

**OPERATING & MAINTENANCE AGREEMENT BETWEEN THE CITY OF GAINESVILLE
d/b/a GAINESVILLE REGIONAL UTILITIES (GRU), AND THE CITY OF ALACHUA**

THIS OPERATING AND MAINTENANCE AGREEMENT ("Agreement"), made and entered into this _____ day of _____, 2015, by and between the City of Gainesville, Florida, a municipal corporation organized and existing under the laws of the State of Florida, d/b/a Gainesville Regional Utilities (hereinafter "GRU"), and the City of Alachua, Florida, a municipal corporation organized and existing under the laws of the State of Florida (hereinafter "ALACHUA"), collectively referred to as the "Parties".

WHEREAS, GRU and ALACHUA entered into a Contract for Wholesale Electric Service Contract, dated October 2, 1992, which was amended by Amendment To Wholesale Electric Service Contract, dated October 29, 1998 ("First Amendment"), and amended by the Second Amendment to Wholesale Electric Service Contract, dated December 31, 2008 ("Second Amendment"); and which was amended by the Third Amendment to Wholesale Electric Service Contract, dated November 22, 2010 ("Third Amendment"), which together will herein after be referred to as the "Contract"; and

WHEREAS, pursuant to Section 6 of the Third Amendment to the Contract, GRU and ALACHUA agreed to enter into a separate Operating and Maintenance Agreement to stipulate the terms, conditions, and rates under which GRU will operate and maintain some or all of ALACHUA's facilities; and

WHEREAS, as such, the Parties desire to enter into a separate Operating and Maintenance Agreement;

NOW, THEREFORE, in consideration of the foregoing and of the mutual benefits to be obtained from the covenants contained herein, the Parties agree as set forth below:

SECTION 1: PURPOSE

This Agreement delineates general operating responsibilities, ownership of substation infrastructure, maintenance responsibilities, and the delivery of miscellaneous auxiliary services.

SECTION 2: TERM of AGREEMENT

This Agreement will be effective upon execution and will remain in effect throughout the term of the CONTRACT and any extensions thereto. , Upon mutual agreement by the Parties, this Agreement may survive the termination of the CONTRACT.

SECTION 3: ACCESSIBILITY

ALACHUA hereby grants GRU's authorized personnel unrestricted access and entry into Alachua Electric Substation #1 (hereinafter "Alachua Substation #1") as well as unencumbered vehicle access to all 138kV infrastructure within the substation yard. Access to the substation yard and control house will be controlled by the issuance of a substation and control house key (or keys) by ALACHUA to GRU's authorized personnel. GRU will provide ALACHUA a list of such authorized personnel, which list will be updated as necessary. Similarly, ALACHUA will provide GRU a list of its personnel authorized to enter the substation, which list will also be updated as necessary.

SECTION 4: OWNERSHIP OF FACILITIES

Pursuant to the Third Amendment to the CONTRACT, ALACHUA transferred to GRU ownership of all infrastructure operated at 138KV within AlachuaSubstation #1 inclusive of the 138kV/12kV power transformers, the supporting equipment, devices, and networks inherently a part of, or critical to, the operation and/or protection of the 138kV infrastructure. Such supporting equipment also includes, but is not limited to, control, protection and Supervisory Control and Data Acquisition ("SCADA") devices, wiring systems, networks and station batteries. It is understood that some of the devices or

equipment listed above also support ALACHUA's 12 kV distribution system and such support will continue.

ALACHUA continues to own all electrical infrastructure operated at 12kV within the substation with the exception of the 138kV/12.kV power transformers (as noted above). ALACHUA also owns all common equipment/devices including, but not limited to, the control house, substation yard, perimeter fence and other physical structures not inherently a part of, or critical to, the operation and/or protection of the 138kV infrastructure.

GRU and ALACHUA will ensure that their respective infrastructure will be well maintained and in good repair pursuant to prudent utility practices. The point of interconnection between GRU and ALACHUA infrastructure is defined as ALACHUA's mechanical connection to each GRU 12kV power transformer bushing.

