

City of Quincy

City Hall

404 West Jefferson Street

Quincy, FL 32351

www.myquincy.net



Meeting Agenda

Tuesday, September 9, 2014

6:00 PM

City Hall Commission Chambers

City Commission

Derrick Elias, Mayor (Commissioner District Three)

Micah Brown, Mayor Pro-Tem (Commissioner District Two)

Keith Dowdell (Commissioner District One)

Andy Gay (Commissioner District Four)

Daniel McMillan (Commissioner District Five)

**AGENDA FOR THE REGULAR MEETING OF
THE CITY COMMISSION OF
QUINCY, FLORIDA
Tuesday
September 9, 2014
6:00 PM
CITY HALL CHAMBERS**

Call to Order

Invocation

Pledge of Allegiance

Roll Call

Special Presentations by Mayor or Commission

Approval of the Minutes of the previous meetings

1. Approval of Minutes of the 8/26/2014 Regular Meeting
(Sylvia Hicks, City Clerk)

Public Hearings as scheduled or agendaed

Public Opportunity to speak on Commission propositions – (Pursuant to Sec. 286.0114, Fla. Stat. and subject to the limitations of Sec. 286.0114(3)(a), Fla. Stat.)

Resolutions

Reports by Boards and Committees

Reports, requests and communications by the City Manager

2. Presentation: Warden Walt Summers; Gadsden Re-Entry Program
3. OMI Contract Amendment
(Mike Wade, Interim City Manager)
4. OMI 2013 Annual Report
(Mike Wade, Interim City Manager; Terry Presnal; Project Manager)

Other items requested to be agendaed by Commission Member(s), the City Manager and other City Officials

Comments

- a) City Manager
- b) City Clerk
- c) City Attorney
- d) Commission Members

Comments from the audience

Adjournment

CITY COMMISSION
CITY HALL
QUINCY, FLORIDA

REGULAR MEETING
AUGUST 26, 2014
6:00 P.M.

The Quincy City Commission met in regular session Tuesday, August 26, 2014, with Mayor Commissioner Elias presiding and the following present:

Commissioner Micah Brown
Commissioner Daniel McMillan
Commissioner Gerald A. Gay, III
Commissioner Keith A. Dowdell

Also Present:

Interim City Manager Mike Wade
Interim City Attorney John A. Grant
City Clerk Sylvia Hicks
Assistant Police Chief Glenn Sapp
Customer Service Representative Clemmy Parramore
Parks and Recreation Director Gregory Taylor
Planning Director Bernard Piawah
Interim Public Works Director Reginald Bell
Account Control Specialist Catherine Robinson
Fire Chief Scott Haire
Human Resources Director Bessie Evans
CRA Manager Regina Davis
CRA Attorney Hubert Brown
OMI Representative Terry Presnal
IT Representative David Rittman
Sergeant At Arms Captain Troy Gilyard

Also Present:

Former Mayor Commissioner Angela Sapp

Call to Order:

Mayor Commissioner Elias called the meeting to order, followed by invocation and the Pledge of Allegiance.

Approval of the Agenda

Commissioner Brown made a motion to approve the agenda as requested. Commissioner McMillan seconded the motion.

Approval of the Minutes of the previous meeting

Approval of the Minutes of the August 12, 2014 Regular Meeting

Commissioner Gay made a motion to approve the minutes of the August 12, 2014 regular meeting. Commissioner Brown seconded the motion. Mayor Elias had a correction, on page 6 second to last sentence the word should have been were. The ayes were unanimous.

Public Hearings a scheduled or agended

Public Opportunity to speak on Commission propositions – (Pursuant to Sec. 286.0114, Fla. Stat. and subject to the limitations of Sec. 286.0114(3)(a), Fla. Stat.)

Resolutions:

Resolution No. 1316-2014 Establishing procedures for Conducting Investigations per Charter

Commissioner Dowdell made a motion to approve Resolution No. 1316-2014. Commissioner Gay seconded it. Commissioner Dowdell shared the following concerns: Sect. 1 should have stated the July 22, 2014 Meeting instead of at a regular meeting. Sect. 7 The Clerk or the Attorney should administer the oath. Commissioner Dowdell stated that this document gives the Mayor too much power. Commissioner Gay stated that he supported the investigation but after thinking about and reviewing the Resolution this would consume a lot of time and he don't thing this investigation in will be satisfactory to all parties. Commissioner McMillan stated that if someone has committed a crime they should present the information to the proper authorities FDLE or the State Attorney's Office. Commissioner Gay stated that this resolution sets the parameters and foundation for future investigations. The Ayes are Commissioners Brown, McMillan, Gay, and Elias. Nay was Commissioner Dowdell. The vote was four (4) to one (1) for.

Reports by Boards and Committees

Reports, Requests and Communications by the City Manager

Quincy Bus Shuttle Service Contract 2014-2015

Bernard Piawah, Director of Building and Planning reported to the Commission the staff has negotiated with Big Bend Transit, Inc. for a new one-year contract to provide bus shuttle service in the City of Quincy. He stated that the services will be Mondays, Wednesday, and Fridays, in the city of Quincy and Tuesdays and Thursdays in Havana and Gretna. He stated the fare will be reduced to \$1.00 and Big Bend has agreed to grant the City the right to sell the space on the exterior of the bus for commercial advertising. Commissioner Dowdell made a motion to table the item until we discuss the budget. Commissioner Gay seconded the motion. Commissioner Dowdell stated that we need to make sacrifices for the citizens. Commissioner Brown stated that we must take our citizen under consideration this is a very useful service. Commissioner Gay stated that he was enlightened by the Auditors regarding our finances. He stated we can't afford this. Commissioner McMillan stated that we can no longer subsidize \$36,000 for one or two people. Upon roll call by the Clerk the ayes were Commissioners Brown and Dowdell. Nays were Commissioners McMillan, Gay and Elias. The

motion did not carry. The vote was two (2) to three (3) against. Commissioner McMillan made a motion to do not authorize the Manager to enter into a contract with Big Bend Transit, Inc. for another year. Mayor Elias seconded the motion. Upon roll call by the Clerk the ayes were Commissioners McMillan Gay and Elias. Nays were Commissioners Brown and Dowdell. The motion carried. The vote was three (3) to two (2) for. Commissioner Dowdell asked when everyone meet with the auditor. The Interim City Manager stated the he would schedule a time for Commissioner Dowdell to meet with the Auditor.

Interlocal Fire and Rescue Service Agreement

Commissioner McMillan made a motion to approve the Interlocal Fire and Rescue Service Agreement with Gadsden County. Commissioner Dowdell seconded the motion. The ayes were unanimous. The vote was five (5) to zero (0) for.

Retirement Health Benefits Policy Norman Retirement and Guidelines for Permanent Disability Retirement

The Commission did not take any action.

Internet/Phone Service Proposal

Interim City Manager Mike Wade reported to the Commission that the City recently issued a RFP for telephone and internet services. He stated we received two responses one from TDS and one from Ready Communications. The responsible bid was with TDS and is requesting approval to enter into an agreement with TDS Telecom to provide the telephone and internet to all City office buildings. Mr. Roger Tyo representative from TDS Telecom was present to answer any questions.

Commissioner McMillan made a motion to authorize the Manger to sign the 60 month Telecommunication Service Agreements with TDS for City office buildings. Commissioner Gay seconded the motion. Upon roll call the ayes were Commissioners Brown, McMillan, Gay, and Elias. Nay was Commissioner Dowdell. The vote was four (4) to one (1) for.

Quincy Fire Department Monthly Report – No Comments

Financials/P-Card Statement

Commissioner Gay stated he would get with the Manager.

Commissioner McMillan stated that the loan and bond payments are not listed on the financials

Commissioner Dowdell stated that at the last meeting Mr. Allen asked the question regarding the Rate Stabilization fund why is it zero. The Manager stated that Mr. Williams Interim Finance Director reported to the Commission that there were no funds put in that fund months ago. Commissioner Dowdell asked can we stop having the customers pay the amount. The Manager stated yes but we will have to increase rates. Commissioner Gay

stated that in July 2013 the financial report showed we had \$300,000, in September \$100,000 and October the balance was zero. Mr. Williams told us that the funds were used to pay bills.

Commissioners Dowdell and McMillan requested the accounts payables and receivables are included on the financial report.

Other item requested to be agendaed by Commission Member(s) the City Manager and other City Officials

City Manager

Interim City Manager Mike Wade reported to the Commission that the budget workshop will begin September 2nd thru September 4th beginning at 6:00 p.m.

Interim City Manager Mike Wade reported that Adkins-Sampson Consultants is requesting to meet with the Commission to discuss the Downtown Master Plan. Mr. Piawah will schedule a time.

City Clerk – None

City Attorney

Interim City Attorney John Grant requested an Executive Session to discuss the litigation of Jack L. McLean Jr. The Commission set the meeting for September 2, 2014 at 5:30 p.m.

Commission Members

Commissioner Dowdell – None

Commissioner Gay

Commissioner Brown stated he would email his concerns to the Manager.

Commissioner Gay stated the he had spoken with the Auditor and what he found would be beneficial during the budget.

Commissioner McMillan

Commissioner McMillan made a motion to cease operation with Netquincy and allow our customers to get another carrier for internet services and pending we are not in violation of the bond covenants. Commissioner Gay seconded the motion. Commissioner Dowdell asked what we are going to about our bonds. The Attorney stated he would contact our Bond Attorney Ms. Herring to make sure that we are not in violation. Upon roll call the ayes were Commissioners Brown, McMillan, Gay, and Elias. Nay was Commissioner Dowdell. The vote was four (4) to one (1) for.

Comments from the audience

Mr. Emanuel Sapp of 821 2nd Street came before the Commission to express his opinion on the following: Downtown Master Plan funds the \$50,000 is it for the new group (2) New Police Station (3) Meeting out of the sunshine (4) Reduce the Commission Salary by \$5,000 (5) the HR Director and the Interim City Manager were place in those positions as favors and if they were instructed to do this that were not right and stated they would be protected under the whistle blower act because he know they met out of the sunshine.

Commissioner Gay stated that if anyone has any evidence or proof of violations of the sunshine law they should go the State Attorney Office and Florida Department of Law Enforcement they are wasting their time by coming to the Commission.

Freida Bass Prieto of 329 East King Street concerns were the City lost over \$400,000 in 2013 regarding NetQuincy.

Ms. Prieto stated that recently she has been receiving her record request in a timely manner thanked and commends Mr. Wade and staff.

Ms. Joanie Bradwell 644 George Street stated that she commends Mr. Wade he is doing a great job and the City is head in the right direction and is on the right track.

Ms. Bradwell stated that she had noticed that Commissioner Dowdell has become very vocal the past few meetings and seems to be informed ha has great talking points.

Commissioner Gay made a motion to adjourn the meeting. Commissioner McMillan seconded the motion. There being no further business to discuss the meeting was adjourned.

APPROVED:

Derrick D. Elias, Mayor and
Presiding Officer of the City Commission
City of Quincy, Florida

ATTEST:

Sylvia Hicks
Clerk of the City of Quincy, Florida
Clerk of the City Commission thereof

**City of Quincy
City Commission
Agenda Request**

Date of Meeting: September 9, 2014
Date Submitted: September 5, 2014

To: Honorable Mayor and Members of the Commission
From: Mike Wade, Interim City Manager

Subject: OMI 2015 Contract Amendment

Statement of Issue

Pursuant to the current Agreement for Services between the City and CH2M HILL-OMI, the annual base fee for services shall be negotiated annually. OMI is proposing Amendment No. 7 to the agreement with a 1.65% or \$15,334 increase.

Background

On October 1, 2007 the City of Quincy and CH2M HILL- OMI entered into an agreement for the operation, maintenance, and management of the City's water and wastewater treatment facilities. Section 5 of the agreement establishes a provision for the annual negotiation and adjustment of the contract amount. The following table shows the fee for each of the previous seven years. Years 1 thru 5 of the contract included a base fee plus a separate repairs account expense of \$30,000. In Year 6 of the contract (FY2013) there was no increase in the base fee but the \$30,000 repairs account was removed as a separate item and added to the base fee.

Annual Fee Amounts Under Current Contract

Contract Year	Base Fee	Repairs Account	Total Contract Value
YEAR 1 (2007-2008)	\$841,110.00	\$30,000	\$871,110.00
YEAR 2 (2008-2009)	\$875,270.00	\$30,000	\$905,270.00
YEAR 3 (2009-2010)	\$875,270.00	\$30,000	\$905,270.00
YEAR 4 (2010-2011)	\$892,775.00	\$30,000	\$922,775.00
YEAR 5 (2011-2012)	\$913,775.00	\$30,000	\$943,775.00
YEAR 6 (2012-2013)	\$943,775.00	Included in Base Fee	\$943,775.00
YEAR 7 (2013-2014)	\$959,309.00	Included in Base Fee	\$959,309.00

Proposed

Contract Year	Base Fee	Repairs Account	Total Contract Value
YEAR 8 (2014-2015)	\$974,643	Included in Base Fee	\$974,643.00

Analysis

CH2MHill – OMI has proposed an increase of 1.65% or \$15,334 to the annual base fee. The proposed increase is in accordance with the Base Fee Adjustment Formula as described in Appendix G of the contract. When staff applied ½ of the 1.5 percent Consumer Price Index (CPI) and ½ of the 1.8 percent Employment Cost Index (ECI) numbers for the quarter ending March 2014 to the Base Fee Adjustment Formula, as described by the agreement, the adjustment rate was a 1.65% increase equal to \$15,534. The 1.65% rate is applied to the previous base fee less the \$30,000 repairs limit. The new proposed fee is \$974,643. The Amendment 7 also proposes changes to Appendix B and Appendix F of the agreement. The proposed Appendix B removes non-operating equipment at the surface water treatment facility from the list of equipment that OMI is responsible for maintaining. This non-operating equipment has been out of service since the City's well-field came online in 2003 (see attachment). Appendix F adds the 1999 Hardee Dump Trailer to the list of city owned equipment that is used by OMI for operations. The dump trailer which was purchased by the city is used to haul biosolids to a disposal site.

Options

Staff is proposing the following options for consideration by the commission

Option 1: Authorize the Mayor and the City Manager to sign Amendment No. 7 to the Agreement of October 1, 2007 between the City of Quincy and CH2MHILL-OMI.

