

COOPERATIVE FUNDING AGREEMENT (TYPE 2)
BETWEEN THE
SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
AND
POLK REGIONAL WATER COOPERATIVE
FOR
PRWC SOUTHEAST WELLFIELD (N905)

THIS COOPERATIVE FUNDING AGREEMENT (Agreement) is made and entered into by and between the SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT, a public corporation of the State of Florida, whose address is 2379 Broad Street, Brooksville, Florida 34604-6899, hereinafter referred to as the "DISTRICT," and POLK REGIONAL WATER COOPERATIVE, a regional water supply authority of the State of Florida, whose address is 330 West Church Street, Bartow, Florida 33831, hereinafter referred to as the "COOPERATOR."

WITNESSETH:

WHEREAS, the COOPERATOR proposed a project to the DISTRICT for funding consideration under the DISTRICT'S cooperative funding program; and

WHEREAS, the project consists of a second Lower Floridan aquifer production test well study for the Southeast Wellfield; the conceptual design of a water treatment facility and regional transmission system; pilot testing of conceptual water treatment alternatives; preliminary (30%) design reports for the water treatment facility and regional transmission system; and a preliminary water rate analysis, hereinafter referred to as the "PROJECT"; and

WHEREAS, the DISTRICT considers the resource benefits to be achieved by the PROJECT worthwhile and desires to assist the COOPERATOR in funding the PROJECT; and

WHEREAS, the parties desire to share in the cost of a third-party review performed on the production test well study and the conceptual designs of the water treatment alternatives, and a third-party review performed on the 30% design package.

NOW THEREFORE, the DISTRICT and the COOPERATOR, in consideration of the mutual terms, covenants and conditions set forth herein, agree as follows:

1. PROJECT CONTACTS AND NOTICES.

Each party hereby designates the individual set forth below as its prime contact for matters relating to this Agreement. Notices and reports shall be sent to the attention of each party's prime contact as set forth herein by U.S. mail, postage paid, by nationally recognized overnight courier, or personally to the parties' addresses as set forth below. Notice is effective upon receipt.

Contract Manager for the DISTRICT:
John Ferguson
Southwest Florida Water Management District
2379 Broad Street
Brooksville, Florida 34604

Project Manager for the COOPERATOR:
Gene Heath
Polk Regional Water Cooperative
1011 Jim Keene Boulevard
Winter Haven, Florida 33880

Any changes to the above representatives or addresses must be provided to the other party in writing.

1.1 The Contract and Project Managers are authorized to approve requests to extend a PROJECT task deadline set forth in this Agreement. Such approval must be in writing, explain the reason for the extension and be signed in accordance with each party's signature authority. The Contract and Project Managers are not authorized to approve any time extension which will result in an increased cost or which will exceed the expiration date set forth in this Agreement.

1.2 The Contract and Project Managers are authorized to adjust a line item amount of the PROJECT budget contained in the Project Plan, or, if applicable, the refined budget as set forth in Subparagraph 4 of the Funding Paragraph. The authorization must be in writing, explain the reason for the adjustment, and be signed in accordance with each party's signature authority. The Contract and Project Managers are not authorized to make changes to the Scope of Work and is not authorized to approve any increase in the amounts set forth in the funding section of this Agreement.

2. SCOPE OF WORK.

Upon receipt of written notice to proceed from the DISTRICT, the COOPERATOR shall perform the services necessary to complete the PROJECT in accordance with the COOPERATOR'S Project Plan. Any changes to this Agreement, except as provided herein, must be mutually agreed to in a formal written amendment approved by the DISTRICT and the COOPERATOR prior to being performed by the COOPERATOR. The COOPERATOR shall be solely responsible for managing and controlling the PROJECT, including the hiring and supervising of any consultants or contractors it engages.

The parties agree that time is of the essence in the performance of each obligation under this Agreement.

3. FUNDING.

The parties anticipate that the total cost of the PROJECT, including third-party review costs, will be Eleven Million Eight Hundred Thousand Dollars (\$11,800,000). The

COOPERATOR agrees to provide all remaining funds necessary for the satisfactory completion of the PROJECT.

- 3.1 The DISTRICT'S performance and payment pursuant to this Agreement are contingent upon the DISTRICT'S Governing Board appropriating funds in its approved budget for the PROJECT in each fiscal year of this Agreement. The COOPERATOR'S payment of any financial obligation under this Agreement is subject to appropriation by the COOPERATOR'S Board of legally available funds.
- 3.2 The COOPERATOR shall pay PROJECT costs prior to requesting reimbursement from the DISTRICT. The DISTRICT shall reimburse the COOPERATOR for the DISTRICT'S share of allowable PROJECT costs in accordance with the Project Budget contained in the Project Plan. Reimbursement for expenditures of contingency funds is contingent upon approval by the DISTRICT. If a reimbursement request includes the expenditure of contingency funds, the COOPERATOR shall provide sufficient documentation to the DISTRICT to explain the basis of the expense. The DISTRICT shall not reimburse the COOPERATOR for any contingency funds that the DISTRICT determines, in its sole discretion, to be in excess of what was reasonably necessary to complete the PROJECT. The DISTRICT shall reimburse the COOPERATOR for fifty percent (50%) of all allowable costs in each DISTRICT approved invoice received from the COOPERATOR, but at no point in time shall the DISTRICT'S expenditure amounts under this Agreement exceed expenditures made by the COOPERATOR.
- 3.3 Notwithstanding the DISTRICT'S reimbursement obligation set forth in Subparagraph 2 of this Funding Paragraph, the DISTRICT shall withhold reimbursement of the production test well study and the conceptual designs of the water treatment facility and regional transmission system in an amount equivalent to half the cost of the Task 4 third-party review that will be performed by the DISTRICT'S consultant; and shall withhold reimbursement of the 30% design costs in an amount equivalent to half the cost of the Task 8 third-party design that will be performed by the DISTRICT'S consultant.
- 3.4 Unless otherwise stated in this Agreement, any federal, state, local or grant monies received by the COOPERATOR for this PROJECT shall be applied to equally reduce each party's share of PROJECT costs. The COOPERATOR shall provide the DISTRICT with written documentation detailing its allocation of any such funds appropriated for this PROJECT. This Subparagraph shall survive the expiration or termination of this Agreement.
- 3.5 The COOPERATOR may contract with consultant(s), contractor(s) or both to accomplish the PROJECT. The COOPERATOR must obtain the DISTRICT'S written approval prior to posting solicitations for consultants or contractors and prior to entering into agreements with consultants or contractors to ensure that costs to be reimbursed by the DISTRICT under those agreements are reasonable and allowable under this Agreement. The DISTRICT shall provide a written response to the COOPERATOR within fifteen (15) business days of receipt of the solicitation or agreement. Upon written DISTRICT approval, the budget amounts for the work set forth in such contract(s) shall refine the amounts set forth in the Project Budget

