

EXHIBIT B

CONTRACT, LEASE, AGREEMENT CONTROL FORM

Date: 5/23/2001

Contract/Lease Control #: C01-0555-WSI-76

Bid #: N/A
AGREEMENT

Contract/Lease Type: INTERLOCAL

Award To/Lessee: CITY OF CRESTVIEW, FL

Lessor: _____

Effective Date: 5/15/2001

Term: INDEFINITE

Description of Contract/Lease: REVISED WTR & SEWER SERVICE AREA MAP

Department Manager: WATER & SEWER

Department Monitor: J. LITTRELL

Monitor's Telephone #: 651-7172

Monitor's FAX #: 651-7193

Date Closed: _____

INTERLOCAL AGREEMENT

THIS INTERLOCAL AGREEMENT is entered into this 15th day of May, 200¹, by and between The City of Crestview, Florida ("the City"), and Okaloosa County, Florida ("the County").

WHEREAS, the City is a municipal corporation organized and existing under the laws of the State of Florida situated in Okaloosa County, Florida; and

WHEREAS, the County is a non-charter county organized and existing pursuant to Article VIII, Section 1(f) of the Florida Constitution; and

WHEREAS, both the City and the County provide water and wastewater services within the boundaries of Okaloosa County; and

WHEREAS, the City and the County each believe it is in their best interest to establish their respective services area for planning purposes and provide guidelines to aid in the coordination of these services; and

WHEREAS, prior disputes between the City and the County concerning water and sewer service areas led to litigation, which has been resolved through the entry of a Settlement Agreement between the parties and the Department of Community Affairs. That Agreement requires that the parties enter into an interlocal agreement incorporating the terms and provisions of the Settlement Agreement;

NOW THEREFORE, IN CONSIDERATION OF THE ABOVE PREMISES, the City and the County do hereby agree, covenant and stipulate as follows:

1. This Agreement is entered into by the City and the County pursuant to the provisions of section 163.01, Florida Statutes (the Florida Interlocal Cooperation Act of 1969), and is in

FILE 1843005 RCD: May 31 2001 @ 11:47AM
Newman C. Brackin, Clerk, Okaloosa Cnty Fl

200

furtherance of the requirements of the Intergovernmental Coordination Element contained in each of their duly adopted Comprehensive Plans.

2. The County agrees that the City has the absolute right to provide water and/or sewer services to all areas currently within its municipal limits. The County further agrees that, without the prior written consent of the City Council, it shall not provide water and/or sewer service to any property within the municipal limits of the City unless the County provides service to said property prior to the annexation of the property(s) into the City.

3. The County agrees that the City has the absolute right to provide water and sewer service to all areas annexed into the City's municipal boundaries that are not, at the time of annexation, being provided either respective service by the County or by another authorized water and/or sewer service provider. For purposes of this provision, "provided" means service is actually being received by customer(s) within the boundaries of the annexed area at the time the annexation procedures are initiated.

4. The County agrees that in the event a property is annexed into the City in which the County is providing water and/or sewer service, the City will have the option of assuming responsibility to provide such water and/or sewer service to that property. Such option shall be exercised, in writing, by the City at or before the time of the first reading of the ordinance or resolution proposing annexation of the property into the municipal boundaries. In the event the City exercises such option, the County shall discontinue service and the City shall then have the exclusive right to provide water and/or sewer service to this property. The connection of the City's system to the property and disconnection of the County system shall be at no cost or expense to the County. In the event that the exercise of this option by the City will result in significant adverse impacts to

the County water and/or sewer system, the County shall provide a notice of its objection to the exercise of the City's option. Such notice shall be provided to the City, in writing, within fifteen (15) days of the exercise of the option by the City. In the event that the County submits its objection based upon significant adverse impacts and the City does not agree, the dispute shall be resolved by binding arbitration between the parties. Such arbitration shall be heard by an arbitrator selected by the County, an arbitrator selected by the City, and a third arbitrator selected by the other two arbitrators. The County shall be allowed to continue providing water and/or sewer service to the property until the dispute is resolved. If the arbitration determines that the exercise of the option by the City and its assumption of water and/or sewer service to those properties will cause significant adverse impacts to the County's water and/or sewer system, then the County may continue to provide water and/or sewer service to the properties. If the arbitration determines that the exercise of the option by the City and its assumption of water and/or sewer service to the properties will not cause significant adverse impacts to the County's water and/or sewer system, then the City will provide water and/or sewer service to the properties.