Option 2: Do not approve the Amendment

Staff Recommendation:

Option 1

Attachments:

1. Amendment No. 7 to the Agreement
2. Equipment Letter
3. 2007 OMI Contract
4. Amendments 1,2,3,4,5,6

AMENDMENT NO. 7
to the
AGREEMENT
for
OPERATIONS, MAINTENANCE AND
MANAGEMENT SERVICES
for the
CITY OF QUINCY, FLORIDA

THIS AMENDMENT NO. 7 (the "Amendment") is made and entered into the _____ day of September, 2014 by and between the City of Quincy (hereinafter "Owner") and Operations Management International, Inc. (hereinafter "CH2M HILL OMI"), each a "Party" and collectively the "Parties".

WHEREAS, the Parties entered into that certain Agreement for Operations, Maintenance and Management Services for the City of Quincy, Florida on October 1, 2007 ("Agreement");

WHEREAS, for good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, the Parties now wish to further modify the Agreement as set forth herein.

NOW THEREFORE, effective October 1, 2014, ("Effective Date") Owner and CH2M HILL OMI agree that the Agreement shall be and is hereby amended and modified in the following manner:

1. Article 5.1 is hereby deleted in its entirety and replaced as follows:

5.1 Owner shall pay to CH2M HILL OMI as compensation for services performed under this Agreement a Base Fee as follows:

YEAR 8 (2014-2015)	\$ 974,643
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2. Article 5.4 is hereby deleted in its entirety and replaced as follows:

5.4 The total amount CH2M HILL OMI shall be required to pay for Repairs shall not exceed the annual Repairs Limit of \$30,000 during the period of October 1, 2014 to September 30, 2015 (Year 8) of this Agreement. CH2M HILL OMI shall provide Owner with a monthly detailed invoice of Repairs costs charged against the annual Repairs Limit and the Repairs Limit balance remaining. CH2M HILL OMI to seek Owner's written approval prior to incurring repair costs in excess of the annual Repairs Limit. Owner agrees to pay CH2M HILL OMI for repair costs in excess of the annual Repairs Limit and CH2M HILL OMI will rebate to Owner the entire amount that the cost of Repairs is less than the annual Repairs Limit. The Repairs Limit shall be negotiated each year, three (3) months prior to the anniversary of the Effective Date in accordance with Article 5.2; should Owner and CH2M HILL OMI fail to agree, the Repairs Limit will remain unchanged from the prior annual Repairs Limit.

3. Appendix B is hereby deleted in its entirety and replaced with Appendix B which is attached hereto and made a part hereof by this reference.

4. Appendix F is hereby deleted in its entirety and replaced with Appendix F which is attached hereto and made a part hereof by this reference.

This Amendment No. 7, together with all previous amendments, the Agreement, and the Letter Agreement for the Payment of Past Due Invoices dated November 8, 2013, constitutes the entire agreement between the Parties and supersedes all prior oral and written understandings with respect to the subject matter set forth herein. Unless specifically stated all other terms and conditions of the Agreement shall remain in full force and effect. Neither this Amendment nor the Agreement may be modified except in writing signed by an authorized representative of the Parties.

Both parties indicate their approval of this Amendment No. 7 by their signature below.

Authorized Signature:

Authorized Signature:

**OPERATIONS MANAGEMENT
INTERNATIONAL**

CITY OF QUINCY, FLORIDA

Name: _____
Title: _____
Date: _____

Name: Derrick Elias
Title: Mayor
Date: _____

Name: Mike Wade
Title: Interim City Manager
Date: _____

Appendix B

LOCATION OF PROJECT

- B.1 CH2M HILL OMI agrees to provide the services necessary for the management, operation, and maintenance of the following:
- a) All equipment, vehicles, grounds, and facilities new existing within the current property boundaries of or being used to operate Owner's Wastewater Treatment Plant located at 300 North GFA Drive.
 - b) All equipment, vehicles, grounds, and facilities now existing within the current property boundaries of or being used to operate Owner's Water Treatment Plant located at 915 South Adams Street and wells at the following locations:
 - 1) South Stewart Street
 - 2) 6215 Memorial Blue Star Hwy.
 - 3) North Adams Street
 - c) All equipment, vehicles, grounds, and facilities now existing within the current property boundaries of the lift stations described as follows:
 - 1) West Circle Drive
 - 2) South Key Street
 - 3) South Virginia Street
 - 4) West Carolina Street
 - 5) West Sharon Street
 - 6) Lake Talquin Road (Jail)
 - 7) Lake Talquin Road (IFUS)
 - 8) Joe Adams Road (Industrial Park)
 - 9) Washington Street
 - 10) Wal-mart
 - d) All equipment, grounds, and facilities now existing within the current property boundaries of elevated storage tanks described as follows:
 - 1) North Adams Street
 - 2) South Roberts Street
 - 3) South Virginia Street
 - e) All equipment, grounds, and facilities now existing within the current property boundaries of ground storage tanks described as follows:
 - 1) North Adams Street
- B.2 The Owner hereby agrees that the equipment listed below is considered abandoned and CH2M HILL OMI shall not provide any services necessary for the management, operation, and maintenance of said equipment as follows:
- a) RAW water pumps #1 and #2.

- b) Electrical components for RAW water pumps #1 and #2.
- c) Carbon feeders at RAW pump building.
- d) Filter backwash pump and electrical components associated with that pump.
- e) Filter control panels located in the old water plant.
- f) Valves associated with the old filters.

CH2M HILL OMI agrees to continue to provide the services necessary for the management, operation, and maintenance of the buildings and or structures where said equipment is located.

Appendix F

CITY OWNED VEHICLE AND EQUIPMENT

Vehicle number	Description	Vehicle I.D. Number
U-32	1998 Chevrolet 1500	1gcec14w3wz252167
U-5	1988 Dodge 350	1bgmd3457gs661306
	1998 Kioti Tractor w/ loader	200281
	48" bush hog rotary mower	201028
	1980 Trailmobile tank	1PTG23VJ34000310
	2004 Anderson equipment trailer	
	1998 Utility trailer	
	1998 Toro self-propelled mower 30"	200280
	1999 Hardee Dump Trailer	



Mike Wade
Utilities Director / Interim City Manager
City of Quincy
404 West Jefferson St.
Quincy, Florida 32351

Re: Abandoned Equipment at Old Water Plant / Contract Change

Due to the abandonment of some of the old surface water treatment equipment and the fact that it will not ever be used again due to permitting from FDEP, we would like to remove this equipment from our contract responsibility. The equipment in question is not working and has not worked in over ten years. The cost to get this equipment back in operational condition would probably be in the neighborhood of \$40,000. Even if it were fixed it could not be used due to the fact the rest of the surface water plant is offline.

Due to these factors we are submitting on this year's contract amendment a line removing the following equipment to be removed from our list of equipment to maintain. We will still maintain the building they are housed in but not the actual equipment.

The equipment is as follows.

- 1) RAW water pumps #1 and #2.
- 2) Electrical components for RAW water pumps #1 and #2.
- 3) Carbon feeders at RAW pump building.
- 4) Filter backwash pump and electrical components associated with that pump.
- 5) Filter control panels located in the old water plant.
- 6) Valves associated with the old filters.

If you have any questions about these changes you can contact me at anytime to discuss.

A handwritten signature in black ink, appearing to read "Denvil T. Presnal".

Denvil T. Presnal
Project Manager
CH2MHILL OM Services

AGREEMENT
for
OPERATIONS, MAINTENANCE AND
MANAGEMENT SERVICES
for the CITY OF QUINCY, FLORIDA

THIS AGREEMENT is made on this 28th day of August, 2007, between the City of Quincy, Florida, whose address for any formal notice is 404th West Jefferson Street, Quincy, Florida 32351 (hereinafter "Owner") and Operations Management International, Inc., with offices at 9193 S. Jamaica Street, Suite 400, Englewood, Colorado 80112 (hereinafter "CH2M HILL OMI").

Owner and CH2M HILL OMI agree:

1 GENERAL

- 1.1 All definitions of words or phrases used in this Agreement are contained in Appendix A.
- 1.2 All grounds, facilities and equipment now owned by Owner or acquired by Owner shall remain the property of Owner.
- 1.3 This Agreement shall be governed by and interpreted in accordance with the laws of the State of Florida.
- 1.4 This Agreement shall be binding upon the successors and assigns of each of the parties, but CH2M HILL OMI will not assign this Agreement without the prior written consent of the Owner. Consent shall not be unreasonably withheld.
- 1.5 All notices shall be in writing and transmitted by certified mail to the address noted above.
- 1.6 This Agreement, including Appendices, is the entire Agreement of the parties. This Agreement may be modified only by written agreement signed by both parties. Wherever used, the terms "CH2M HILL OMI" and "Owner" shall include the respective officers, agents, directors, elected or appointed officials, and employees.

2 SCOPE OF SERVICES-CH2M HILL OMI

CH2M HILL OMI shall:

- 2.1 Within the design capacity and capability of the Project, manage, operate, and maintain the Project so that potable water supplied and effluent discharged from the Project meets the requirements specified in Appendix C. CH2M HILL OMI may alter the process and/or facilities to achieve the objectives of this Agreement; provided, however, that no alteration shall be without Owner's written approval if alteration shall cost in excess of Two Thousand Dollars (\$2,000.00).
- 2.2 Provide and document all Maintenance for the Project. Owner shall have the right to inspect these records during normal business hours.
- 2.3 Perform all corrective and preventive maintenance for the facilities in accordance with CH2M HILL OMI's comprehensive computer-based preventive maintenance program.

- 2.4 Assist the Owner's representative in the development of an annual and 5-year capital improvement plan identifying major repairs and capital expenditures that will be necessary at the facilities either to restore, maintain, replace, or upgrade the facilities or equipment for efficiency, safety, function, and/or compliance with current and anticipated regulatory requirements.
- 2.5 Provide and maintain computer-based records of all maintenance, repairs, process control, and laboratory management for the facilities. Owner shall retain title to and have the right to inspect and copy these records during normal business hours.
- 2.6 Respond to service complaints in a timely and efficient manner.
- 2.7 Provide and document all Repairs for the Project. All individual repairs over Two Thousand Dollars (\$2,000.00) will be paid for by the Owner.
- 2.8 A Repairs budget of \$30,000 annually has been established by Owner. OMI shall pay for Repairs directly and invoice Owner up to the Thirty Thousand Dollars (\$30,000.00) during the first year of this Agreement. Once the Repairs budget exceeds the \$30,000 limit, Owner shall pay for all Repairs in excess directly. All repairs over Thirty Thousand Dollars (\$30,000.00) must be approved by the Owner.
- 2.9 Provide Owner with an accounting of Repairs on a monthly basis. On a monthly basis, OMI shall invoice Owner for Repairs directly paid for by OMI up to the Repairs budget of \$30,000.
- 2.10 Provide for all Repairs related to the vehicles and equipment owned by the Owner and used by CH2M HILL OMI at the Project through the Repairs budget.
- 2.11 CH2M HILL OMI's will warrant that its staff will possess the required State of Florida certifications.
- 2.12 CH2M HILL OMI's staff will be properly trained in areas of operation, maintenance, safety, supervisory skills, laboratory, industrial pretreatment and energy management. This training will include both plant-specific and wastewater field material.
- 2.13 Comply with the requirements of the Owner regarding Affirmative Action provisions for minority hiring.
- 2.14 Work with contractors, consultants, and other companies currently assisting the Owner at the wastewater treatment facility.
- 2.15 Pay all Cost incurred in normal Project operations, except for those Costs included in Article 3.1. Scope of Service - Owner.
- 2.16 Prepare all NPDES permit reports and submit these to Owner for transmittal to appropriate agencies.
- 2.17 Provide for the disposal of screenings, grit, and sludge to the existing disposal sites.
- 2.18 Perform all laboratory testing and sampling currently required by the NPDES permit.

- 2.19 Provide twenty-four (24) hour per day access to Project for Owner's personnel. Visits may be made at any time by any of Owner's employees so designated by Owner's Representative. Keys for Project shall be provided to the Owner by CH2M HILL OMI. All visitors to the Project shall comply with CH2M HILL OMI's operating and safety procedures.
- 2.20 Cooperate with the Owner in enforcing existing equipment warranties and guarantees and maintaining warranties on any new equipment purchases on behalf of the Owner.
- 2.21 Allow licensed septic tank pumping contracts with loads from only the County of Madison and all cities incorporated therein, to dump septage at the treatment facility at designated areas providing such septages are in accordance with the Owner's Sewer Use Ordinance, and free from abnormal or biologically toxic substances which cannot be treated or removed by current plant process.
- 2.22 Operate facilities so that odor and noise shall be effectively controlled and that no disruption to adjacent neighborhoods shall result.
- 2.23 Comply with State and local environmental protection agencies, OSHA and U. S. EPA permits, in supplying reports concerning effluent and potable water quality, monitoring, and process control procedures.
- 2.24 Perform other services that are incidental to the Scope of Services as directed by Owner. Such services will be negotiated with Owner.
- 2.25 Monitor and inspect all grease trap locations annually and based on the information provided by Owner. CH2M HILL OMI shall provide owner monthly all non compliance of the grease trap ordinance.
- 2.26 Inspect all Owner-owned back flow preventers.
- 2.27 Perform all annual notifications for back flow testing within the City of Quincy based on the information provided by Owner. CH2M HILL OMI shall maintain records of all inspections, identified instances of non-compliance and notifications and shall provide such records to Owner on a monthly basis.
- 2.28 Upon Owner's request, OMI may lease vehicles for the project and include such cost within the annual Base Fee. The Parties shall agree upon a mark-up cost at the time of request and then include such cost into the Base Fee also.
- 2.29 Under OMI's lease with ARI, after the initial twelve (12) months OMI has the option to continue to lease the vehicle on a month to month basis; return the vehicle to ARI; or purchase the vehicle. Any time after the initial twelve (12) months, Owner may request to purchase the vehicle at OMI's cost, at which point OMI will exercise its purchase option with ARI.

3 SCOPE OF SERVICE-OWNER

Owner shall:

- 3.1 Provide for all Capital Expenditures.
- 3.2 Pay all Electrical Cost and Repairs as per Article 2.8 associated with the Project.
- 3.3 Maintain all existing Project warranties, guarantees, easements, and licenses that have been granted to Owner.
- 3.4 Pay all property, franchise, or other taxes associated with the Project.
- 3.5 Administer and enforce the grease trap ordinance and mail all grease trap non compliance notification letters.
- 3.6 Provide annual updates of new installations of backflow preventers within the City of Quincy.
- 3.7 Provide enforcement of any delinquent backflow preventer inspections.

