

AGREEMENT FOR WASTEWATER SERVICES

THIS AGREEMENT is made this _____ day of _____, 2010 (the “**Effective Date**”), between: (1) Wakulla County, Florida (“**County**”), a political subdivision organized and existing under the laws of the State of Florida, with governmental offices at 3093 Crawfordville Highway, Crawfordville, Florida 32326, and (2) Talquin Electric Cooperative, Inc. and its affiliate, Talquin Water and Wastewater, Inc. (collectively “**Talquin**”), which are Florida private not-for-profit corporations organized and existing under the laws of the State of Florida, with principal offices at 1640 West Jefferson Street, Quincy, Gadsden County, Florida 32351. The County and Talquin are each referred to as a “**Party**” and collectively as the “**Parties.**”

Recitals

WHEREAS, Talquin is authorized by the Florida Statutes to provide wastewater service; and

WHEREAS, Talquin has an existing wastewater system in Wakulla County consisting of wastewater collection and transmission systems and the wastewater treatment plant facility; and

WHEREAS, Talquin has a wastewater treatment plant facility located on Cut-Off Road which is commonly referred to as the “**Oyster Bay Wastewater Treatment Plant;**” and

WHEREAS, the Oyster Bay Wastewater Treatment Plant is currently permitted by the Florida Department of Environmental Protection (“**FDEP**”) to treat up to 60,000 gallons per day (“**gpd**”) with a current annual average daily flow of approximately 36,000 gpd; and

WHEREAS, Talquin intends to provide additional future capacity to serve portions of the Talquin Sanitary Sewer Service Area approved by the County in Conditional Use Permit 99-

11, which shall only be amended by mutual agreement provided Talquin is in compliance with the terms of the Conditional Use Permit (“**Talquin Sewer Services Area**”); and

WHEREAS, the County owns and operates an existing wastewater treatment facility having a capacity of approximately 600,000 gpd as of the Effective Date of this Agreement; and

WHEREAS, the County’s wastewater treatment facility is capable of accepting Talquin’s existing, permitted wastewater treatment plant capacity of 60,000 gpd; and

WHEREAS, the County plans to construct a new wastewater transmission system and expand its existing wastewater treatment facility in the near future (collectively referred to as the “**County System**”); and

WHEREAS, the County has designed the capacity of its wastewater treatment facility to accommodate the FDEP approved projected growth for the 20 year planning cycle, beginning in the year 2009 and continuing through 2029, which includes an annual growth rate of 4%, and includes the areas of the county that are located within the Talquin Sewer Service Area; and

WHEREAS, the FDEP requires that all utilities providing wastewater treatment and disposal services begin planning for future growth once any plant has reached a certain percentage of its permitted capacity; and

WHEREAS, the County has adopted ordinance number 2009-09, as amended on _____, 2010 (“**Wastewater Ordinance**”), whereby it will not reserve capacity for any future development unless that capacity is paid for in advance; and

WHEREAS, the County’s design basis as of the Effective Date for each wastewater service connection is 250 gpd per equivalent residential wastewater connection (“**ERC**”); and

WHEREAS, Talquin requires reliable long-term wastewater treatment at a reasonable cost; and

WHEREAS, the County has requested that Talquin not expand or use the Oyster Bay Wastewater Treatment Plant as it is currently being used and, the County instead has offered to provide wastewater treatment and disposal capacity to Talquin on a wholesale basis; and

WHEREAS, the County desires to locate the extensions to the County System, consisting of a new transmission system and sewer pump station along U.S. 98 (the County's new transmission system and new sewer pump station will be referred to collectively as the "**County Transmission System**"), if Talquin will connect to this new system and the Parties have agreed on a point of connection; and

WHEREAS, provided the County makes sufficient wastewater treatment and disposal capacity available to Talquin and in consideration for the County's fulfilling its obligations under this Agreement, after final interconnection with the County Transmission System, Talquin will: (a) not expand the Oyster Bay Wastewater Treatment Plant and (b) discontinue use of the Oyster Bay Wastewater Treatment Plant for the treatment and disposal purposes as presently permitted by FDEP and as used by Talquin on the Effective Date of this Agreement; and

WHEREAS, the County and Talquin believe it may be efficient to cooperate with each other in providing wastewater utility services and facilities that will best accord with geographic, economic, population, and other factors influencing the needs and objectives of the Parties by allowing Talquin to connect its wastewater system to the County Transmission System as a wholesale customer; and

WHEREAS, it is understood that each Party shall retain its right to operate and maintain its own systems which it owns now or in the future and nothing in this Agreement shall alter or change this right or the right of each Party to set standards and specifications for its own

collection and transmission systems (including pump stations) which it owns now or in the future, and to set utility rates and fees within its own sanitary sewer service area.

