

**PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS
AGENDA ITEM SUMMARY**

Meeting Date: January 24, 2012

☐ Consent ☒ Regular
☐ Public Hearing

Submitted By: Water Utilities Department

Submitted For: Water Utilities Department

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to approve: **A)** Amendment No. 1 to the Reclaimed Water Agreement with Florida Power and Light Company (FPL); **B)** Bill of Sale and Assignment with FPL; **C)** Bill of Sale and Assignment to the East Central Regional Wastewater Treatment Facilities Operation Board (ECR); and **D)** Utility Easement from FPL for access to and maintenance of reclaimed water facilities located at the West County Energy Center (WCEC).

Summary: The Palm Beach County Board of County Commissioners (BCC) approved a Reclaimed Water Agreement with FPL on May 20, 2008 (R2008-0906), setting forth the terms and conditions of the construction and operation of a reclaimed water plant located on ECR Property, certain reclaimed water facilities located at the WCEC, and a reclaimed water pipeline connecting the ECR facilities to the WCEC facilities (collectively, the Reclaimed Water Project). Construction of the Reclaimed Water Project is now complete. As such certain documentation is required to transfer ownership to the County, and in the case of the facilities located on ECR property to the ECR. Amendment No. 1 to the Reclaimed Water Agreement includes: modifications to the maintenance responsibilities for certain facilities located at WCEC; modifications of the billing procedures to allow for a simplified rate structure; modifications related to reimbursements to FPL for third party usage of the Reclaimed Water Project and interest earned on certain accounts; and other modifications required to clarify the parties' intent regarding bond issues and land acquisition required for the Reclaimed Water Project. The changes in Amendment No.1 are clean up items and they do not materially affect the intent, the obligations of the parties, or the underlying financial basis of the original Agreement. The Bill of Sale and Assignment with FPL conveys the Reclaimed Water Project, and assigns all related warranties from FPL to the County. The Bill of Sale and Assignment to ECR conveys that portion of the Reclaimed Water Project located on ECR property, and assigns all related warranties from the County to ECR. The Utility Easement from FPL to the County provides the County with an easement for certain Reclaimed Water Project facilities constructed at WCEC and access thereto. District 2 & 6 (MJ)

Background and Justification: On May 20, 2008, the BCC approved the following: **A)** a Reclaimed Water Agreement (R2008-0906) with FPL to supply reclaimed water for the Center; **B)** an Interlocal Agreement with the East Coast Regional Water Reclamation Facility (ECRWRF) Board and the City of West Palm Beach (WPB) related to the construction, operation, and maintenance of reclaimed facilities; and **C)** an Interlocal Agreement with WPB related to reclaimed water and various consultant services. The project is complete, ownership of the ECRWRF is being turned over to the ECRWRF Board and ownership of the pipeline is being turned over to Palm Beach County Water Utilities Department.

Attachments:

1. Two (2) Original Amendment No. 1 to the Reclaimed Water Agreement with FPL
2. Two (2) Original Bill of Sale and Assignment with FPL
3. One (1) Original Bill of Sale and Assignment with ECRWRF
4. One (1) Original Utility Easement (FPL)

Recommended By: _____

Department Director

Date

Approved By: _____

Assistant County Administrator

Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2012	2013	2014	2015	2016
Capital Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
External Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Program Income (County)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
In-Kind Match County	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
NET FISCAL IMPACT	<u>0</u> <i># See below</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
# ADDITIONAL FTE POSITIONS (Cumulative)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Budget Account No.: Fund Agency Org. Object

Is Item Included in Current Budget? Yes ____ No ____

Reporting Category N/A

B. Recommended Sources of Funds/Summary of Fiscal Impact:

de No Fiscal Impact

C. Department Fiscal Review: *delmar*

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Development and Control Comments:

[Signature] 11/16/11
OFMB
11/15/11

[Signature] 11/18/11
Contract Development and Control

*These documents comply
with our review
requirements.*

B. Legal Sufficiency:

[Signature] 12/1/11
Assistant County Attorney

C. Other Department Review:

Department Director

This summary is not to be used as a basis for payment.

AMENDMENT NO. 1 TO RECLAIMED WATER AGREEMENT

This AMENDMENT NO. 1 TO RECLAIMED WATER AGREEMENT (this "**Amendment**"), is dated as of _____, 2011 by and between PALM BEACH COUNTY, a political subdivision of the State of Florida ("**County**"), and FLORIDA POWER & LIGHT COMPANY, a Florida corporation ("**FPL**"), sometimes referenced jointly herein as the "**Parties**," or singularly as a "**Party**."

WITNESSETH:

WHEREAS, County and FPL entered into that certain Reclaimed Water Agreement dated as of May 20, 2008 (County Resolution No. R2008-0906) (the "**Agreement**") relating to construction of a Reclaimed Water (as such term is defined in the Agreement) Pipeline (as such term is defined in the Agreement) from the East Central Wastewater Treatment Facilities to FPL's West County Energy Center ("**WCEC**") and the supply of significant quantities of water for cooling and other purposes in connection with the operation of the WCEC Units 1, 2 and 3; and

WHEREAS, the Parties have now agreed to amend the Agreement, in accordance with the terms of this Amendment, in order to reallocate and delineate operation and maintenance obligations to be carried out by the Parties with respect to certain WCEC On-Site RWP Facilities (as such term is defined in the Agreement), as well as to make other amendments and clarifications which were identified during the construction, commissioning, and operation of the Reclaimed Water Project (as such term is defined in the Agreement).

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein and in the Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties do hereby agree as follows:

* * *

Section 1 – Effect of this Amendment. This Amendment is executed in connection with the Agreement, and once executed by the Parties, shall be deemed to be incorporated into and made a part of the Agreement as fully as if the terms of this Amendment had actually been set forth in the Agreement. Wherever the terms of this Amendment and the terms of the Agreement are in conflict, the terms of this Amendment shall govern and control.

Section 2 – Defined Terms. Any capitalized term used in this Amendment and not defined herein shall have the meaning ascribed such capitalized term in the Agreement. The following definitions and references are given the purpose of interpreting the terms used in this Amendment and the Agreement:

"**Bond Resolution**" has the meaning set forth in Section 8.1(g) of the Agreement.

"**County's Bond Counsel**" means the lawyer and/or law firm that the County has contracted with to provide advice to the County in relation to the Bonds.

“County Operated and Maintained WCEC On-Site Facilities” means that portion of the WCEC On-Site RWP Facilities that the County will have the obligation to operate and maintain in accordance with this Agreement, as more particularly described and set forth on Attachment A hereto, which is incorporated herein by this reference. Without limiting the foregoing, the County Operated and Maintained WCEC On-Site Facilities includes: (i) all components shaded or highlighted on Attachment A within the fenced area at the meter station, including the fence and all appurtenances within the fence, unless otherwise identified as FPL Operated and Maintained WCEC On-Site Facilities within that definition and (ii) the electrical components between the flow meter and the local flow meter transmitter and between the telemetry system control panel and telemetry system components.

“DSR Deposit” has the meaning set forth in Section 8.1(g) of the Agreement.