4 INDEPENDENT CONTRACTOR RELATIONSHIP

4.1 CH2M HILL OMI is, and shall be, in the performance of all work services and activities under this Agreement, an Independent Contractor, and not an employee, agent or servant of the Owner. All persons engaged in any of the work or services performed pursuant to this Agreement shall at all times, and in all places, be subject to CH2M HILL OMI's sole direction, supervision, and control. CH2M HILL OMI shall exercise control over the means and manner in which it and its employees perform the work, and in all respects CH2M HILL OMI's relationship and the relationship of its employees to the Owner shall be that of an Independent Contractor and not as employees or agents of the Owner. CH2M HILL OMI does not have the power or authority to bind the Owner in any way, agreement or representation other than as specifically provided for in this Agreement.

5 COMPENSATION

5.1 Owner shall pay to CH2M HILL OMI as compensation for services performed under this Agreement a Base Fee as follows:

YEAR 1 (2007-2008)	\$841,110.00
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5.2 Changes in the Base Fee shall be negotiated annually, three (3) months prior to anniversary of the effective date hereof. Base Fee adjustments shall be negotiated using Labor & Benefits, Chemicals, Sludge Hauling, and Other Direct Costs as the basis of adjustment of the Base Fee. Owner and CH2M HILL OMI agree that good faith negotiations resulting in mutual agreement are the preferred methodology to be used to determine changes in the Base Fee. In the event that Owner and CH2M HILL OMI fail to agree, the Base Fee will be adjusted using the Base Fee Adjustment Formula shown in Appendix G. Upon each contract year renegotiation, CH2M HILL OMI shall continue to invoice Owner at the previous amount until the new contract year price is agreed upon. In accordance with Section 8.2 and upon written agreement between the

parties as to the new contract year base fee, CH2M HILL OMI shall issue an invoice retroactively adjusting the previous base fee amount.

- 5.3 In the event that a change in the scope of services provided by CH2M HILL OMI occurs, Owner and CH2M HILL OMI will negotiate a commensurate adjustment in the Base Fee.

6 PAYMENT OF COMPENSATION

- 6.1 One-twelfth (1/12) of the base fee for the current year shall be due and payable on the first of the month for each month that services are provided.
- 6.2 All other compensation to CH2M HILL OMI is due on receipt of CH2M HILL OMI's invoice and payable within forty-five (45) days.
- 6.3 Owner shall pay interest at an annual rate equal to prime rate (said amount of interest not to exceed any limitation provided by law) on payments not paid and received within thirty (30) calendar days, such interest being calculated from the due date of the payment.

7 INDEMNITY, LIABILITY, AND INSURANCE

- 7.1 If there are any claims for damages attributable to the negligence, errors or omissions of CH2M HILL OMI, their agents or employees while providing the services called for herein, it is understood and agreed CH2M HILL OMI shall indemnify and hold harmless the Owner from any and all losses, costs (including attorney fees), liability, damages and expenses arising out of such claims or litigation asserted as a result hereof. However, CH2M HILL OMI shall not be responsible for acts or omissions of the Owner, its agents or employees, or of third parties which result in bodily injury to persons or property.
- 7.2 CH2M HILL OMI shall be liable for all fines or civil penalties which may be imposed by a regulatory agency for any violations that are a result of CH2M HILL OMI's negligent operation. Owner will assist CH2M HILL OMI to contest any such fines in administrative proceedings and/or in court prior to any payment by Owner. CH2M HILL OMI shall pay the costs of contesting any such fines.
- 7.3 CH2M HILL OMI's liability in contract or in tort to Owner under this Agreement specifically excludes any and all indirect or consequential damages arising from the operation, maintenance, and management of the Project.
- 7.4 Each party shall obtain and maintain insurance coverage of a type and in the amounts described in Appendix D. Each party shall name the other party as an additional insured on all insurance policies covering the Project and shall provide the other party with satisfactory proof of insurance.

8 TERM AND TERMINATION; DEFAULT REMEDIES

- 8.1 The term of this Agreement shall be for five (5) years commencing October 1, 2007 and continuing to September 30, 2012. Thereafter, this Agreement shall be automatically renewed for successive terms of five (5) years each unless cancelled by either party not less than 120 days prior to expiration.

- 8.2 Services provided under this Agreement shall be subject to annual appropriation of funds by the Owner. In the event no funds or insufficient funds are appropriated and budgeted or are otherwise not available in any fiscal year for payment for services under this Agreement the Owner will immediately notify CH2M HILL OMI of such occurrence and this Agreement shall terminate on the last day of the fiscal year for which appropriations were received without penalty or expense to the Owner.
- 8.3 Either party may terminate this Agreement for a material breach of the Agreement by the other party after giving written notice of breach and allowing the other party thirty (30) days to correct the breach. Excepting breaches by Owner for nonpayment of CH2M HILL OMI's invoice neither party shall terminate this Agreement without giving the other party thirty (30) days written notice of intent to terminate after failure of the other party to correct the breach within thirty (30) days.
- 8.4 Upon notice of termination by Owner, CH2M HILL OMI shall assist Owner in resuming operation of the Project. CH2M HILL OMI will provide Owner at the date of termination the quantities of chemicals shown in Appendix E. Owner will pay CH2M HILL OMI for the Cost of quantities in excess of the quantities shown in Appendix E. If additional Cost is incurred by CH2M HILL OMI at request of Owner, Owner shall pay CH2M HILL OMI such Cost in accordance with Article 5.2. CH2M HILL OMI will work with Owner to transfer all software licenses and pertinent operational documentation to Owner, subject to licensing provisions.

9 LABOR DISPUTES, FORCE MAJEURE

- 9.1 In the event activities by Owner's employee groups or unions cause a disruption in CH2M HILL OMI's ability to perform at the Project, Owner, with CH2M HILL OMI's assistance or CH2M HILL OMI, after consultation with the Owner, may seek appropriate injunctive court orders. During any such disruption CH2M HILL OMI shall operate the facilities on a best-efforts basis until any such disruptions cease.
- 9.2 Neither party shall be liable for its failure to perform its obligations under this Agreement if performance is made impractical, abnormally difficult, or abnormally costly, as a result of any unforeseen occurrence beyond its reasonable control. The party invoking this Force Majeure clause shall notify the other party immediately by verbal communication and in writing by certified mail of the nature and extent of the contingency within ten (10) working days after its occurrence.

10 ACCESS TO FACILITIES AND PROPERTY

- 10.1 Owner will make its facilities accessible to CH2M HILL OMI as required for CH2M HILL OMI's performance of its services, and will secure access to any other Owner property necessary for performance of CH2M HILL OMI's services.
- 10.2 CH2M HILL OMI shall provide 24-hour per day access to Project for Owner's personnel. Visits may be made at any time by any of Owner's employees so designated by Owner's Representative. Keys for the Project shall be provided to Owner by CH2M HILL OMI. All visitors to the Project shall comply with CH2M HILL OMI's operating and safety procedures.

11 CHANGES

Owner and CH2M HILL OMI may mutually make changes within the general scope of services of this Agreement. The contract price and schedule will be equitably adjusted pursuant to a written Change Order, Modification or Amendment to the Agreement executed by both parties.

12 NO THIRD PARTY BENEFICIARIES

This Agreement gives no rights or benefits to anyone other than Owner and CH2M HILL OMI and has no third party beneficiaries.

13 JURISDICTION

This Agreement shall be governed by and interpreted in accordance with the laws of the State of Florida.

14 SEVERABILITY AND SURVIVAL

If any of the provisions contained in this Agreement are held for any reason to be invalid, illegal, or unenforceable, the enforceability of the remaining provisions shall not be impaired thereby.

15 FINES AND CIVIL PENALTIES

CH2M HILL OMI shall be liable for those fines or civil penalties which may be imposed by a regulatory agency for violations of the effluent quality and water quality requirements specified in Appendix C, that are a result of CH2M HILL OMI's negligent operation.

16 AUTHORITY

Both parties represent and warrant to the other party that the execution delivery and performance of this Agreement has been duly authorized by the responsible parties thereof. Both parties warrant that all required approvals have been obtained and the executing party below has such authority to bind the party.

17 ENTIRE AGREEMENT

This Agreement, together with all exhibits attached to this Agreement, contains all representations and the entire understanding between the parties with respect to the subject matter of this Agreement. Any prior correspondence, memoranda, or agreements, whether or not such correspondence, memoranda or agreements are in conflict with this Agreement, are intended to be replaced in total by this Agreement and its exhibits. The parties mutually declare there are no oral understandings or promises not contained in the Agreement which contains the complete, integrated, and final agreement between the parties.

OPERATIONS MANAGEMENT
INTERNATIONAL, INC.

CITY OF QUINCY, FLORIDA

By: Roger B. Quayle

By: Keith Dowdell

Name: ROGER B. QUAYLE

Name: Keith Dowdell

Title: SR. V.P. PRESIDENT

Title: Mayor

Date: 11/05/2007

Date: August 25, 2007

W

Appendix A
DEFINITIONS

- A.1. "Base Fee" means the compensation paid by Owner to CH2M HILL OMI for the base services defined in Article 4.1 of this Agreement for any year of the Agreement. This compensation does not include payments for Requests by Owner that are incidental to or outside the Scope of Services.
- A.2. "Capital Expenditures" means any expenditures for (1) the purchase of new equipment or facility items that cost more than Two Thousand Dollars (\$2,000.00); or (2) Major Repairs; or (3) expenditures that are planned, non-routine, and budgeted by Owner.
- A.3. "Change in the Scope of Services" means those events or services which either change the basis of cost or add additional scope to the services provided in this Agreement which are anticipated as long term events (greater than one year). Such events or services include but are not limited to, services and/or cost presently the responsibility of Owner, newly mandated regulatory requirements, construction and the impacts thereof, and changes in the Project(s) characteristics.
- A.4. "Cost" means the total of all costs determined on an accrual basis in accordance with Generally Accepted Accounting Principles (GAAP), including but not limited to direct labor, labor overhead, chemicals, materials, supplies, utilities, equipment, maintenance, repair, and outside services.
- A.5. "Incidental Services" means those services requested by Owner incidental to/or not specifically identified or included in CH2M HILL OMI's Costs, but are related or similar in nature to the services contemplated under this Agreement, including but not limited to, services and/or cost for plant or facility upgrades, rate studies, short term construction and the impacts thereof, engineering studies, and other short term incidental projects.
- A.6. "Maintenance" means the cost of those routine and/or repetitive activities required or recommended by the equipment or facility manufacturer or CH2M HILL OMI to maximize the service life of the equipment, sewer, vehicles, and facility.
- A.7. "Major Repairs" means those repairs that significantly extend equipment or facility service life and cost more than Two Thousand Dollars (\$2,000.00).
- A.8. "Preventive Maintenance" means the cost of those routine and/or repetitive activities required or recommended by the equipment or facility manufacturer or CH2M HILL OMI to maximize the service life of the equipment, sewer, vehicles, and facility.
- A.9. "Project" means all equipment, vehicles, grounds, and facilities described in Appendix B and where appropriate, the operations, maintenance, and management of such.
- A.10. "Repairs" means the cost of those nonroutine/nonrepetitive activities required for operational continuity, safety, and performance generally resulting from failure or to avert a failure of the equipment, sewer, vehicle, or facility or some component thereof. Repairs shall be budgeted and paid for by Owner.
- A.11. "Repairs Cost" means the cost of those non-routine/non-repetitive activities required for operational continuity, safety, and performance generally resulting from failure or to avert a failure of the equipment, sewer, vehicle, or facility or some component thereof. Repairs shall be budgeted and paid for by Owner.

Appendix B
LOCATION OF PROJECT

- B.1 CH2M HILL OMI agrees to provide the services necessary for the management, operation, and maintenance of the following:
- a) All equipment, vehicles, grounds, and facilities now existing within the current property boundaries of or being used to operate Owner's Wastewater Treatment Plant located at 300 North GFA Drive.
 - b) All equipment, vehicles, grounds, and facilities now existing within the current property boundaries of or being used to operate Owner's Water Treatment Plant located at 915 South Adams Street and wells at the following locations:
 - 1) South Stewart Street
 - 2) 6215 Memorial Blue Star Hwy.
 - 3) North Adams Street
 - c) All equipment, vehicles, grounds, and facilities now existing within the current property boundaries of the lift stations described as follows:
 - 1) West Circle Drive
 - 2) South Key Street
 - 3) South Virginia Street
 - 4) West Carolina Street
 - 5) West Sharon Street
 - 6) Lake Talquin Road (Jail)
 - 7) Lake Talquin Road (IFUS)
 - 8) Joe Adams Road (Industrial Park)
 - 9) Washington Street
 - 10) Wal-mart
 - d) All equipment, grounds, and facilities now existing within the current property boundaries of elevated storage tanks described as follows:
 - 1) North Adams Street
 - 2) South Roberts Street
 - 3) South Virginia Street
 - e) All equipment, grounds, and facilities now existing within the current property boundaries of ground storage tanks described as follows:
 - 1) North Adams Street

Appendix C
PROJECT CHARACTERISTICS AND REQUIREMENTS

NPDES PERMIT AND PROJECT CHARACTERISTICS

C.1 CH2M HILL OMI will operate Project so that effluent will meet the requirement of NPDES permit No. FL0029033 (copy attached) and FDEP Permit No. DT20-236954. CH2M HILL OMI shall be responsible for meeting the effluent quality requirements of Owner's NPDES permit unless one or more of the following occurs; (1) the Project influent does not contain Adequate Nutrients to support operation of Project biological processes and/or contains Biologically Toxic Substances that cannot be removed by the existing process and facilities; (2) dischargers into Owner's sewer system violate any or all regulations as stated in the Water and Sewer Ordinance and, (3) the flow, influent BOD₅, and/or suspended solids exceeds the Project design parameters, which are 1.50 million gallons of flow per day, 3,128 pounds of BOD₅ per day, 3,128 pounds of suspended solids, and a daily peaking factor of 1.8 times flow.

C.2 In the event any one of the Project influent characteristics, suspended solids, BOD, or flow, exceeds the design parameters stated above, CH2M HILL OMI shall return the plant effluent to the characteristics required by the NPDES permit in accordance with the following schedule after Project influent characteristics return to within design parameters.