SECTION 5: 138kV O&M SERVICES

GRU will provide the qualified personnel and equipment necessary to properly operate and maintain the 138kV infrastructure within Alachua Substation #1 as described in SECTION 4 of this Agreement. All operational considerations including, but not limited to, equipment switching, equipment isolation and crew dispatching will be the exclusive responsibility of GRU and will be performed pursuant to GRU's standard procedures and practices and under the direction of GRU'S systems operator (hereinafter "systems operator"). All inspection, maintenance and testing of that infrastructure will be performed pursuant to GRU's standard procedures and practices in effect for the balance of GRU's 138kV transmission system and will typically include:

- A. Periodic testing and routine external inspection of the 138kV transmission class equipment;
- B. Periodic testing and calibration of the associated protection relays;
- C. Monthly inspection of Alachua Substation #1 and the recording of protective relay targets, breaker counters, load tap changer activity, condition of batteries, equipment oil levels, station security, etc.;

- D. Provide a copy of all inspection reports upon request.

GRU will notify ALACHUA of all maintenance or repair work that should be initiated as determined by GRU from the testing or routine inspection process. Subject to prior written authorization by ALACHUA, GRU will complete the specified work. Spare parts will be furnished or sourced by GRU. All work will be completed at ALACHUA'S cost in accordance with Section 11 herein. Should ALACHUA elect not to authorize the required work, GRU may complete such work as is necessary to protect the integrity and continuity of its transmission system and resolve the issue with ALACHUA in accord with the process described in Section 7 herein.

SECTION 6: 12kV O&M SERVICES

- A. GRU will provide the qualified personnel and equipment necessary to properly operate and maintain ALACHUA'S 12KV infrastructure within Alachua Substation #1 as described in SECTION 4 of this Agreement. All operational considerations including, but not limited to, equipment switching, equipment isolation and issuances of work clearances or permissions will be the exclusive responsibility of GRU and will be performed pursuant to GRU's standard procedures and practices and under the direction of GRU's systems operator. All inspection, maintenance and testing of such infrastructure will be performed pursuant to GRU's standard distribution system procedures and practices and will typically include: Periodic testing and routine external inspection of the 12KV class distribution class equipment.
- B. Periodic testing and calibration of the associated protection relays.
- C. Monthly inspection of Alachua Substation #1 and the recording of protective relay targets, breaker counters, equipment oil levels, station security, etc.
- D. Provide a copy of all inspection reports upon request.

GRU will advise ALACHUA of any specific maintenance or repair work that should be initiated as determined by GRU from the testing or routine inspection process. Subject to prior written authorization by ALACHUA and the availability of GRU resources, GRU will complete the specified work. ALACHUA will furnish or source the required spare components. However, should ALACHUA be unable to supply the required components, GRU may supply such components if available from GRU inventory provided that such furnishing of spare components does not jeopardize the reliability of GRU's distribution system. All work and the provision of spare components will be completed in accordance with Section 11 herein.

GRU will provide the qualified personnel and equipment necessary to inspect and test the demand and consumption metering in accordance with the terms of the CONTRACT at intervals not to exceed one (1) year. ALACHUA, on and by use and execution of the Alachua Work order form (Exhibit A), will be given advance notice of any such test and will have the opportunity to witness that test.

SECTION 7: DISPUTE RESOLUTION PROCESS

If either Party believes it has a claim under this Agreement, the designated representative of the claimant will initiate a claim by submitting such claim in writing, including a detailed description, to the designated representative of the other party, who will review the claim and will respond in writing of its findings and recommendations concerning the claim within a reasonable time not to exceed 30 days. If the claim is not resolved within such 30 day period, the claimant may further pursue the claim by submitting the claim to mediation. The location of the mediation will be in Alachua County, Florida.

While any controversy, dispute or claim arising out of or relating to this Agreement is pending, GRU and ALACHUA will continue to perform their obligations hereunder to the

extent possible notwithstanding such controversy, dispute or claim.

The costs and expenses of the mediator and the mediation shared equally between the Parties. Each Party will pay for its own legal expenses and/or consulting costs related to the preparation for such mediation and for the mediation itself.

SECTION 8: NERC RELIABILITY STANDARDS COMPLIANCE RESPONSIBILITIES

NERC Reliability Standards compliance responsibilities will be assigned pursuant to the Third Amendment to the CONTRACT. All such services will cease upon termination of the CONTRACT unless otherwise agreed.