“FPL Operated and Maintained WCEC On-Site Facilities” means that portion of the WCEC On-Site RWP Facilities that FPL will have the obligation to operate and maintain in accordance with this Agreement, as more particularly described and set forth on the WUD 08-031 FPL On-Site Reclaimed Water Facilities Record Drawings prepared by Mathews Consulting dated January 31, 2011, which are incorporated herein by this reference as Attachment B. The FPL Operated and Maintained WCEC On-Site Facilities include, in general, the components and piping outside the fenced meter station including the 20, 24, 30 and 36 inch HDPE/DIP piping, fittings, valves, the 5 MG reclaimed water storage tank and chemical monitoring and feed equipment. More specifically, the FPL Operated and Maintained WCEC On-Site Facilities include: (i) the 24 inch HDPE pipe section that was constructed as shown (in bold) on Sheet M-4 of Attachment B, (ii) all County owned facilities that were constructed as shown (in bold) on Sheet M-1 of Attachment B (iii) the electrical components associated with the work outside of the County Operated and Maintained WCEC On-Site Facilities within the fenced area at the meter station, including, but not limited to conduits, cables, pull boxes, grounding systems, lightning protection, disconnects, electrical devices, control panels, instrumentation devices and all other electrical components, (iv) all conduit and cable within the fenced area that is fed from or feeds to electrical devices outside the fenced area as shown in Attachment B, and (v) the DCS programming and SCADA screens at the WCEC.

“Grant” has the meaning set forth in Section 7(B) of this Amendment.

“Monthly O&M Fee” has the meaning set forth in Section 8.1(h) of the Agreement.

“OB Work Letter” has the meaning set forth in Section 10(B) of this Amendment.

“Operating Fee” means the total of the Monthly Base Fee, Capital Fee, Carrying Fee, Monthly Commodity Fee, the R&R Fee and RPB Service Area Fee unless FPL chooses to pay the Monthly O&M Fee. If FPL chooses to pay the Monthly O&M Fee, then the

“Operating Fee” means the total of the Capital Fee, Carrying Fee, Monthly O&M Fee, the R&R Fee and RPB Service Area Fee.

“SID” has the meaning set forth in Section 7(B) of this Amendment.

“SID Agreement” has the meaning set forth in Section 7(B) of this Agreement.

Section 3 – Additional Attachments. The following Attachments are hereby incorporated into the Agreement by this referenced:

- (A) Attachment A – County Operated and Maintained WCEC On-Site Facilities;
- (B) Attachment B – FPL Operated and Maintained WCEC On-Site Facilities;
- (C) Attachment C – OB Work Letter dated October 20, 2008; and
- (D) Attachment D – Wells Fargo Bank Debt Service Payment Schedule.

Section 4 – Scope of County Services Modified. Section 6.1(a)(v) of the Agreement is hereby deleted in its entirety and replaced with the following language:

“(v) the ownership, operation and maintenance of the Reclaimed Water Project, including without limitation, the County Operated and Maintained WCEC On-Site Facilities (except that the County shall also be responsible for obtaining and renewing operating permits, licenses and periodic inspections as required by the Florida Department of Environmental Protection and the Palm Beach County Health Department for the FPL Operated and Maintained WCEC On-Site Facilities) not located at the ECR Wastewater Facility, and causing WPB to operate and maintain the Reclaimed Water Project located on ECR Property in accordance with the ECR Authority ((i), (ii), (iii), (iv) and (v) hereinafter collectively referred to as the “County Services”).”

Section 5 – Scope of FPL Services Modified. Section 6.1(b) (excluding subsections 6.1(b)(i) through 6.1(b)(v)) of the Agreement is hereby deleted in its entirety and replaced with the following language:

“(b) In accordance with the terms and conditions specified in this Agreement, FPL shall be responsible for those activities necessary to (i) construct and commission the Reclaimed Water Project including all necessary upgrades and expansions at the ECR Wastewater Facility (specifically including a filtration, disinfection and pumping facility at the ECR Wastewater Facility), the Pipeline and the WCEC On-Site RWP Facilities and (ii) operate and maintain the FPL Operated and Maintained WCEC On-Site Facilities except as set forth in Section 6.1(a)(v) ((i) and (ii) hereinafter collectively referred to as the “FPL Services”). FPL agrees during the Term to follow the manufacturer’s recommended maintenance schedules for the FPL Operated and Maintained WCEC On-Site Facilities. FPL

also agrees during the Term to perform the necessary unscheduled maintenance and repair tasks for continued operation of the FPL Operated and Maintained WCEC On-Site Facilities, which may include items not covered under routine maintenance, such as repair and replacement of items such as chlorine analyzer reagents, motor control panels, valves, pumps and piping within WCEC property. FPL will also perform general tank maintenance including painting and general housekeeping as required on the FPL Operated and Maintained WCEC On-Site Facilities. FPL has the first option and right to make repairs to or replace any FPL Operated and Maintained WCEC On-Site Facilities as FPL determines may be needed, but can request assistance from the County, which such assistance may include, but is not limited to, manpower, equipment and technical services. FPL's construction of the Reclaimed Water Project shall be subject to the following terms:"

Section 6 – Modified RWP Costs, Budget.

(A) Exhibit C is hereby deleted in its entirety and replaced with Exhibit C-1. Any reference in the Agreement to Exhibit C is hereby replaced with a reference to Exhibit C-1.

(B) Exhibit H is hereby deleted in its entirety and replaced with Exhibit H-1 attached to this Amendment. Any reference in the Agreement to Exhibit H is hereby replaced with a reference to Exhibit H-1 to this Amendment.

(C) All costs associated with the operation, maintenance, and repair of the FPL Operated and Maintained WCEC On-Site Facilities will be the responsibility of FPL, except that the permit and license renewal costs of all of the WCEC On-Site RWP Facilities (including the FPL Operated and Maintained WCEC On-Site Facilities) will be the sole responsibility of the County. If the County is requested to assist FPL in the replacement or repair of any FPL Operated and Maintained WCEC On-Site Facilities, the County will bill FPL for those services on a time and material basis at the County's actual cost without a markup. Notwithstanding the foregoing or anything contained herein to the contrary or in the Agreement, all operation, maintenance and repair cost associated with the County Operated and Maintained WCEC On-Site Facilities will borne by and be the sole responsibility of County.

(D) Any portion of the Reclaimed Water Project, including pipe, valves, meters and appurtenances that are part of the FPL Operated and Maintained WCEC On-Site Facilities or the County Operated and Maintained WCEC On-Site Facilities, that are in need of replacement may be paid for from the R&R Fund (as defined in the Agreement) upon approval of the Oversight Committee (as defined in the Agreement).

Section 7 – Modifications to Compensation, Payment and Billing.

(A) The County and FPL agree and acknowledge that the annual Carrying Fee reimbursement to FPL related to third party customer usage of the Reclaimed Water Project pursuant to Section 8.1(b) of the Agreement will be calculated on a pro rata, metered flow basis and based on the average of the Carrying Fee over the term of the Bonds.

(B) FPL agrees to and acknowledges the 3.85 MGD "Prior Reservation Capacity" no

cost grant (the "**Grant**") provided by the County to the Seminole Improvement District ("**SID**") pursuant to (and defined in) Section 7 of the April 20, 2010, Interlocal Agreement for Purchase and Sale of Bulk Reclaimed Water (County Resolution No. R2010-0668)(the "**SID Agreement**") by and between the County and SID. FPL further agrees and acknowledges: (i) that revenue which would have been generated but for the Grant will not be applied to FPL's Carrying Fee reimbursement (set forth in Section 8.1(b) of the Agreement); and, (ii) the calculation of FPL's Monthly Base Fee reimbursement (set forth in Section 8.1(d) of the Agreement) and the Monthly Commodity Fee reimbursement (set forth in Section 8.1(e) of the Agreement) or, alternatively, the calculation of FPL's Monthly O&M Fee reimbursement (set forth in Section 8.1(h) of the Agreement), as applicable, associated with third party customer usage of the Reclaimed Water Project will be subject to the "fixed" RWP Reclaimed Water Fee and related adjustment as provided for in Section 11 of the SID Agreement.

