RESOLUTION NO. 14-09-69

A RESOLUTION OF THE VILLAGE COUNCIL OF ISLAMORADA, VILLAGE OF ISLANDS, FLORIDA APPROVING CHANGE ORDER NO. 7 TO THE DESIGN BUILD AND OPERATE (DBO) AGREEMENT BETWEEN ISLAMORADA VILLAGE OF ISLANDS AND REYNOLDS WATER ISLAMORADA, LLC, PROVIDING FOR REVISIONS TO THE DESIGN/BUILD WORK; AUTHORIZING VILLAGE OFFICIALS TO IMPLEMENT THE TERMS AND CONDITIONS OF CHANGE ORDER NO. 7; AUTHORIZING THE VILLAGE MANAGER TO EXPEND BUDGETED FUNDS; AUTHORIZING THE VILLAGE MANAGER TO EXECUTE CHANGE ORDER NO. 7; AND PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, on August 21, 2012, the Village entered into a Design Build and Operate (DBO) Agreement with Reynolds Water Islamorada, LLC ("Reynolds") to provide design, construction and operation of a Village-wide wastewater system ("DBO Agreement"); and

WHEREAS, Article X “Changes in the Design/Build Work” of the DBO Agreement provides for changes, modifications, and additions to the Design/Build Work; and

WHEREAS, per the direction of the Village Council, the Village Owners Representative Team ("ORT"), Village Staff, and Reynolds developed Change Order No. 5 which provided for the design and construction of a Residential Grinder Pump Program (the “Program”); and

WHEREAS, the Village Council has further directed the ORT and Village Staff to develop a scope for the operations and maintenance of the Grinder Pump Stations and Grinder Pump Service lateral connections for all properties in the Program; and

WHEREAS, Change Order No. 7 to the DBO Agreement provides for the operations and maintenance of the Grinder Pump Stations and Grinder Pump Service lateral connections for all properties in the Program; and

WHEREAS, the Village Council finds that approval of Change Order No. 7 to the DBO Agreement between the Village and Reynolds, attached hereto as Attachment “A”, is in the best
interest of the Village.

NOW, THEREFORE, BE IT RESOLVED BY THE VILLAGE COUNCIL OF
ISLAMORADA, VILLAGE OF ISLANDS, FLORIDA, AS FOLLOWS:

Section 1. Recitals. The above recitals are true and correct and incorporated into this
Resolution by this reference.

Section 2. Approval of Change Order. The Village Council of Islamorada, Village
of Islands, hereby approves Change Order No. 7 between the Village and Reynolds, a copy of
which is attached hereto as Attachment “A”, together with such non-material changes as may be
acceptable to the Village Manager and approved as to form and legality by the Village Attorney.

Section 3. Authorization of Village Officials. The Village Manager and/or her
designee and the Village Attorney are hereby authorized to take all actions necessary to implement
the terms and conditions of Change Order No. 7.

Section 4. Authorization of Fund Expenditure. Notwithstanding the limitations
imposed upon the Village Manager pursuant to the Village’s Purchasing Procedures Ordinance, the
Village Manager is authorized to expend budgeted funds to implement the terms and conditions of
Change Order No. 7.

Section 5. Execution of Change Order. The Village Manager is authorized to
execute Change Order No. 7 on behalf of the Village, to execute any required agreements and/or
documents to implement the terms and conditions of Change Order No. 7 and to authorize any
further acts necessary to implement the terms thereof,
Section 6. Effective Date. This Resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED this 23rd day of September, 2014.

Motion to adopt by Councilman Ken Philipson, second by Vice Mayor Deb Gillis.

FINAL VOTE AT ADOPTION
Mayor Ted Blackburn
Vice Mayor Deb Gillis
Councilman Mike Forster
Councilman Ken Philipson
Councilman Dave Purdo

YES
YES
YES
YES
YES

TED BLACKBURN, MAYOR

ATTEST:

KELLY TOTH, VILLAGE CLERK

APPROVED AS TO FORM AND LEGALITY
FOR THE USE AND BENEFIT OF ISLAMORADA,
VILLAGE OF ISLANDS:

ROGET V. BRYAN, VILLAGE ATTORNEY
CHANGE ORDER NO. 7

VILLAGE/OWNER: Islamorada, Village of Islands

COMPANY: Reynolds Water Islamorada, LLC

PROJECT: Design, Build, Operate (DBO) Agreement for Wastewater Collection and Transmission

DATE: September 11, 2014

This Change Order will authorize the following changes to the Operations Services and DBO Agreement:

The Operations Services as set forth in the DBO Agreement is hereby amended as set forth in Exhibit "A" and Exhibit "B" attached hereto and by this reference made a part hereof for all purposes.