SECTION 9: SYSTEMS OPERATOR RESPONSIBILITIES

The safety of ALACHUA and GRU personnel as well as the public is of paramount importance to both Parties. The systems operator will play a pivotal role in enhancing the safety of employees and the public. Alachua Substation #1 will be operated as a GRU owned substation. ALACHUA and/or GRU personnel entering or leaving the substation for any purpose will so inform the systems operator by radio or phone. All work performed within Alachua Substation #1 will be coordinated by the systems operator. GRU'S switching and tagging procedures will be used to accomplish all such work.

GRU will develop and maintain a real time computer model of the equipment within Alachua Substation #1. The systems operator will monitor the operation of that equipment on a 24/7 basis utilizing GRU'S SCADA System. Unusual or abnormal operating conditions will be reported to ALACHUA in as quickly as practical. ALACHUA'S personnel will promptly report any switching activity and/or configuration change made within Alachua Substation #1 in order to preserve the integrity of the substation modeling.

The systems operator will coordinate the response to all major and minor SCADA alarms, automatic equipment/device operations and station outages consistent with GRU's response to similar events involving substations owned and operated by GRU.

The systems operator will have sole authority to resolve events affecting all 138kV infrastructure within Alachua Substation #1. All 138kV operations within Alachua Substation #1 including, but not limited to, switching and tagging, issuing clearances or permissions or isolating equipment /devices will be performed solely by GRU personnel under direct control of the systems operator. Upon request, ALACHUA will be notified by the systems operator of any such operations. In the event of an emergency, as determined solely by GRU and provided that ALACHUA has qualified personnel available, ALACHUA'S personnel may perform work under the direct control of the systems operator.

The systems operator will recommend to ALACHUA a solution or solution set to resolve events affecting the 12kV infrastructure. However, ALACHUA will make the final decision as to how the event will be resolved and will inform the systems operator of ALACHUA's intent. The systems operator will assist ALACHUA in executing ALACHUA's plan while ensuring that the integrity and reliability of the 138kV infrastructure is not compromised. ALACHUA will accept full responsibility for its decisions and any unintended consequences resulting from ALACHUA's decision.

All 12kV operations within Alachua Substation #1 including, but not limited to, switching and tagging, issuing clearances or permissions or isolating equipment /devices will be performed normally by GRU personnel under direct control of the systems operator. ALACHUA may elect to have its personnel perform switching and tagging work within the substation if so qualified (as determined solely by ALACHUA and in the exercise of its sole discretion) under the direct control of the systems operator.

The systems operator will not control, coordinate or model the operation or restoration of ALACHUA'S distribution system beyond the substation's 12 kV breakers. However, the systems operator will operate the equipment within Alachua Substation #1 on the basis that the distribution circuits originating from Alachua Substation #1 are operated by ALACHUA in a radial configuration.

In the event that a 12kV circuit breaker has completed its programmed fault interruption cycle and has "locked-out", a request to have the systems operator close that

breaker either by SCADA or locally at the substation must be first made by an authorized ALACHUA employee. Similarly an authorized ALACHUA employee must request that the systems operator “open” an Alachua breaker or disable a breaker’s reclosing capability, unless such action is required to resolve a life-safety issue as determined by the systems operator. The systems operator will not be required to interact with ALACHUA retail customers. ALACHUA will be solely responsible for all customer care requirements.

SECTION 10: CAPITAL EXPENDITURES & RESPONSIBILITIES

ALACHUA has made numerous improvements within Alachua Substation #1 that have enhanced the operability and reliability of the 138KV infrastructure. These improvements have resulted in a duplication or close approximation of the operating flexibility and equipment configuration consistent with comparable GRU owned substations. Should there be a future need to expand or otherwise improve Alachua Substation #1, the Parties will jointly plan and coordinate the work to ensure that the operability and reliability of the 138KV infrastructure is not compromised. ALACHUA will fund the cost of these improvements and all associated costs. Upon termination of this Agreement, all such 138KV infrastructure owned by GRU (if any) will be transferred to ALACHUA pursuant to the Third Amendment to the Contract. ALACHUA will not be obligated to contract with GRU for the construction of the capital improvements outline above nor will GRU be obligated to construct such facilities.