(C) Section 8.1(c) of the Agreement shall be amended by the addition of the following language after the third sentence of such Section:

"On or before December 31st of each calendar year, the County shall remit to FPL the amount of interest that the R&R Fund earned during October 1-September 30 of the same calendar year as it applies to any of the Operating Fee proceeds paid to the County by FPL that are contributed into the R&R Fund."

(D) Section 8.1(f) of the Agreement hereby deleted in its entirety and replacing it with following language:

"Commencing on the Service Initiation Date, a monthly fee of ten percent (10%) of either (i) the Monthly Base Fee and Monthly Commodity Fee or (ii) the O&M Monthly Fee, as applicable, shall be calculated and paid to the Village of Royal Palm Beach (the "**RPB Service Area Fee**") in accordance with the Palm Beach County/Village of Royal Palm Beach Amended Potable Water, Reclaimed Water and Wastewater Utilities Franchise and Service Area Agreement dated August 24, 2004 (County Resolution No. R2004-1802), as amended by the Amendment to Palm Beach County/Village of Royal Palm Beach Amended Potable Water, Reclaimed Water and Wastewater Utilities Franchise and Service Area Agreement dated February 28, 2006 (County Resolution No. R2006-0411)."

(E) Section 8.1 of the Agreement shall be amended by the addition of the following new Section 8.1(g):

"(g) On the date of issuance of the Bonds, the County shall deposit proceeds of the Bonds in the Debt Service Reserve Account created under Resolution No R-84-1206 adopted by the Board of County Commissioners of Palm Beach County (such resolution, as amended and supplemented, including amendments and supplements set forth in the Series 2009 Resolution, is hereinafter referred to as the "**Bond Resolution**"), in the amount required pursuant to Section 13(b) of Resolution No. 2009-0800 adopted by the Board on May 5, 2009 (the "**DSR Deposit**"). Amounts equal to all of the income and earnings received from the investment and reinvestment of the DSR Deposit deposited from time to time in

the Interest Account in accordance with the provisions of Article III, Section 4.D.4 of the Bond Resolution shall be applied as a credit against the next succeeding Carrying Fee payable by FPL pursuant to Section 8.1(b) of this Agreement. In addition, the County shall give FPL a credit against the last Capital Fees payable by FPL pursuant to Section 8.1(a) of this Agreement in an amount equal to the DSR Deposit; provided, however, that to the extent FPL is not then current in its payments of the Carrying Fee or Capital Fee, the amount credited to FPL shall be net of such Carrying Fee or Capital Fee not paid."

(F) Section 8.1 of the Agreement shall be amended by the addition of the following new Section 8.1(h):

"(h) As of the date of Amendment No. 1 to this Agreement and in lieu of FPL paying the Monthly Base Fee and Monthly Commodity Fee to the County, FPL shall pay to the County a monthly fee designed to recover the County's actual and variable costs incurred by the County in the operation and maintenance of the Reclaimed Water Project and in amounts calculated in accordance with the cost categories set forth in the Budget and with the provisions of Exhibit H-1 ("Monthly O&M Fee"). FPL shall be required to pay the Monthly O&M Fee on a monthly basis during the Term. Notwithstanding anything contained herein to the contrary, the Parties agree that FPL may, in its sole and absolute discretion, choose at anytime to discontinue using the Monthly O&M Fee and revert to the Monthly Base Fee and Monthly Commodity Fee. In the event there are third party customers utilizing the Reclaimed Water Project, then FPL shall be reimbursed annually by the County for a portion of the Monthly O&M Fee, such reimbursement calculated on a pro rata, metered flow basis in accordance with the allocation set forth in Exhibit H-1."

(G) Section 10.2 of the Agreement is hereby deleted in its entirety and replaced with the following language:

"In the event that the County utilizes the Reclaimed Water Project to deliver Reclaimed Water to third-party customers, FPL shall be reimbursed by the County for a portion of the R&R Fee collected for renewal and replacement of the Pipeline (as set forth in Section 8.1(c)), the Monthly Base Fee (as set forth in Section 8.1(d)), the Monthly Commodity Fee (as set forth in Section 8.1(e)), and/or the Monthly O&M Fee (as set forth in Section 8.1(h)), as applicable, such reimbursement calculated on a pro rata, metered flow basis in accordance with the allocation set forth in Exhibit H."

(H) The "Bond payment schedule", as referenced in the Agreement, shall mean the Bond payment schedule set forth in Attachment D to this Amendment.

Section 8 – Modified Default and Termination Rights.

(A) Section 12.3(a)(ii) of the Agreement is hereby amended by adding the following to the end of the existing language:

“Notwithstanding the foregoing, FPL agrees that no receiver shall be appointed if the County’s Bond Counsel provides, by written opinion addressed to the County and FPL, that such appointment would be adverse to the interests of the holders of any Bonds issued under the Bond Resolution.”

(B) Section 12.3(a)(iii) of the Agreement is hereby deleted in its entirety and replaced with the following language:

“(iii) In the event of a County Event of Default pursuant to Sections 12.1 (d), (f), (i) or (j) relating to the Reclaimed Water Project on ECR Property, FPL may, by providing prior written notice to the County and WPB, request that the County cause WPB to employ one of the independent third-party contractors set forth on *Exhibit “J”* (as may be amended by mutual agreement of the County, FPL and WPB) (a “**Deficiency Contractor**”) to take all actions to effect repair to and to restore operations of the Reclaimed Water Project on ECR Property consistent with the terms of this Agreement, the ECR Authority and at FPL’s expense (a “**Step In**”). The County shall, and shall cause WPB to: (i) within twenty-four (24) hours of receipt of the Step In notice, engage the Deficiency Contractor, (ii) cooperate in good faith with FPL and the Deficiency Contractor to effect the Step In, and (iii) grant the Deficiency Contractor access rights to the Reclaimed Water Project on ECR Property for the purpose of ingress and egress to and from to facilitate the Deficiency Contractor’s repair to and operation of the Reclaimed Water Project on ECR Property. The County and FPL shall cause the Deficiency Contractor to comply with all safety procedures and policies of the County, ECR, and WPB with regards to the Reclaimed Water Project on ECR Property and FPL shall, or shall cause the Deficiency Contractor to, defend, indemnify and hold harmless the County, ECR, and WPB from and against any and all claims, loss, damage, expense, costs, fines, penalties, liability and causes of action of every kind and character that are due to any act or omission (“Losses”) of the Deficiency Contractor or its agents, employees, subcontractors, invitees, or licensees arising out of, or related to, the Step In provisions and any Losses arising out of FPL’s exercise of the Step-In Rights. Upon the completion by the Deficiency Contractor of any repair and the restoration of operations of the Reclaimed Water Project on ECR Property by the Deficiency Contractor, the Deficiency Contractor shall vacate, and WPB shall resume operations of, the Reclaimed Water Project on ECR Property. In the event of a Step In, FPL’s reasonable and documented costs and expenses incurred pursuant to the Step In by the Deficiency Contractor shall be deducted solely from the (A) Monthly Base Fee and the Monthly Commodity Fee or (B) Monthly O&M Fee, as applicable, until such costs and expenses have been reimbursed in full to FPL. Notwithstanding the foregoing, the rights of FPL in effecting such Step In related to the Reclaimed Water Project located on ECR Property shall not exceed the ECR Authority. Such Step In will be without prejudice to the other remedies FPL may have under this Agreement.”