and be incorporated herein by reference. The DISTRICT shall not reimburse the COOPERATOR for costs incurred under consultant and contractor agreements until the DISTRICT approvals required under this provision have been obtained.

- 3.6 Payment shall be made to the COOPERATOR within forty-five (45) days of receipt of an invoice with adequate supporting documentation to satisfy auditing purposes. Invoices shall be submitted to the DISTRICT every two (2) months electronically at invoices@WaterMatters.org, or at the following address:

Accounts Payable Section
Southwest Florida Water Management District
Post Office Box 15436
Brooksville, Florida 34604-5436

The above-referenced payment due date shall not apply to that portion of an invoice that includes contingency expenses. The DISTRICT agrees to reimburse the COOPERATOR for contingency expenses within a reasonable time to accommodate the process provided for in Subparagraph 2 of this Funding Paragraph.

In addition to sending an original invoice to the DISTRICT'S Accounts Payable Section as required above, copies of invoices may also be submitted to the DISTRICT'S Contract Manager in order to expedite the review process. Failure of the COOPERATOR to submit invoices to the DISTRICT in the manner provided herein shall relieve the DISTRICT of its obligation to pay within the aforementioned timeframe.

The DISTRICT makes payments electronically through the Automated Clearing House (ACH) process. The COOPERATOR agrees to complete the DISTRICT'S *Vendor Registration Form and Vendor Electronic Payment Authorization Form* to enable payments to be sent to COOPERATOR electronically. The forms may be downloaded from the DISTRICT'S website at www.watermatters.org under Business & Finance – Contracts and Procurement. Any questions regarding electronic payments may be directed to the DISTRICT'S Accounts Payable Lead at 352-796-7211, extension 4108.

- 3.7 The parties acknowledge that the PROJECT was approved for funding by the DISTRICT based upon the resource benefits expected to be achieved by the PROJECT (the "Measurable Benefit"). The parties also acknowledge that the COOPERATOR is solely responsible for implementing the PROJECT in such a manner that the expected resource benefits are achieved. If at any point during the progression of the PROJECT the DISTRICT determines that it is likely that the Measurable Benefit as set forth in the Project Plan will not be achieved, the DISTRICT shall provide the COOPERATOR with fifteen (15) days advance written notice that the DISTRICT shall withhold payments to the COOPERATOR until such time as the COOPERATOR demonstrates that the PROJECT shall achieve the required resource benefits, to provide the COOPERATOR with an opportunity to cure the deficiencies.

- 3.8 Any travel expenses which may be authorized under this Agreement shall be paid in accordance with Section 112.061, Florida Statutes (F.S.), as may be amended from time to time. The DISTRICT shall not reimburse the COOPERATOR for any purpose not specifically identified in the Scope of Work Paragraph. Surcharges added to third-party invoices are not considered an allowable cost under this Agreement. Costs associated with in-kind services provided by the COOPERATOR are not reimbursable by the DISTRICT and may not be included in the COOPERATOR'S share of funding contributions under this Agreement.
- 3.9 The DISTRICT shall not be obligated to reimburse the COOPERATOR for any work performed by the COOPERATOR'S consultant that takes place other than Tasks 1, 2 and 3 as described in the Project Plan until the DISTRICT'S Governing Board is presented with the Task 4 third-party review and DISTRICT staff's recommendation and decides to continue funding the PROJECT.
- 3.10 Each COOPERATOR invoice must include the following certification, and the COOPERATOR hereby delegates authority by virtue of this Agreement to its Project Manager to affirm said certification:
- "I hereby certify that the costs requested for reimbursement and the COOPERATOR'S matching funds, as represented in this invoice, are directly related to the performance under the PRWC Southeast Wellfield (N905) agreement between the Southwest Florida Water Management District and the Polk Regional Water Cooperative (Agreement No. 17CF0000830), are allowable, allocable, properly documented, and are in accordance with the approved Project Budget. This invoice includes \$__ of contingency expenses. The COOPERATOR has been allocated a total of \$__ in federal, state, local or grant monies for this PROJECT (not including DISTRICT funds) and \$__ has been allocated to this invoice, reducing the DISTRICT'S and COOPERATOR'S share to \$__ / \$__ respectively."
- 3.11 In the event any dispute or disagreement arises during the course of the PROJECT, including whether expenses are reimbursable under this Agreement, the COOPERATOR will continue to perform the PROJECT work in accordance with the Project Plan. The COOPERATOR is under a duty to seek clarification and resolution of any issue, discrepancy, or dispute by providing the details and basis of the dispute to the DISTRICT'S Contract Manager no later than ten (10) days after the precipitating event. If not resolved by the Contract Manager, in consultation with his or her Bureau Chief, within ten (10) days of receipt of notice, the dispute will be forwarded to the DISTRICT'S Assistant Executive Director. The DISTRICT'S Assistant Executive Director in consultation with the DISTRICT'S Office of General Counsel will issue the DISTRICT'S final determination. The COOPERATOR'S continuation of the PROJECT work as required under this provision shall not constitute a waiver of any legal remedy available to the COOPERATOR concerning the dispute.

