



**BOARD OF COUNTY COMMISSIONERS**

**DATE:** August 19, 2014  
**AGENDA ITEM NO.** 31

**Consent Agenda** ☐

**Regular Agenda** ☐

**Public Hearing** ☒

**County Administrator's Signature:**

**Subject:**

Public Hearing and Approval of the Interlocal Agreement for the Purchase of the City of Indian Rocks Beach Wastewater Collection and Transmission System.

**Department:**

Department of Environment and Infrastructure (DEI)

**Staff Member Responsible:**

Robert M. Powell, Director  
Water and Sewer

**Recommended Action:**

I RECOMMEND THE BOARD OF COUNTY COMMISSIONERS (BOARD), CONDUCT A PUBLIC HEARING AND AFTER RECEIVING PUBLIC COMMENT, FIND THE PURCHASE OF THE CITY OF INDIAN ROCKS BEACH (CITY) WASTEWATER COLLECTION AND TRANSMISSION SYSTEM IS IN THE PUBLIC INTEREST, AND APPROVE THE PURCHASE AGREEMENT IN THE AMOUNT OF \$1,993,945.

IT IS FURTHER RECOMMENDED THAT AFTER PROPER EXECUTION BY THE CITY, THE CHAIRMAN BE AUTHORIZED TO SIGN THE AGREEMENT AND THE CLERK TO ATTEST.

**Summary Explanation/Background:**

The City is currently a wholesale wastewater customer of Pinellas County Utilities. On December 12, 2013, the City Manager requested an update of the wastewater system condition assessment that was previously performed in 2006 by the County to support the discussion of the potential system acquisition by Pinellas County. DEI's Engineering and Technical Support, and Water and Sewer Division staff evaluated the City's wastewater collection and transmission system and found it to be in overall good condition.

The County's Office of Management and Budget performed the fiscal analysis of the system, determining the present value of the income stream, adjusted by other acquisition costs, would support a purchase price of \$1,993,945. The anticipated closing date is October 1, 2014, at which time the County will pay the City a lump sum of \$1,993,945.

The proposed agreement provides for the County to hire one (1) City wastewater worker at the appropriate County labor grade levels. The County Administrator will be requested to approve this additional position, which will be utilized by DEI's Water and Sewer Maintenance Section for maintaining the wastewater system.

The City held a workshop on July 24, 2014 to advise their Citizens of the proposed sale of the City's wastewater collection and transmission system to the County. A DEI representative attended the workshop to respond to clarifications needed from the Citizens. On August 12, 2014, the City held a public hearing and approved the sale of the system.

Acquisition of the City's wastewater collection and transmission system will increase the Water and Sewer Division's revenue, improve operation of the wastewater system and meet the Board's direction of extending services when reasonable and prudent. The City's customers (approximately 1,815), will receive the same high level of service enjoyed by the other customers of DEI's Water and Sewer Division with potable water, sewer and reclaimed water services from a single provider.

**Fiscal Impact/Cost/Revenue Summary:**

Estimated Annual Revenue: \$1,653,321

Estimated Annual Operating Expenses: \$1,378,921

Estimated Initial Capital Improvements over the next five (5) years: \$1,473,000

Adjusted Purchase Price: \$1,993,945

Funds to support this project are budgeted in the County's Sewer Enterprise Fund. The purchase price includes an adjustment for future needed repairs.

**Exhibits/Attachments Attached:**

Contract Review Transmittal

Interlocal Agreement

Legal Public Notice

FY15 Financial Analysis

**NON-PURCHASING CONTRACT REVIEW TRANSMITTAL SLIP****PROJECT:** Interlocal Agreement for the Purchase of Indian Rocks Beach Wastewater Collection and Transmission System**CONTRACT NO.:** N/A**ESTIMATED EXPENDITURE / REVENUE:** \$1,993,945  
(Circle or underline appropriate choice above.)

In accordance with Contract Administration and its Review Process, the attached documents are submitted for your review and comment. Please complete this Non-Purchasing Contract Review Transmittal Slip below with your assessment, and **forward to the next Review Authority on the list, skipping any authority marked "N/A."** Indicate suggested changes by noting those in "Comments" column, or by revising, in RED, the appropriate section(s) of the document(s) to reflect the exact wording of the desired change(s).