(C) Section 12.3(a)(iv) of the Agreement is hereby deleted in its entirety and replaced with the following language:

“(vi) In the event of a County Event of Default pursuant to Sections 12.1 (d), (f), (i) or (j) relating to the Reclaimed Water Project not on ECR Property, FPL may, by providing prior written notice to the County effect repair to, and restore operations of, the Reclaimed Water Project not on ECR Property consistent with the terms of this Agreement and at FPL’s expense. Upon receipt of a Step In notice the County shall: (i) cooperate in good faith with FPL to effect the Step In, and (ii) grant FPL any additional access rights to the Reclaimed Water Project not on ECR Property for the purpose of ingress and egress to and from to facilitate FPL’s repair and operation of the Reclaimed Water Project not on ECR Property. In the event of a Step In, FPL’s reasonable and documented costs and expenses incurred pursuant to the Step In by FPL shall be deducted solely from the (A) Monthly Base Fee and the Monthly Commodity Fee or (B) Monthly O&M Fee, as applicable, until such costs and expenses have been reimbursed in full to FPL. Such Step In will be without prejudice to the other remedies FPL may have under this Agreement, and”

(D) Section 12.3(a)(v) of the Agreement is hereby amended by adding the following to the end of the existing language:

“Notwithstanding the foregoing, FPL agrees that it shall be limited to exercise any particular other right or remedy available to FPL under general applicable law or in equity pursuant to this clause 12.3(a)(v) to the extent the County’s Bond Counsel provides, by a written opinion addressed to the County and FPL, that a particular exercise of any right or remedy could adversely affect the tax status of the Bonds or could be materially adverse to the interests of the holders of any Bonds issued under the Bond Resolution.”

Section 9 – Modifications related to Acquisition of Land/Easements.

(A) Pursuant to Section 6.1(a)(ii) of the Agreement, the County is responsible for the acquisition of all lands and easements necessary for the construction, commissioning, operation, and maintenance of the Reclaimed Water Project on behalf of the citizens of the County. Pursuant to Florida law, the County may be required to reimburse the parties to such eminent domain lawsuit certain costs and fees related to the eminent domain process, including, but not limited to, compensation for the lands and easements, severance damages, business damages, court costs, attorneys fees, accountant fees, appraisal fees, and other expert fees. FPL agrees that all of these eminent domain fees and costs are County RWP Costs, and therefore RWP Costs, and are to be reimbursed to the County in accordance with the terms of the Agreement, including, but not limited to, the terms of Section 6.8 of the Agreement.

(B) With regard to Section 6.6 of the Agreement, FPL and the County acknowledge that it is the Parties’ intent that the County is responsible for the commissioning, operation and maintenance of the Reclaimed Water Project. To this end, and to ensure the consistent and maximum use of Reclaimed Water through the Reclaimed Water Project, the County or any of its properly designated agents shall have access to the Pipeline for emergency, regular, or periodic maintenance and service to any portion of the Pipeline and related appurtenances. At no point in time shall the County transfer ownership, control or any interest in RWP property

acquired by the County through the exercise of its power of eminent domain to any other natural person or private entity, unless permitted by law and in strict accordance with any such applicable law.

(C) With regard to Section 6.10 of the Agreement, FPL and the County acknowledge that it is the Parties' intent that the County maintains full ownership and operational control of the Reclaimed Water Project and the related Pipeline. Any reference in Section 6.10 related to the transfer of ownership rights in the Reclaimed Water Project from FPL to the County is simply consistent with the custom in the construction industry. FPL expressly acknowledges that the County is the real party in interest with respect to the ownership of the Pipeline and Reclaimed Water Project.

(D) With regard to Section 10.1 of the Agreement, FPL recognizes that maximizing the use of alternate water sources, such as the use of the Reclaimed Water associated with the RWP, is an important state and local goal that serves the best interest of the citizens. Therefore, FPL will cooperate reasonably with the County in its efforts to promote and encourage the use by third parties of such Reclaimed Water both now and in the future, without diminishing and consistent with FPL's daily and annual Reclaimed Water entitlements as such entitlements are set forth in the Agreement.

(E) FPL acknowledges and agrees that, in the event of a default by the County of its obligation to maintain, repair and service the Reclaimed Water Project and related appurtenances, FPL's Step In rights (as provided in Section 12.3(a)(iv) of the Agreement) will be subject to the eminent domain transfer restrictions as set forth above and related to Section 6.6 of the Agreement.

Section 10 – Miscellaneous Modifications.

(A) Notwithstanding any provision in the Agreement to the contrary, FPL agrees to the terms and provisions of Section 9 of the Bond Resolution applicable to FPL.

(B) The Parties agree that the construction project identified as the OB Work (as such term is defined in the OB Work Letter) in the October 20, 2008 letter from Eric Silagy, Vice President, FPL to Bevin Beaudet, Director of Palm Beach County Water Utilities Department (a copy of which is attached hereto as Attachment C, which is incorporated herein by this reference)(the "**OB Work Letter**"), has been completed, and that all required payments contemplated in the OB Work Letter have been completed and the OB Work has been closed-out. To the extent that any of the terms and conditions of the OB Work Letter are still outstanding, the Parties agree to be bound by said terms and conditions.

Section 11 – Authorized and Binding Amendment.

(A) The execution, delivery, and performance of this Amendment has been duly authorized by all requisite corporate action required by or on behalf of FPL, and this Amendment constitutes the legal, valid and binding obligation of FPL, enforceable against FPL in accordance with its terms.

(B) The execution, delivery, and performance of this Amendment has been duly authorized by all requisite corporate action required by or on behalf of County, and this Amendment constitutes the legal, valid and binding obligation of County, enforceable against County in accordance with its terms.

Section 12 – Severability. If any one or more of the provisions of this Amendment should be ruled illegal, wholly or partly invalid or unenforceable by a court or other government body of competent jurisdiction under present or future laws, then: (i) the validity and enforceability of all provisions of this Amendment not ruled to be invalid or unenforceable shall be unaffected and remain in full force and effect; (ii) the effect of the ruling shall be limited to the jurisdiction of the court or other government body making the ruling; (iii) the provision(s) held illegal, wholly or partly invalid or unenforceable shall be deemed amended, and the court or other government body is authorized to reform the provision(s), to the minimum extent necessary to render them valid and enforceable in conformity with the Parties' intent as manifested herein.

Section 13 – Entire Agreement. This Amendment (including Attachments A, B, C and D and Exhibits C-1 and H-1 hereto) contains the entire understanding of the Parties with respect to any modifications or amendments to the Agreement contemplated by the Parties through and as of the date hereof, and supersedes all prior agreements, arrangements, discussions, undertakings and commitments with respect to any such modifications or amendments (whether written or oral) with respect thereto. There are no other oral understandings, terms or conditions with respect to the subject matter of this Amendment, and neither Party has relied upon any representation, express or implied, not contained in this Amendment or the Agreement.

Section 14 – Counterparts. The Parties acknowledge and agree that this Amendment may be executed in multiple counterparts, and transmitted via telecopy or .pdf e-mail file, and all such counterparts (whether transmitted via telecopy, .pdf e-mail file or otherwise), when executed and taken together, shall constitute integral parts of one and the same Amendment between the Parties.

Section 15 – The Agreement Remains in Effect. Except as expressly modified by this Amendment, all of the terms, conditions, covenants, representations, agreements and understandings contained in the Agreement shall remain unchanged and in full force and effect, and the same are hereby expressly ratified and confirmed by the Parties.

* * *

Remainder of page intentionally left blank.

(Signatures of the Parties appear on the following page).

IN WITNESS WHEREOF, the Parties have affixed their signatures to this AMENDMENT NO. 1 TO RECLAIMED WATER AGREEMENT, effective on the date first written above.