4. COMPLETION DATES.

The COOPERATOR shall commence and complete the PROJECT and meet the task deadlines in accordance with the project schedule set forth in the Project Plan, including any extensions of time provided by the DISTRICT in accordance with Subparagraph 1 of the Project Contacts and Notices Paragraph. The DISTRICT shall commence and complete the third-party reviews in accordance with the Project Schedule set forth in the Project Plan, including any extensions of time provided by the COOPERATOR. In the event of hurricanes, tornados, floods, acts of God, acts of war, or other such catastrophes, or other man-made emergencies such as labor strikes or riots, which are beyond the control of either party, the performing party's obligations to meet the time frames provided in this Agreement shall be suspended for the period of time the condition continues to exist. During such suspension, this Agreement shall remain in effect. When the performing party is able to resume performance of its obligations under this Agreement, in whole or in part, it shall immediately give the other party written notice to that effect and shall resume performance no later than two (2) working days after the notice is delivered. The suspension of the parties' obligations provided for in this provision shall be the performing party's sole remedy for the delays set forth herein.

5. REPAYMENT.

- 5.1 The COOPERATOR shall repay the DISTRICT all funds the DISTRICT paid to the COOPERATOR under this Agreement, if: a) the COOPERATOR fails to complete the PROJECT in accordance with the terms and conditions of this Agreement, including failing to meet the Measurable Benefit; b) the DISTRICT determines, in its sole discretion and judgment, that the COOPERATOR has failed to maintain scheduled progress of the PROJECT thereby endangering the timely performance of this Agreement; c) the COOPERATOR fails to appropriate sufficient funds to meet the task deadlines, unless extended in accordance with Subparagraph 1 of the Project Contacts and Notices Paragraph; or d) a provision or provisions of this Agreement setting forth the requirements or expectations of a Measurable Benefit resulting from the PROJECT is held to be invalid, illegal or unenforceable during the term of this Agreement. Should any of the above conditions exist that require the COOPERATOR to repay the DISTRICT, this Agreement shall terminate in accordance with the procedure set forth in the Default Paragraph.
- 5.2 Notwithstanding the above, the parties acknowledge that if the PROJECT fails to meet the Measurable Benefit specified in this Agreement, the COOPERATOR may request the DISTRICT Governing Board to waive the repayment obligation, in whole or in part.
- 5.3 In the event the COOPERATOR is obligated to repay the DISTRICT under any provision of this Agreement, the COOPERATOR shall repay the DISTRICT within a reasonable time, as determined by the DISTRICT in its sole discretion.
- 5.4 The COOPERATOR shall pay attorneys' fees and costs incurred by the DISTRICT, including appeals, as a result of the COOPERATOR'S failure to repay the DISTRICT as required by this Agreement.

5.5 This Repayment Paragraph, including all subparagraphs, shall survive the expiration or termination of this Agreement.

6. CONTRACT PERIOD.

This Agreement shall be effective July 1, 2017 and shall remain in effect through December 31, 2022, or upon satisfactory completion of the PROJECT and subsequent reimbursement to the COOPERATOR, whichever occurs first, unless amended in writing by the parties. The COOPERATOR shall not be eligible for reimbursement for any work that is commenced, or costs that are incurred, prior to the effective date of this Agreement.

7. PROJECT RECORDS AND DOCUMENTS.

Upon request by the DISTRICT, the COOPERATOR shall permit the DISTRICT to examine or audit all PROJECT related records and documents during or following completion of the PROJECT at no cost to the DISTRICT. Payments made to the COOPERATOR under this Agreement shall be reduced for amounts found to be not allowable under this Agreement by an audit. If an audit is undertaken by either party, all required records shall be maintained until the audit has been completed and all questions arising from it are resolved. Each party shall maintain all such records and documents for at least three (3) years following completion of the PROJECT. Each party shall allow public access to PROJECT documents and materials made or received by either party in accordance with the Public Records Act, Chapter 119, F.S. Should either party assert any exemption to the requirements of Chapter 119, F.S., the burden of establishing such exemption, by way of injunctive or other relief as provided by law, shall be upon the asserting party. This Paragraph shall survive the expiration or termination of this Agreement.

8. REPORTS.

8.1 The COOPERATOR shall provide the DISTRICT with a quarterly report describing the progress of the PROJECT tasks, adherence to the performance schedule and any developments affecting the PROJECT. The COOPERATOR shall promptly advise the DISTRICT of issues that arise that may impact the successful and timely completion of the PROJECT. Quarterly reports shall be submitted to the DISTRICT'S Contract Manager no later than forty-five (45) days following the completion of the quarterly reporting period. It is hereby understood and agreed by the parties that the term "quarterly" shall reflect the calendar quarters ending March 31, June 30, September 30 and December 31.