SECTION 11: COMMUNICATION

All communication related to real time system operations will be between GRU’S system operator and ALACHUA’S authorized personnel. Such communication may be by telephone, cell phone, GRU’s radio or email. Each Party will be responsible for its own communication infrastructure costs. GRU will provide ALACHUA with the list of systems operators and the phone number(s) at which they can be contacted at all times, which list will be updated as necessary. Similarly, ALACHUA will provide GRU a list of personnel

authorized to request immediate equipment/device operation (typically in the event of an emergency) and/or to receive work clearances/permissions, which list will also be updated as necessary.

Communications related to general system operations (not real time) will be in writing (or email) between GRU's Operations Manager/Systems Control or the Systems Control Division Manager and ALACHUA'S authorized personnel.

Communications related to substation infrastructure, maintenance and inspection will be in writing (or email) between GRU's Operations Manager/ Energy Measurement and Regulation (M&R) Division or the M&R Division Manager and ALACHUA'S authorized personnel.

NOTICES: All other communication and written notices will be by email to

For GRU:

David Beaulieu
AGM / Energy Delivery
Gainesville Regional Utilities (GRU)
Email: beaulieude@gru.com

For ALACHUA: Marcus Collins

Public Services Director
City of Alachua
Email: mcollins@cityofalachua.org

In order to comply with Florida Law regarding monitoring and recording of telephone communications, GRU and ALACHUA will have all employees who may participate in such communication sign a statement indicating that he/she acknowledges the existence of and need for such a program and that each consents to the telephone monitoring/recording program. Both GRU and ALACHUA will cause the following notice to be placed in a prominent position on each telephone receiver:

NOTICE: CONVERSATIONS CONDUCTED OVER THIS RECEIVER ARE
SUBJECT TO MONITORING AND RECORDING.

SECTION 12: ANCILLARY SERVICES

ALACHUA may request GRU to provide ancillary services such as operations and maintenance training, engineering, 12 kV class equipment maintenance or infrastructure construction. GRU will not be obligated to provide such services but may do so as resources allow.

SECTION 13: CONSIDERATION FOR SERVICES RENDERED

GRU will be paid by ALACHUA for all maintenance, construction, emergency response and ancillary services provided to ALACHUA under this Agreement Payment for such services will be in accordance with the following provisions:

- A. Personnel: GRU will be paid for direct and indirect payroll costs in accordance with its then prevailing rates, usual and customary overheads, rules, regulations, labor agreements, or other contracts.
- B. Equipment: GRU will be paid for the use of its equipment according to GRU'S pre-established hourly and/or mileage cost schedule.
- C. Materials and Supplies: GRU will be paid the direct and indirect costs for materials used in the normal course of providing service under this Agreement. Any damage or loss caused by negligence of GRU personnel or prior to delivery by GRU on the ALACHUA work site will be the responsibility of GRU.

Miscellaneous: GRU will be paid the direct and indirect costs associated with miscellaneous expenses accrued in the course of delivering the requested service(s).

GRU will invoice ALACHUA for services rendered no later than ninety (90) days following the delivery of the service. ALACHUA will pay the invoice in full not later than thirty (30) days from the date the invoice is postmarked.

Labor and equipment costs will generally include the travel time to Alachua Electric Substation #1 from GRU'S property during normal working hours or the employees home if

called out for an emergency response and the travel time required to return to their point of origination or place of work (whichever is more appropriate given the circumstances). GRU will provide ALACHUA with a list of the unit charges for personnel and equipment to be in effect during the upcoming year. This list will be updated as necessary.

The cost of certain recurring services will be waived for the months coincidental with the term of the Third Amendment to the CONTRACT. All such services set forth below will terminate upon expiration of the CONTRACT unless otherwise agreed. Such services include:

- A. The routine monthly inspection of the Alachua Substation #1
- B. Systems operator services, 24X7
- C. Distribution system monitoring and reporting, SCADA system, 24X7
- D. Limited engineering support, build out plans, contingency recommendations

SECTION 14: INSURANCE

Each Party will determine the appropriate levels of insurance coverage to carry and in what amounts.

SECTION 15: INDEMNIFICATION

Without waiving its sovereign immunity and subject to the limitations set forth in Section 768.28, Florida Statutes, both Parties will be responsible for its negligent or wrongful acts or omissions and the negligent or wrongful acts or omissions of its employees arising out of this Agreement, provided that such acts or omissions are within the scope of their employment. Nothing herein will be construed as consent by either Party to be sued by third parties in any matter arising out of this Agreement or a waiver of sovereign immunity by any party to which sovereign immunity applies.