ATTEST:

SHARON R. BOCK
CLERK AND COMPTROLLER

PALM BEACH COUNTY, BY ITS
BOARD OF COUNTY COMMISSIONERS

By: _____
Title: Deputy Clerk

By: _____, Chair

(SEAL)

APPROVED AS TO FORM AND TO
LEGAL SUFFICIENCY

APPROVED AS TO TERMS AND
CONDITIONS

By: _____
County Attorney

By: *Burt Boren*
Director of Water Utilities

FLORIDA POWER & LIGHT COMPANY

By: *Pamela Rauch*
Name:
Title: *VP, Development and External Affairs*

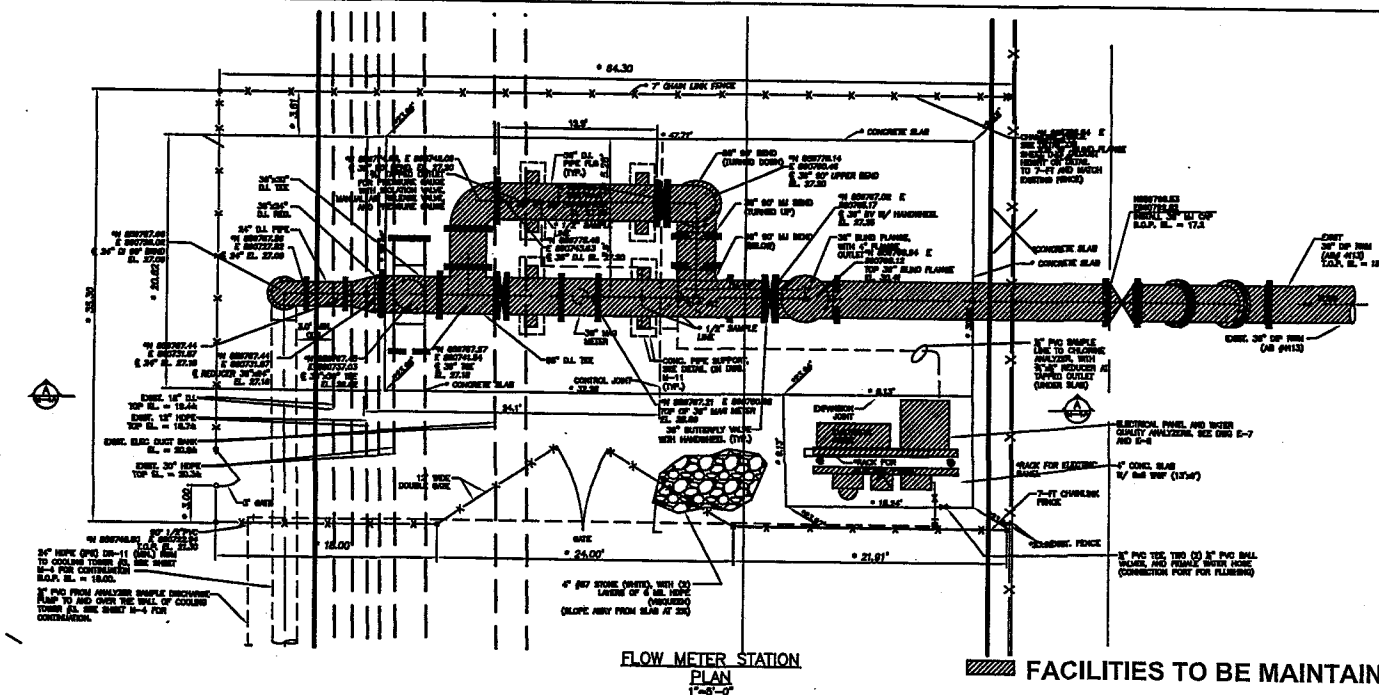
Craig W. Arcari 11/3/11

Craig W. Arcari
Vice President
Engineering and Construction

HTY

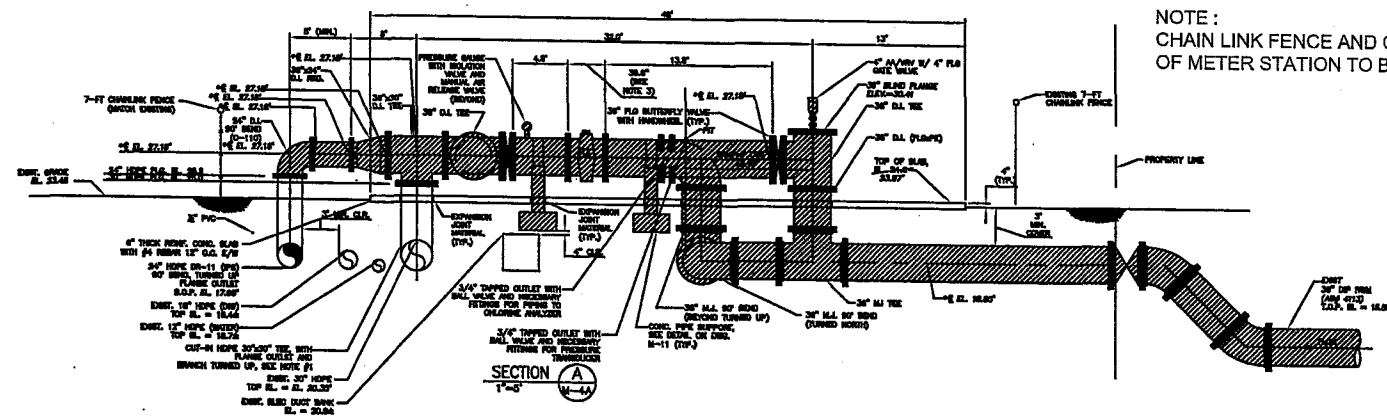
ATTACHMENT A

COUNTY OPERATED AND MAINTAINED WCEC ON-SITE FACILITIES



FACILITIES TO BE MAINTAINED BY PALM BEACH COUNTY WUD.

NOTE :
CHAIN LINK FENCE AND GATES ON THE NORTH, SOUTH, AND WEST SIDE
OF METER STATION TO BE MAINTAINED BY PALM BEACH COUNTY WUD.



ATTACHMENT A

VERIFY SCALE

1"

BAR IS ONE INCH
ON FULL SIZE
(22x34) ORIGINAL
DRAWING. ADJUST
SCALES AS
NECESSARY.

PALM BEACH COUNTY
WATER UTILITIES DEPARTMENT
FP&L ON-SITE RECLAIMED WATER FACILITIES

ATTACHMENT B

FPL OPERATED AND MAINTAINED WCEC ON-SITE FACILITIES

[NOTE: The FPL Operated and Maintained WCEC On-Site Facilities are depicted on the WUD 08-031 FPL On-Site Reclaimed Water Facilities Record Drawings prepared by Mathews Consulting dated January 31, 2011, which are attached hereto.]

ATTACHMENT C
OB WORK LETTER DATED OCTOBER 20, 2008

**Florida Power & Light Company
700 Universe Boulevard
Juno Beach, Florida 33408**

October 20, 2008

Mr. Bevin Beaudet
Palm Beach County Water Utilities
8100 Forest Hill Boulevard
West Palm Beach, FL 33416

Re: Reclaimed Water Project Construction

Dear Mr. Beaudet:

This letter agreement is submitted pursuant to the Reclaimed Water Agreement (the "RW Agreement") dated May 20, 2008, by and between Palm Beach County (the "County"), and Florida Power & Light Company ("FPL") (the County and FPL, jointly the "Parties") and relates to the construction of a portion of the water pipeline (the "Pipeline") required to transport and deliver reclaimed water to FPL's West County Bnergy Center ("WCEC").