8.2 Upon request by the DISTRICT, the COOPERATOR shall provide the DISTRICT with copies of all data, reports, models, studies, maps or other documents resulting from the PROJECT. Additionally, one (1) set, electronic and hardcopy, of any final reports must be submitted to the DISTRICT as Record and Library copies. This Subparagraph shall survive the expiration or termination of this Agreement.

8.3 The COOPERATOR shall provide the DISTRICT with the conceptual design reports for the regional transmission system and the WFT, and the 30% design in accordance with the requirements set forth in the Project Plan.

8.4 The COOPERATOR shall provide the data, reports and documents referenced in this provision at no cost to the DISTRICT.

9. RISK, LIABILITY, AND INDEMNITY.

9.1 To the extent permitted by Florida law, the COOPERATOR assumes all risks relating to the PROJECT and agrees to be solely liable for, and to indemnify and hold the DISTRICT harmless from all claims, loss, damage and other expenses, including attorneys' fees and costs and attorneys' fees and costs on appeal, arising from the design, construction, operation, maintenance or implementation of the PROJECT; provided, however, that the COOPERATOR shall not indemnify for that portion of any loss or damages proximately caused by the negligent act or omission of the DISTRICT'S officers, employees, contractors and agents. The acceptance of the DISTRICT'S funding by the COOPERATOR does not in any way constitute an agency relationship between the DISTRICT and the COOPERATOR.

9.2 The COOPERATOR agrees to indemnify and hold the DISTRICT harmless, to the extent allowed under Section 768.28, F.S., from all claims, loss, damage and other expenses, including attorneys' fees and costs and attorneys' fees and costs on appeal, arising from the negligent acts or omissions of the COOPERATOR'S officers, employees, contractors and agents related to its performance under this Agreement.

9.3 This Risk, Liability, and Indemnity Paragraph, including all subparagraphs, shall not be construed as a waiver of the COOPERATOR'S sovereign immunity or an extension of COOPERATOR'S liability beyond the limits established in Section 768.28, F.S. Additionally, this Risk, Liability, and Indemnity Paragraph, including all subparagraphs, will not be construed to impose contractual liability on the COOPERATOR for underlying tort claims as described above beyond the limits specified in Section 768.28, F.S., nor be construed as consent by the COOPERATOR to be sued by third parties in any manner arising out of this Agreement.

9.4 Nothing in this Agreement shall be interpreted as a waiver of the DISTRICT'S sovereign immunity or an extension of its liability beyond the limits established in Section 768.28, F.S., nor be construed as consent by the DISTRICT to be sued by third parties in any manner arising out of this Agreement.

9.5 This Risk, Liability, and Indemnity Paragraph, including all subparagraphs, shall survive the expiration or termination of this Agreement.

10. DEFAULT.

Either party may terminate this Agreement upon the other party's failure to comply with any term or condition of this Agreement, including the failure to meet task deadlines established in this Agreement, as long as the terminating party is not in default of any term or condition of this Agreement at the time of termination. To effect termination, the terminating party shall provide the defaulting party with a written "Notice of Termination"

stating its intent to terminate and describing all terms and conditions with which the defaulting party has failed to comply. If the defaulting party has not remedied its default within thirty (30) days after receiving the Notice of Termination, this Agreement shall automatically terminate. If a default cannot reasonably be cured in thirty (30) days, then the thirty (30) days may be extended at the non-defaulting party's discretion, if the defaulting party is pursuing a cure of the default with reasonable diligence. The rights and remedies in this Paragraph are in addition to any other rights and remedies provided by law or this Agreement.

11. RELEASE OF INFORMATION.

The parties agree not to initiate any oral or written media interviews or issue press releases on or about the PROJECT without providing notices or copies to the other party no later than three (3) business days prior to the interview or press release. This Paragraph shall not be construed as preventing the parties from complying with the public records disclosure laws set forth in Chapter 119, F.S.

12. DISTRICT RECOGNITION.

The COOPERATOR shall recognize DISTRICT funding in any reports, models, studies, maps or other documents resulting from this Agreement, and the form of said recognition shall be subject to DISTRICT approval. If construction is involved, the COOPERATOR shall provide signage at the PROJECT site that recognizes funding for this PROJECT provided by the DISTRICT. All signage must meet with DISTRICT written approval as to form, content and location, and must be in accordance with local sign ordinances.

13. LAW COMPLIANCE.

The COOPERATOR shall comply with all applicable federal, state and local laws, rules, regulations and guidelines, including those of the DISTRICT, related to performance under this Agreement. If the PROJECT involves design services, the COOPERATOR'S professional designers and the DISTRICT'S regulation and projects staff shall meet regularly during the PROJECT design to discuss ways of ensuring that the final design for the proposed PROJECT technically complies with all applicable DISTRICT rules and regulations. However, the DISTRICT undertakes no duty to ensure compliance with such rules and regulations.

14. DIVERSITY IN CONTRACTING AND SUBCONTRACTING.

The DISTRICT is committed to supplier diversity in the performance of all contracts associated with DISTRICT cooperative funding projects. The DISTRICT requires the COOPERATOR to make good faith efforts to encourage the participation of minority owned and woman owned and small business enterprises, both as prime contractors and subcontractors, in the performance of this Agreement, in accordance with applicable laws.

14.1 If requested, the DISTRICT shall assist the COOPERATOR by sharing information to help the COOPERATOR in ensuring that minority owned and woman owned and

small businesses are afforded an opportunity to participate in the performance of this Agreement.

