

## EXHIBIT B

### CONTRACT, LEASE, AGREEMENT CONTROL FORM

Date: 3/17/98

Contract/Lease Control #: C98-0007-WSI-02

Bid #: N/A Contract/Lease Type: AGREEMENT

Award To/Lessee: AUBURN WATER SYSTEM

Lessor: \_\_\_\_\_

Effective Date: 3/17/98

Term: INDEFINITE

Description of Contract/Lease: WATER SUPPLY AGREEMENT

Department Manager: WATER & SEWER

Department Monitor: C. EVANS

Monitor's Telephone #: 651-7172

Monitor's FAX #: 651-7747

Date Closed: \_\_\_\_\_

**AGREEMENT BETWEEN OKALOOSA COUNTY, FLORIDA (OKALOOSA) and  
AUBURN WATER SYSTEM (AUBURN)**

WHEREAS, since it is in the mutual interest of both parties to avoid litigation, the following AGREEMENT is hereby proposed.

1. AUBURN shall transfer all of its commercial potable water customers at Bob Sikes Industrial Park to OKALOOSA and its OKALOOSA County Water System, together with associated valves, service lines, meter boxes, meters, etc., with the exception of the AUBURN six (6) inch water main that connects Airport Road to Shoffner City and any associated gate valves on that main. The aforesaid six (6) inch water main is located in an easement on John Givens Road. AUBURN shall continue to have maintenance responsibility for the aforesaid six (6) inch water main. If, in the future, John Givens Road is relocated, OKALOOSA shall assume all responsibility to relocate the aforesaid water main, should that become necessary. AUBURN retains the right to review and approve project plans and monitor construction of the relocated water main. OKALOOSA shall transfer the existing customer service lines for those individuals that are presently AUBURN customers on the aforesaid six (6) inch water main to OKALOOSA water mains. This transfer will begin upon execution of this AGREEMENT and shall be fully implemented within 270 days of the signing of this AGREEMENT. AUBURN shall continue to be authorized to bill and collect funds from each of these customers until provided written notice by OKALOOSA that a particular customer's service line has been transferred to OKALOOSA water mains. OKALOOSA shall remit to AUBURN the sum of \$17,800.00 in payment for the potable water customer accounts at Bob Sikes Industrial Park. Payment to be made within 30 days of the execution of this agreement.

2. The existing interconnect between AUBURN and OKALOOSA on Airport Rd. will remain. The existing connection provides for metering of water supplied by AUBURN to OKALOOSA. OKALOOSA shall perform the necessary construction work to establish a metered connection so that metered water can similarly be supplied to AUBURN from OKALOOSA. Should it then become necessary for one entity to provide water to the other in an emergency situation, the requesting entity shall notify the supplying entity prior to obtaining water and shall pay an appropriate charge therefore, in accordance with then established rates.

3. In the future, when a wastewater collection system is constructed by AUBURN, OKALOOSA shall provide for the treatment and disposal of wastewater collected by AUBURN, using the existing sewer plant located in the Bob Sikes Industrial Park. Fees and charges negotiated for treatment and disposal of such wastewater shall be based on the unit cost (per thousand gallons) of demonstrated operations and treatment expense, with the express understanding that this clause does not commit OKALOOSA to accept an unlimited amount of wastewater produced by AUBURN, to or beyond the capacity of the existing sewer plant in Bob Sikes Industrial Park. In fact, OKALOOSA specifically reserves for itself in said plant, sufficient capacity to serve the needs of present and future Bob Sikes Industrial Park users.

**AGREEMENT BETWEEN OKALOOSA COUNTY, FLORIDA (OKALOOSA) and  
AUBURN WATER SYSTEM (AUBURN)**

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4. By signing this AGREEMENT, OKALOOSA agrees to amend the service provider map of the data and analysis supporting the Comprehensive Plan. This amendment to the Comprehensive Plan will provide for consistency of the Shoal River water line extension. AUBURN agrees not to pursue its legal action against OKALOOSA concerning the service area issues pursuant to this AGREEMENT.

