

## **EXHIBIT B**

### **CONTRACT, LEASE, AGREEMENT CONTROL FORM**

**Date: 8/14/2003**

**Contract/Lease Control #: C03-0972-WS40-128**

**Bid #: N/A**

**Contract/Lease Type: AGREEMENT**

**Award To/Lessee: CITY OF FREEPORT, FL**

**Lessor:**

**Effective Date: 8/5/2003 \$100,000**

**Term: EXPIRES 8/4/2043**

**Description of Contract/Lease: NORTH BAY EMERGENCY WATER SUPPLY BACKUP**

**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 hereby made by and between OKALOOSA COUNTY, FLORIDA and the CITY OF FREEPORT, FLORIDA, and the parties hereby covenant and agree as follows:

1. The CITY OF FREEPORT, located in Walton County, owns and operates the Villa Tasso Water System and the Choctaw Beach Water System, known jointly and referred hereinafter as the NORTH BAY WATER SYSTEM; and
2. The CITY OF FREEPORT is desirous of upgrading the NORTH BAY WATER SYSTEM to provide the customers thereof with safe, reliable water service; and
3. The proposed project scope will include a new 500 GPM well; a 300,000 gallon elevated water storage facility; and some 92,000 linear feet of water lines ranging in size from 3" to 12" in diameter (See attached map); and
4. The Florida Department of Environmental Protection's regulations require that a secondary source of supply be provided in the event of primary source failure; and
5. The OKALOOSA COUNTY WATER SYSTEM is fully capable of serving as a secondary source of supply to the NORTH BAY WATER SYSTEM.
6. The OKALOOSA COUNTY WATER SYSTEM, hereby agrees to allow the CITY OF FREEPORT, to interconnect its water systems so that the OKALOOSA COUNTY WATER SYSTEM may serve as a secondary source of supply for the CITY OF FREEPORT.

THEREFORE, BE IT RESOLVED as follows:

7. **PURPOSE.** The sole purpose of this connection will be to serve as an "emergency backup" source of supply to the NORTH BAY WATER SYSTEM customers, only. It shall not be used as a source of supply for transport and use outside the immediate area of the Villa Tasso and Choctaw Beach Communities.
8. **DELIVERY POINT.** Shall be located in the vicinity of the Okaloosa/Walton County Line Road.
9. **METERING SYSTEM.** Shall consist of a compound flow meter, gate valves, check valves, pipes and fittings, and lockable metering pit. Design of the metering system shall be subject to the review and approval of the OKALOOSA COUNTY WATER SYSTEM DIRECTOR.
10. **CONNECTION COSTS.** All costs associated with the interconnection of these systems including the cost of the metering system shall be borne by the CITY OF FREEPORT.

CONTRACT: NORTH BAY EMERGENCY  
WATER SUPPLY BACKUP  
CONTRACT NO.: C03-0972-WS40-128  
CITY OF FREEPORT, FL.  
EXPIRED: 8/4/2043

11. **FEES AND CHARGES.** A standby service fee of \$100.00 per year will be paid in advance by the CITY OF FREEPORT upon invoicing by the OKALOOSA COUNTY WATER AND SEWER SYSTEM. In addition, a monthly charge based upon an amount of usage per thousand gallons, if service is required, will be paid by the City of Freeport in accordance with the then prevailing rate ordinance of Okaloosa County based on similar service.

12. **METER ACTIVATION.** The metering system shall be equipped with a locking device which shall be under the control of the OKALOOSA COUNTY WATER AND SEWER SYSTEM. Request for emergency service may be made by the CITY OF FREEPORT by contacting the OKALOOSA COUNTY WATER AND SEWER SYSTEM, who will activate the meter upon authorization by the responsible official.

13. **MAINTENANCE AND SERVICE.** Routine maintenance and service of the metering system shall be the responsibility of the OKALOOSA COUNTY WATER AND SEWER SYSTEM. Any unusual expense for the repair of the system components, including meter calibration, shall be paid by the CITY OF FREEPORT.

14. **TERM OF AGREEMENT.** The term of this agreement shall be for a period of forty (40) years commencing on the date of execution of this agreement.

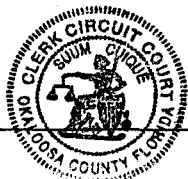
THIS AGREEMENT may be amended and/or modified by mutual agreement between the parties.

IN WITNESS THEREOF, the parties to this agreement have caused their names to be affixed by the proper officer thereof.

This AGREEMENT is signed and executed this 5<sup>th</sup> day of August 2003.

ATTEST:

Dary J. Stanford  
County Clerk



BOARD OF COUNTY COMMISSIONERS  
OKALOOSA COUNTY, FLORIDA

Paula L. Riggs



ATTEST:

Diane L. Key  
City Clerk

CITY OF FREEPORT, FLORIDA

Mickey Morse

RESOLUTION #03-07

WHEREAS, the City of Freeport may need the assistance of Okaloosa County for a back up water system for its North Bay Water System; and

WHEREAS, Okaloosa County has indicated that it would enter into an Interlocal Agreement with the City of Freeport to serve as a back up water system for the City's North Bay Water System; and

WHEREAS, it would be necessary to interconnect the water system to the City of Freeport and the Okaloosa County Water System ; and

WHEREAS, the City Council hereby authorizes the Mayor to execute an Interlocal agreement with Okaloosa County for the purposes of providing a back up system for its North Bay Water System;

NOW THEREFORE, be it resolved by the City Council of the City of Freeport, Florida, that the Mayor is hereby authorized to execute the attached Interlocal Agreement.

ADOPTED this 21<sup>th</sup> day of July, 2003.

Mickey Morse  
Mayor

ATTEST:

Dani Liley  
City Clerk