This Change Order constitutes full, final, and complete compensation to the Company for all costs, expenses, overhead, and profit that the Company may incur in connection with the above referenced changes to the Operations Services, and any other effect on any of the Operations Services under the DBO Agreement. The Company acknowledges and agrees that (a) the Operations Service Fee under the DBO Agreement will be changed by this Change Order, (b) the Operations Period for performance of the Operations Services for the Wastewater Facilities will be unchanged by this Change Order. Except as herein or heretofore expressly modified, all terms of the DBO Agreement shall remain in full force and effect and shall cover the performance of, and payment for, any changes in the Operations Services authorized hereunder. Any defined terms not defined in this Change Order shall have the meanings set forth in the DBO Agreement.

By signing below the parties indicate acceptance of this Change Order as set forth herein.

[Signatures Follow on the Next Page]
VILLAGE/OWNER:

ISLAMORADA, VILLAGE OF ISLANDS
a Florida municipal corporation

By: Maria J. Aguilar
Name: Maria J. Aguilar
Title: Village Manager
Date Executed: 9/24/2014

COMPANY:

REYNOLDS WATER ISLAMORADA, LLC
a Delaware Limited Liability Company

By: [Signature]
Name: [Name]
Title: President
Date Executed: 10/06/2014

ATTEST:

[Signature]
Village Clerk

Approved as to form and legal sufficiency for the use and benefit of Islamorada, Village of Islands:

[Signature]
Village Attorney
EXHIBIT “A”

CHANGE ORDER NO. 7

<table>
<thead>
<tr>
<th>Date of Change Order:</th>
<th>September 11, 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Title of Change Order:</strong></td>
<td>Residential Grinder Pump Program Operation and Maintenance Services</td>
</tr>
<tr>
<td><strong>Original Design/Build Price:</strong></td>
<td>$90,900,000.00</td>
</tr>
<tr>
<td><strong>This Change Order Value:</strong> (Increase or Decrease in Design/Build Price)</td>
<td>$0.00 Increase in Design/Build Price</td>
</tr>
<tr>
<td><strong>Value of Previous Change Orders:</strong></td>
<td>$13,919,592.91 (With Phase 1 and Phase 2 of Paving Work)</td>
</tr>
<tr>
<td></td>
<td>Up to a maximum lump sum amount of $14,812,520.91 should Village authorize all private roads within Phase 3 of Paving Work.</td>
</tr>
<tr>
<td><strong>Current Design/Build Price (including this CO):</strong></td>
<td>$104,819,592.91 (with Phase 1 and Phase 2 Paving Work)</td>
</tr>
<tr>
<td></td>
<td>Up to a maximum lump sum amount of $105,712,520.91 should Village authorize all private roads within Phase 3 of Paving Work.</td>
</tr>
<tr>
<td><strong>Changes in Operations Service Fee</strong></td>
<td>As attached hereto in the Cost Breakdown</td>
</tr>
<tr>
<td><strong>Changes in Operations Period</strong></td>
<td>None</td>
</tr>
<tr>
<td><strong>Original Project Completion Dates:</strong></td>
<td>Substantial: June 1, 2015 Final: December 1, 2015</td>
</tr>
<tr>
<td><strong>Changes in Contract Time from this Change Order:</strong></td>
<td>Substantial: 0 Days Final: 0 Days</td>
</tr>
<tr>
<td><strong>Previous Changes in Contract Time:</strong></td>
<td>Substantial: 0 Days Final: 0 Days</td>
</tr>
<tr>
<td><strong>Current Project Completion Dates (Wastewater Facilities):</strong></td>
<td>Substantial: June 1, 2015 Final: December 1, 2015</td>
</tr>
<tr>
<td><strong>Current Project Completion Date as to Paving Work only (including CO No. 2):</strong></td>
<td>Final: May 29, 2016</td>
</tr>
</tbody>
</table>
DESCRIPTION OF CHANGE(S) IN OPERATIONS SERVICE FEE AND/OR OPERATIONS PERIOD:

SCOPE OF WORK:

This Change Order No. 7 consists of providing Operation and Maintenance Services (O&M) including maintaining, managing, operating, repairing, and replacing the Grinder Pump Stations and the Grinder Pump Service Lateral Connections installed as part of the Wastewater Facilities under Change Order No. 5, including the grinder pump assemblies, electrical power between the disconnect and the pump through the control panel, and monitoring system. The Grinder Pump Stations and Grinder Pump Service Lateral Connections shall be operated and maintained in accordance with Manufacturers’ recommendations, the Village’s Utility Policy, this Change Order No. 7, the Agreement, and FDEP requirements, as applicable.

The detailed Scope of Work for this Change Order No. 7 is as set forth in Exhibit “B”.

REASON FOR CHANGE(S) IN OPERATIONS SERVICE FEE AND/OR OPERATIONS PERIOD:

On September 11, 2013, during a Regularly Scheduled Village Council Meeting, Village Council directed staff to develop a Residential Grinder Pump Program that provided equity for its residential property owners included in the Village’s wastewater assessment with one (1) EDU regardless of the type of wastewater collection system (vacuum technology or low pressure) those residential properties were connecting. Staff developed a program that provided for the Village to furnish, install, operate and maintain Grinder Pump Stations, and operate and maintain Grinder Pump Service Lateral Connections for Village residents connecting to low pressure sewer systems within the Village. The intent of the program was to remove the cost to furnish, install, and maintain Grinder Pump Stations from Village residents connecting to low pressure systems and placing that cost on the Village. A resident connecting to a low pressure sewer would then have the cost to connect their structure to the Village’s Wastewater Collection System, similar to those Village residents connecting to a vacuum sewer. Although that Change Order No. 5 compensates the Company for installing the Grinder Pump Service Lateral Connections, it is the intent of the program to have the Village resident for each property reimburse the Village for the furnish and install cost of the Grinder Pump Service Lateral Connection.

On April 23, 2014, during a Village Council Workshop, Village Council directed staff to include in the Residential Grinder Pump Program those Village property owners included in the Village’s wastewater assessment with up to four (4) EDUs. On May 22, 2014 during a Village Council Meeting, Village Council approved Change Order No. 5 which included the capital portion of the Residential Grinder Pump Program. This Change Order No. 7 provides for the O&M of the Grinder Pump Stations and Grinder Pump Service Lateral Connections for all residential properties included in the Village’s wastewater assessment with up to 4 (four) EDUs.

SCHEDULE:

The Scope of Work described in this Change Order No. 7 shall commence immediately upon Notice to Proceed, except payment for items 3.2a and 3.2b shall commence upon completion of the 24-month warranty period for each discrete Grinder Pump Station and Grinder Pump described in Change Order No. 5. The Company shall provide monthly, written notification to the Village indicating when discrete Grinder Pump Stations have been put into service under the terms of Change Order No. 5, and when each warranty expires for each discrete Grinder Pump
Station, and the O&M Services under this Change Order No. 7 are available for service. The initial term for this Change Order No. 7 shall be for five (5) years from the expiration date of the warranty period described in Change Order No. 5. Extensions to the initial term will be negotiated prior to the end of the initial term expiring.

COST BREAKDOWN/CHANGE IN OPERATIONS SERVICE FEE:

The cost breakdown associated with Changes in the Agreement in connection with the Work in this Change Order No. 7 are shown below. Except for Work Item 2.0 which is a one-time payment, these costs are annual costs and will take effect upon Notice-To-Proceed. Costs associated with Work Items 3.2a, 3.2b, and 3.4 shall be adjusted effective the first day of each Contract Year based on the formula included in Section 9.6.2 of the Agreement.