5. AUBURN shall develop a Master Development Plan to address current and future needs of the system and to identify existing deficiencies. The planning period shall be no less than 20 years and shall outline a schedule of improvements to ensure that adequate service will be available to service area residents. Said schedule shall reflect the proposed improvements in five year increments. All planned improvements shall be subject to AUBURN's ability to secure adequate financing.

6. AUBURN shall investigate the feasibility and desirability of providing sewer service to its customers. The investigation shall primarily address those areas in which the customer density will support the cost of constructing the system and treating the wastes generated therefrom.

7. OKALOOSA shall allow AUBURN to utilize the OKALOOSA contracts for goods and services. This would include, but not necessarily be limited to, the purchase of fire hydrants and the contract for jack and bore services.

8. OKALOOSA and AUBURN agree to come to the aid of one another when requested in the case of emergencies.

9. In the future, OKALOOSA shall serve all commercial potable water customers in the Bob Sikes Industrial Park and AUBURN shall serve all single family residential potable water customers in the Bob Sikes Industrial Park.

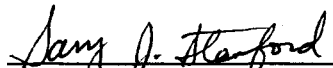
**AGREEMENT BETWEEN OKALOOSA COUNTY, FLORIDA (OKALOOSA) and  
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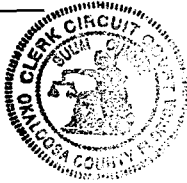
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IN WITNESS THEREOF, the parties hereto have made and executed this Agreement on  
the 17th day of March, 1998.

ATTEST:

BOARD OF COUNTY COMMISSIONERS  
OKALOOSA COUNTY, FLORIDA

  
\_\_\_\_\_  
Gary Stanford, Deputy Clerk




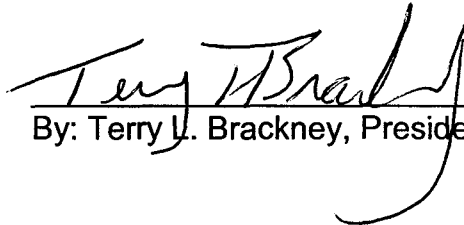
  
\_\_\_\_\_  
By: Ray Sanson, Chairman



WITNESSES:

AUBURN WATER SYSTEM

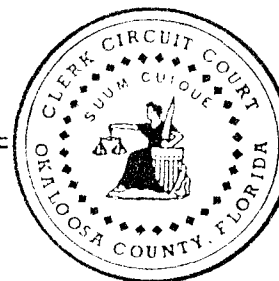
  
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\_\_\_\_\_  
By: Terry L. Brackney, President

(STATE OF FLORIDA)  
(COUNTY OF OKALOOSA)

# NEWMAN C. BRACKIN

CLERK OF THE CIRCUIT COURT, OKALOOSA COUNTY, FLORIDA



## MEMORANDUM

TO: Jon Morris  
FROM: Fairrol Boley  
DATE: April 8, 1998  
SUBJECT: Item Approved During March 17, 1998 BCC Meeting

Enclosed is the original signed Agreement Between Okaloosa County, Florida (Okaloosa) and Auburn Water System (Auburn) which was approved during the March 17, 1998 Meeting of the Board of County Commissioners. At the request of Jeff Oglesby, a copy was sent to the Water and Sewer Department for their records.

The original document is being given to you for further handling and/or distribution.

FAX TO CHARLES EVANS  
5/11/98

REPLY TO:

- 101 E. JAMES LEE BLVD. • P. O. DRAWER 1359 • CRESTVIEW, FLORIDA 32536-1359 • (850) 689-5800 • SUNCOM 698-5800  
 SHALIMAR ANNEX • 1250 N. EGLIN PARKWAY • SHALIMAR, FLORIDA 32579 • (850) 651-7200 • SUNCOM 699-7200