment. Subsequent years will be determined in the same manner). This CPI adjustment will be multiplied by the price from the previous fiscal year after making the price adjustment for total solids.

14. Binding Effects/Non-Assignment

This Agreement shall be binding upon their successors, assigns, and legal representatives. Neither party shall assign or otherwise transfer any of its rights or duties under this Agreement without the express, prior written consent of the other party, which consent shall not be unreasonably withheld.

15. Entire Agreement

This document embodies the whole Agreement of the parties. There are no promises, terms, conditions, or allegations than those contained herein; and

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this document shall supersede all previous communications, representations, and/or agreements, whether written or verbal, between the parties hereto. This Agreement may be modified only in writing executed by all parties.

16. Survival of Terms

The provisions of paragraph 11 shall survive the expiration or termination of this Agreement.

IN WITNESS WHEREOF, the parties have signed this Agreement as of the date and year first stated above.

City of High Springs

BY: _____

Name: _____
(Printed or Typed)

Title: _____

The City of Gainesville

BY: _____

Name: _____
(Printed or Typed)

Title: _____

Approved as to form and legality

Raymond O. Manasco, Jr.
Utilities Attorney

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Table 1.
Schedule for Analysis of Residuals from High Springs Water Reclamation Facility

| Parameter | Frequency | Maximum Allowable Concentration (mg/kg*) |
|---|-------------|--|
| Total Solids | 1/wk | 3.25% |
| Volatile Solids | 1/quarter** | NA |
| pH | 1/wk | 5-9 s.u. |
| Total Nitrogen | 1/quarter** | 12% |
| Total Phosphorus | 1/quarter** | 8% |
| Total Potassium | 1/quarter** | NA |
| Arsenic | 1/quarter** | 41 |
| Cadmium | 1/quarter** | 39 |
| Copper | 1/quarter** | 1200 |
| Lead | 1/quarter** | 300 |
| Mercury | 1/quarter** | 17 |
| Molybdenum | 1/quarter** | 75 |
| Nickel | 1/quarter** | 420 |
| Selenium | 1/quarter** | 100 |
| Zinc | 1/quarter** | 2800 |
| Toxic Organics (EPA Methods 1624, 1625, 1656) | 1/yr | NA |
| Radioactive Parameters (Gross Alpha & Beta, Radium 226 & 228) | Per Request | NA |

*Units in mg/kg unless indicated otherwise.

**Frequency subject to change if required frequencies change in FAC 62-640