<u>Characteristics Exceeding Design Parameters By</u>	<u>Recovery Period Maximum</u>
10% or Less	5 days
Above 10% Less than 20%	10 days
20% and Above	30 days

Notwithstanding the above schedule, if the failure to meet effluent quality limitations is caused by the presence of Biologically Toxic Substances or the lack of Adequate Nutrients in the influent, then CH2M HILL OMI will have a thirty (30) day recovery period after the influent is free from said substances or contains Adequate Nutrients.

C.3 CH2M HILL OMI shall not be responsible for fines or legal action as a result of discharge violations within the period that influent exceeds design parameters, does not contain Adequate Nutrients, contains Biologically Toxic Substances, and the subsequent recovery period, unless caused by CH2M HILL OMI's negligence or as a result of C.2 above.

C.4 The estimated costs for services under this Agreement are based on the following Project characteristics:

Flow	.885	gallons per day
BOD	1098	pounds per day
TSS	1063	pounds per day

The above characteristics are the actual twelve (12) month averages prior to the date services are provided under this Agreement. Any change of ten percent (10%) or more in any of these characteristics, based on a twelve (12) month moving average, will constitute a change in scope.

RAW WATER QUALITY AND FINISHED WATER REQUIREMENTS

- C.5 CH2M HILL OMI will operate the Project so the treated potable water will meet requirements of the State of Florida and U.S. EPA for Public Water Systems and National Primary Water Treatment Regulations. CH2M HILL OMI shall be responsible for meeting potable water quality limitations established therein unless the raw water supply contains toxic materials or other substances which cannot be removed by the existing processes and facilities. In this event CH2M HILL OMI makes all reasonable efforts to get the water plant into compliance.
- C.6 CH2M HILL OMI will operate the Project and supply the community with a sufficient quantity of potable water unless:
- 1) The demand for water exceeds the design capacity of the facilities specified in Appendix B.
 - 2) Raw water supply is insufficient to meet the demand.
- C.7 CH2M HILL OMI shall not be responsible for fines or legal actions arising from:
- 1) Toxic or foreign substances contained in raw water supply, unless caused by CH2M HILL OMI's negligence
 - 2) Insufficient raw water supply, unless caused by CH2M HILL OMI's negligence
 - 3) Vandalism
 - 4) Acts of God, or
 - 5) Any other event not under CH2M HILL OMI's control
- C.8 The estimated cost for services under this Agreement is based on an average production of 1.4 mgd. Any change of five percent (5%) in average daily production based upon twelve (12) month moving average will constitute a change in scope.

Appendix D
INSURANCE COVERAGE

D.1 CH2M HILL OMI shall maintain:

- ◆ Statutory workers' compensation for all of CH2M HILL OMI's employees at the Project as required by the State of Florida.
- ◆ Comprehensive general liability insurance in an amount not less than Five Million Dollars (\$5,000,000.00) combined single limits for bodily injury and/or property damage.
- ◆ Comprehensive Automobile and Vehicle Liability Insurance with One Million Dollars (\$1,000,000.00) combined single limits; covering claims for injuries to members of the public and/or damages to property of others arising from the use of CH2M HILL OMI owned or leased motor vehicles, including onsite and offsite operations.
- ◆ Property and physical damage insurance for all vehicles and equipment owned by Owner and operated by CH2M HILL OMI under this Agreement as set forth in Appendix F.
- ◆ A performance bond in an amount equal to the annual Base Fee.

D.2 Owner shall maintain:

- ◆ Property damage insurance for all property owned by Owner, with any property not properly or fully insured being the financial responsibility of Owner.

Appendix E
THIRTY-DAY INVENTORY

WASTEWATER PLANT

1200 lbs.	Chlorine
1 tote	Sodium Bisulfite
2500 lbs.	Lime

WATER PLANT

900 lbs.	Chlorine
150 gallons	Fluoride

Appendix F
CITY OWNED VEHICLE AND EQUIPMENT

Vehicle number	Description	Vehicle I.D. Number
U-25	1990 Chevrolet S-10	1gces14eol8104254
U-32	1998 Chevrolet 1500	1gcee14w3wz252167
U-5	1988 Dodge 350	1bgmd3457gs661306
	1990 Kenworth W900	2xkwd29x6mm562234
	1998 Kioti Tractor w/ loader	200281
	60" bush hog grooming mower	
	48" bush hog rotary mower	201028
	1968 Butler tank trailer	6757nam
	2004 Anderson equipment trailer	
	1998 Utility trailer	
	1998 Toro self propelled mower 30"	200280

Appendix G
BASE FEE ADJUSTMENT FORMULA

$$ABF = BF \times AF$$

Where:

- BF = Base Fee specified in Section 5.1
ABF = Adjusted Base Fee
AF = Adjustment Factor as determined by the formula:

$$AF = \frac{1}{\{((ECI) .50 + ((CPI) .50)\}}$$

- ECI = The twelve month percent change (from the second quarter of the prior year to the second quarter in the current year) in the Employment Cost Index for Total Compensation for All Civilian Workers, and All Workers, Not Seasonally Adjusted as published by U. S. Department of Labor, Bureau of Labor Statistics in the Detailed Report Series ID: CUJ1010000000000 (B,C).
- CPI = The twelve month percent change (from July of the prior year to July of the current year) in the Consumer Price Index for the U.S. City Average, All Items, Not Seasonally Adjusted as published by U.S. Department of Labor, Bureau of Labor Statistics in the CPI Detailed Report Series ID: CUUR0005A0.

AMENDMENT NO.1
to the
AGREEMENT
for
OPERATIONS, MAINTENANCE AND
MANAGEMENT SERVICES
for the
CITY OF QUINCY, FLORIDA

THIS AMENDMENT NO. 1 (the "Amendment") is made and entered into the 1st day of October, 2008 by and between the City of Quincy (hereinafter "Owner") and Operations Management International, Inc. (hereinafter "CH2M HILL OMI") (collectively, the "Parties").

WHEREAS, the Parties entered into that certain Agreement for Operations, Maintenance and Management Services for the City of Quincy, Florida on October 1, 2007;

WHEREAS, the Parties now wish to further modify the Agreement as set forth herein.

NOW THEREFORE, effective October 1, 2008, Owner and CH2M HILL OMI agree that the Agreement shall be and is hereby amended and modified in the following manner:

1. Article 5.1 is deleted in entirety and replaced with the following Article 5.1:

5. COMPENSATION

5.1 Owner shall pay to CH2M HILL OMI as compensation for services performed under this Agreement a Base Fee as follows:

YEAR 2 (2008-2009)	\$ 875,270
--------------------	------------

Except as expressly set forth herein, all other terms and conditions of the Agreement remain in full force and effect. This Amendment and the Agreement represent the entire understanding between the Parties and supersedes all prior oral and written understandings between the Parties with respect to the subject matter set forth herein. Neither this Amendment nor the Agreement may be modified except in writing signed by an authorized representative of the Parties.

Both parties indicate their approval of this Agreement by their signature below.

Authorized Signature:

**OPERATIONS MANAGEMENT
INTERNATIONAL**

Name: Roger Quayle
Title: Sr. Vice President / Project Delivery
Date: _____

Authorized Signature:

CITY OF QUINCY, FLORIDA

Name: Andy Gay
Title: Mayor
Date: _____

Name: Jack McClean
Title: City Manager
Date: _____

AMENDMENT NO.2
to the
AGREEMENT
for
OPERATIONS, MAINTENANCE AND
MANAGEMENT SERVICES
for the
CITY OF QUINCY, FLORIDA

THIS AMENDMENT NO. 2 (the "Amendment") is made and entered into the 1st day of October, 2009 by and between the City of Quincy (hereinafter "Owner") and Operations Management International, Inc. (hereinafter "CH2M HILL OMI") (collectively, the "Parties").

WHEREAS, the Parties entered into that certain Agreement for Operations, Maintenance and Management Services for the City of Quincy, Florida on October 1, 2007;

WHEREAS, the Parties now wish to further modify the Agreement as set forth herein.

NOW THEREFORE, effective October 1, 2009, Owner and CH2M HILL OMI agree that the Agreement shall be and is hereby amended and modified in the following manner:

1. Article 3 is revised to add the following:

3. SCOPE OF SERVICE-OWNER

3.8 If an Owner's customer has a positive or failing bacteriological test that requires additional testing persistent to the ground water rule the owner is responsible for these test fees for the period of October 1, 2009 to September 30, 2010.

2. Article 5.1 is deleted in entirety and replaced with the following Article 5.1:

5. COMPENSATION

5.1 Owner shall pay to CH2M HILL OMI as compensation for services performed under this Agreement a Base Fee as follows:

YEAR 3 (2009-2010)	\$ 875,270
--------------------	------------

Except as expressly set forth herein, all other terms and conditions of the Agreement remain in full force and effect. This Amendment and the Agreement represent the entire understanding between the Parties and supersedes all prior oral and written understandings between the Parties with respect to the subject matter set forth herein. Neither this Amendment nor the Agreement may be modified except in writing signed by an authorized representative of the Parties.

Both parties indicate their approval of this Agreement by their signature below.

Authorized Signature:

Authorized Signature:

**OPERATIONS MANAGEMENT
INTERNATIONAL**

CITY OF QUINCY, FLORIDA

Name: Natalie Eldredge
Title: Vice President
Date: _____

Name: Andy Gay
Title: Mayor
Date: _____

Name: Jack McLean
Title: City Manager
Date: _____

AMENDMENT NO. 4
to the
AGREEMENT
for
OPERATIONS, MAINTENANCE AND MANAGEMENT SERVICES
for the
CITY OF QUINCY, FLORIDA

THIS AMENDMENT NO. 4 (the "Amendment") is made and entered into the _____ day of _____, 2011 by and between the City of Quincy (hereinafter "Owner") and Operations Management International, Inc. (hereinafter "CH2M HILL OMI") (collectively, the "Parties").

WHEREAS, the Parties entered into that certain Agreement for Operations, Maintenance and Management Services for the City of Quincy, Florida on October 1, 2007;

WHEREAS, the Parties now wish to further modify the Agreement as set forth herein.

NOW THEREFORE, effective October 1, 2011, Owner and CH2M HILL OMI agree that the Agreement shall be and is hereby amended and modified in the following manner:

1. Article 5.1 is deleted in its entirety and replaced with the following Article 5.1:

5. COMPENSATION

5.1 Owner shall pay to CH2M HILL OMI as compensation for services performed under this Agreement a Base Fee as follows:

YEAR 5 (2010-2011)	\$913,775
--------------------	-----------

2. Appendix F is deleted in its entirety and replaced with the attached Appendix F.

Except as expressly set forth herein, all other terms and conditions of the Agreement remain in full force and effect. This Amendment and the Agreement represent the entire understanding between the Parties and supersedes all prior oral and written understandings between the Parties with respect to the subject matter set forth herein. Neither this Amendment nor the Agreement may be modified except in writing signed by an authorized representative of the Parties.

Both parties indicate their approval of this Agreement by their signature below.

Authorized Signature:

**OPERATIONS MANAGEMENT
INTERNATIONAL**

Name: Natalie Eldredge

Title: Vice President

Date: _____

Authorized Signature:

CITY OF QUINCY, FLORIDA

Name: Derrick Elias

Title: Mayor

Date: _____

Name: Jack L. McLean Jr.

Title: City Manager

Date: _____

Appendix F

CITY OWNED VEHICLE AND EQUIPMENT

Vehicle number	Description	Vehicle I.D. Number
U-32	1998 Chevrolet 1500	1gcec14w3wz252167
U-5	1988 Dodge 350	1bgmd3457gs661306
	1998 Kioti Tractor w/ loader	200281
	48" bush hog rotary mower	201028
	1980 Trailmobile tank	1PTG23VJ34000310
	2004 Anderson equipment trailer	
	1998 Utility trailer	
	1998 Toro self propelled mower 30"	200280

AMENDMENT NO. 5
to the
AGREEMENT
for
OPERATIONS, MAINTENANCE AND MANAGEMENT SERVICES
for the
CITY OF QUINCY, FLORIDA

THIS AMENDMENT NO. 5 (the "Amendment") is made and entered into the 23rd day of October, 2012 by and between the City of Quincy (hereinafter "Owner") and Operations Management International, Inc. (hereinafter "CH2M HILL OMI") (collectively, the "Parties").

WHEREAS, the Parties entered into that certain Agreement for Operations, Maintenance and Management Services for the City of Quincy, Florida on October 1, 2007;

WHEREAS, the Parties now wish to further modify the Agreement as set forth herein.

NOW THEREFORE, effective October 1, 2012, Owner and CH2M HILL OMI agree that the Agreement shall be and is hereby amended and modified in the following manner:

1. Article 2.7 is hereby deleted in its entirety and replaced with the following Article 2.7:

2.7 Provide and document all Repairs for the Project. All individual repairs over *Two Thousand Five Hundred (\$2,500.00)* will be paid by the Owner.

2. Article 2.8 is hereby deleted in its entirety and replaced with the following Article 2.8:

2.8 *See Article 5.4 for Repairs budget.*

3. Article 2.9 is hereby deleted in its entirety and replaced with the following Article 2.9:

2.9 *"RESERVED/NOT USED"*

4. Article 3.2 is hereby deleted in its entirety and replaced with the following Article 3.2:

3.2 Pay all Electrical Cost associated with the Project.

5. Article 5.1 is hereby deleted in its entirety and replaced with the following Article 5.1:

5.1 Owner shall pay to CH2M HILL OMI as compensation for services performed under this Agreement a Base Fee as follows:

<i>YEAR 6 (10/1/2012-9/30/2013)</i>	<i>\$943,775</i>
-------------------------------------	------------------

6. Article 5.4 is hereby added to the Agreement as Article 5.4:

5.4 *The total amount CH2M HILL OMI shall be required to pay for Repairs shall not exceed the annual Repairs Limit of \$30,000 during the period of October 1, 2012 to September 30, 2013 (Year 6) of this Agreement. CH2M HILL OMI shall provide Owner with a monthly detailed invoice of Repairs costs charged against the annual Repairs Limit and the Repairs Limit balance remaining. CH2M HILL OMI to seek Owner's written approval prior to incurring repair costs in excess of the annual Repairs Limit. Owner agrees to pay CH2M HILL OMI for repair costs in excess of the annual Repairs Limit when approved in writing CH2M HILL OMI will rebate to Owner the entire amount that the cost of Repairs is less than the annual Repairs Limit. The Repairs Limit shall be negotiated each year, three (3) months prior to anniversary of the effective date hereof in accordance with Article 5.2; should Owner and CH2M HILL OMI fail to agree, the Repairs Limit will remain unchanged from the prior annual Repairs Limit.*

7. Article 6.3 is hereby deleted in its entirety and replaced with the following Article 6.3:

6.3 Owner shall pay interest at an annual rate *equal to the current US Prime Rate* on payments not paid and received within forty five (45) calendar days, such interest being calculated from the due date of the payment.