<table>
<thead>
<tr>
<th>Work Item</th>
<th>Description</th>
<th>Quantity</th>
<th>Unit</th>
<th>Unit Price</th>
<th>Extension</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.0</td>
<td>Service and Monitoring Call-Outs</td>
<td></td>
<td></td>
<td></td>
<td>Costs included in 3.2a and 3.2b</td>
</tr>
<tr>
<td>2.0</td>
<td>Contingency Plan</td>
<td>1</td>
<td>LS</td>
<td>$8,100.00</td>
<td>$8,100.00</td>
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<tr>
<td>3.1</td>
<td>Grinder Pump Station (excluding pump) MRRR</td>
<td>1</td>
<td>LS</td>
<td>Provisionary Allowance</td>
<td>Provisionary Allowance</td>
</tr>
<tr>
<td>3.2a</td>
<td>Grinder Pumps MRRR – Simplex</td>
<td>400</td>
<td>EA</td>
<td>$224.00</td>
<td>$89,600.00</td>
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<tr>
<td>3.2b</td>
<td>Grinder Pumps MRRR – Duplex</td>
<td>60</td>
<td>EA</td>
<td>$378.00</td>
<td>$22,680.00</td>
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<tr>
<td>3.3</td>
<td>Grinder Pump Service Lateral Connections MRRR</td>
<td>1</td>
<td>LS</td>
<td>Provisionary Allowance</td>
<td>Provisionary Allowance</td>
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<tr>
<td>3.4</td>
<td>Annual System Costs</td>
<td>1</td>
<td>LS</td>
<td>$95,820.00</td>
<td>$95,820.00</td>
</tr>
<tr>
<td>4.0</td>
<td>Post Storm Events and Emergency Response</td>
<td>1</td>
<td>LS</td>
<td>Provisionary Allowance</td>
<td>Provisionary Allowance</td>
</tr>
</tbody>
</table>

At the Village’s discretion, the Village will assign work authorizations to the Company as required for work in accordance with Work Items 3.1, 3.3, 4.0, and 5.0. These Work Items with a Provisionary Allowance will be paid for on a negotiated lump sum basis in accordance with Section 7.23.2 of the Agreement. Should the Village elect, or should the additional required work be an emergency in nature, the Provisionary Allowance items will be paid for on a time and material basis in accordance with Section 10.2.3 of the Agreement.
EXHIBIT “B”

CHANGE ORDER NO. 7

SCOPE OF WORK
RESIDENTIAL GRINDER PUMP PROGRAM
OPERATION AND MAINTENANCE SERVICES

The Company shall maintain, manage, operate, repair, and replace the Grinder Pump Stations and the Grinder Pump Service Lateral Connections installed as part of the Wastewater Facilities under Change Order No. 5, including the grinder pump assemblies, electrical power between the disconnect and the pump through the control panel, and monitoring system. The Grinder Pump Stations and Grinder Pump Service Lateral Connections shall be operated and maintained in accordance with Manufacturers’ recommendations, the Village’s Utility Policy, this Change Order No. 7, the Agreement, and FDEP requirements, as applicable. For the purposes of this Scope of Work, the terms used herein shall have the following meanings:

a) “Grinder Pump” means all progressive cavity, non-clogging, non-jamming, grinder pumps installed within the Grinder Pump Stations including an anti-siphon and check valve that is integral with each Grinder Pump Station Pump, stationary and rotating cutter blades.

1.0 Service and Monitoring System Call-Outs
The Company shall respond to all service and monitoring system call-outs (property owner phone calls and monitoring alarms/signals) for the Grinder Pump Stations and Grinder Pump Station Service Lateral Connections within two hours. Service calls will be treated with high priority and every attempt will be made to respond immediately. The Company shall log the cause and remedy of all service and monitoring system call-outs. All service and monitoring system call-out logs and a summary thereof shall be provided to the Village on a monthly basis, shall indicate labor time expended, and shall be included with the Company’s Operations and Maintenance Monthly Report. Service and monitoring system call-outs shall be responded to 24 hours a day, 7 days a week.

2.0 Contingency Plan
Within 60 days of Notice to Proceed, the Company shall prepare and submit to the Village a Contingency Plan prepared in accordance with FDEP’s “Design and Specification Guidelines for Low Pressure Sewer Systems”. The Contingency Plan shall be approved by the Village and FDEP. Once approved, the Company shall make the Contingency Plan part of the Company’s Operation and Maintenance Plan.

3.0 Maintenance and Repair / Renewal and Replacement
The Company shall perform all Maintenance and Repair / Renewal and Replacement (MRRR) work on the Grinder Pump Stations, Grinder Pumps, and Grinder Pump Service Lateral Connections and appurtenances.