14.2 The COOPERATOR agrees to provide the DISTRICT with a report indicating all contractors and subcontractors who performed work in association with the PROJECT, the amount spent with each contractor or subcontractor, and to the extent such information is known, whether each contractor or subcontractor was a minority owned or woman owned or small business enterprise. If no minority owned or woman owned or small business enterprises were used in the performance of this Agreement, then the report shall so indicate. The Minority/Women Owned and Small Business Utilization Report form is attached as an exhibit. The report is required upon final completion of the PROJECT prior to final payment, or within thirty (30) days of the execution of any amendment that increases PROJECT funding, for information up to the date of the amendment and prior to the disbursement of any additional funds by the DISTRICT.

15. ASSIGNMENT.

Except as otherwise provided in this Agreement, no party may assign any of its rights or delegate any of its obligations under this Agreement, including any operation or maintenance duties related to the PROJECT, without the prior written consent of the other party. Any attempted assignment in violation of this provision is void. This Paragraph shall survive the expiration or termination of this Agreement.

16. CONTRACTORS.

Nothing in this Agreement shall be construed to create, or be implied to create, any relationship between the DISTRICT and any consultant or contractor of the COOPERATOR.

17. THIRD-PARTY BENEFICIARIES.

Nothing in this Agreement shall be construed to benefit any person or entity not a party to this Agreement.

18. LOBBYING PROHIBITION.

Pursuant to Section 216.347, F.S., the COOPERATOR is prohibited from using funds provided by this Agreement for the purpose of lobbying the Legislature, the judicial branch or a state agency.

19. PUBLIC ENTITY CRIMES.

Pursuant to Subsections 287.133(2) and (3), F.S., a person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a bid, proposal, or reply on a contract to provide any goods or services to a public entity; may not submit a bid, proposal, or reply on a contract with a public entity for the construction or repair of a public building or public work; may not submit bids, proposals, or replies on leases of real property to a public entity; may not be awarded or perform

work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity; and may not transact business with any public entity in excess of the threshold amount provided in Section 287.017, F.S., for Category Two, for a period of 36 months following the date of being placed on the convicted vendor list. The COOPERATOR agrees to include this provision in all contracts issued as a result of this Agreement.

20. SCRUTINIZED COMPANIES.

Pursuant to Section 287.135, F.S., a company that, at the time of bidding or submitting a proposal for a new contract or renewal of an existing contract, is on the Scrutinized Companies that Boycott Israel List, created pursuant to Section 215.4725, F.S., or is engaged in a boycott of Israel; is on the Scrutinized Companies with Activities in Sudan List or the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List, created pursuant to Section 215.473, F.S.; or is engaged in business operations in Cuba or Syria, is ineligible to, and may not bid on, submit a proposal for, or enter into or renew a contract with an agency or local governmental entity for goods or services of \$1 million or more. By signing this Agreement, COOPERATOR certifies that it is not participating in a boycott of Israel, is not on any of the aforementioned lists, and it does not have business operations in Cuba or Syria. The COOPERATOR agrees to notify the DISTRICT if placement on any of the aforementioned lists occurs or if COOPERATOR is engaged in a boycott of Israel or has business operations in Cuba or Syria. The DISTRICT may terminate this Agreement if the COOPERATOR is found to have submitted a false certification; has been placed on the Scrutinized Companies that Boycott Israel List, or is engaged in a boycott of Israel; has been placed on the Scrutinized Companies with Activities in Sudan List or the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List; or has been engaged in business operations in Cuba or Syria. If the DISTRICT determines COOPERATOR submitted a false certification, the DISTRICT may bring a civil action against the COOPERATOR which may result in a penalty equal to the greater of \$2 million or twice the amount of this Agreement and all reasonable attorneys' fees and costs.

21. GOVERNING LAW.

This Agreement is governed by Florida law and venue for resolving disputes under this Agreement shall be exclusively in Hernando County, Florida. This Paragraph shall survive the expiration or termination of this Agreement.

22. SEVERABILITY.

If any provision or provisions of this Agreement shall be held to be invalid, illegal, or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. Notwithstanding the above, if a provision or provisions of this Agreement setting forth the requirements or expectations of a Measurable Benefit resulting from the PROJECT is held to be invalid, illegal or unenforceable during the term of this Agreement, this Agreement shall terminate in accordance with Subparagraph 1 of the Repayment Paragraph. This Paragraph shall survive the expiration or termination of this Agreement.

23. ENTIRE AGREEMENT.

This Agreement and the attached exhibit(s) listed below constitute the entire agreement between the parties and, unless otherwise provided herein, may be amended only in writing, signed by all parties to this Agreement.

24. DOCUMENTS.

The following document(s) is/are attached and made a part of this Agreement. In the event of a conflict of contract terminology, priority shall first be given to the language in the body of this Agreement, then to Exhibit "A," and then to Exhibit "B".


Exhibit "A" Project Plan

Exhibit "B" Minority/Women Owned and Small Business Utilization Report Form

The remainder of this page intentionally left blank.

IN WITNESS WHEREOF, the parties hereto, or their lawful representatives, have executed this Agreement on the day and year set forth next to their signatures below.