8. Article 8.1 is hereby deleted and replaced with the following Article 8.1:

8.1 *The term of this Agreement shall be extended for an additional five (5) years commencing October 1, 2012 and continuing to September 30, 2017. Thereafter, this Agreement shall be automatically renewed for successive terms of three (3) years each unless cancelled by either party not less than 120 days prior to expiration.*

9. Appendix A.2 "Capital Expenditures" is hereby deleted in its entirety and replaced with the following Appendix A.2:

A.2 "Capital Expenditures" means any expenditures for (1) the purchase of new equipment or facility items that cost more than Two Thousand Five Hundred Dollars (\$2,500.00); or (2) Major Repairs that cost more than *Two Thousand Five Hundred Dollars (\$2,500.00)*; or (3) expenditures that are planned, non-routine, and budgeted by Owner.

10. Appendix A.7 "Major Repairs" is hereby deleted in its entirety and replaced with the following Appendix A.7:

A.7 "Major Repairs" means those repairs that significantly extend equipment or facility service life and cost more than *Two Thousand Five Dollars (\$2,500.00)*.

11. Appendix A.10 "Repairs" is hereby deleted in its entirety and replaced with the following Appendix A.10:

A.10 "Repairs" means the cost of those nonroutine/nonrepetitive activities required for operational continuity, safety, and performance generally resulting from failure or to avert a failure of the equipment, sewer, vehicle, or facility or some component thereof. Repairs shall be budgeted and paid *for in accordance with Article 5.4.*

12. Appendix A.11 "Repairs Cost" is hereby deleted in its entirety and replaced with the following Appendix A.11:

A.11 "Repairs Cost" means the cost of those non-routine/non-repetitive activities required for operational continuity, safety, and performance generally resulting from failure or to avert a failure of the equipment, sewer, vehicle, or facility or some component thereof. Repairs shall be budgeted and *paid for in accordance with Article 5.4.*

CH2M HILL OMI and the Owner will meet in June 2013, or whichever month, the new biosolids' handling facility becomes operational in order to discuss and negotiate a change in the Agreement's Base Fee. The change in Agreement's Base Fee may increase or decrease the annual amount depending on if CH2M HILL OMI will haul biosolids or if the Owner selects a different contractor to haul biosolids from the new biosolids' handling facility.

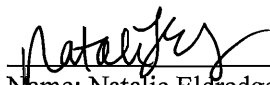
13. Appendix G is hereby deleted in its entirety and replaced with the attached Appendix G.

Except as expressly set forth herein, all other terms and conditions of the Agreement remain in full force and effect. This Amendment and the Agreement represent the entire understanding between the Parties and supersedes all prior oral and written understandings between the Parties with respect to the subject matter set forth herein. Neither this Amendment nor the Agreement may be modified except in writing signed by an authorized representative of the Parties.

Both parties indicate their approval of this Agreement by their signature below.

Authorized Signature:


**OPERATIONS MANAGEMENT
INTERNATIONAL**



Name: Natalie Eldredge
Title: Vice President
Date: 10/31/12

B.S.K.
10/31/12

Authorized Signature:

CITY OF QUINCY, FLORIDA


Name: Angela Sapp
Title: Mayor
Date: 10/23/12


Name: Jack L. McLean Jr.
Title: City Manager
Date: 10/23/12

Appendix G
BASE FEE ADJUSTMENT FORMULA

$$ABF = BF \times AF$$

Where:

- BF = Base Fee specified in Section 5.1
- ABF = Adjusted Base Fee
- AF = Adjustment Factor as determined by the formula:

$$AF = [((ECI) .50 + ((CPI).50)]$$

- ECI = The twelve month percent change (from the first quarter of the prior year to the first quarter in the current year) in the Employment Cost Index for Total Compensation for All Civilian Workers, and All Workers, Not Seasonally Adjusted as published by U. S. Department of Labor, Bureau of Labor Statistics in the Detailed Report Series ID: CIU1010000000000I (B,C).
- CPI = The twelve month percent change (from March of the prior year to March of the current year) in the Consumer Price Index for the U.S. City Average, All Items, Not Seasonally Adjusted as published by U.S. Department of Labor, Bureau of Labor Statistics in the CPI Detailed Report Series Id: CUUR000SA0.

Clarification: The above Base Fee Adjustment Formula does not include the annual Repairs Limit (Section 5.4) in the calculation.

AMENDMENT NO. 6
to the
AGREEMENT
for
OPERATIONS, MAINTENANCE AND MANAGEMENT SERVICES
for the
CITY OF QUINCY, FLORIDA

THIS AMENDMENT NO. 6 (the "Amendment") is made and entered into the _____ day of _____, 2013 by and between the City of Quincy, Florida (hereinafter "Owner") and Operations Management International, Inc. (hereinafter "CH2M HILL OMI") (collectively, the "Parties").

WHEREAS, the Parties entered into that certain Agreement for Operations, Maintenance and Management Services for the City of Quincy, Florida on October 1, 2007;

WHEREAS, the Parties now wish to further modify the Agreement as set forth herein.

NOW THEREFORE, effective October 1, 2013, Owner and CH2M HILL OMI agree that the Agreement shall be and is hereby amended and modified in the following manner:

1. Article 5.1 is hereby deleted in its entirety and replaced with the following Article 5.1:

5.1 Owner shall pay to CH2M HILL OMI as compensation for services performed under this Agreement a Base Fee as follows:

<i>YEAR 7 (10/1/2013-9/30/2014)</i>	<i>\$959,309</i>
-------------------------------------	------------------

2. Article 5.4 is hereby added to the Agreement as Article 5.4:

5.4 *The total amount CH2M HILL OMI shall be required to pay for Repairs shall not exceed the annual Repairs Limit of \$30,000 during the period of October 1, 2013 to September 30, 2014 (Year 6) of this Agreement. CH2M HILL OMI shall provide Owner with a monthly detailed invoice of Repairs costs charged against the annual Repairs Limit and the Repairs Limit balance remaining. CH2M HILL OMI to seek Owner's written approval prior to incurring repair costs in excess of the annual Repairs Limit. Owner agrees to pay CH2M HILL OMI for repair costs in excess of the annual Repairs Limit when approved in writing CH2M HILL OMI will rebate to Owner the entire amount that the cost of Repairs is less than the annual Repairs Limit. The Repairs Limit shall be negotiated each year, three (3) months prior to anniversary of the effective date hereof in accordance with Article 5.2; should Owner and CH2M HILL OMI fail to agree, the Repairs Limit will remain unchanged from the prior annual Repairs Limit.*

Except as expressly set forth herein, all other terms and conditions of the Agreement remain in full force and effect. This Amendment and the Agreement represent the entire understanding between the Parties and supersedes all prior oral and written understandings between the Parties

with respect to the subject matter set forth herein. Neither this Amendment nor the Agreement may be modified except in writing signed by an authorized representative of the Parties.

Both parties indicate their approval of this Agreement by their signature below.

Authorized Signature:

Authorized Signature:

**OPERATIONS MANAGEMENT
INTERNATIONAL**

CITY OF QUINCY, FLORIDA

Name: Natalie Eldredge
Title: Vice President
Date: _____

Name: Keith Dowdell
Title: Mayor
Date: _____

Name: Jack L. McLean Jr.
Title: City Manager
Date: _____

**City of Quincy
City Commission
Agenda Request**

Date of Meeting: September 9, 2014
Date Submitted: September 5, 2014

To: Honorable Mayor and Members of the Commission
From: Mike Wade, Interim City Manager
Terry Presnal, CH2M HILL Project Manager

Subject: CH2M HILL 2013 Annual Report

Statement of Issue

CH2M HILL is pleased to present the City of Quincy with the 2013 annual report as an overview of activities related to the City's water and wastewater facilities during 2012 and 2013.

CH2M Hill's goal is to provide you with a comprehensive overview of the day-to-day operations, approaches to project enhancement, cost containment strategies, and system capabilities that relate to community growth and development. Specific topics include permit compliance, system improvements, unit cost data, and historical trends for present treatment capacities.

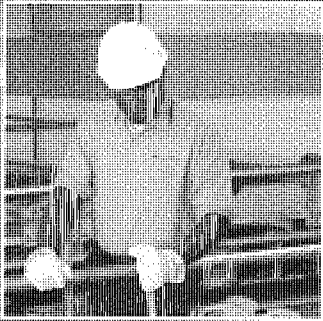
CH2MHILL's commitment to quality service is confirmed through specific accomplishments found throughout the report. The report includes actions CH2M HILL employees initiated to ensure continued exemplary service to the citizens.

Our success is exemplified through the continued support received from City officials. We would like to express our appreciation to Mr. Mike Wade, the Mayor and Commissioners, and City department directors. CH2M HILL understands the importance of developing strong relationships with our clients and feels the Quincy team is a prime example of this concept.

CH2M HILL is pleased to present the 2012 – 2013 annual report to our client and partner, the City of Quincy. The completion of our work in 2013 marks 19 years of successful partnering between CH2M HILL and the City, as well as another year of quality service we've provided to the citizens. This report summarizes activities and accomplishments for contract year 2012 – 2013.

A presentation in booklet format will be distributed to each commissioner during the regularly scheduled meeting.

CH2MHILL

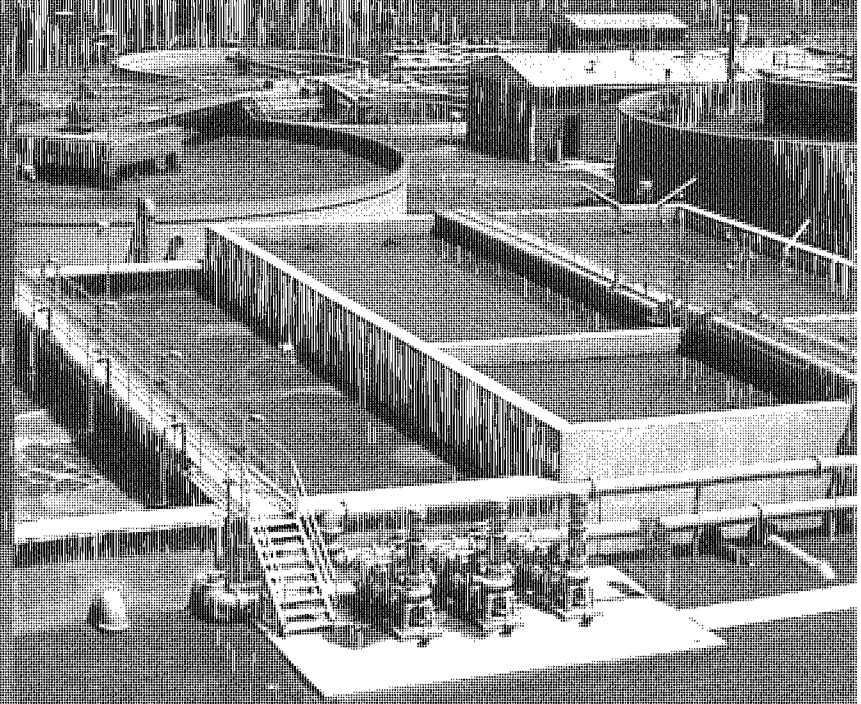


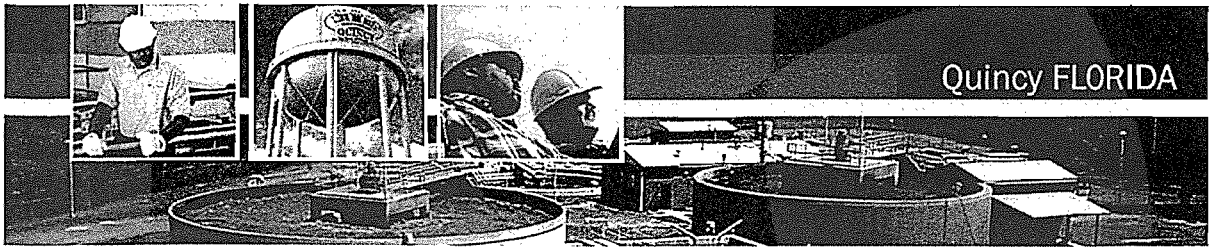
2013

Quincy FLORIDA ■ Annual Report

Proprietary Notice

The information, data, and materials contained in this document are the property of CH2MHILL and may not be distributed, copied, or otherwise divulged or in part for any reason without written consent of CH2MHILL.





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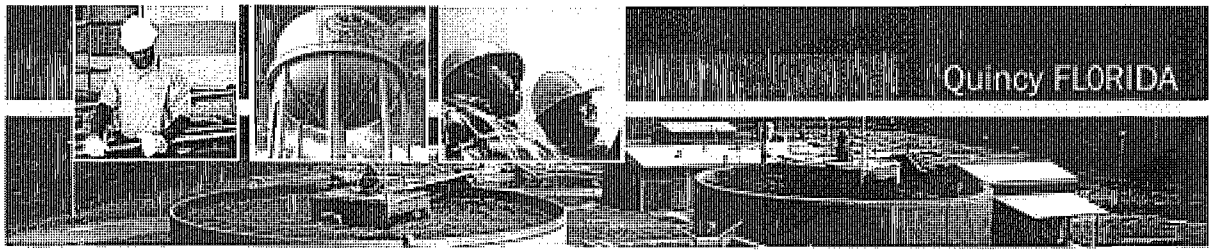
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Executive Summary

CH2M HILL is pleased to present the City of Quincy (the City) with the following annual report as an overview of activities related to the City's water and wastewater facilities during 2012 and 2013.

Our goal is to provide you with a comprehensive overview of the day-to-day operations, approach to project enhancement, cost containment strategies, and system capabilities related to community growth and development. Specific topics include permit compliance, system improvements, unit cost data, and historical trends for present treatment capacities.

CH2M HILL's commitment to quality service is confirmed through specific accomplishments described in this report. The report includes work CH2M HILL employees initiated to ensure continued exemplary service to citizens.

Our success is exemplified through the continued support received from City officials. We would like to express our appreciation to Mr. Mike Wade, Mayor Keith Dowdell, and City department directors and commissioners. CH2M HILL understands the importance of developing strong relationships with our clients and feels the Quincy team is a prime example of this concept.