SECTION 16: CHANGES TO THE AGREEMENT

The terms and conditions of this Agreement will remain in effect until such time as the Parties choose to renegotiate. Should either party identify the need to modify this Agreement, it will be the responsibility of the Party requesting the change to notify the other party in writing of the need and to explain the terms and conditions of the requested changes. If both Parties agree to the terms and conditions of the change, this Agreement will be modified through a written and fully executed amendment to this Agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized officers or agents, and a duplicate original delivered to each Party. The effective date of this Agreement will be the date first written above, which will be the date this Agreement was executed by the Parties.

CITY OF ALACHUA, FLORIDA

By _____
Traci Cain
City Manager

CITY OF GAINESVILLE, FLORIDA

By _____
Edward J. Bielarski, Jr.
General Manager

Approved as to form and legality:

Shayla L. McNeill
Utilities Attorney

EXHIBIT A
CITY OF ALACHUA
WORK ORDER

WORK ORDER NO.: _____ (For tracking purposes only, to be assigned by CONTRACTOR after execution).

PURCHASE ORDER NO.: _____ (For billing purposes only, to be assigned by CITY after execution.)

PROJECT NAME: _____

CITY: CITY OF ALACHUA, a municipality in Alachua County Florida

PROJECT MANAGER: _____

CONTRACTOR: _____

CONTRACTOR'S ADDRESS: _____

Execution of the Work Order by CITY shall serve as authorization for CONTRACTOR to provide work for the above project, as set out in the Scope of Work set forth in that certain Agreement dated _____, 2015, between CITY and CONTRACTOR and further delineated in the specifications, conditions and requirements stated in the following listed documents which are attached hereto and made a part hereof.

ATTACHMENTS (Check all that apply):

- ☐ DRAWINGS/PLANS/SPECIFICATIONS
- ☐ DETAILED SERVICES AND TASKS FOR PROJECT
- ☐ SPECIAL CONDITIONS
- ☐ _____

CONTRACTOR shall provide work pursuant to this Work Order, its attachments and the above-referenced Agreement, which is incorporated herein by reference as if it had been set out in its entirety. Whenever this Work Order conflicts with the Agreement, the Agreement shall prevail.

COMMENCEMENT AND COMPLETION: The work authorized by this Work Order shall be commenced upon receipt of a Purchase Order by CONTRACTOR and shall be completed within (_____) _____ calendar days from receipt of a Purchase Order by CONTRACTOR.

METHOD OF COMPENSATION:

- (a) This Work Order is issued on a:
 - ☐ Lump Sum Basis
 - ☐ Hourly Rate Basis with a Not-to-Exceed amount
 - ☐ Hourly Rate Basis with a Limitation of Funds amount

(b) If the compensation is based on a "Lump Sum Basis," CONTRACTOR shall perform all work required by this Work Order for the sum of _____ DOLLARS (\$_____). In no event shall CONTRACTOR be paid more than the "Lump Sum Fee" Amount.

(c) If the compensation is based on an "Hourly Rate Basis" with a "Not-to-Exceed" Amount, CONTRACTOR shall perform all work required by this Work Order for a sum not exceeding _____ DOLLARS (\$_____). CONTRACTOR compensation shall be based on the actual work required by this Work Order.

(d) If the compensation is based on an "Hourly Rate Basis" with a "Limitation of Funds" Amount, CONTRACTOR is not authorized to exceed the "Limitation of Funds" amount of _____ DOLLARS (\$_____). Without a Change Order accepted and executed by CITY, Such approval, if given by CITY, shall indicate a new "Limitation of Funds" amount. CITY shall compensate CONTRACTOR for the actual work performed under this Work Order.

CITY shall make payment to CONTRACTOR in strict accordance with the payment terms of the referenced Agreement.

It is expressly understood by CONTRACTOR that this Work Order, until executed by CITY, does not authorize the performance of any work or services by CONTRACTOR.

IN WITNESS WHEREOF, the parties hereto have made and executed this Work Order on this _____ day of _____, 2015 for the purposes stated herein.

(CONTRACTOR)

Witness

By: _____

Title: _____

CITY OF ALACHUA, FLORIDA

Witness

By: _____
Traci L. Cain City Manager