**OTHER SPECIFICS RELATING TO THE CONTRACT:**

| REVIEW SEQUENCE  | DATE                 | INITIAL/<br>SIGNATURE | COMMENTS<br>(IF ANY)  | COMMENTS<br>REVIEWED<br>& ADDRESSED<br>OR<br>INCORPORATED |
|--|----------------------|-----------------------|---|---|
| <b>Originator:</b> DEI<br>Russ Bowman<br>Kevin Becotte, P.E.<br>Bob Powell | 7/10<br>7/16<br>7/18 | RB<br>KB<br>BP        | Completed CATS<br>Completed Cats<br>Completed CATS  | Various<br>Revisions<br>to 7/17/14                        |
| <b>OMB:</b><br>Bill Berger<br>Linda Benoit                                 | 7/15                 |                       | CATS is down  |   |
| <b>Clerk's Finance:</b><br>Cassandra Williams                              | 7/18                 | FG                    | revised agenda memo   | to 7/21/18  |
| <b>Risk:</b><br>Virginia Holscher<br>Cats 7-16-14                          | 7/18/14              | GW                    | Public Entity to Public Entity<br>I discussed with risk<br>and determine not necessary to | JM<br>7/21/15   |
| <b>Legal:</b><br>Joe Morrissey   | 7/21/14              | JM                    |   |   |
| <b>AATF</b>  |                      |                       |   |   |
| <b>DEI Executive Director:</b><br>David E. Scott, P.E.                     | 7/16/14              |                       |   |   |


Please return to Trina Shisler, DEI, ext. 45316

All inquiries should be made to Kevin Becotte, DEI, ext 45377 or Russ Bowman, DEI, ext 22309

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|--|---------|---|---|---|
| <b>Originator: DEI</b><br>Russ Bowman<br>Kevin Becotte, P.E.<br>Bob Powell | Done    |   |   |   |
| <b>OMB:</b><br>Bill Berger<br>Linda Benoit                                 | Done    |   |   |   |
| <b>Clerk's Finance:</b><br>Cassandra Williams                              | 7/18/14 |  | WILL EVENTUALLY<br>NEED LIST OF<br>ASSETS (DUMPS/PIPE)<br>& ANY EASEMENTS | 7/2/18  |
| <b>Risk:</b><br>Virginia Holscher  | at Risk |   |   |   |
| <b>Legal:</b><br>Joe Morrissey   | Done    |   |   |   |
| <b>AATF</b>  |         |   |   |   |
| <b>DEI Executive Director:</b><br>David E. Scott, P.E.                     | Done    |   |   |   |

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**INTERLOCAL AGREEMENT FOR THE PURCHASE OF INDIAN ROCKS BEACH  
WASTEWATER COLLECTION AND TRANSMISSION SYSTEM**

**THIS INTERLOCAL AGREEMENT FOR PURCHASE OF INDIAN ROCKS BEACH WASTEWATER COLLECTION AND TRANSMISSION SYSTEM** made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2014, by and between PINELLAS COUNTY, a political subdivision of the State of Florida, hereinafter referred to as "County" and the CITY OF INDIAN ROCKS BEACH, a municipal corporation of the State of Florida, hereinafter referred to as "Indian Rocks Beach".

**WHEREAS**, Indian Rocks Beach and the County find it to be in their best interests and mutually desirable for the County to acquire Indian Rocks Beach's Wastewater Collection and Transmission System.