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT

By:  8/18/2017
Amanda Rice, P.E. Date
Assistant Executive Director

POLK REGIONAL WATER COOPERATIVE

By:  8/15/17
George Lindsey, III Date
Chairman

COOPERATIVE FUNDING AGREEMENT (TYPE 2)
BETWEEN THE
SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
AND
POLK REGIONAL WATER COOPERATIVE
FOR
PRWC SOUTHEAST WELLFIELD (N905)

EXHIBIT "A"
PROJECT PLAN

PROJECT DESCRIPTION

The PROJECT is for the design, permitting, and construction of a second Lower Floridan aquifer (LFA) production test well study including monitoring/observation wells, aquifer yield and water quality testing, and aquifer performance testing at the Southeast Wellfield project site in southeast Polk County along the west side of Lake Weohyakapka; the conceptual design of a water treatment facility (WTF) and regional transmission system; a third party review (TPR) of the production test well study and the conceptual designs of the WTF and regional transmission system; pilot testing of conceptual water treatment alternatives; preliminary (30%) design reports for the WTF and regional transmission system; preliminary water rate analysis; and a TPR of the preliminary (30%) designs. The production test well study is to verify geology and water quality in the area. The conceptual design, pilot testing, and preliminary design will assist the Polk Regional Water Cooperative (PRWC) in determining participation in future design and construction, as well as develop initial phasing and funding plans. The general location of the PROJECT is shown on Figure 1.

The COOPERATOR will need Governing Board approval to proceed beyond Task 4, the TPR of the production test well study and conceptual designs of the WTF.

MEASURABLE BENEFIT

The Measurable Benefit is to perform water quality, yield analysis, and aquifer performance testing at a second test well site in the LFA; and develop a conceptual design report, perform pilot testing, and develop a preliminary (30%) design report for a treatment facility and regional transmission system to deliver alternative water supplies to PRWC project partners.

IMPLEMENTATION

The COOPERATOR will perform the production test well study, conceptual design, pilot treatment testing, preliminary water rate analysis and preliminary (30%) design. The DISTRICT will select a qualified consultant to perform the TPR of the production test well study and conceptual design, and the TPR of the preliminary (30%) design.

PROJECT TASKS

Key tasks to be performed by the COOPERATOR:

1. PROJECT ADMINISTRATION – The COOPERATOR will procure an engineering consulting firm to perform services to accomplish the PROJECT tasks in accordance with the procurement laws applicable to the COOPERATOR. The COOPERATOR will include a combined projects administrator. Copies of the consultant solicitation, draft and final consulting agreements, and work orders will be submitted to the DISTRICT for review.
2. PRODUCTION TEST WELL STUDY – The design, construction, and testing of a second production test well and associated monitor wells to verify geology in the area of the proposed southeast wellfield prior to preliminary design of the wellfield, treatment facilities, and associated transmission piping.

- 2.1. Well Design, Permitting, and Bidding – Prepare a well testing plan including well design plans, drawings, specifications, and testing and data collection procedures; and submit the plan to the DISTRICT for review prior to bidding construction. Provide for the survey, hydrogeologic/geotechnical services, design plans, opinion of probable cost, and technical specifications for construction. Prepare and submit all necessary permit applications and obtain necessary approvals. Procure a contractor to implement the PROJECT based on the final design plans and approved permits in accordance with the procurement laws applicable to the COOPERATOR.
 - 2.2. Well Construction – Construct the monitoring and production test wells in conformance with the design plans, specifications, and perform operational/acceptance testing.
 - 2.3. Aquifer Performance Testing – Perform a constant-rate discharge aquifer performance test with a duration of 14 days with transducer monitoring of all monitor wells. Background monitoring will be conducted for 7 days prior to and after the pumping interval. Additional step-drawdown and specific capacity testing may be conducted in accordance with the well testing plan.
 - 2.4. Water Quality and Yield Analysis – Conduct data collection and analysis in accordance with the well testing plan, and conduct groundwater flow modeling simulations using suitable analytical models. Prepare a draft report summarizing the construction and results of the testing and development of all wells. The report shall include as-built well drawings, well completion reports, lithologic logs, well efficiency and specific capacity results, sand and turbidity concentrations at design flow rates, water quality sampling results, and conclusions of hydrologic properties from data analysis. Upon the DISTRICT'S review and approval of the draft report, the COOPERATOR shall prepare and submit a final production test well study report.
3. CONCEPTUAL DESIGN REPORTS - The conceptualization of the wellfield, a WTF with 10 mgd annual average treatment capacity and expandable to 30 mgd in future development phases, and regional transmission systems to deliver water to participating utilities.
 - 3.1 Regional Transmission System – Develop a conceptual design report including pipeline routing alternatives, transmission system hydraulic model, transmission system water quality model, determine preliminary booster pumping and water age needs, and provide cost estimates for additional design and construction phases.
 - 3.2. Water Treatment Facility – Develop a conceptual design report for the WTF that includes a water needs assessment update, determine water treatment requirements, water treatment system alternatives, and provide cost estimates for additional design and construction phases.
4. THIRD PARTY REVIEW OF THE PRODUCTION TEST WELL STUDY AND CONCEPTUAL DESIGN BY THE DISTRICT – A TPR of the production test well study report, conceptual design reports, and probable cost estimates shall be implemented by the DISTRICT. The DISTRICT will select and contract with an independent consultant(s) that is not a member of the COOPERATOR'S Consultant's team. The TPR will confirm the estimated costs. The COOPERATOR will ensure that its Consultant fully cooperates in making all pertinent and appropriate PROJECT documents available to the DISTRICT'S TPR consultant in a timely manner.

