

Board of County Commissioners

Agenda Request

Date of Meeting: March 15, 2010

Date Submitted: March 2, 2010

To: Honorable Chairman and Members of the Board

From: Benjamin H. Pingree, County Administrator
Commissioner Mike Stewart
Heather J. Encinosa, County Attorney

Subject: Request Board Approval of the Agreement for Wastewater Services Between Wakulla County and Talquin Electric Cooperative, Inc.

Statement of Issue:

This agenda item requests Board approval of the agreement for wastewater services between Wakulla County and Talquin Electric Cooperative, Inc. This agreement outlines the terms and conditions for the County to provide bulk wastewater services to Talquin for their Wastewater Service Area delineated by CUP 99-11 and for Talquin to discontinue use of the Oyster Bay Wastewater Treatment Plan for wastewater treatment and disposal purposes.

Background:

Talquin currently owns and operates the Oyster Bay Wastewater Treatment Plant, which provides wastewater treatment and disposal services to portions of the Talquin service area delineated by CUP 99-11. The County and numerous citizens are concerned about the location of the Oyster Bay facility due to its proximity to wetlands and other environmentally sensitive areas and its current level of treatment. For several years, Wakulla County and Talquin have been attempting to negotiate a bulk wastewater service agreement that would allow Talquin to become a bulk wastewater customer of the County and discontinue use of the Oyster Bay Wastewater Treatment Plan for wastewater treatment and disposal purposes.

Commissioner Mike Stewart, County Administrator Benjamin Pingree, the County Attorney, and Dale Dransfield with Eutaw Utilities represented the County in the ongoing negotiations with Talquin. After extensive negotiations, the County's negotiating team, and Talquin's management and attorneys have reached agreement on the terms and conditions contained in the attached contract. Both sides have agreed to recommend this agreement to their respective Boards for approval.

Analysis:

In general terms, this agreement provides for the following:

(1) The County and Talquin will connect their systems at the Point of Connection, which will be a pump station on the property recently acquired by the County located on the north side of US 98, about a half mile west of Spring Creek Highway. Talquin will be responsible for extending its system to the Point of Connection and purchasing a meter, and the County will be responsible for

bringing its system to the Point of Connection and installing the pump station to be located at the Point of Connection.

(2) Talquin will connect to the County's facilities at the Point of Connection within 365 days of the County completing its system extension. It is anticipated that the County will complete its construction within 730 days so, under the current terms, Talquin should be an active bulk wastewater customer in 3 years.

(3) Once connected, Talquin agrees to send all wastewater flows to the County and discontinue use of the Oyster Bay facility for wastewater treatment and disposal. It is expected that this site will still be used as a pump station for Talquin to pump flows to the Point of Connection.

(4) Both parties will continue to own and operate their respective systems.

(5) Talquin will pay monthly usage rates, as outlined in Section 8, for wastewater flows sent to the County. Upon connection, Talquin will also pay \$360,000 to the County as an Initial Connection Fee for Talquin's existing 324 residential customers. For any new customers, Talquin will pay additional connection fees, as outlined in Section 11. The parties have also agreed to a process for determining whether adequate capacity is available to add new customers in Section 12. It is important to note that the County has agreed, upon request, to reserve requested capacity for 90 days without payment. After 90 days, Talquin must pay the Additional Connection Fee to hold capacity.

(6) Section 13 outlines the terms under which Talquin agrees to extend its wastewater service lines within its service area and the parties additionally agreed to jointly explore grants and other funding sources for the extension of wastewater services to Live Oak Island. Talquin also agreed to connect new customers with available wastewater lines if the County enforces the 365-day connection process outlined in Section 381.00655, Florida Statutes, and County Ordinance 2009-09. It should be noted that Talquin was not amenable to providing the County with system maps for its existing system so the County Attorney, along with ESG, planning staff and the health department are investigating means of both identifying lines and monitoring new connections (for payment of the Additional Connection Fee discussed in #5 above).

(7) Section 14 outlines the term (Until December 31, 2059) and termination provisions.

Although this agreement may not address all potential outstanding issues between the County and Talquin – such as regulation of the rates Talquin charges to its customers, extension of wastewater service to Live Oak Island, Talquin's water flow to hydrants, maps of the current Talquin systems – given the negotiating parameters of the parties, it is recommended the Board approve this agreement to accomplish the important public goal of taking the Oyster Bay Wastewater Plant off line.

Agenda Request: Request Board Approval of the Agreement for Wastewater Services Between Wakulla County and Talquin Electric Cooperative, Inc.

March 15, 2010

Page 3

Options

1. Approve the Agreement for Wastewater Services between Wakulla County and Talquin Electric Cooperative, Inc.
2. Do not approve the Agreement for Wastewater Services between Wakulla County and Talquin Electric Cooperative, Inc.
3. Board Direction.

Recommendation

Option #1

Attachment(s):

1. Agreement for Wastewater Services between Wakulla County and Talquin Electric Cooperative, Inc.