

EXHIBIT A - STATEMENT OF WORK (SOW)

SJRWMD and City of Neptune Beach Reclaimed Water Project

I. Introduction/Background

The District has established Lower St. Johns River (LSJR) pollutant load reduction goals and the Florida Department of Environmental Protection has pending the adoption of revised nutrient Total Maximum Daily Loads (TMDLs). In response to these regulatory initiatives, the District has been working toward facilitating efficient and cost effective efforts to exceed the minimum nutrient reductions required by the TMDL allocations. Reducing nutrient discharges to below TMDLs levels will help assure the sustainable future health of the LSJR.

During project evaluations, the District established the LSJR Reuse and Treatment Project to create additional opportunities to significantly reduce nutrient loading to the LSJR from treated wastewater through District-based cost-share agreements to increase the reuse of reclaimed water. This project shall reduce nitrogen loading to the LSJR while helping to meet long-term water supply needs.

II. Objectives

- Replace a portion of the potable groundwater demand with reclaimed water to help meet long-term water supply needs
- Reduce wastewater effluent discharges to the Lower St. Johns River to reduce nutrient loadings in excess of the TMDL allocations

III. Scope of Work (Description of the project, its anticipated performance as compared to BMAP baseline.)

Recipient shall manage the engineering and construction of a wastewater treatment project scheduled for construction in FY 2010 through FY 2012 (Exhibit B). Recipient shall construct wastewater treatment upgrades to Neptune Beach WWTP to advanced secondary/nutrient reduction ("the Project"). After the Project is complete, the nitrogen concentration in wastewater discharged from the plant will be significantly reduced. The performance-based goal of this project is to meet a 0.65 million gallons per day (mgd) discharge of 4 milligrams per liter (mg/L), both based on Annual Average Daily Flow. The Project will remove an estimated 7,860 kilograms (17,330 pounds) of nitrogen per year from the St. Johns River. This estimate of nitrogen removal is based on a starting flow of 0.94 mgd at a concentration of 8.8 mg/L and a future flow of 0.65 mgd and discharge concentration of 4 mg/L. The Project will also include Phase 1 implementation to install the facilities necessary to provide reclaimed water to City facilities located within 0.25-miles of the WWTP with the potential to provide residential reclaimed water to more areas (not included at this time). The reclaimed portion would include the pumps, pipeline, and additional treatment required to meet the requirements. The estimated

flow for Phase 1 reuse is 30,000 gallons per day reclaimed water use and the estimated removal is 166 kilograms (365 pounds) of nitrogen per year.

IV. Task Identification, Project Time Frames and Deliverables

Recipient shall be responsible for the following:

- Obtaining project final design, construction plans and specifications
- Providing a copy of Recipient's executed construction contract documents to the District's Project Manager
- Scheduled construction implementation of projects described in the SOW
- Providing copies of any subsequent change orders to the contract to the District's Project Manager
- Obtaining all required permits, including right of access to the project sites, related to project construction and subsequent operation of the systems
- Compliance with all permits
- Procurement for project construction
- Supervision and inspection of construction
- Construction contract administration
- Timely submittal of invoices in accordance with this Agreement to enable proper review by the District's Project Manager prior to payment authorization.
- Progress reports to the District's Project Manager, identifying project progress to date, key milestones reached, overall project schedule versus time for project completion, key issues to be resolved, project time and projected costs versus actual cost to date.
- Certification of the completion of construction by a Professional Engineer registered in the State of Florida
- Compliance with cost accounting practices and procedures required for reimbursement of funds expended for the District's Lower St. Johns River Basin Reuse and Treatment Project.

V. Project Budget

Construction is scheduled to start July 2010, and projected to be completed by December 2011. The Agreement is subject to modifications agreed upon by the parties. Total Project cost for this SOW is estimated to be \$2.3 million. The State contribution shall not exceed \$700,000 or 50% of the actual construction costs for the WWTP, whichever is less. In addition, the District contribution toward the reclaimed water system shall not exceed \$250,000 or 50% of the actual construction costs of the reclaimed system, whichever is less.

VI. Milestones

Progress shall be measured by the percent of construction completed of the Project and the amount of reclaimed water in use.

Milestone 1: 50% of the Project construction will be completed by January 2011.

Milestone 2: 100% of the Project construction will be completed by May 2011.

Milestone 3: At least 70% of the average annual daily flow of the reclaimed water capacity of the Project will be in use by September 2012.

**EXHIBIT B - Funded Projects and Expected Performance
SJRWMD and Neptune Beach Reuse and Treatment Initiative**

Project Name	Description	Capacity (mgd)	Approximate Construction Cost	Amount Funded ¹	TMDL Starting TN Concentration (mg/L)	Nitrogen Removed (lbs/yr) (FY12)
Neptune Beach WWTP Improvements	IFAS treatment improvements for nutrient reduction	0.65 mgd	\$1.8 million	\$700,000	8.8	17,333
Neptune Beach Reclaimed Water Phase 1	System to provide water to WWTP, Public Works yard, Women's Club, pistol range, medians and residences within about ¼-mile of the WWTP.	0.03 mgd	\$500,000	\$250,000	4.0	365

¹Cost share proportion is subject to conditions in the scope.