**NOW, THEREFORE**, in consideration of the mutual covenants and conditions set forth herein, Indian Rocks Beach and the County agree as follows:

1. This Agreement between the County and Indian Rocks Beach is made in accordance with Section 163.01, Florida Statutes, known as the Florida Interlocal Cooperation Act of 1969. The purpose of this Agreement is to facilitate the purchase by the County from Indian Rocks Beach of its Wastewater Collection and Transmission System.
2. The following terms shall have the meanings herein ascribed to them:
  - A. "Mayor" shall mean the Mayor of the City of Indian Rocks Beach, Florida, or his designee.
  - B. "Wastewater Collection and Transmission System" shall mean Indian Rocks Beach's current collection and transmission system which consists of seven separate service areas or basins (see Exhibit "A")

including but not limited to the gravity wastewater collection system, wastewater service connecting with easements or public rights-of-way, pump stations, force mains, manholes and other appurtenances. Each of the seven service areas flows to a pump station owned and operated by Indian Rocks Beach. The flows from all seven pump stations are eventually pumped through a force main under the Intra-Coastal Waterway which in turn flows to the County's McKay Creek Pump Station. The collection and transmission system network consists of approximately 79,411 feet or 15.04 miles of gravity pipe, which is mostly eight inches in diameter. The pipe material appears to be predominately vitrified clay, at least in the smaller diameters. There are 296 manhole structures linking the pipe network. In addition, there is approximately 9,770 feet or 1.85 miles of force mains.

3. Indian Rocks Beach in consideration of the amount stated in paragraph 7 and other good and valuable consideration, acceptance of which is hereby acknowledged, hereby agrees to sell, convey and assign and the County agrees to purchase Indian Rocks Beach's entire Wastewater Collection and Transmission System including any and all necessary appurtenances within public easements, rights-of-way and private easements within the municipal limits of the City of Indian Rocks Beach. Notwithstanding the foregoing, no conveyance of land in fee simple is herein contemplated. Indian Rocks Beach also agrees to sell, convey and assign and the County agrees to purchase all contract rights of Indian Rocks Beach in connection with such Wastewater Collection and Transmission System; the business of supplying

wastewater service to users in the city of Indian Rocks Beach; all franchises; easements, including easements where wastewater collection and transmission facilities are located in public rights-of-way and publically owned property; rights and privileges of Indian Rocks Beach in connection with that business; all contract rights, claims and options of Indian Rocks Beach in conjunction with that wastewater business for Indian Rocks Beach's entire service area; and all other rights both tangible and intangible that Indian Rocks Beach owns, uses or is entitled to control in connection with the Wastewater Collection and Transmission System.

4. Indian Rocks Beach agrees to transfer any and all currently held rights of interest in easements of record and/or not of record (as well as supporting documents) for easements on private property and public property. Indian Rocks Beach also transfers all currently held rights of ingress and egress over property to access the Wastewater Collection and Transmission System. Indian Rocks Beach has no obligation to obtain any additional property rights for transfer to the County. Indian Rocks Beach agrees to grant Pinellas County rights to operate, maintain, and replace existing pump stations on City property.
5. The transfer of the Wastewater Collection and Transmission System pursuant to this Agreement shall not include the assumption by the County of any liability related to the Wastewater Collection and Transmission System which arises out of actions which occurred prior to the closing date of the sale of said system unless the County expressly assumes such liability. Consequently, County assumes no liability for any actions of Indian

Rocks Beach regarding the Wastewater Collection and Transmission System which occurred before the closing date. County shall, however, be responsible for any such liability arising out of County's actions from the date of closing and thereafter.

6. The closing date for the sale by Indian Rocks Beach and the purchase by the County of the Wastewater Collection and Transmission System shall be October 1, 2014, or on the first business day thereafter.
7. The consideration for the transfer of the Wastewater Collection and Transmission System shall be as set forth in this Section 7. On the closing date, County agrees to pay Indian Rocks Beach the Purchase Price in the amount of One Million Nine Hundred Ninety-Three Thousand Nine Hundred Forty Five Dollars (\$1,993,945.00). The Purchase Price shall be paid by wire transfer to Indian Rocks Beach's designated account and banking institution.
8. As the County is the current Billing Agent for the Indian Rocks Beach Wastewater Collection and Transmission System, the final meter reading to be used for billing purposes will be made on September 19, 2014. Indian Rocks Beach agrees that in lieu of a final meter reading on September 30, 2014, funds for the remaining eleven (11) days prior to October 1, 2014 will be paid by the County as a lump sum of \$59,000. This amount is included in the Purchase Prices as set forth in Section 7.
9. It is further mutually agreed that upon the date of sale Indian Rocks Beach shall convey its Wastewater Collection and Transmission System to the County by Absolute Bill of Sale with full warranties of title, without further



expense or consideration on the part of the County. The Bill of Sale is attached hereto and incorporated by reference herein as Exhibit "B".