NOW, THEREFORE, in consideration of the foregoing, and the benefits to be derived by each Party, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each Party, the Parties incorporate and agree to the “Whereas” clauses and further agree as follows:

1.) **Talquin’s Costs.** Talquin shall be responsible for Talquin’s costs related to extending and connecting its wastewater system with the County Transmission System at the Point of Connection identified in Section 3. Talquin’s costs may include engineering design, permitting, construction, inspection and acceptance of the wastewater transmission system to be constructed by Talquin, which includes Talquin’s sewer pump station which is anticipated to be located at the site of the Oyster Bay Wastewater Treatment Plant and Talquin’s force main to the Point of Connection.

2.) **County’s Costs.** The County shall be responsible for all of the County’s costs related to extending and connecting to the Point of Connection identified in Section 3. The County’s costs may include engineering design, permitting, construction, inspection and acceptance of the wastewater transmission system to be constructed by the County, which includes the County’s receiving sewer pump station at the Point of Connection, the County’s force main for transport of the sewage to the County’s wastewater treatment plant and any necessary expansion of the County’s wastewater treatment plant.

3.) **Point of Connection.** The site for the construction of the County’s receiving pump station (“**Point of Connection**”), which is convenient and acceptable to the Parties, is a

parcel currently owned by the County located on the north side of U.S. Highway 98 approximately one-half mile west of Spring Creek Highway.

4.) **Engineering Plans.** Prior to construction and for informational purposes, Talquin shall submit to the County engineering drawings, specifications and design criteria, including pump conditions and parameters for the wastewater transmission system to be constructed by Talquin and connected to the County Transmission System (referred to as the “**Talquin System**”).

5.) **Connection of Systems.**

- a. County Transmission System: Within 730 days after the Effective Date, the County shall: (i) construct and complete the County Transmission System and (ii) receive certification(s) from FDEP and any other regulatory authority having jurisdiction that the County Transmission System is complete and ready for use.
- b. Talquin System: Talquin shall extend to and connect the Talquin System to the County Transmission System at the Point of Connection. Talquin shall complete and connect the Talquin System to the County Transmission System within 365 days from Talquin’s receipt of a copy of the certification(s) from FDEP and any other regulatory authority having jurisdiction that the County Transmission System is complete and ready for use.
- c. Due Diligence. Each Party will exercise due diligence to meet the time deadlines in this Section 5. However, those deadlines shall be extended if delay is caused for reasons beyond a Party’s reasonable control, such as

governmental inaction in the permitting process or other event of force majeure.

- d. Commencement of Service. The receipt and treatment of wastewater pursuant to this Agreement shall commence on the date when Talquin first delivers wastewater at the Point of Connection. Talquin shall first give the County written notice that Talquin is connecting to the Point of Connection no less than ten (10) days prior to said connection for purposes of inspection and final approval by the County. The transmission of wastewater and treatment services shall not commence until the County provides final inspection and written approval of the connection. The County shall inspect the Talquin System and the Point of Connection within two (2) days of written notice from Talquin that said facilities are complete and ready for inspection. Prior to the County's acceptance of wastewater from Talquin at the Point of Connection, Talquin and County shall comply with all terms of this Agreement. Upon the connection of the Talquin System to the County Transmission System, all wastewater from Talquin's customers shall be transmitted to and treated by the County and Talquin shall discontinue use of the Oyster Bay Wastewater Treatment Plant for wastewater treatment and disposal purposes for so long as this Agreement is in effect, the parties are in compliance with all terms of this Agreement, and the County provides Talquin with adequate wastewater capacity in accordance with Section 12 of this Agreement.

6.) **Meter.** Talquin at its expense will install, or provide for installation by the County, a wastewater-metering device (type and location also to be approved by the Parties) on the force main at or near the Point of Connection. The wastewater-metering device shall be owned, read, tested, and used by the County to determine Talquin's usage. Talquin shall have a right to request a test of the wastewater-metering device on at least an annual basis or more frequently as reasonable under the circumstances.