Change Order No. 7
Exhibit “B”
3.1 Grinder Pump Stations
Excluding the Grinder Pumps, the Company shall perform all MRRR services described in Section 7.6 and 7.7 of the Agreement on the Grinder Pump Stations and the HiTide monitoring system. All costs including labor, materials, equipment, restoration, etc. incurred by the Company for MRRR of the Grinder Pump Stations and HiTide monitoring system, excluding the Grinder Pumps, shall be reimbursed in accordance with the "Cost Breakdown/Change in Operations Service Fee" section of Exhibit "A" of this Change Order No. 7. The Village reserves the right to provide materials/equipment for Company use on MRRR work from spare parts inventory. The $1,000 minimum threshold for Maintenance and Repair, and Renewal and Replacement described in Article VII of the Agreement does not apply to this Change Order.

3.2 Grinder Pumps
The Company shall perform all MRRR services described in Section 7.6 and 7.7 of the Agreement on the Grinder Pumps. All costs including labor, materials, equipment, restoration, service and monitoring system call-out costs on Grinder Pump Station and Grinder Pumps, etc. incurred by the Company for MRRR of the Grinder Pumps shall be the responsibility of the Company. Whenever possible, repairs will be attempted in the field at the Premises to minimize Grinder Pump Station down time. If Grinder Pumps or parts must be removed for repairs, the Company shall install spare Grinder Pumps or parts in place of the failed Grinder Pump or parts until the failed Grinder Pumps or parts are repaired and/or replaced. Reimbursement to the Company for MRRR services for Simplex Grinder Pumps and Duplex Grinder Pumps is included in Exhibit "A" of this Change Order No. 7 as 3.2a and 3.2b, respectively.

3.3 Grinder Pump Service Lateral Connection
The Company shall perform all MRRR services described in Section 7.6 and 7.7 of the Agreement on the Grinder Pump Service Lateral Connections. All costs including labor, materials, equipment, restoration, etc. incurred by the Company for MRRR of the Grinder Pump Service Lateral Connections shall be reimbursed by the Village in accordance with the "Cost Breakdown/Change in Operations Service Fee" section of Exhibit "A" of this Change Order No. 7. The Village reserves the right to provide materials/equipment for Company use on MRRR work from spare parts inventory. The $1,000 minimum threshold for Maintenance and Repair, and Renewal and Replacement described in Article VII of the Agreement does not apply to this Change Order.

3.4 Annual System Costs
The Company shall provide and pay for all annual system fees and costs including all HiTide monitoring fees, operation and maintenance of all HiTide Collectors, and all annual power costs and power requirements of the system’s monitoring components. The Company shall also provide all pertinent insurance requirements described in Article XII of the Agreement on an annual basis and provide proof to the Owner that insurance requirements are current. As part of the Annual System Cost, the Company shall supply ten (10) mobile electrical generators of the size and type required for the Grinder Pump Stations to energize the Grinder Pump Stations if and when needed. The Company shall store the electrical generators within the Village limits and maintain them
in working order, and utilize them if and when needed to energize Grinder Pump Stations during power outages. The Company shall replace any electrical generators that are no longer operable at the Company’s expense. All costs including labor, materials, equipment, fees, etc. incurred by the Company for Annual System Costs shall be reimbursed by the Village in accordance with the “Cost Breakdown/Change in Operations Service Fee” section of Exhibit “A” of this Change Order No. 7.

4.0 Post Storm Events and Emergency Response
The Company shall be responsible for restoring service to the Grinder Pump Stations, Grinder Pumps, and Grinder Pump Service Lateral Connections post storm events and during emergencies. The Company shall bring the Grinder Pump Stations back on-line as quickly as possible after a storm event, major electrical power failure, Acts of God, vandalism, etc. The Grinder Pump Stations shall be brought back on line in a manner as to not overload the capacity of the system or creating a water hammer in the low pressure system. The Company shall develop an Emergency Preparedness Plan for the Grinder Pump Stations in accordance with Section 7.19 of the Agreement. All costs incurred by the Company for post storm events and emergency response shall be reimbursed by the Village to the Company in accordance with the “Cost Breakdown/Change in Operations Service Fee” section of Exhibit “A” of this Change Order No. 7. The Village reserves the right to provide materials/equipment for Company use on Post Storm Events and Emergency Response work from spare parts inventory.