10. County will hire up to one (1) employee of Indian Rocks Beach working in the wastewater collection and transmission area. Such employee hired will be subject to normal County employment practices. The employee must meet County standards. It is understood and agreed the County's expressed intention to extend an offer of employment as set forth in this section shall not constitute any commitment, contract or understanding (expressed or implied) of any obligation on the part of County to a post-closing employment relationship of any fixed term or duration or upon any terms or conditions other than normal County practices that County may establish pursuant to individual offers of employment.
11. Indian Rocks Beach agrees that, subsequent to closing, the County may use easements or rights-of-way for the construction, operation, maintenance, replacement, and rehabilitation of the Wastewater Collection and Transmission System at locations mutually acceptable to both parties.
12. Effective on October 1, 2014, the County and Indian Rocks Beach mutually agree that the Wastewater Collection and Transmission System in public easements and rights-of-way, including pumping stations, force mains and other appurtenances, shall be incorporated into the Pinellas County Sewer System for operation, maintenance, administration, renewal and replacement. Such operations shall be consistent with the policies and procedures as practiced throughout the Pinellas County Sewer System.
13. Rates, connection fees, charges, assessments and other applicable fees

imposed on the wastewater customers and potential customers, within the Indian Rocks Beach wastewater service area, will be the same as may be in effect and as may be revised as those that are charged to other County wastewater customers for similar service and shall be billed by and paid to Pinellas County Utilities. The County will revise the rates from time to time to meet the obligations of the County's utilities sewer fund, consistent with obligations to bond holders or policies approved by the Board of County Commissioners of Pinellas County, Florida. Notwithstanding the foregoing, the County hereby covenants that the rates for Pinellas County sewer customers in effect as of October 1, 2014, shall apply to customers within Indian Rocks Beach. The County reserves the right to increase rates as needed for fiscal, operational or capital reasons. The effective date for implementing County wastewater rates and fees within Indian Rocks Beach will be the first full or partial billing cycle after October 1, 2014.

14. Indian Rocks Beach and the County mutually agree that the County's current wastewater ordinances and as they may be amended in the future are enforceable in Indian Rocks Beach and further that this enforceability of the County wastewater ordinances in Indian Rocks Beach is a condition of sale and is irrevocable and shall survive the termination of the Agreement.
15. The County hereby covenants that neither Indian Rocks Beach, nor any customers of the Pinellas County utility system within Indian Rocks Beach will be responsible for connection charges or impact fees resulting solely from the transfer of the Wastewater Collection and Transmission System from Indian Rocks Beach to the County. In other words, said transfer shall

not cause existing customers within Indian Rocks Beach to become new customers of the County who would otherwise be responsible for connection charges and/or impact fees.

16. The Agreement for Wastewater Transmission, Treatment, and Disposal Services between Pinellas County and the City of Indian Rocks Beach dated March 1, 2001, is terminated effective October 1, 2014.
17. The Agreement shall be effective upon filing of a fully executed copy of this Agreement with the Clerk of Circuit Court of Pinellas County, Florida pursuant to Section 163.01 (11), Florida Statutes.

**IN WITNESS WHEREOF**, the parties hereto have executed this Interlocal Agreement for Purchase of Indian Rocks Beach's Wastewater Collection and Transmission System the day and year first above written.

ATTEST:

CLERK OF CIRCUIT COURT  
KEN BURKE

PINELLAS COUNTY, FLORIDA  
Acting by and through its Board of  
County Commissioner

By: \_\_\_\_\_  
Deputy Clerk

By: \_\_\_\_\_  
Chairman

Approved as to Form  
Office of the County Attorney

By: \_\_\_\_\_

CITY OF INDIAN ROCKS BEACH  
PINELLAS COUNTY, FLORIDA

ATTEST:

By: \_\_\_\_\_  
Mayor

By: \_\_\_\_\_  
City Clerk

Approved as to Form

By: \_\_\_\_\_  
City Attorney

# Pinellas County Utilities

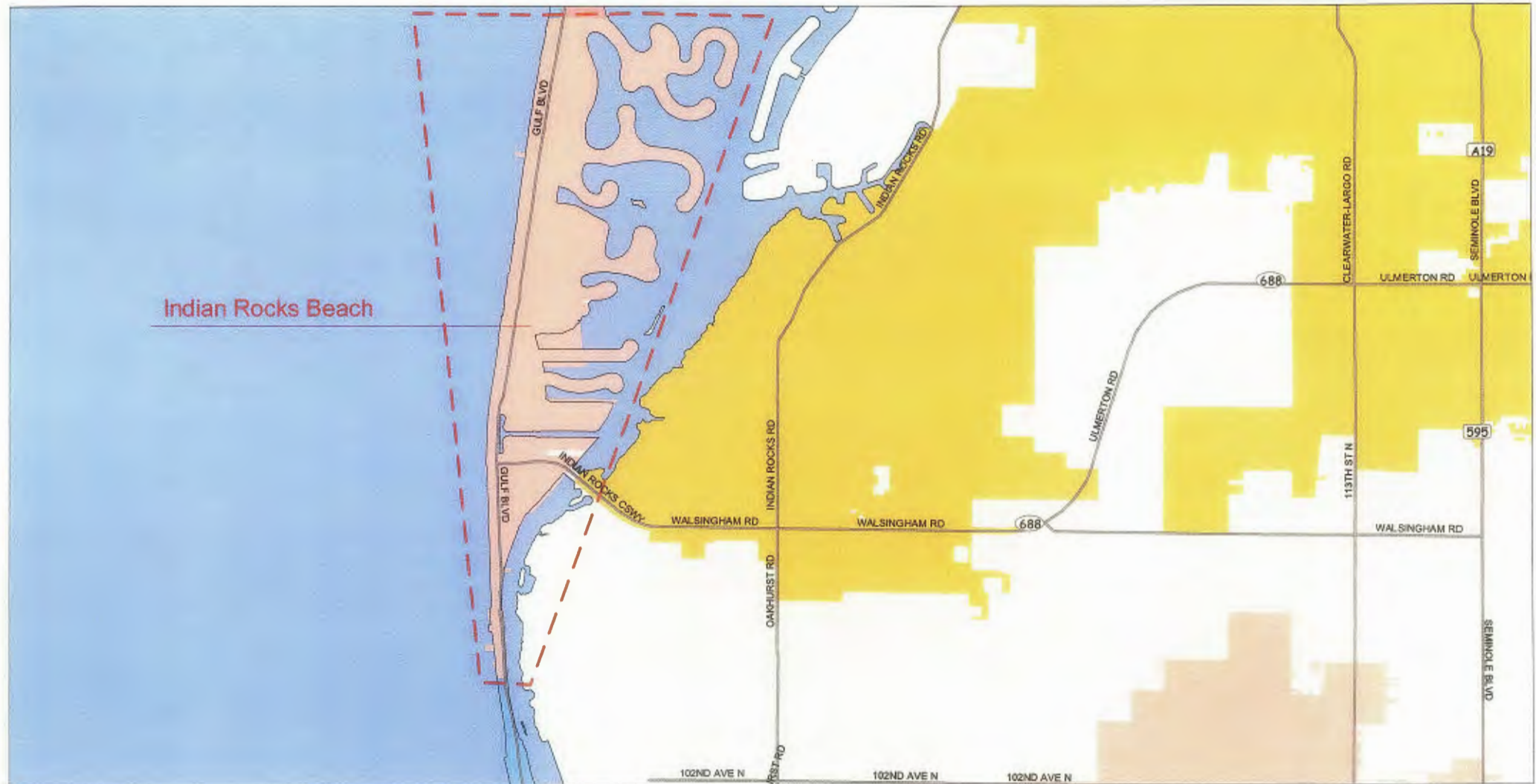


EXHIBIT "A" INDIAN  
ROCKS BEACH SERVICE  
AREA



**EXHIBIT "B"**  
**BILL OF SALE**

**THIS BILL OF SALE** evidencing the sale and conveyance of the Indian Rocks Beach Wastewater Collection and Transmission System, as described in that Interlocal Agreement for Purchase of Indian Rocks Beach Wastewater Collection and Transmission System, is made and executed this \_\_\_\_ day of \_\_\_\_\_, 2014, by Indian Rocks Beach, called the Seller, to Pinellas County, call the Buyer.