7.) **Ownership and Maintenance.**

a. Talquin shall own and maintain the Talquin System up to: (1) the wastewater-metering device provided the metering device is not located inside a fenced area or (2) up to the fence if the metering device is located inside a fenced area.

b. The County shall own and maintain: (1) the wastewater-metering device, pump station and equipment located within any fenced area surrounding the County pumping station, and (2) the County Transmission System.

c. The maintenance to be performed by the County and Talquin on their respective facilities shall be performed in such a manner as is necessary to meet the standards prescribed by applicable regulatory agencies and to maintain all facilities and the metering device installed at the Point of Connection at a level of performance, maintenance and repair which will not adversely affect existing customers of either Talquin or the County.

d. The County shall not be liable for any loss of service or for any other damages, either direct or consequential, due to defects in the construction, maintenance, repair or operation of the Talquin System.

e. Talquin shall not be liable for any loss of service or for any other damages, either direct or consequential, due to defects in the construction, maintenance, repair or operation of the County System.

8.) **Usage Fee.**

a. On a monthly basis, the County shall remit statements to Talquin for usage charges owed by Talquin (“**Usage Fee**”). The Usage Fee shall be based on Talquin’s usage as measured by the wastewater metering device, multiplied by the applicable usage rate. The applicable usage rate shall be applied to each one thousand (1,000) gallons of metered flow and shall equal the lesser of: (i) seventy-two percent (72%) of the County’s county-wide monthly wastewater rate for usage, exclusive of taxes and fees, (ii) forty-one and one-half percent (41.5%) of the County’s monthly wastewater system charge for an equivalent Wakulla County residential connection, exclusive of taxes and fees, or (iii) the lowest usage rate, exclusive of taxes and fees, charged by the County to any municipality or to any other wholesale entity which is connected for wastewater service to the County wastewater system. The County’s county-wide monthly rate for usage shall be subject to change in accordance with Sec. 4-5 of the Wastewater Ordinance. Upon request, the County will provide Talquin with documentation of the usage rate which it charges to any municipality or to any other wholesale entity which is connected to the County wastewater system on a wholesale basis. All usage rates shall be those in effect at the time of usage and shall be converted to a usage rate per 1,000 gallons. The County’s monthly wastewater system

charge for an equivalent Wakulla County residential connection, exclusive of taxes and fees, shall be converted to a usage rate per 1,000 gallons assuming 7,500 gallons (250 gpd ERC x 30 days) used per month and a 3/4" water meter. Attached as Exhibit "A" is an explanation of the calculation of the Usage Fee utilizing the County's prevailing rate schedule as of the Effective Date.

- b. Within thirty (30) days after its receipt of the County's statement, Talquin will either: (i) remit full payment to the County of the Usage Fee owed or (ii) pay the uncontested amount of the Usage Fee and notify the County of the basis and amount of that portion of the Usage Fee which Talquin contests. If Talquin disputes all or part of the Usage Fee, the Parties shall negotiate in good faith to reach a resolution. Neither Talquin nor the County shall be entitled to recover an erroneous overpayment or an erroneous underpayment unless the Party claiming the error gives notice to the other Party within twelve (12) months after payment is received by the County.

9.) **Treatment and Disposal.**

- a. The County shall accept for treatment and disposal wastewater effluent from residential and non-residential customers served by Talquin in the Talquin Sewer Service Area. Wastewater effluent from non-residential sources shall be consistent with Talquin's wastewater use policy as may be amended.

- b. In the event of an Abnormal Occurrence both the County and Talquin shall abide by and provide proper response and notification to applicable governmental regulatory agencies and the County's wastewater facility permit.

“**Abnormal Occurrence**” shall mean an event at a wastewater or pump station facility that has the potential to cause a violation of a utility permit as is reportable to any regulatory agency that oversees the utility operations, including, but not limited to, sewage spills or overflow equipment failures, lab analysis failures and line breaks.