5. PILOT TREATMENT TESTING – Perform pilot water treatment testing specific to the production test wells’ water quality and conceptual water treatment alternatives. Prepare final report and submit to the DISTRICT.
6. PRELIMINARY (30%) DESIGN REPORTS – Develop the preliminary (30%) design report, and probable cost estimates of the regional transmission system and WTF. Provide documentation for a DISTRICT procured TPR.
 - 6.1. Regional Transmission System – For use for future phases, evaluate rights-of-way acquisition and owner & encumbrances, determine final pipeline routing alternative, develop the preliminary alignment design drawings, and develop the preliminary booster pumping and chemical treatment design, if proposed.
 - 6.2. Water Treatment Facility – Determine the water treatment process design based on pilot treatment testing, develop the preliminary water treatment design report and related design drawings, and obtain FDEP permit for water treatment plant construction.
7. PRELIMINARY WATER RATE ANALYSIS – Evaluate water production costs based on operation and maintenance costs including electric power, chemicals, staff salaries, and other applicable expenses; annualized capital costs factoring member contributions, DISTRICT cooperative funding, other grants, and bond payments and coverage; renewal and replacement contributions; and operating reserves. Analyze preliminary water rates based on scaled production flows. Calculate costs to PRWC member customers. Prepare draft and final water rate analysis reports and provide copies to the DISTRICT for review.
8. THIRD PARTY REVIEW OF PRELIMINARY DESIGN BY THE DISTRICT – A TPR of the preliminary (30%) design report and related design drawings and probable cost estimates shall be implemented by the DISTRICT. The TPR will confirm the estimated costs. The DISTRICT will select and contract with an independent consultant(s) that is not a member of the COOPERATOR'S Consultant's team. The COOPERATOR will ensure that its Consultant fully cooperates in making all pertinent and appropriate PROJECT documents available to the DISTRICT'S TPR consultant in a timely manner.

COOPERATOR DELIVERABLES

- Monthly study/design/construction status reports
- Draft and final copies of contracts with consultants and contractors (to verify scope of work meets requirements in executed project plan)
- Well testing plan
- Well construction bid packages
- Draft and final copies of the production test well study report
- Conceptual design reports for regional transmission system and WTF
- Pilot treatment testing report
- Preliminary (30%) design reports and related design drawings for TPR including design drawings, cost estimations, other memorandums for the regional transmission system and WTF design
- Copy of all required federal, state and local environmental permit application packages, requests for additional information, and final permit approvals
- Copies of notices to proceed

- Draft and final water rate analysis reports
- Minority/Women owned and small business utilization report

DISTRICT DELIVERABLES

- Third-party review report of production test well study and conceptual design
- Third-party review report of preliminary design

PROJECT SCHEDULE

DESCRIPTION	COMMENCE	COMPLETE
1. Project Administration	7/1/2017	12/31/2021
2. Production Test Well Study		
2.1. Well Design, Permitting, and Bidding	10/1/2017	5/31/2018
2.2. Well Construction	4/1/2018	8/31/2019
2.3. Aquifer Performance Testing	4/1/2019	8/31/2019
2.4. Water Quality and Yield Analysis	4/1/2019	8/31/2019
3. Conceptual Design Reports		
3.1. Regional Transmission System	6/1/2018	9/30/2019
3.2. Water Treatment Facility	6/1/2018	9/30/2019
4. Third-Party Review of Production Test Well Study and Conceptual Design	9/1/2019	11/15/2019
5. Pilot Treatment Testing	6/1/2019	2/29/2020
6. Preliminary (30%) Design Reports		
6.1. Regional Transmission System	12/1/2019	5/31/2021
6.2. Water Treatment Facility	12/1/2019	5/31/2021
7. Preliminary Water Rate Analysis	5/1/2020	5/31/2021
8. Third-Party Review of Preliminary Design	5/1/2021	8/30/2021

Additional task deadlines contained in the performance schedules of the consultant and contractor contracts will be incorporated herein by reference.