FPL is aware that the County has entered into an arrangement with Ranger Construction Industries and Florida Public Utilities Company (jointly, the "Contractor") for the reconstruction of portions of Okeechobee Boulevard from the Florida Turnpike west to Wildcat Way (the "Reconstruction Project"). As currently contemplated, construction and installation of that portion of the Pipeline to be located in the Okeechobee Boulevard right-of-way and in the area being reconstructed (the "OB Pipe"), is planned to occur after April, 2009. However, FPL is concerned that, once the Reconstruction Project is completed, it would be difficult to procure the Florida Department of Transportation's ("FDOT") consent to OB Pipe construction that could damage the new roadway and, if such FDOT consent were granted, OB Pipe construction costs would be increased significantly. Therefore, it is FPL's opinion that it would be in the best interest of the Parties to commence immediately the construction of the OB Pipe.

Based on engineering and design plans developed by the County related to the OB Pipe, the Contractor has submitted a unit price cost proposal related to: (i) construction and installation of the OB Pipe in the amount of \$1,977,035.15; and, (ii) the necessary relocation of an existing 6" gas main to allow for the installation of the OB Pipe in the lump sum amount of \$37,979.68 (see Contractor Proposals attached at Exhibit 1). As such, the total cost of the work related to the OB Pipe (including the cost to relocate the gas main) is \$2,015,014.83 (the "OB Pipe Cost").

In light of the foregoing, FPL believes that the County could issue a change order (the "Change Order") to the Reconstruction Project permitting the Contractor to perform work related to constructing and installing the OB Pipe and to relocate the gas main (the "OB Work"). The OB Work would be performed by the Contractor at a cost not to exceed the OB Pipe Cost, unless otherwise agreed to in writing by FPL (such agreement

not unreasonably withheld or delayed). For the avoidance of doubt, FPL is solely responsible for all costs related to the OB Work and any additional costs of the OB Work in excess of the OB Pipe Cost and approved by FPL. Notwithstanding the foregoing, FPL acknowledges and agrees that the failure of FPL to agree to such additional costs may affect the ability of the Contractor to complete the OB Work.

Because work on the Pipeline was not anticipated to commence until after April 2009, the County has not budgeted for the OB Work. Therefore, consistent with the terms of the RW Agreement, FPL agrees to advance to the County the funding necessary for the purchase of the OB Pipe and for the completion of the OB Work. Once such funding is deposited with the County, the County would, promptly, enter into the Change Order with the Contractor for the performance of the OB Work. The Parties acknowledge and agree that the OB Pipe Costs shall be deemed an FPL RWP Cost applicable for reimbursement consistent with the RW Agreement.

The County will consult with FPL regarding the OB Pipe and FPL will: (i) have the right to review and approve the technical specifications and submittals related to the OB Pipe and appurtenances, the terms of the Change Order and all Contractor invoices related to the OB Work; (ii) be granted access to the job site to ensure that the OB Work progresses in accordance with the terms of the Change Order and the RW Agreement; and (iii) be named as additional insured by the Contractor performing the OB Work. Further, the Change Order would provide that the Contractor shall indemnify and hold FPL, its agents, employees and officers harmless from and against all claims, liabilities, expenses, losses, costs, damages, fines, penalties and causes of actions of every kind and character that are due to any act or omission of, or related to, the OB Work and the OB Pipe.

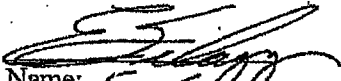
Further, the County and FPL agree to amend the RW Agreement as necessary and appropriate to reflect the terms and conditions reflected and agreed to herein.

Please indicate your acceptance of the foregoing by execution where indicated below.

Sincerely,

FLORIDA POWER & LIGHT COMPANY

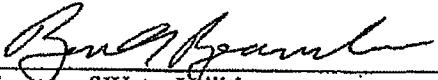
099



Name: Eric Sigurd
Title VICE PRESIDENT

Agreed to and accepted this ___ day of October, 2008

Palm Beach County:



Director of Water Utilities

ATTACHMENT D
WELLS FARGO BANK DEBT SERVICE PAYMENT SCHEDULE

BOND DEBT SERVICE



PALM BEACH COUNTY, FLORIDA Water and Sewer Revenue Bonds, Series 2009 (Florida Power & Light Reclaimed Water Project)

**** Results of Pricing on 7/08/09 [Revised to Reflect the 4/1/11 Extraordinary Call] ****

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
10/01/2009			645,722.60	645,722.60	645,722.60
04/01/2010			1,684,493.75	1,684,493.75	
10/01/2010			1,684,493.75	1,684,493.75	3,368,987.50
04/01/2011	7,855,000	5.000%	1,684,493.75	9,539,493.75	
10/01/2011	1,065,000	4.000%	1,488,118.75	2,553,118.75	12,092,612.50
04/01/2012			1,466,818.75	1,466,818.75	
10/01/2012	1,110,000	4.000%	1,466,818.75	2,576,818.75	4,043,637.50
04/01/2013			1,444,618.75	1,444,618.75	
10/01/2013	1,155,000	5.000%	1,444,618.75	2,599,618.75	4,044,237.50
04/01/2014			1,415,743.75	1,415,743.75	
10/01/2014	1,210,000	5.000%	1,415,743.75	2,625,743.75	4,041,487.50
04/01/2015			1,385,493.75	1,385,493.75	
10/01/2015	1,270,000	5.250%	1,385,493.75	2,655,493.75	4,040,987.50
04/01/2016			1,352,156.25	1,352,156.25	
10/01/2016	1,340,000	4.000%	1,352,156.25	2,692,156.25	4,044,312.50
04/01/2017			1,325,366.25	1,325,366.25	
10/01/2017	1,390,000	4.000%	1,325,366.25	2,715,366.25	4,040,712.50
04/01/2018			1,297,556.25	1,297,556.25	
10/01/2018	1,450,000	4.500%	1,297,556.25	2,747,556.25	4,045,112.50
04/01/2019			1,264,931.25	1,264,931.25	
10/01/2019	1,515,000	5.250%	1,264,931.25	2,779,931.25	4,044,862.50
04/01/2020			1,225,162.50	1,225,162.50	
10/01/2020	1,590,000	5.000%	1,225,162.50	2,815,162.50	4,040,325.00
04/01/2021			1,185,412.50	1,185,412.50	
10/01/2021	1,670,000	5.000%	1,185,412.50	2,855,412.50	4,040,825.00
04/01/2022			1,143,662.50	1,143,662.50	
10/01/2022	1,755,000	4.000%	1,143,662.50	2,898,662.50	4,042,325.00
04/01/2023			1,108,562.50	1,108,562.50	
10/01/2023	1,825,000	5.000%	1,108,562.50	2,933,562.50	4,042,125.00
04/01/2024			1,062,937.50	1,062,937.50	
10/01/2024	1,915,000	5.000%	1,062,937.50	2,977,937.50	4,040,875.00
04/01/2025			1,015,062.50	1,015,062.50	
10/01/2025	2,010,000	4.250%	1,015,062.50	3,025,062.50	4,040,125.00
04/01/2026			972,350.00	972,350.00	
10/01/2026	2,100,000	5.000%	972,350.00	3,072,350.00	4,044,700.00
04/01/2027			919,850.00	919,850.00	
10/01/2027	2,205,000	5.250%	919,850.00	3,124,850.00	4,044,700.00
04/01/2028			861,968.75	861,968.75	
10/01/2028	2,320,000	5.250%	861,968.75	3,181,968.75	4,043,937.50
04/01/2029			801,068.75	801,068.75	
10/01/2029	2,440,000	5.250%	801,068.75	3,241,068.75	4,042,137.50
04/01/2030			737,018.75	737,018.75	
10/01/2030	2,570,000	5.250%	737,018.75	3,307,018.75	4,044,037.50
04/01/2031			669,556.25	669,556.25	
10/01/2031	2,705,000	5.250%	669,556.25	3,374,556.25	4,044,112.50
04/01/2032			598,550.00	598,550.00	
10/01/2032	2,845,000	5.250%	598,550.00	3,443,550.00	4,042,100.00
04/01/2033			523,868.75	523,868.75	
10/01/2033	2,995,000	5.250%	523,868.75	3,518,868.75	4,042,737.50
04/01/2034			445,250.00	445,250.00	
10/01/2034	3,150,000	5.000%	445,250.00	3,595,250.00	4,040,500.00
04/01/2035			366,500.00	366,500.00	
10/01/2035	3,310,000	5.000%	366,500.00	3,676,500.00	4,043,000.00
04/01/2036			283,750.00	283,750.00	
10/01/2036	3,475,000	5.000%	283,750.00	3,758,750.00	4,042,500.00
04/01/2037			196,875.00	196,875.00	
10/01/2037	3,650,000	5.000%	196,875.00	3,846,875.00	4,043,750.00
04/01/2038			105,625.00	105,625.00	
10/01/2038			105,625.00	105,625.00	211,250.00
04/01/2039			105,625.00	105,625.00	
10/01/2039			105,625.00	105,625.00	211,250.00
04/01/2040			105,625.00	105,625.00	
10/01/2040	4,225,000	5.000%	105,625.00	4,330,625.00	4,436,250.00
	68,115,000		57,961,235.10	126,076,235.10	126,076,235.10