10.) **Initial Connection Fee.**

a. Talquin shall pay the County a one-time wastewater capacity charge of Three Hundred Sixty Thousand dollars (\$360,000) (“**Initial Connection Fee**”) for a total of 324 wastewater connections, which consist of all connections that are active on the Talquin System existing on the Effective Date of this Agreement or which were previously active on Talquin’s wastewater service at any time prior to the Effective Date of this Agreement (the “**Initial Connections**”).

b. The Initial Connection Fee shall be due and payable within thirty (30) days after all of the following conditions have occurred: (1) both the County and Talquin have completed construction of their respective wastewater pump stations and transmission system as described in Sections 1 and 2, (2) both systems are physically connected at the Point of Connection, (3) both systems have received certifications for use from FDEP and all other regulatory authorities having jurisdiction, and (4) the County has provided final inspection and written approval under Section 5(d).

c. Both Parties agree this Initial Connection Fee shall be accepted by the County as Talquin’s payment in full of the capacity reservation charge

required by Section 4-9 of the Wastewater Ordinance, for the 324 Initial Connections. For so long as this Agreement is in effect and the Usage Fee is paid, Talquin may deliver to the Point of Connection, and the County shall accept, treat, and dispose of an aggregate average of 250 gallons of wastewater per day for each of the Initial Connections.

11.) **Additional Connection Fee.**

a. This Section applies to properties which are not Initial Connections and connect to the Talquin System after the Effective Date of this Agreement (“**Additional Connections**”). For each Additional Connection, Talquin will pay to the County a one-time wastewater capacity charge (“**Additional Connection Fee**”) equal to the lesser of: (1) sixty-five percent (65%) of the County’s combined “treatment facilities” component and the “collection facilities” component based on the meter size and fees in effect at the date of the new connection, exclusive of taxes and fees, (2) the “treatment facilities component” of the County’s total wastewater connection fee on the date of the new service connection, exclusive of taxes and fees, or (3) the lowest connection fee, exclusive of taxes and fees, in effect on the date of connection, which the County charges to any municipality or to any other wholesale entity which is connected to the County wastewater system on a wholesale basis.

b. Both Parties agree the Additional Connection Fee shall be accepted by the County as Talquin’s payment in full of the capacity charge required under the Wastewater Ordinance, for each property which was not an Initial Connection. Upon request, the County will provide Talquin with documentation of the

connection fee which it charges to any municipality or to any other wholesale entity which is connected to the County wastewater system on a wholesale basis. Attached as Exhibit “B” is an example of the calculation of the Additional Connection Fee utilizing the County’s prevailing rate schedule as of the Effective Date of this Agreement.

c. Talquin shall pay the Additional Connection Fee to the County within thirty (30) days after Talquin receives its system fee from Talquin’s customer. Each payment by Talquin to the County shall include a written statement with the number of new connections and the size of the water meters associated with each new wastewater connection. The County shall utilize that information for the capacity analysis report which the County is required to file with FDEP.

12.) **Capacity.**

a. Prior to any new wastewater connections to the Talquin System and prior to the construction of any new wastewater collection systems to be connected to the Talquin System, Talquin shall first obtain verification from the County that adequate capacity is available in the County System to accommodate the new connections and/or collection systems, which shall not be unduly withheld or delayed by the County.

b. If the County has adequate capacity, then the County shall notify Talquin and the County shall reserve the additional capacity requested by Talquin for ninety (90) days after the County notifies Talquin that the County has capacity

and (2) such reservation of capacity shall terminate if Talquin fails to pay the Additional Connection Fee within the ninety (90) day period.

c. Should the County not provide Talquin with written verification of adequate capacity in a timely manner: (1) the County agrees to provide Talquin sufficient data demonstrating the lack of adequate capacity along with a timeframe for the availability of said capacity, and (2) Talquin, in its sole discretion, may expand and construct its wastewater system as necessary to service the Talquin Sewer Service Area. Such expansion may include the construction of a new plant or expansion of any necessary wastewater treatment facilities at any facilities permitted on the Effective Date of this Agreement or other locations in Wakulla County as determined by Talquin.

d. For so long as the Usage Fee is paid, Talquin may deliver to the Point of Connection, and the County shall accept, treat, and dispose of, an aggregate average of 250 gallons of wastewater per day for each property for which Talquin has paid an Additional Connection Fee. The foregoing is in addition to the wastewater which the County will accept, treat, and dispose of for the Initial Connections under Section 10.