**WITNESSETH:** That the Seller, for and in consideration of the sum of Ten Dollars (\$10.00) and other valuable considerations, receipt whereof is hereby acknowledged, by these presents does grant, bargain, sell, alien, remise, release, convey and confirm unto the Buyer, Indian Rocks Beach's entire Wastewater Collection and Transmission System as described in the Agreement attached hereto and incorporated herein.

**SAID** Transferred Assets also include all the tenements, hereditaments and appurtenances thereto belonging or in anywise appertaining, including but not limited to, all appurtenant and in gross easement rights for the operation, installation and maintenance of said facilities.

**IN WITNESS WHEREOF**, the Seller has caused these presents to be executed in its name and its seal to be hereunto affixed, by its proper officers thereunto duly authorized, the day and year first above written.

**ATTEST:**

**CITY OF INDIAN ROCKS BEACH  
PINELLAS COUNTY, FLORIDA**

By: \_\_\_\_\_  
City Clerk

By: \_\_\_\_\_  
Mayor

Approved as to Form

By: \_\_\_\_\_  
City Attorney

**NOTICE OF PUBLIC HEARING PURSUANT TO  
SECTION 125.3401 FLORIDA STATUTES**

Notice is hereby given that on the 19<sup>th</sup> day of August, 2014, beginning at 6:00 p.m. a public hearing will be held by the Board of County Commissioners in the County Commission Assembly Room, Fifth Floor, Pinellas County Courthouse, 315 Court Street, Clearwater, Florida, to consider the purchase by Pinellas County of the City of Indian Rocks Beach wastewater collection and transmission system which shall embrace and include all of that territory situated within and without the City of Indian Rocks Beach served by such collection and transmission system.

Persons are advised that, if they decide to appeal any decision made at this meeting/hearing, they will need a record of the proceedings, and for such purpose, they may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based.

If you are a person with a disability who needs any accommodation in order to participate in this proceeding, you are entitled, at no cost to you, to the provision of certain assistance. Please contact the Office of Human Rights at (727) 464-4880 (VOICE), (727) 464-4062 (TDD), no later than seven days prior to the proceeding.

KEN BURKE, CLERK  
TO THE BOARD OF COUNTY COMMISSIONERS  
By: Norman D. Loy, Deputy Clerk





Office of Management  
& Budget

## INDIAN ROCKS BEACH SANITARY SEWER COLLECTION SYSTEM FINANCIAL ANALYSIS FY15

### OPERATING INCOME

#### Revenues

Estimated Annual Revenues

(Most recent 12 months volumetric data w/ PCU FY15 rates) \$ 1,653,321

#### Estimated Expenses

|                               |              |
|-------------------------------|--------------|
| O & M Costs (7 Pump Stations) | \$ 319,500   |
| Treatment Costs               | \$ 950,421   |
| Repair & Replacement costs    | \$ 109,000   |
| Total Estimated Expenses      | \$ 1,378,921 |

|  |                   |
|--|-------------------|
| <b>ANNUAL ESTIMATED OPERATING INCOME</b> | <b>\$ 274,400</b> |
|--|-------------------|

### ACQUISITION COSTS

|   |              |
|---|--------------|
| <i>Present Value (5% for 20 Years)</i>                    | \$ 3,419,626 |
| <i>Less Capital Improvement Cost (CIP)</i>                | \$ 1,473,000 |
| <i>Less Cost to update Pinellas County billing system</i> | \$ 46,681    |
| <i>Plus Cost of Miscellaneous Capital Equipment</i>       | \$ 35,000    |
| <i>Plus interim revenue settlement</i>                    | \$ 59,000    |

|   |                     |
|---|---------------------|
| <b>TOTAL ACQUISITION COST</b> <i>(Cash Payment to Indian Rocks Beach)</i> | <b>\$ 1,993,945</b> |
|---|---------------------|