EXHIBIT C-1

Costs For Reclaimed Water Project

Construction Cost

ECR Reclaimed Water Facility	\$17,191,318.02
Reclaimed Water Pipeline	\$20,478,528.40
WCEC 5 MG Tank and Piping	\$3,140,999.58
Ranger Construction	\$1,858,557.21
Total Construction	\$42,669,403.21

CSA

Heller-Weaver- Pipeline Surveying	\$711,127.50
Mathews- WCEC Design and PM	\$1,085,166.37
JIG- ECR Facility Design	\$2,325,520.00
Hillers - ECR PLC Programming	\$219,000.00
Total CSA	\$4,340,813.87

County Labor Cost

\$1,970,977.55

Other Miscellaneous Fees

City of WPB Permit	\$308,565.97
Wetland Mitigation	\$281,600.00
Leonard/Fleming Easements (County Payment)	\$295,888.00
Leonard/Fleming Easements (FPL Payment)	\$760,127.00
Holtz Consulting	\$1,325,000.00
FPL Costs	\$154,341.18
ECR WWTP FY2010 Budget	\$545,112.34
Control of Invasive Species	\$50,000.00
Buffer at LCS Road (East and West)	\$82,406.20
Water Meter at ECR	\$129,012.00
ITID Inspections	\$7,762.00
ECR Eff Pump Power Costs	\$120,595.76
PBC Bond Fees - Integrity	\$1,500.00
ECR Attorney Fees	\$17,730.00
Fleming Easement (Final Fees)	\$23,244.99
Fleming Easement (SE Guaranty)	\$1,545.00
Fleming Easement (Gerston, Preston, etc.)	\$245.00
Fleming Easement (Blackhawk Services)	\$450.00
WUD Warehouse Materials	\$1,196.12
WUD Water for Testing	\$9,282.50
WUD Spare Parts	\$150,000.00
Deduction for JIG Wall Repair	(\$171,000.00)
Total Miscellaneous Fees	\$4,094,604.06

TOTAL PROJECT

\$53,075,798.69

Shaded Items Are Subject to Final Cost Adjustment

EXHIBIT H-1

EXHIBIT H-1, Page 1 of 7
RECLAIMED WATER AGREEMENT BETWEEN PALM BEACH COUNTY AND FLORIDA POWER & LIGHT
Example FY 2012 Capital Fee Calculation

FY 2012			
<hr/>			
FPL Reclaimed Water			
Average Daily Flow, mgd			22.0
MGal/Year			8,030
<hr/>			
FY 2012 Bond Principal Payment due 10/1/12		\$	1,110,000.00
plus Principal Coverage	10%	\$	<u>111,000.00</u>
Gross Annual Principal and Principal Coverage Cost		\$	1,221,000.00
(Due prior to debt service payment date)			
<hr/>			
Year-end Adjustments			
50% coverage reimbursement to FPL (net of extraordinary maintenance)	5%	\$	(55,500.00)

Water and Sewer Revenue Bonds, Series 2009, revised to reflect the 4/1/11 extraordinary call
FY 2012 Bond Principal reflects payment due on 10/1/12
Example assumes no extraordinary maintenance cost

EXAMPLE - for illustrative purposes only

EXHIBIT H-1, Page 2 of 7
RECLAIMED WATER AGREEMENT BETWEEN PALM BEACH COUNTY AND FLORIDA POWER & LIGHT
Example FY 2012 Carrying Fee Calculations - No Other Reclaimed Water Sales

			FY 2012
<hr/>			
FPL Reclaimed Water			
Average Daily Flow, mgd			22.0
MGal/Year			8,030
Other Reclaimed Water Sales			
Average Daily Flow, mgd			-
MGal/Year			-
Total Reclaimed Water Sales Charged Carrying Fee, Mgal/Yr			8,030
<hr/>			
FY 2012 Bond Interest Payment due 4/1/12		\$	1,466,818.75
plus Interest Coverage	10%	\$	146,681.88
FY 2012 Bond Interest Payment due 10/1/12 (prior to end of fiscal year)		\$	1,466,818.75
plus Interest Coverage	10%	\$	146,681.88
Gross Annual Interest and Interest Coverage Cost		\$	3,227,001.26
Interest payments plus coverage due prior to debt service payment dates)			
Year-end Adjustments			
50% coverage reimbursement to FPL (net of extraordinary maintenance)		5% \$	(146,681.88)
<hr/>			

Water and Sewer Revenue Bonds, Series 2009, revised to reflect the 4/1/11 extraordinary call
Example assumes no extraordinary maintenance cost

EXAMPLE - for illustrative purposes only

EXHIBIT H-1, Page 3 of 7
RECLAIMED WATER AGREEMENT BETWEEN PALM BEACH COUNTY AND FLORIDA POWER & LIGHT
Example FY 2012 Carrying Fee Calculations with Other Reclaimed Water Sales

		FY 2012
<hr/>		
FPL Reclaimed Water		
Average Daily Flow, mgd		22.0
MGal/Year		8,030.0
Other Reclaimed Water Sales		
Average Daily Flow, mgd		0.67
MGal/Year		244.55
Total Reclaimed Water Sales Charged Carrying Fee, Mgal/Yr		8,274.6
<hr/>		
FY 2012 Bond Interest Payment due 4/1/12	\$	1,466,818.75
plus Interest Coverage	10% \$	146,681.88
FY 2012 Bond Interest Payment due 10/1/12 (prior to end of fiscal year)	\$	1,466,818.75
	10% \$	146,681.88
Gross Annual Interest and Interest Coverage Cost	\$	3,227,001.25
(Due prior to debt service payment dates)		
Year-end Adjustments		
Year-end 50/50 coverage reimbursement to FPL (net of extraordinary maintenance)	5% \$	(146,681.88)
Projected Carry Fees from Seminole Improvement District		to be determined
Projected Carry Fees from Other Reclaimed Water Sales (244.6 Mgal / 8,274.6 Mgal = 2.96%)	2.96% \$	(95,519.24)