13.) **Extension of Talquin's Wastewater Service.**

a. Talquin agrees to extend its wastewater lines within the Talquin Sewer Service Area to serve a property or properties that receive water services from Talquin but do not have wastewater services available on the Effective Date of this Agreement provided all of the following conditions are met: (1) Talquin receives a request for service from a Talquin member, or members

collectively, owning property within an existing developed area which is adjacent to either an existing public roadway permitting utility installation or a recorded water and sewer utility easement, (2) the property or properties contain an existing single residence already served with an on-site sewage disposal system or is a property upon which a single residence is proposed to be constructed or placed, (3) the County has reserved capacity in the County System for Talquin for such property or properties, (4) the member or members requesting the wastewater service reach an agreement with Talquin for wastewater service, and (5) either (i) Talquin determines its extension of wastewater lines is cost effective based on the wastewater system and connection fee to be charged to Talquin's member(s) by Talquin, less the Additional Connection Fee paid by Talquin to the County under Section 11 for each new connection, or (ii) the Talquin member, or members collectively, agree to pay the additional aid-to-construction cost. Based on the fees and costs charged by Talquin on the Effective Date, Talquin estimates that under normal conditions Talquin could extend wastewater service up to 500 feet to serve each new member or members requesting service.

- b. Section 13(a) above applies to all of the Talquin Sewer Service Area as it exists on the Effective Date of this Agreement except for the Live Oak Island area which the County included in the Talquin Sewer Service Area but which was not requested by Talquin to be included within the Talquin Service Area. The County desires that wastewater service be extended to the Live Oak Island area as a part of its overall objective to eventually provide wastewater

service within all of the Talquin Sewer Service Area. The Parties recognize such wastewater service extensions to the Live Oak Island area will be very costly due to multiple factors that include distances and natural physical constraints. Any provision of wastewater service to this area must involve a joint planning effort and mutual agreement by the Parties. Therefore in recognition of the County's desire that wastewater service be extended to properties within the Live Oak Island area, the Parties agree to explore grants and/or other possible funding sources for such a wastewater extension.

c. Nothing in Sections 13(a) or 13(b) or elsewhere in this Agreement shall be construed to require Talquin to: (1) require any residence or business to connect to Talquin's wastewater system or (2) extend wastewater service to the Live Oak Island area. However, Talquin agrees to accept a property owner's request for connection if: (i) Talquin has constructed wastewater collection lines, either as of the Effective Date of this Agreement or later, (ii) the County seeks to enforce against a property owner the mandatory connection provisions of section 381.00655, Florida Statutes, (iii) the County provides notification to the property owner, (iv) the County otherwise enforces against the property owner its powers available to the County to require such mandatory connection, and (v) the County has reserved capacity in the County System for Talquin for such property. Talquin shall not be required by this Agreement to provide any notice to the property owner.

d. Nothing within this Agreement shall prevent Talquin from negotiating and/or contracting with developers and property owners for the extension and/or

expansion of Talquin’s wastewater system to serve new developments or redevelopments proposing more than one equivalent residential sewer connection (“ERC”) under a single ownership in the Talquin Sewer Service Area.

14.) **Term and Termination.** The term of this Agreement shall begin on the date this Agreement is executed by the Parties and shall continue through December 31, 2059 unless terminated earlier as set forth in this Section 14.

a. Talquin may terminate this Agreement without penalty and expand the Talquin System to provide additional capacity to serve the Talquin Sewer Service Area if for any reason the County does not, or will be unable to, complete permitting and construction of its expansion to the County System and obtain certification for use from FDEP and any other regulatory authority having jurisdiction, in order for Talquin to connect the Talquin System to the County Transmission System at the Point of Connection before the maximum daily flow of the Oyster Bay Wastewater Treatment Plant in Wakulla County exceeds 50,000 GPD.

b. Talquin or the County may terminate this Agreement if: (1) the other Party defaults in the performance of any material obligation under this Agreement, (2) the non-defaulting Party gives the defaulting Party written notice of the breach, and (3) such breach continues uncured at the end of thirty (30) days after the non-defaulting Party gives notice of such breach to the defaulting Party, except where the curing thereof requires continuing action and the Party in default is taking such action in a continuing and expeditious manner. However, no notice of termination shall be of any force and effect if the default is cured before the non-defaulting Party gives notice of termination. This paragraph is not intended to replace any other legal or equitable remedies available

to the nondefaulting party under Florida law, but is in addition thereto. If the County terminates this Agreement due to default by Talquin, then Talquin will forfeit the Initial Connection Fee and any Additional Connection Fees paid to the County under Sections 10 and 11. If Talquin terminates this Agreement due to default by the County, then the County shall return to Talquin the Initial Connection Fee and any Additional Connection Fees paid to the County under Sections 10 and 11. The County shall make such payment to Talquin within sixty (60) days after the Agreement terminates.