The completion of our work in 2013 marks 19 years of our successful partnership and another year of quality service provided to citizens. This report summarizes activities and accomplishments for contract year 2012 – 2013.

Water Treatment Facility

General Overview

On February 17, 2003, the City switched from the surface water facility, located on North Adams Street, to the well field system, located near the Mt. Pleasant community on State Highway 90 West. From October 1, 2005 through September 30, 2006, the City's water treatment system consisted of the well field, located past the Mt. Pleasant community, with two ancillary water wells, located within city limits for emergency supplies. The well field consists of four wells that pump to the existing ground storage tanks. From the ground storage tanks, three high service pumps transfer water to three elevated storage tanks.

A computer supervisory control and data acquisition system controls the well field and high service pumps. The treatment processes—used for well water—consists of chlorine for disinfection and fluoride for dental hygiene purposes. The well field system is staffed 8 hours per day, 5 days per week, and 4 hours each on Saturday and Sunday.

The distribution system is looped, which means changes occurring at a specific site affect the dynamics of the entire system. Should a sudden or unexpected high water demand occur, such as a major fire, staff is prepared to take immediate action to minimize adverse impact to the City's water system. Given the topographical elevations in the City vary significantly, maintaining consistent pressure and volume requirements presents a constant challenge. CH2M HILL's proven operations strategies consistently met the needs of the City's water customers during the past year.

Storage capacity consists of one 500,000 gallon elevated storage tank, two 300,000 gallon elevated storage tanks, one 1 million gallon (mg) ground storage tank, and two 500,000 gallon ground storage tanks—with a total combined capacity of approximately 3.1 mg. In the unlikely event a complete system failure occurs, CH2M HILL's emergency response plan directs facility staff to retain all stored water reserves and distribute as directed by the City.

CH2M HILL provides checks and balances to ensure consistent operations, minimizing the chance of interruptions to water service. The following are routine procedures used at the water treatment facility:

- Prevent and predict future issues through a complete computerized preventive and corrective maintenance program for all water treatment equipment.
- Perform regularly scheduled amp draws for all pump motors, predicting problems that may occur before a motor burns up, thus decreasing down time and increasing repair costs.
- Use established technical service representatives for system components, which allows for faster repair times when a problem is beyond our ability to fix in-house.
- Complete trend charts that track daily system performance, allowing operations personnel to see any problems developing ahead of time and optimizing system performance during longer time periods.

- Perform daily quality control analyses for each test parameter, which include known standards and duplicate analyses to ensure both accuracy and precision.
- Respond immediately to all complaint calls; every effort is made to determine the nature of the problem and the means to prevent recurrence.

CH2M HILL maintains close watch on the City's water treatment system. All data, documentation, and records are readily available to the City for review upon request.

As the City grows and water requirements increase, CH2M HILL is aware of the fact the water system must meet average daily demands—with reserve capacity for peak demands during high consumption periods. Storage levels are constantly monitored from the operations control room. Minimum levels have been established in-house, based on previous experience and historical flow data; these vary seasonally. Monitoring water storage ensures an adequate, safe supply for customer consumption in all situations.

Monitoring water storage also accounts for reserve supply in the event of firefighting use. The present capacity of the water treatment system is approximately 3.62 million gallons per day (mgd). Based on minimum standards set by the U.S. Environmental Protection Agency (U.S. EPA) for flowing water pressure, we estimate the maximum output capability of the water system at approximately 3.0 mgd.

The annual daily flows in 2012 – 2013 averaged 1.27 mgd. The state permits the City to withdraw a daily maximum of 3.62 mgd and a maximum total of 73 mg for the month. The water treatment system produces approximately 42.3 percent of its capacity, or 35.1 percent of its permitted maximum.

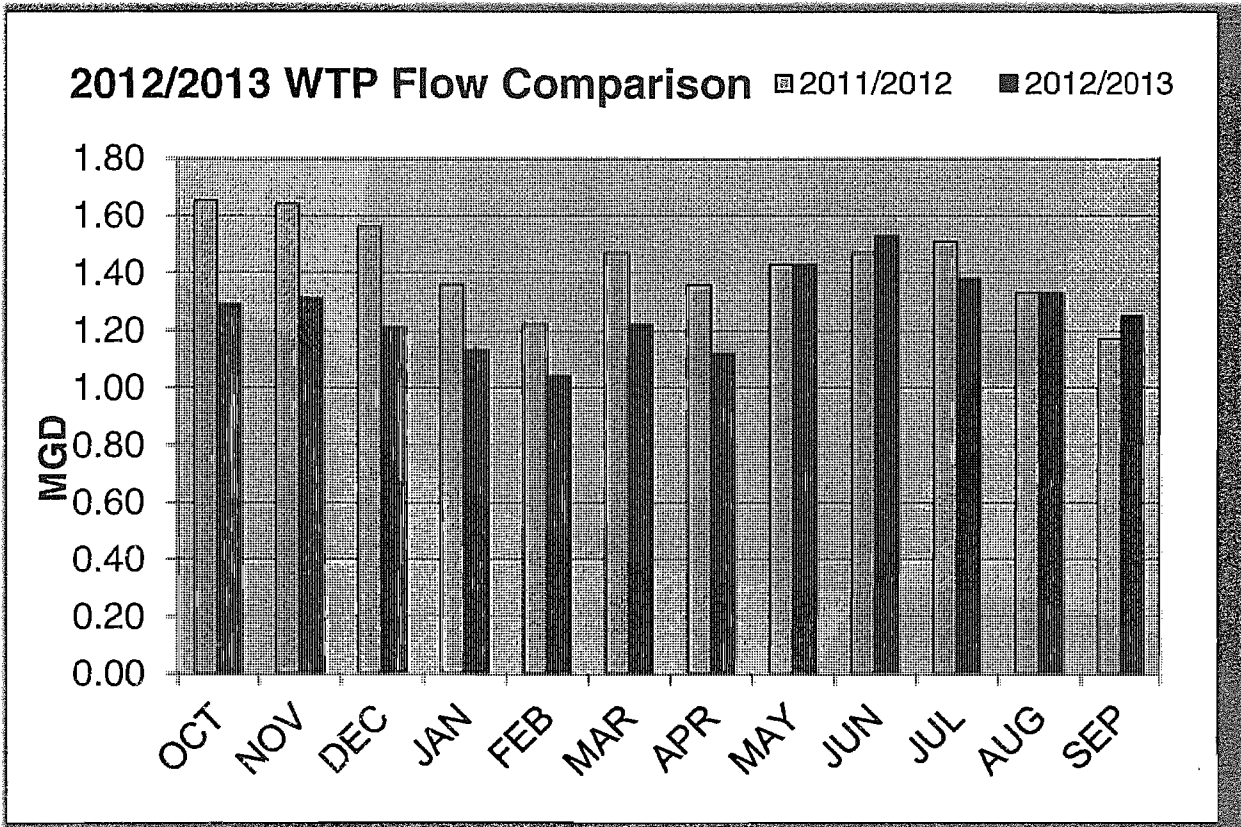
In addition to the surface water facility, the City has two operational backup wells; these wells are used only in emergency conditions (due to high hydrogen sulfide content of produced water). The well field, consisting of Wells No. 6, No. 7, No. 8, and No. 9, supplied 464 million gallons of water to the system. The total water pumped to the City's water system in 2012 and 2013 was 464 million gallons. A very small amount of water was added to the system from Wells No. 2 and No. 4; this was pumped to retrieve samples for compliance testing and during emergencies when the wellfield was not available.

Historical Comparison 2011–2012 vs. 2012–2013

Water consumption decreased from approximately 1.43 mgd to 1.27 mgd, based on a 12-month moving average. This water consumption equates to an average annual decrease of 0.16 mgd/month and a total decrease of 58.67 mg for the year. A total of 464 mg of water was produced.

Exhibit 1 displays water treatment facility flow comparisons from 2011–2012 to 2012–2013.

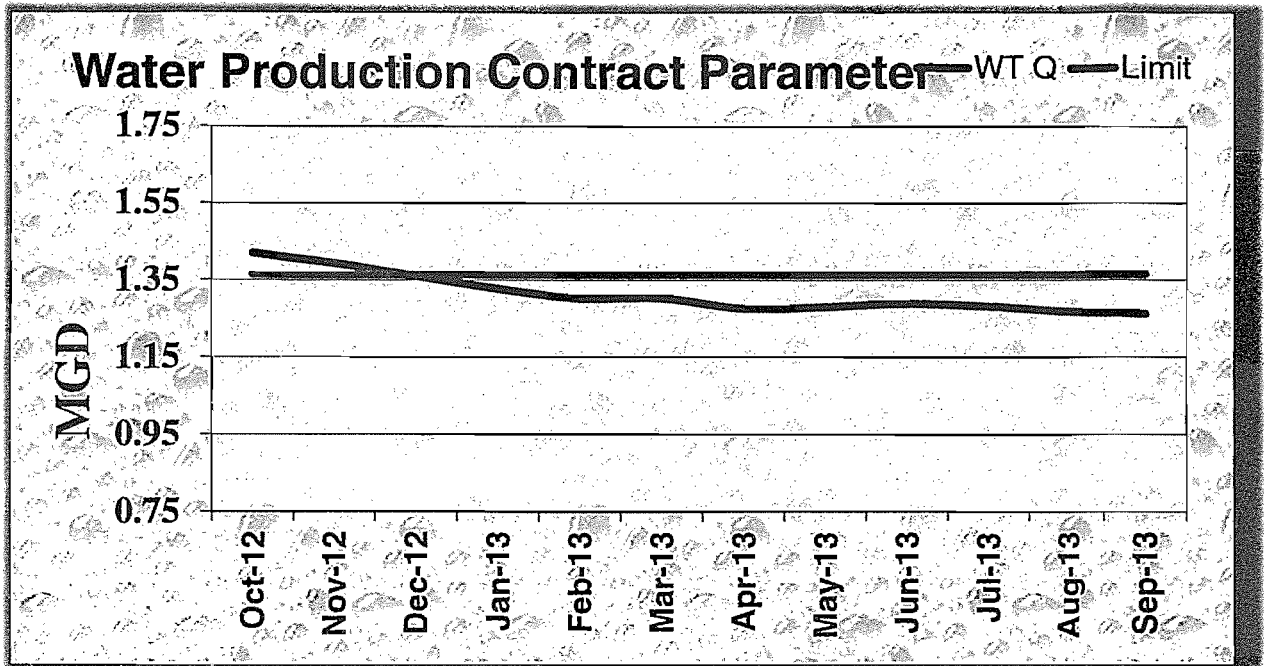
Exhibit 1
2012 – 2013 Water Treatment Facility Flow Comparison



Contract Parameters

The cost for services provided by CH2M HILL is based on production of 1.3 mgd for the water system. From October 2010 to contract year end, the figure is exceeded by five percent on a monthly moving average.

As represented in **Exhibit 2**, on the following page, water production is trending above the contract parameter. The agreement between the City and CH2M HILL allows for a change in scope when the parameter limit is exceeded by five percent on a 12-month moving average. Most of the increased usage has come from the water purchased by the City of Gretna.



Customer satisfaction plays an important role in daily operation of the water treatment system. In order to exceed the expectations of the citizens, CH2M HILL provides the following services:

- Address all customer complaint calls personally within two hours of call, as directed by the City.
- Document and track all complaint calls, identifying trends for specific problems and allows us to organize the appropriate remedial action.
- Conduct special sampling for the utility department to aid in customer complaints, cause of complaints, and corrective action.

CH2M HILL takes a proactive approach to customer satisfaction. Our vast resources in the water treatment industry provide answers for the most difficult questions asked by our customers.

Accomplishments

The following highlights represent improvements and additions to the water treatment facility during the past year:

- Performed nitrate and nitrite testing on well field Wells No. 6 and No. 9, and backup Wells No. 2 and No. 4.
- Collected ten bacteria samples per month to further ensure the water meets state and federal guidelines.

-
- Collected two fluoride samples per month (for outside testing) and five fluoride samples per month (for in-house testing).

During May 2007, we converted the communications phone line from a dry-line system to DSL high-speed at the well field and the wastewater facility office. The change to DSL has greatly improved the system's reliability but has not completely solved the problems.

At present we are still having issues with communications from the well field communications building to a couple of wells. When the communication failure occurs, staff manually operate the wells to provide sufficient water volume to the City. This issue is farther complicated by the fact that we now provide the Gretna with water. We feel this issue is going to get worse since Gretna is expanding their water service area to include the Town of Greensboro. These additional flow requirements could cause some issues if and when the telemetry system goes down.

Maintenance and Repairs

During 2012 – 2013, staff completed many maintenance and repair activities, making the water treatment plan more efficient. Maintenance and repair activities include:

- Rebuilt chlorination systems at the well field and water facility on Adams Street per FDEP requirements.
- CH2M HILL staff assisted the Utilities Department Water and Sewer crew in repairing the wellfield main break at the Wellfield control building during 2013. Staff worked to assist City crews from 4:00 pm till 12:00 am to make the repairs. This repair kept the City with potable water preventing the issuance of a Boiled Water Notice.
- Due to the failure of the windings in the motors the motors had to be rebuilt on Well #7 and Well #8. This has been an ongoing issue with the wellfield since the facility was placed in service in 2003.

Wastewater Treatment Facility

General Overview

The City's wastewater system is a five-stage Bardenpho activated sludge facility permitted to treat 1.5 mgd of wastewater flow. The facility, located at 300 North GFA drive, was constructed in 1957 and is staffed 7 days per week, 16 hours per day. The facility discharges directly into Quincy Creek, approximately two miles downstream from the existing water facility intake.