5. In the event the City exercises its option under Paragraph 3 and agrees to provide, water and/or sewer service to the property that was annexed within the City and which was previously served by the County, the City shall pay to the County the sum of One Thousand Dollars (\$1,000) for each customer previously served by the County and agreed by the City to be served by it. The \$1,000 payment provided for herein shall apply whether the customer served receives water service, sewer service, or both. Further, the County shall transfer to City ownership all developer donated or contributed property owned by the County which is necessary for the service of that customer, provided that the County need not transfer any property to City ownership which is

utilized in the providing of water and/or sewer service to other properties or customers that will continue to be served by the County.

6. The County agrees that if it fails to challenge any specific voluntary annexation brought by the City under section 171.044, Florida Statutes, it will not contest the plan amendments of the City which effectuate the annexations in the City's Comprehensive Plan. However, the County does not herein waive any right it may have to challenge City Comprehensive Plan amendments which are beyond that required to effectuate the annexation(s).

7. For purposes of accomplishing the intent of this Agreement, the City and County agree to provide the other, in a manner consistent with the requirements of their respective codes and ordinances, reasonable access to install, maintain, service, connect and disconnect water and sewer lines located within the other's road rights-of-way or other properties. This Agreement shall include reasonable access to install water or sewer lines across each other's lands or rights-of-way to connect (or disconnect) to their respective service areas, the purpose of which is to eliminate unnecessary expenses by the City or County to extend water or sewer lines to either's respective service area when a line could reach that same service area by accessing available rights-of-way of the other governing body.

8. The City agrees that, as established between the parties by this Agreement, the County has the right to provide water and/or sewer service to all areas currently within the unincorporated area, except as otherwise specified in this Agreement. The City further agrees that, without the prior written consent of the Board of County Commissioners, it shall not provide water and/or sewer service to any property within the unincorporated area.

9. Notwithstanding the provisions of paragraph 8 above, at times, County residents have requested the City to provide water and/or sewer service to certain properties within the unincorporated area of the County where it was not economically feasible for the County to provide such service and the County has not objected to the City providing such service. The County agrees to allow the City to continue to provide water and/or sewer services to these unincorporated area properties. The City has the right to and shall continue to provide water and/or sewer service to these unincorporated properties until such time as the City and the County agree, in writing, that the County will provide such service.

10. Additionally, the City and County may agree, in writing, to allow the City to provide water and/or sewer service to other properties within the unincorporated area of the County. Upon providing such water and/or sewer service, the City shall retain the right to service these properties. The City has the right to and shall continue to provide water and/or sewer service to these unincorporated properties until such time as the City and the County agree that the County will provide such service.

11. If, after extending water or sewer service to unincorporated areas of the County as provided for in the preceding paragraph, other owners of properties in these areas request to be served by the City, and the County, upon its own initiative or upon a request from the City, agrees, in writing, to allow expansion to include these additional properties, then the City may provide water and/or sewer service to those properties. In such cases, the City has the right to and shall continue to provide water and/or sewer service to these unincorporated parties until such time as the City and the County agree that the County will provide such service. It is the intent of this Agreement that the County and City may enter into additional written agreements which will govern the expansion

of the City service to additional properties within the unincorporated area. Such agreements may address the provision of water and/or sewer service to those properties by the City, the extent of expansion allowed, whether the County may assume responsibility for providing water and/or sewer service to these properties in the future and, if so, the extent of compensation to be paid the City for the customers assumed by the County.

12. The City and the County hereby adopt and incorporate by reference a water and sewer service area map and listing which reflects the respective boundaries of each party's service area, as described herein, including the location and specific identification of those properties within the unincorporated area that the City is currently serving and those properties within the City's municipal boundaries that the County is currently serving.