c. At any time Talquin or the County may terminate this Agreement without cause by giving eighty-four (84) months advance written notice to the other party. In the event of such termination by Talquin, Talquin will forfeit the Initial Connection Fee and any Additional Connection Fees paid to the County under Sections 10 and 11. In the event of such termination by the County, the County will return to Talquin the Initial Connection Fee and any Additional Connection Fees paid to the County under Sections 10 and 11. The County shall make such payment to Talquin within sixty (60) days after the Agreement terminates.

d. Talquin may terminate this Agreement without penalty if the County does not provide Talquin with written verification of capacity in accordance with Section 12(c). If Talquin terminates this Agreement under this Section 14(d), then the County shall return to Talquin the Initial Connection Fee and any Additional Connection Fees paid to the County under Sections 10 and 11. The County shall make such payment to Talquin within sixty (60) days after the Agreement terminates.

15.) **No Waiver; Remedies.** Waiver of breach of any provision of this Agreement shall not be deemed to be a waiver of any other breach and shall not be construed to be a

modification of the terms of this Agreement. This Agreement shall not limit the right of any Party to remedies at law or to damages. The rights and remedies with respect to any of the terms and conditions of this Agreement shall be cumulative and not exclusive, and shall be in addition to all other rights and remedies.

16.) **Amendment.** Any changes to this Agreement must be mutually acceptable to the Parties, and as agreed to in a formal written amendment signed by the Parties.

17.) **Assignment; Binding Effect.** This Agreement shall not be transferred or assigned without mutual agreement, which shall not be unreasonably withheld. This Agreement shall be binding upon, and inure to the benefit of and be enforceable by, the Parties, their respective successors, and their permitted assigns.

18.) **Severability.** If any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holdings shall not affect any other provision of this Agreement.

19.) **Notices.** All notices which are required or permitted under this Agreement must be in writing and shall be deemed to have been given, delivered or made: (i) when delivered by personal delivery, (ii) three (3) business days after having been deposited in the United States mail, certified or registered, return receipt requested, with sufficient postage affixed, or (iii) one (1) business day after having been deposited with an overnight courier service respected in the United States (including Federal Express), addressed to the Party to whom notice is intended to be given at the address set forth below:

If to Talquin: Talquin Electric Cooperative, Inc.
 1640 West Jefferson Street
 Quincy, Florida 32351
 Attention: President

and to: Talquin Water and Wastewater, Inc.
1640 West Jefferson Street
Quincy, Florida 32351
Attention: President

If to County: Board of County Commissioners
Post Office Box 1263
Crawfordville, Florida 32326
Attn: Chair

and to: County Administrator
Wakulla County
3093 Crawfordville Highway
Crawford, Florida 32327

or to such address as the Parties shall have previously designated by notice to the serving Party, given in accordance with this Section. However, notice not given as above shall, if it is in writing, be deemed given if and when actually received by a Party. Refusal to receive notice shall be deemed to constitute receipt of notice.

20.) **Governing Law; Jurisdiction; Waiver of Jury Trial.** This Agreement shall be and construed according to, and governed by, the laws of the State of Florida. The Parties consent to the sole and exclusive jurisdiction and venue of the state and federal courts of the State of Florida for any action or claim between the Parties. The Parties consent and submit to the exclusive jurisdiction of the state courts for Wakulla County, Florida; or if such court shall not have jurisdiction, then before any other court or administrative body sitting in the State of Florida having subject matter jurisdiction. TALQUIN AND THE COUNTY EACH WAIVE THE RIGHT TO A TRIAL BY JURY WITH RESPECT TO ANY ACTION, CLAIM, OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT OR IN ANY WAY CONNECTED TO TALQUIN'S WASTEWATER SYSTEM OR THE COUNTY'S WASTEWATER SYSTEM, WHETHER IN TORT, CONTRACT, OR OTHERWISE.

21.) **No Third Party Beneficiaries.** This Agreement is intended solely for the benefit of Talquin and the County. The Parties understand that this Agreement is in no way intended or construed to be for the benefit of any third party.

22.) **Force Majeure.** Neither Party shall be liable for its failure to perform this Agreement or for any loss, injury, damage, or delay of any nature whatsoever resulting therefrom caused by any Act of God, fire, flood, accident, strike, labor dispute, riot, insurrection, terrorism, war, or any other cause beyond the Party's reasonable control.