Major components of the facility include the following:

- A bar screen
- Grit removal system
- Aerobic digester
- Equalization basins
- Fermentation basins
- Anoxic basins
- Aeration basins
- Secondary clarifiers
- Traveling bridge filters
- Chlorine contact chambers

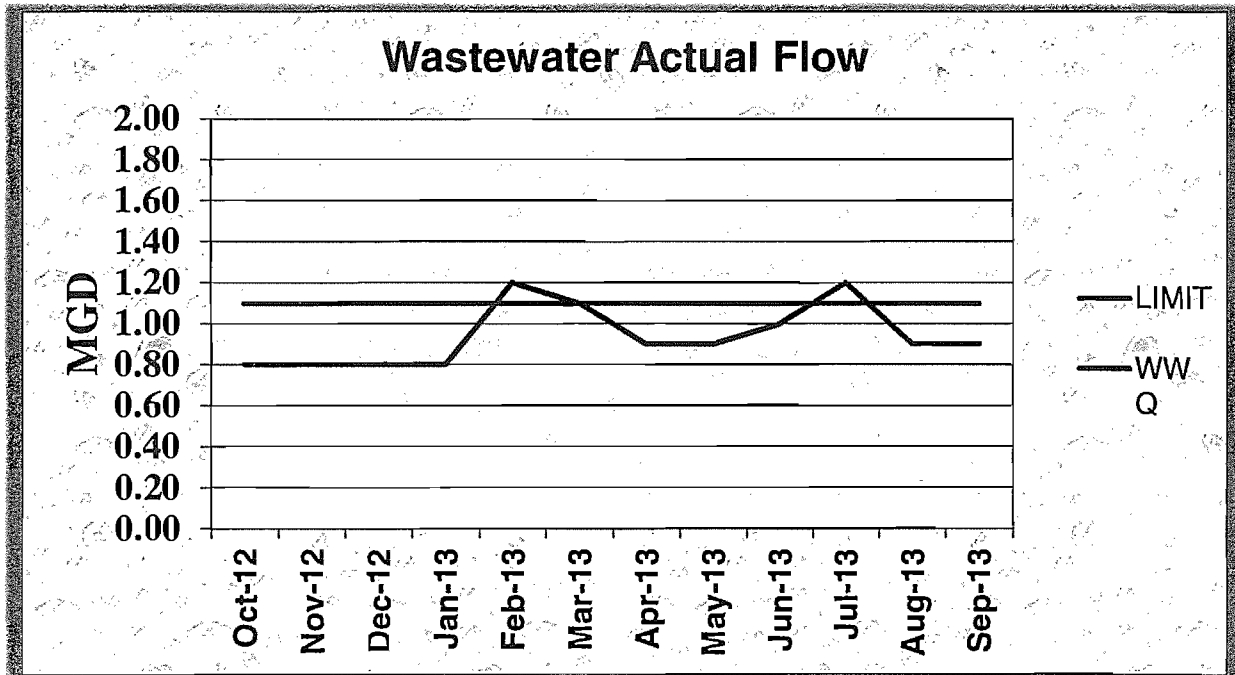
Residual stabilization. **Exhibit 3** summarizes actual facility performance during 2012 – 2013:

Exhibit 3
Permit Parameters

Permit Parameters					
Parameter	Average	Limit	Parameter	Average	Limit
Flow (mgd)	.900	1.500	Dissolved Oxygen (minimum)	7.6	5.0
BOD5 (mg/L)	2.24	5.0	Percent Removal BOD5	98%	N/A
Total Suspended Solids TSS (mg/L)	1.33	5.0	Percent Removal TSS	99%	N/A
pH (minimum)	6.5	6.0	pH (maximum)	7.1	8.5
Total Phosphorus	.39	1.0	Total Nitrogen	2.48	3.0
Total Copper (ug/l)	3.6	Calculation Based on Hardness	Total Hardness	116	N/A
Total Zinc (ug/l)				49.4	Calculation Based on Hardness
Fecal Coliform (No./100 mls)				1	200
Percent Capacity of Permitted Flow				62	N/A

Exhibit 4 displays actual facility flow compared to permit flow in 2012 – 2013.

Exhibit 4
Wastewater Actual Flow

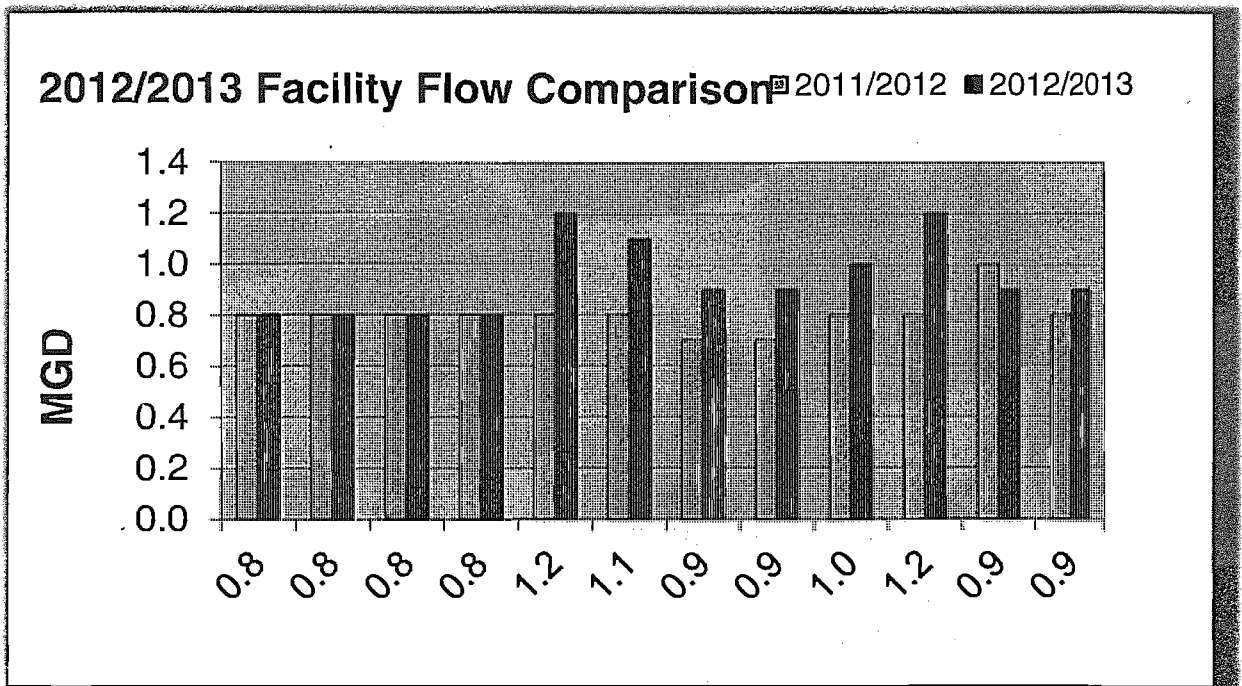


The facility is operating at 62.78 percent of permitted capacity. The total volume of wastewater treated last year was 344 million gallons (mg).

Statistical process control procedures were established to ensure continuous compliance with National Pollutant Discharge Elimination System permit limitations. The mean cell residence time (sludge age), food to microorganism ratio, and sludge volume indices are tracked weekly to monitor facility performance. Upper and lower control limits have been established to provide guidance when approaching critical stages in the facility operation. Unit process control procedures include strategies for equipment longevity.

Exhibit 5 represents monthly flow in 2012–2013, compared to 2011–2012, with a total decrease of 51.71 mg for the year.

Exhibit 5
2011–2013 Wastewater Facility Flow Comparison



History

The wastewater facility underwent major upgrades in 1978, 1981, and 1999. The anaerobic digester was converted to an aerobic unit; the trickling filter was converted into a contact stabilization basin; and the City installed two secondary clarifiers and an emergency stand-by generator in 1978.

Building improvements included a new laboratory and a new lime-stabilization facility in 1981. During the 1999 upgrade, the facility was converted to the five-stage Bardenpho process. This included the addition of fermentation zones, anoxic zones, nitrification zones, recirculation pumps, filtration, and new chlorine contact chambers. The 1999 upgrade also included conversion of an

existing aeration basin to an anoxic zone and a reaeration zone, and the old chlorine contact chamber was upgraded to an effluent pump station.

The bar screen, raw pumps, and chlorination system were replaced, and staff added new propeller aspirators to enable the digester to be aerated without the tank being full. To increase the amount of sludge that could be hauled, another lime-stabilization tank was added.

The Department of Environmental Protection, via an administrative order issued in November 1995, mandated an increase in the treatment level of the effluent discharged into Quincy Creek. Construction commenced in November 1998 to upgrade the facility to meet stricter levels required by this order. The facility was fully online in March 2000.

Accomplishments 2012–2013

The following highlights represent improvements and additions to the wastewater treatment facility during the past year:

- Won Florida Water and Pollution Control Operations Association Safety Award, taking first place in the state.
- Received “In Compliance” on last FDEP facility inspection.
- Received “In Compliance” on last FDEP biosolids inspection.
- Implemented a new operating strategy to run the facility without some equipment initially designed for the facility. Staff changed aerator run times, increased chemical feeds, and made other operational changes to keep the facility in compliance rules and limits.
- The facility has passed the last eleven bioassays under the new bioassay plan.

Solids Disposal

Biosolids generated at the wastewater facility are land applied, in liquid form, to approved application sites. The emphasis is on the beneficial reuse of biosolids (formerly called sludge); therefore, land application of liquid sludge is the preferred method. This method replaces drying of the biosolids and dumping into a landfill. Landfill disposal is costly and depletes space that is usable for other purposes. The primary limitation for land applying biosolids is wet weather conditions.

The U.S. EPA strictly controls the application of the residuals from the treatment process. Title 40 of the Code of Federal Regulations, Part 503, details the requirements pertaining to biosolids disposal and reuse. These rules classify residuals into various types, depending on the components and treatment level. They are also specific as to accessibility and land use where the application is made. To meet the requirements set forth in these regulations, the facility uses the lime stabilization process.

Lime stabilization consists of adding lime slurry to biosolids residuals until a specified pH is attained and maintaining this level for 24 hours. Lime stabilization destroys pathogenic organisms in biosolids and renders the finished product unattractive to animals and insects—if an untreated product were disposed of. The stabilized residuals are also analyzed for chemical properties, which include heavy metals that would be harmful if applied to land in significant quantities.

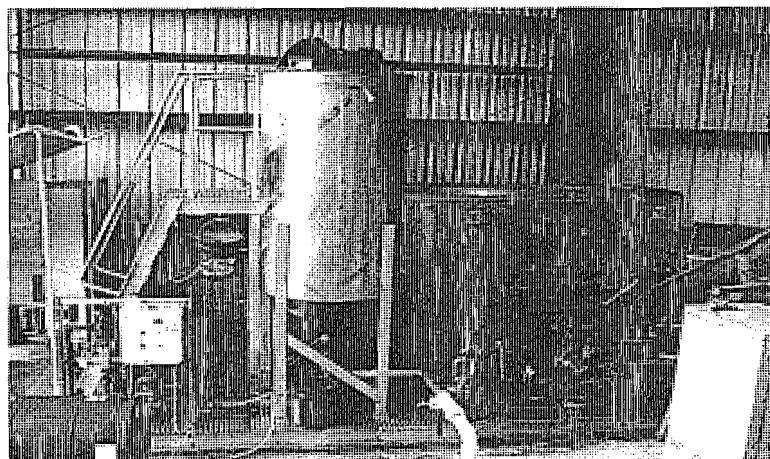
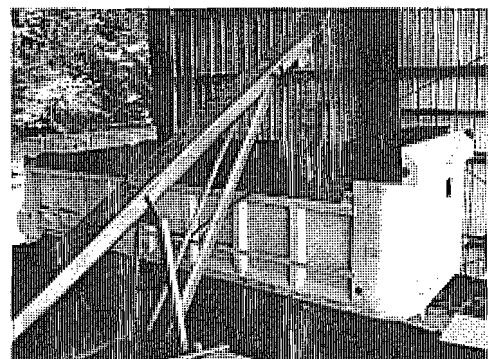
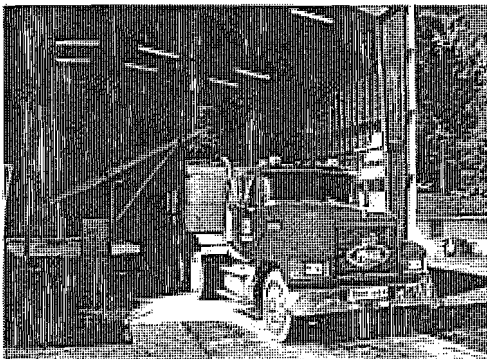
Beneficial components of residuals include a substantial amount of nitrogen, as well as phosphorus and potassium. These nutrients are necessary for facility growth and are usually applied in the form of chemical fertilizers to farms or pastureland. The properly treated biosolids application reduces the need to apply chemicals to land. Nutrients are controlled, by application rates, at levels beneficial to specific crops, which reduce harmful chemical runoff into environmentally sensitive areas and groundwater supplies.

The process represents responsible and beneficial use of a substance that was once disposed of in landfills, consuming valuable space, or in some cases, even less desirable places such as offshore.

The City disposes of its residuals on pastureland at the Gilbert Farm and hay fields at the Kingry Farm. The stabilized product is pumped into a tanker truck and hauled to the site. The liquid is applied evenly to specific areas of the property, which are rotated to control usage after application. The total volume of solids disposed of in 2012 – 2013 was 194 dry tons.

New Biosolids Facility

Starting in January 2013, CH2M HILL could no longer land apply the biosolids generated by the wastewater facility onto previously permitted fields without making a major change to the facilities biosolids treatment systems. The City was able to continue to land apply biosolids at its permitted sites by entering into a consent order with FDEP. Under the Consent Order the City could apply until the last day of 2013 while the City was having a new biosolids handling facility built. The new facility construction started in July of 2013. The new biosolids press was received in November and installed in its building. The new unit was started up in January of 2014.



Laboratory

Quality control procedures in CH2M HILL laboratories take highest priority. Analytical integrity ensures process efficiency and provides a reliable database to the City and the permitting authority. All quality assurance data generated at the site is submitted to CH2M HILL's corporate laboratory coordinator for review.

The following list reflects routine minimum standards for CH2M HILL laboratories:

- Adhere to CH2M HILL's comprehensive quality assurance/quality control program for all permit required analyses. This includes, but is not limited to, precision and accuracy results and corresponding control charts.
- Manage bound-and-numbered bench sheets for all analytical data required by the City and FDEP.
- Manage chain-of-custody documentation for all samples entering or leaving the facility (internal or external). These are kept in CH2M HILL bound-and-numbered books.
- Maintain a chemical hygiene plan, including material safety data sheets, for all chemicals and reagents, emergency responses, training sign-off sheets, and any site-specific requirements.
- Segregate existing chemical stock according to chemical compatibility. All chemicals and reagents exceeding the expiration date are discarded according to state and local guidelines.
- Perform standard operating procedures for all chemical and physical analyses.
- Use a comprehensive, computerized preventive maintenance program for all laboratory equipment.
- Enter all data generated in the laboratory into the City's computerized operations package. The program capabilities include customized formatting for ease of adaptability as process and chemical requirements change.