13. The County agrees to amend the following provision from Policy 2.8 of Objective 3 of Element 2.1 Future Land Use; Policy 2.1 of objective 2 of Element 2.4 Sanitary Sewer; and Policy 2.7 of Objective 2 of Element 2.7 Potable Water of its Comprehensive Plan, which states:

Water and sewer service areas boundaries shall not be changed as a result of annexation or a land use map amendment, but shall only be changed through a specific boundary change to the Water and Sewer Service Area Map with supporting data and analysis and approved by the BCC.

Such amendment will be adopted during the County's next comprehensive plan amendment cycle (scheduled for 2001) to reflect consistency with the terms and provisions of this Agreement. Within thirty (30) days of execution of this Agreement, the County will amend its Water and Sewer Service Area Map to reflect the existing boundaries of the City's service area, as described herein, and the map will be subsequently amended as necessary to reflect changes in the service areas of the City and the County in accordance with the terms and provisions of this Agreement. DCA concurs that

the above revisions to the County Comprehensive Plan, once adopted, will be consistent with the Act so that, as to these amendments only, DCA could issue a favorable compliance determination.

14. This Agreement has been approved by the governing political body of the City and the County and each signatory hereto represents their authority to execute this Agreement on behalf of their respective local government.

15. Nothing in this Agreement shall be deemed to affect the rights of any person not a party to this Agreement. This Agreement is not intended to benefit any third party who is not a signatory to this Agreement with the exception of the general intent of the Agreement to benefit the public interests of the citizens of the City and the County.

16. All parties to this Agreement are deemed to have participated in its drafting. In the event of any ambiguity in the terms of this Agreement, the parties agree that such ambiguity shall be construed without regard to which of the parties drafted the provisions in question.

17. This is the entire Agreement between the parties and no verbal or written assurance or promise is effective or binding unless included in this document.

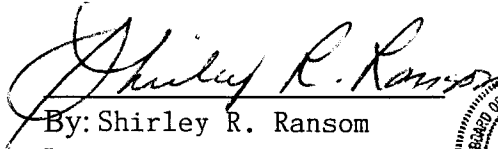
18. In the event suit is brought to resolve any dispute between the parties arising from this Agreement, the prevailing party will be entitled to receive its reasonable attorneys' fees, court costs, and litigation expenses, including all fees and costs of all experts, consultants, and other related out-of-court costs.

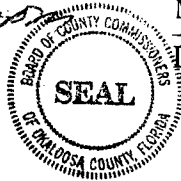
19. This Agreement shall become effective immediately upon execution by the City and the County, and shall be recorded in the Public Records of Okaloosa County.

20. This Agreement may be executed in any number of originals, all of which evidence one agreement, and only one of which need be produced for any purpose.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their undersigned officials as duly authorized.

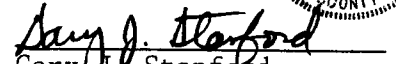
FOR OKALOOSA COUNTY



By: Shirley R. Ransom
Its: Chairman



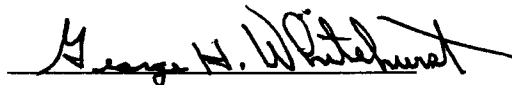
May 15, 2001
Date

ATTEST:


Gary J. Stanford
Deputy Clerk

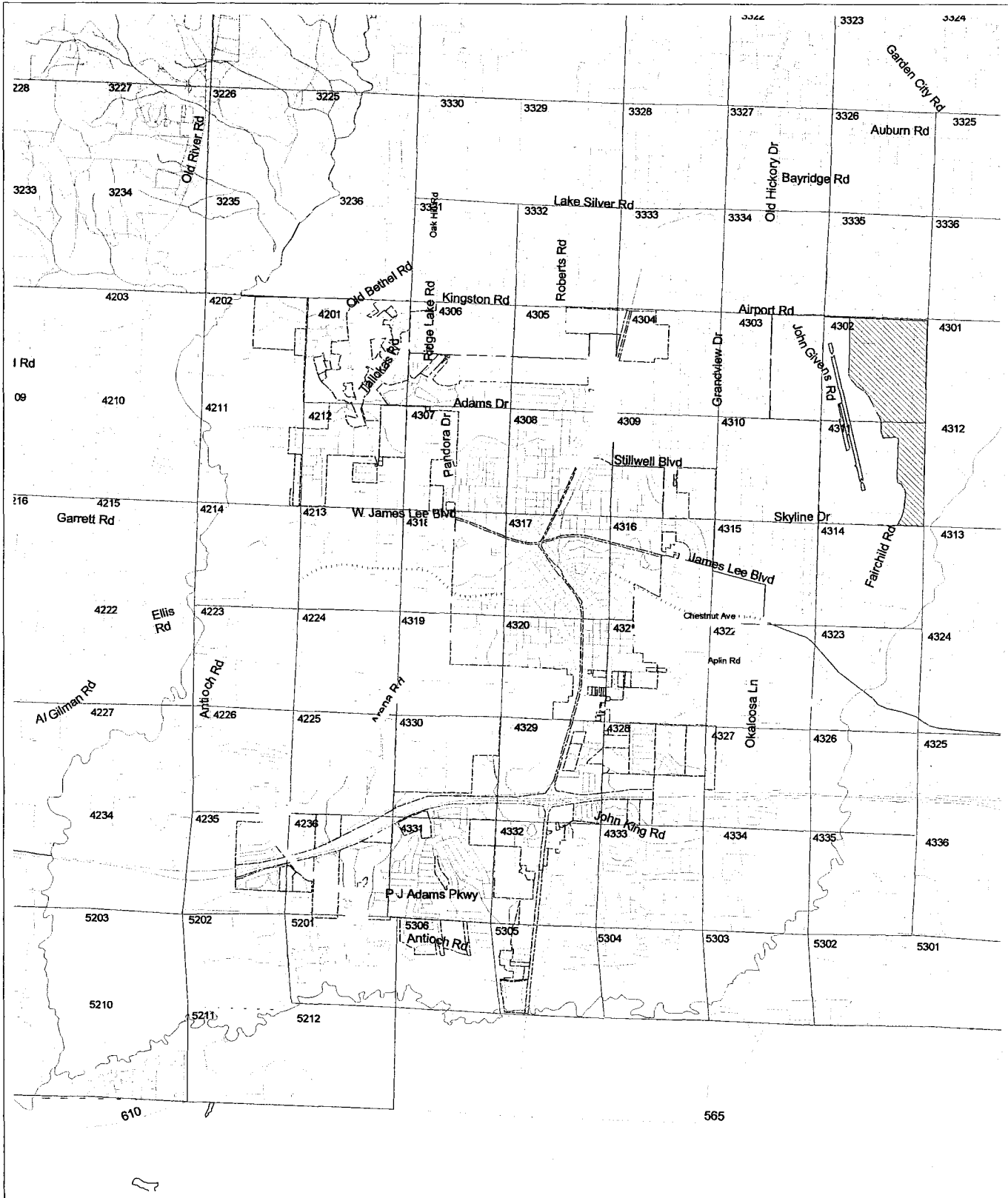


FOR THE CITY OF CRESTVIEW








By: George H. Whitehurst
Its:

1-8-01
Date

Crestview Water & Sewer Service Area



Water & Sewer Service Areas

-  Okaloosa County Unincorporated Area (OCWS Service Area)
-  Auburn Water System
-  Okaloosa County Commercial Auburn Residential
-  Baker Water System
-  Crestview Water System
-  Milligan Water System

Purpose

REVISIONS	
DATE	NO

MVP PROJECTION:
Lambert Conformal Conic Projection
Stateplane: Florida North (5903)
1983(50) North American Datum, HPGN
1988 North American Vertical Datum

COPYRIGHT:
All rights reserved. No part of this map product may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without the prior permission of Okaloosa County.

DISCLAIMER:
Okaloosa County hereby expressly disclaims any liability for errors or omissions in these maps, indexes or legends.
On site verification of these utilities will be required to determine the exact type, size, location, depth, etc.