23.) **Entire Agreement.** This Agreement, together with the Exhibits, constitutes the entire agreement between the Parties and any prior understanding or representation of any kind preceding the date of this Agreement shall not be binding on any Party except to the extent incorporated in this Agreement.

24.) **No Partnership.** The Parties acknowledge it is not their intention to create between themselves a partnership, joint venture, fiduciary, employment or agency relationship for the purposes of this Agreement, or for any other purpose whatsoever. Accordingly, notwithstanding any expressions or provisions contained herein or in any other document, nothing in this Agreement or in any documents executed or delivered or to be executed or delivered shall be construed or deemed to create, or to express an intent to create, a partnership, joint venture, fiduciary, employment or agency relationship of any kind or nature whatsoever between the Parties hereto.

25.) **Headings.** The headings used throughout this Agreement are inserted for reference purposes only, and shall in no way be construed as a limitation on the scope of the particular sections to which they refer.

26.) **Interpretation.** This Agreement has been fully reviewed and negotiated by the Parties and their respective counsel. Accordingly, in interpreting this Agreement, no weight shall be placed upon which a Party or its counsel drafted the provision being interpreted. Unless a clear contrary intention appears: (i) the singular includes the plural and vice versa, (ii) reference to any Party includes such Party's successors and assigns but, if applicable, only if such successors and assigns are not prohibited by this Agreement, (iii) reference to any gender includes each other gender, (iv) reference to any agreement, document or instrument means such agreement, document or instrument as amended or modified and in effect from time to time in accordance with the terms thereof and includes all exhibits, (v) "hereunder," "hereof," "hereto," and words of similar import shall be deemed references to this Agreement as a whole and not to any particular Article, Section or other provision hereof, (vi) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term, (vii) "or" is used in the inclusive sense of "and/or"; (viii) with respect to the determination of any period of time, "from" means "from and including" and "to" means "to but excluding," and (ix) unless otherwise stated, references to "days" means calendar days (not business or work days).

27.) **Attorneys' Fees.** If any action is brought to enforce any term of this Agreement, the prevailing Party, whether plaintiff or defendant, shall be entitled to recover its reasonable attorneys' fees (including paralegal's fees) and costs from the non-prevailing Party, whether at trial or on appeal.

28.) **Counterparts.** This Agreement may be executed in two or more counterparts each of which shall be deemed an original but all of which shall constitute one and the same document.

IN WITNESS WHEREOF, the Parties hereto have set their hands and seals the day and year first above written.

TALQUIN ELECTRIC COOPERATIVE, INC.

WAKULLA COUNTY

By: _____
(signature)

By: _____
Chairman

(print name)

(print name)

As its: _____

Date: _____

Date: _____

By: _____
County Clerk

(print name)

Date: _____

(SEAL)

TALQUIN WATER AND WASTEWATER, INC.

By: _____
(signature)

(print name)

As its: _____

Date: _____

EXHIBIT “A”

Calculation of the Usage Fee outlined in Section 8 of the Agreement shall be \$1.82 per 1,000 **gallons** of metered flow, which is the lesser of the following which is based on the County’s prevailing Monthly Sewer Rates on the date of this Agreement as shown in Exhibit “1.”

- (i) 72% of the County’s county-wide monthly wastewater rate for usage, exclusive of taxes and fees:

$$\text{TEC usage rate} = \$2.53 \times 72\% = \$1.82 \text{ per 1,000 gallons}$$

- (ii) 41.5% of the County’s monthly wastewater system charge for an equivalent Wakulla County residential connection, exclusive of taxes and fees:

$$\text{County ERC of 250 gpd} \times 30 \text{ days} = 7,500 \text{ gallons per month}$$

$$\text{County ERC usage charge} = (7,500 - 2,000) \div 1,000 \times \$ 2.53 = \$13.92$$

$$\text{County minimum monthly wastewater rate (includes 2,000 gallons usage)} = \underline{19.00}$$

$$\text{Total wastewater bill} = \$32.92$$

$$\text{TEC Usage Rate} = \$32.92 \div 7,500 \times 1,000 \times 41.5\% = \$1.82 \text{ per 1,000 gallons}$$

- (iii) The County’s current prevailing Monthly Wastewater Systems Charge does not currently provide a wholesale usage rate charged to any municipality or to any other wholesale entity which is connected for wastewater service to the County’s system.