Contract Parameters

The City's agreement with CH2M HILL for wastewater treatment specifies three parameters for incoming flow:

- Flow of 1.01 mgd
- Biochemical oxygen demand (BOD) of 1,870 pounds per day
- Total suspended solids (TSS) of 1,920 pounds per day

If these parameters are exceeded by 10 percent, based on a 12-month moving average, the excess constitutes a change in scope. These limits have not been exceeded. **Exhibits 6, 7, and 8**, on the following pages, detail each contract parameter.

Exhibit 6
Wastewater Flow Contract Parameter

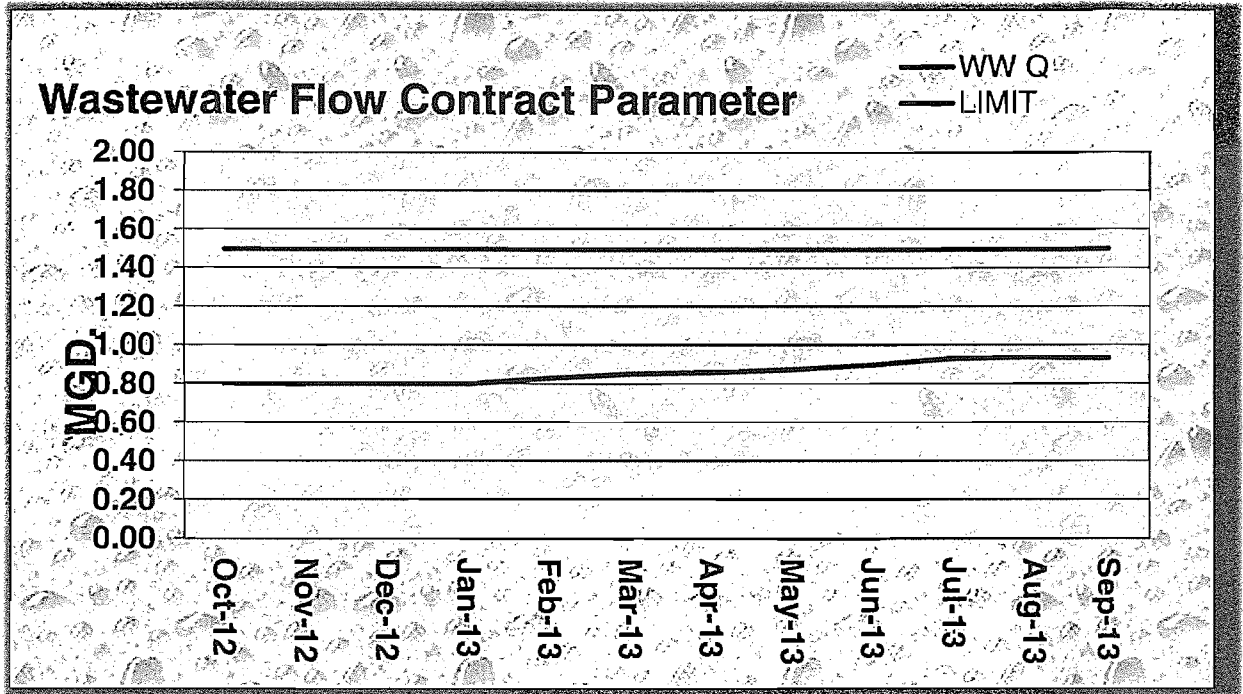
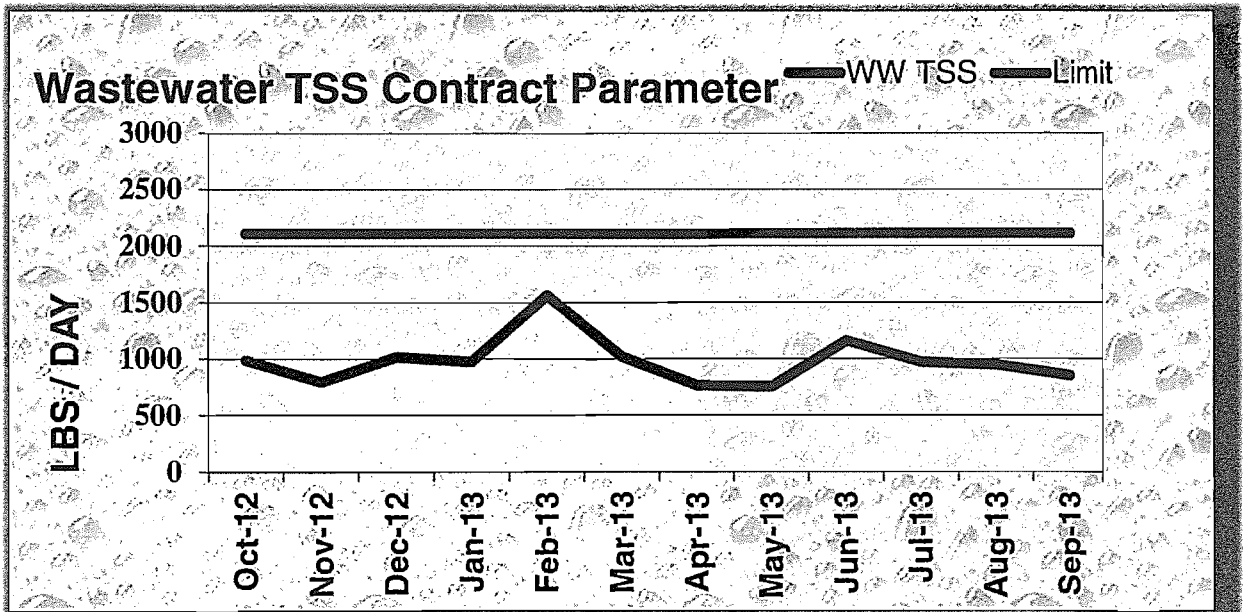
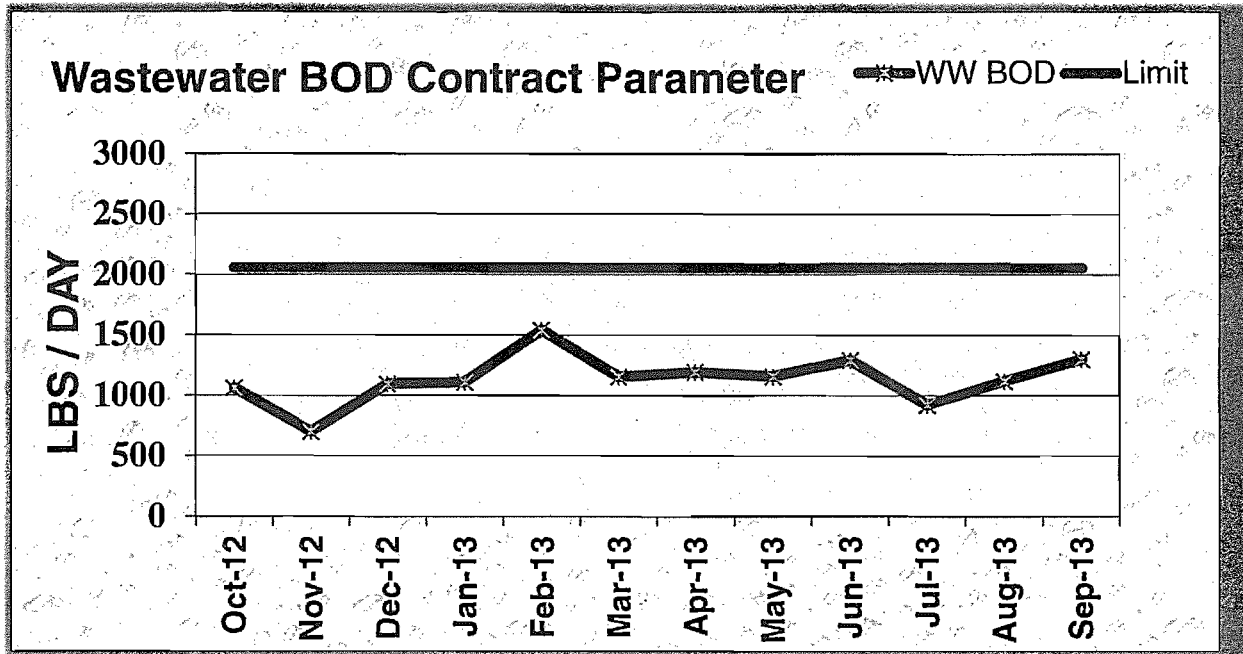


Exhibit 7
Wastewater TSS Contract Parameter





Bioassay

During the past several years, we had an ongoing issue with quarterly bioassay toxicity testing failures. This issue first came to light when FDEP changed its method of determining how a test passed or failed. Through the old method, if you passed the retest, the bioassay was considered passing. Now FDEP considers any non-passing test a failure (whether it was an initial or a retest). This issue was addressed in the Administration Order (passed down to the City in July of 2008) and in our new permit issued in August 2008.

As part of the new permit, we had to start testing quarterly instead of biannually. If we failed more than three bioassay tests, we would have to complete a plan to address why the bioassay failed. The facility did not pass the required amount of tests during the year, so staff generated a plan to address the cause of the failure.

Site staff worked with CH2M HILL compliance staff and City staff to brainstorm an idea on how a plan should be worded and initiated. The City decided to use a different laboratory to set up this plan, and we implemented its changes. Staff started the new plan in March 2010.

During 2012-13 we conducted four bioassays. We passed all four bioassays. This is a great accomplishment for the facility. If you take these passing results and combine them with the eleven we passed in 2009-2012, we have passed fifteen tests in a row—a record for this facility!

Inflow and Infiltration

During the past 15 years, the wastewater facility has had an ongoing issue with inflow and infiltration (I&I). I&I cause pumps to run longer at the facility, with more sand and grit entering the facility. The extra pumping raises electrical bills, and additional sand and grit settles in basins, costing money to remove at a later time. This I&I has also caused many facility overflows through the years.

The City is working with its engineer to address these ongoing issues and is also conducting smoke testing of its collection system to find the sources of I&I, and developing a plan to fix the causes.

Maintenance

Maintenance is a primary concern at all CH2M HILL projects. Maintenance can be divided into two functions: preventive and corrective.

Preventive maintenance (PM) is an area typically lacking or sporadically performed at a lot of treatment facilities, which leads to excess wear and premature equipment failure. PM consists of everything from inspecting a piece of equipment on a regular basis to specific tasks required by each individual unit.

These PM tasks are performed at least at the frequency required by the manufacturer. On most units, staff performs these maintenance functions above the required frequency.

Staff logs thousands PM functions during the course of a year. Records are kept on each piece of equipment. A weekly list of PM tasks is printed from our computerized maintenance management system (CMMS) and checked off by the individual performing the task. This program ensures maximum performance and reliability from each unit at the treatment facilities as well as protecting the City's investment in equipment.

During 2012-2013 CH2M HILL staff conducted 440 hours of PM on City assets. These activities extend the useful service life of these assets.

Due to the age and nature of some pieces of equipment, breakdowns are going to occur, and this is when corrective maintenance (CM) is used. CM can involve anything from a simple adjustment to the complete rebuild or replacement of equipment.

CH2M HILL staff makes necessary repairs whenever possible. The Quincy team consists of a versatile and talented group of people, which saves considerable time and expense in most cases. When repairs are beyond our capabilities, we will call in a qualified technician to correct the issue.

Since it has been almost a decade since the last facility upgrade, a lot of equipment has started to breakdown more frequently. The breakdowns are due to the environment in which the equipment is in service and the number of hours on the equipment. Most of the equipment does not get shut down—except to service it. Many of the machines run 24 hours per day, 7 days per week.

During 2012-2013 CH2M HILL staff conducted 327 hours of CM on City assets. These range from equipment replacement to equipment repairs.

Also during this time period an additional 99 hours of facility improvement and safety upgrades to City assets. Combined, we conducted a total of 1,073 hours of maintenance activities.

Equipment Concerns

CH2M HILL staff is working with City staff to address out-of-service pieces of equipment. We are working to find ways to get these pieces replaced with new equipment. Staff has come up with new ways of operating the facilities to cope with these pieces of equipment being out of service, and these process changes have kept the facility in compliance. A recommendation has been made to repair or replace out-of-service items, keeping the facilities in compliance with FDEP permits.

During 2012-2013 we worked with the City to replace some OOS equipment. Currently the only major equipment not working at the facility is the old mixers that go in the digester. However, both of the filters are due for major overhauls/rebuilds. The units need the media replaced, sand blasted, and repainted to control corrosion. At the water facility the only item not working is the generator for Well #9 at the wellfield. This unit is down due to an internal problem with the engine. The unit was discovered to have anti-freeze/coolant in the engines oil. We are still continuing to have issues with the well motors at the wellfield even after all of the VFDs have been replaced and the load reactors have been installed.

Sustainability

CH2M HILL challenged all of its projects to develop and implement a Sustainability Plan. Staff are involved in several efforts to help save the City money while further protecting the environment by recycling and reducing the amount of natural resources the project consumes.

- Recycling plastics, aluminum, cardboard, copper, steel, oil, and batteries.
- Reducing paper consumption by using double sided copies and using used paper for scrap notes, etc. Staff also only purchases paper made with some recycled paper content.
- Staff worked on conserving energy by turning off lights not essential for operations.

Awards

- CH2M HILL Corporate Safety Award in 1998, 1999, and 2001 – 2012 for no lost-time accidents.
- FWPCOA safety award for the wastewater System 2011.
- FWEA top ten safety award 2011.
- Received the National Safety Council Perfect Record Award for operating 18,731 hours without an injury or illness involving days away from work.

Summary

CH2M HILL has served the City for 19 consecutive years and our relationship has been effective, cost-efficient, and rewarding opportunity for every member of our team—most of whom live and work in this community. Our goal to provide excellent service, enhance our environment, and empower our people.

Nothing is taken for granted when providing services to your citizens and the City—and our responsibilities to State of Florida regulators and our staff. We enjoy our long-term relationship, seeking to remain an integral part of this community, and we strive each day to be better than the day before. We are committed to service and action.

CH2M HILL remains focused on enhancing our partnership with the City by raising our own expectations for service delivery and striving to exceed contract-required performance standards. Our focus leads to operations and maintenance (O&M) success and efficient, cost-effective water treatment facility and wastewater treatment facility O&M for the City as demonstrated in this report. We look forward to 2013/2014 and the opportunity to continue to provide excellent service to the citizens of the City of Quincy.