PROJECT BUDGET

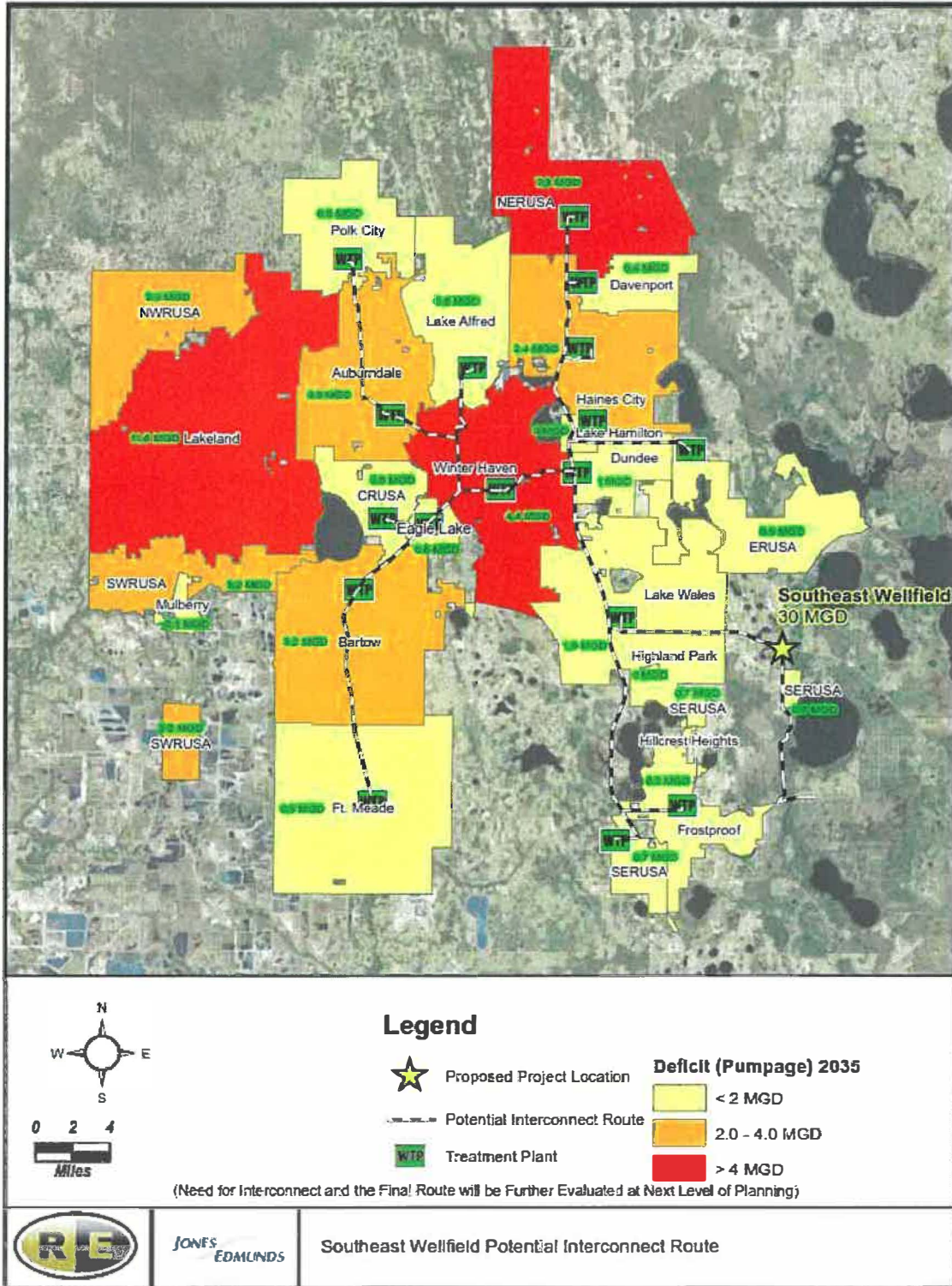
DESCRIPTION	DISTRICT	COOPERATOR	TOTAL
1. Project Administration	\$125,000	\$125,000	\$250,000
2. Production Test Well Study			
2.1. Well Design, Permitting, and Bidding	\$200,000	\$200,000	\$400,000
2.2. Well Construction	\$1,500,000	\$1,500,000	\$3,000,000
2.3. Aquifer Performance Testing	\$75,000	\$75,000	\$150,000
2.4. Water Quality and Yield Analysis	\$195,000	\$195,000	\$390,000
3. Conceptual Design Reports			
3.1. Regional Transmission System	\$365,000	\$365,000	\$730,000
3.2. Water Treatment Facility	\$475,000	\$475,000	\$950,000
4. Third-Party Review of Production Test Well Study and Conceptual Design	\$20,000	\$20,000	\$40,000
5. Pilot Treatment Testing	\$365,000	\$365,000	\$730,000
6. Preliminary (30%) Design Reports			
6.1. Regional Transmission System	\$1,000,000	\$1,000,000	\$2,000,000
6.2. Water Treatment Facility	\$1,500,000	\$1,500,000	\$3,000,000
7. Preliminary Water Rate Analysis	\$50,000	\$50,000	\$100,000
8. Third-Party Review of Preliminary Design	\$30,000	\$30,000	\$60,000
TOTAL	\$5,900,000	\$5,900,000	\$11,800,000

Reimbursement for expenditures of contingency funds is contingent upon DISTRICT approval in accordance with the Funding Paragraph in the Agreement. The COOPERATOR must provide justification for the expenditure that will require documentation including, but not limited to, the purpose and necessity of the expenditure, the reason the expenditure was not included in the bid documents, expenditure cost comparisons and justification of the cost.

The remainder of this page intentionally left blank.

PROJECT MAP

Figure 1. Southeast Wellfield Project Location



G:\GIS\116005 Regional Entity 21 MXDs\SEWellfield.mxd

**EXHIBIT "B"
MINORITY/WOMEN OWNED AND SMALL BUSINESS UTILIZATION REPORT**

Projects receiving \$100,000 or more in cooperative funding from the Southwest Florida Water Management District require the submission of the following information within 30 days of any amendment increasing project funding and with the final invoice. Questions regarding use of this form should be directed to Contracts Administration, Phone (352) 796-7211 ext. 4133.

COOPERATOR: _____ AGREEMENT NO.: _____ PROJECT NAME: _____ TOTAL PROJECT COST: _____		INDICATE THE ONE CATEGORY THAT BEST DESCRIBES EACH ORGANIZATION LISTED*											
		BUSINESS CLASSIFICATION		CERTIFIED MBE					NON-CERTIFIED MBE				UNKNOWN
		NON-MINORITY	SMALL BUSINESS Section 288.703(1) F.S.	AFRICAN AMERICAN	HISPANIC AMERICAN	ASIAN/HAWAIIAN AMERICAN	NATIVE AMERICAN	AMERICAN WOMAN	AFRICAN AMERICAN	HISPANIC AMERICAN	ASIAN/HAWAIIAN AMERICAN	NATIVE AMERICAN	AMERICAN WOMAN
NAMES OF CONTRACTORS AND SUBCONTRACTORS UTILIZED	TOTAL AMOUNT PAID												

* Our organization does not collect minority status data.

Signature Date

Print Name and Title