Conclusion: the usage rate is \$1.82 per 1,000 gallons which is the lowest of (i), (ii), and (iii) above. The Usage Fee is calculated as follows:

$$\$1.82 \times \frac{\text{metered gallons per month}}{1,000 \text{ gallons}} = \text{Usage Fee}$$

EXHIBIT "1"

MONTHLY SEWER RATES

Section 4-5(a) of ordinance number 2009-09 in effect on the Effective Date provides the County's monthly wastewater charge for residential users shall be:

Each residential user shall pay a base rate of \$19.00 per month plus \$2.53 per 1,000 gallons for all water usage over 2,000 gallons per month.

WASTEWATER CONNECTION FEES BASED ON WATER METER SIZE

Water Meter		Maximum Continuous Flow Rate	Equivalent Residential Connection	Connection Fees		
Size	Type			Treatment Facilities	Collection Facilities	Total
(in)		(gpm)	(ERC)	Component	Component	Fee
5/8" x 3/4"	Positive Displacement	10	1.0	\$2,567	\$1,283	\$3,850
1"	Positive Displacement	25	2.5	\$6,418	\$3,208	\$9,626
1-1/2"	Positive Displacement	50	5.0	\$12,835	\$6,415	\$19,250
2"	Positive Displacement	80	8.0	\$20,536	\$10,264	\$30,800
3"	Compound	160	16.0	\$41,072	\$20,528	\$61,600
3"	Turbine	350	35.0	\$89,845	\$44,905	\$134,750
4"	Compound	250	25.0	\$64,175	\$32,075	\$96,250
4"	Turbine	1,000	100.0	\$256,700	\$128,300	\$385,000
6"	Compound	500	50.0	\$128,350	\$64,150	\$192,500
6"	Turbine	2,000	200.0	\$513,400	\$256,600	\$770,000

EXHIBIT “B”

The Additional Connection Fee outlined in Section 11 of the Agreement applies to each additional wastewater connection to Talquin’s system which connects a property which was not active on Talquin’s wastewater service on the Effective Date and which had not been previously active on Talquin’s wastewater service at any time prior to the Effective Date. Based on the County’s current prevailing Wastewater Connection Fees as shown in Exhibit “1,” the additional Connection Fee is \$2,500.00, which is the lesser of the following:

- | | | |
|-------|---|------------|
| (i) | 65% of the County’s combined “treatment facilities” component and the “collection facilities” component = $\$3,850 \times 65\% =$ | \$2,502.50 |
| (ii) | The “treatment facilities component” = | \$2,567.00 |
| (iii) | The Connection fee which the County charges to any municipality or to any other wholesale entity which is connected to the County’s system on a wholesale basis = | \$2,500.00 |

EXHIBIT "1"

MONTHLY SEWER RATES

Section 4-5(a) of ordinance number 2009-09 in effect on the Effective Date provides the County's monthly wastewater charge for residential users shall be:

Each residential user shall pay a base rate of \$19.00 per month plus \$2.53 per 1,000 gallons for all water usage over 2,000 gallons per month.

WASTEWATER CONNECTION FEES BASED ON WATER METER SIZE

Water Meter		Maximum Continuous Flow Rate	Equivalent Residential Connection	Connection Fees		
Size	Type			Treatment Facilities	Collection Facilities	Total
(in)		(gpm)	(ERC)	Component	Component	Fee
5/8" x 3/4"	Positive Displacement	10	1.0	\$2,567	\$1,283	\$3,850
1"	Positive Displacement	25	2.5	\$6,418	\$3,208	\$9,626
1-1/2"	Positive Displacement	50	5.0	\$12,835	\$6,415	\$19,250
2"	Positive Displacement	80	8.0	\$20,536	\$10,264	\$30,800
3"	Compound	160	16.0	\$41,072	\$20,528	\$61,600
3"	Turbine	350	35.0	\$89,845	\$44,905	\$134,750
4"	Compound	250	25.0	\$64,175	\$32,075	\$96,250
4"	Turbine	1,000	100.0	\$256,700	\$128,300	\$385,000
6"	Compound	500	50.0	\$128,350	\$64,150	\$192,500
6"	Turbine	2,000	200.0	\$513,400	\$256,600	\$770,000