Water and Sewer Revenue Bonds, Series 2009, revised to reflect the 4/1/11 extraordinary call
Example assumes no extraordinary maintenance cost

EXAMPLE - for illustrative purposes only

EXHIBIT H-1, Page 4 of 7
RECLAIMED WATER AGREEMENT BETWEEN PALM BEACH COUNTY AND FLORIDA POWER & LIGHT
Example FY 2012 Renewal and Replacement Fee Calculations

	Service to FPL Only	Service to FPL and Other Reclaimed Water Customers
FPL Reclaimed Water		
Average Daily Flow, mgd	22.0	22.0
MGal/Year	8,030.0	8,030.0
Other Reclaimed Water Sales		
Average Daily Flow, mgd	-	0.67
MGal/Year	-	244.6
Total Reclaimed Water Sales Charged Carrying Fee, Mgal/Yr	8,030.0	8,274.6
<hr/>		
Total Construction Cost	\$ 55,286,036	
RWP Pipeline and Plant Renewal and Replacement	1.25% \$ 691,075.45	\$ 691,075.45
Gross Annual Renewal and Replacement Fund Deposit	\$ 691,075.45	\$ 691,075.45
	12	12
Net Renewal and Replacement (R&R) Fee, \$ per Month	\$ 57,589.62	\$ 57,589.62
Year-end Adjustments		
Projected Year-End Reimbursement Due to R&R Fees paid by other customers (244.6 Mgal / 8,274.6 Mgal = 2.96%)	\$ -	\$ (20,424.37)

EXAMPLE - for illustrative purposes only

EXHIBIT H-1, Page 5 of 7
RECLAIMED WATER AGREEMENT BETWEEN PALM BEACH COUNTY AND FLORIDA POWER & LIGHT
Example FY 2012 Monthly O&M Fee Calculations

	Service to FPL Only	Service to FPL and Other Reclaimed Water Customers
FPL Reclaimed Water		
Average Daily Flow, mgd	22.0	22.0
Maximum Daily Flow, mgd	27.0	27.0
Minimum Daily Flow, mgd	4.4	4.4
MGal/Year	8,030.0	8,030.00
Other Reclaimed Water Sales		
Average Daily Flow, mgd	-	0.67
MGal/Year	-	244.55
Monthly O&M Costs		
Example Monthly ECR Other Direct Budget	\$ 65,000.00	\$ 65,000.00
Example Monthly ECR Allocated Budget	\$ 68,000.00	\$ 70,070.91
PBC Admin Charge [1]	25.0% \$ 33,250.00	\$ 33,767.73
Total Monthly O&M Costs	\$ 166,250.00	\$ 168,838.64
Total Annual O&M Costs	\$ 1,995,000.00	\$ 2,026,063.67
Year-End Adjustments		
Projected Year-End Reimbursement Due to O&M Fees paid by other customers (244.6 Mgal / 8,274.6 Mgal = 2.96%)	\$ -	\$ (59,879.25)

- 1 Based on 25% of all actual ECR expenses
WUD may elect to charge other customers both a base fee and commodity fee based on metered flows
Establishment of payment periods affecting reimbursements to FPL due to O&M fees paid by other customers
will be as agreed upon by both parties.
ECR may elect to change the cost structure of direct and allocated costs in the future.
Totals from examples for O&M Fee and separate Base and Commodity fees may differ slightly due to rounding

EXAMPLE - for illustrative purposes only

EXHIBIT H-1, Page 6 of 7
RECLAIMED WATER AGREEMENT BETWEEN PALM BEACH COUNTY AND FLORIDA POWER & LIGHT
Example FY 2012 Monthly Base Fee and Commodity Fee Calculations

	Service to FPL Only	Service to FPL and Other Reclaimed Water Customers
FPL Reclaimed Water		
Average Daily Flow, mgd	22.0	22.0
Maximum Daily Flow, mgd	27.0	27.0
Minimum Daily Flow, mgd	4.4	4.4
MGal/Year	8,030.0	8,030.0
Other Reclaimed Water Sales		
Average Daily Flow, mgd	-	0.67
MGal/Year	-	244.6
Monthly Base Fee Costs		
Example Monthly ECR Fixed Costs (e.g. labor)	\$ 65,000.00	\$ 65,000.00
PBC Admin Charge [1]	25.0% \$ 16,250.00	\$ 16,250.00
Total Monthly Base Fee Costs	\$ 81,250.00	\$ 81,250.00
Total Annual Base Fees	\$ 975,000.00	\$ 975,000.00
Annual Base Fee, per Year paid by other customers	n/a	\$ 28,815.62
Monthly Commodity Fee Costs		
Example ECR Variable Costs (e.g. chemicals and electric power)	\$ 68,000.00	\$ 70,070.91
PBC Admin Charge [1]	25.0% \$ 17,000.00	\$ 17,517.73
Total Monthly Commodity Costs	\$ 85,000.00	\$ 87,588.64
Total Annual Commodity Fees	\$ 1,020,000.00	\$ 1,051,063.67
Annual Flows	8,030.00	8,274.55
Annual Commodity Fee, per Mgal paid by other customers	n/a	\$ 127.02
Year-End Adjustments		
Calculated Year-End Reimbursement Due to Base Fees paid by other customers (244.6 Mgal / 8,274.6 Mgal = 2.96%)	\$ -	\$ (28,815.62)
Calculated Reimbursement Due to Commodity Fees paid by other customers (244.6 Mgal / 8,274.6 Mgal = 2.96%)	\$ -	\$ (31,062.74)
TOTAL reimbursement to FPL due to fees paid by other customers	\$ -	\$ (59,878.36)

1 Based on 25% of all actual ECR expenses
Establishment of payment periods affecting reimbursements to FPL due to O&M fees paid by other customers will be as agreed upon by both parties.
Totals from examples for O&M Fee and separate Base and Commodity fees may differ slightly due to rounding

EXAMPLE - for illustrative purposes only

EXHIBIT H-1, Page 7 of 7
RECLAIMED WATER AGREEMENT BETWEEN PALM BEACH COUNTY AND FLORIDA POWER & LIGHT
Example FY 2012 Monthly RPB Service Area Fee Calculations

	Service to FPL Only	Service to FPL and Reclaimed Water Customers Inside RPB Franchise Area	Service to FPL and Reclaimed Water Customers Outside RPB Franchise Area
FPL Reclaimed Water			
Average Daily Flow, mgd	22.0	22.0	22.0
MGal/Year	8,030.0	8,030.0	8,030.0
Reclaimed Water Sales Inside RPB Franchise Area			
Average Daily Flow, mgd	-	0.67	0.67
MGal/Year	-	244.6	244.6
Reclaimed Water Sales Outside RPB Franchise Area			
Average Daily Flow, mgd	-		0.67
MGal/Year	-		244.6
Total Flow, MGal/Yr	8,030.0	8,274.6	8,519.1
Example Annual ECR Fixed Costs (e.g. labor)	\$ 975,000.00	\$ 975,000.00	\$ 975,000.00
Example Annual ECR Variable Costs (e.g. chemicals and electric power)	\$ 1,020,000.00	\$ 1,051,063.67	\$ 1,082,125.48
Annual O&M Costs, including WUD 25% admin charge	\$ 1,995,000.00	\$ 2,026,063.67	\$ 2,057,125.48
FPL Portion of O&M Costs	\$ 1,995,000	\$ 1,966,185	\$ 1,939,025
RPB Service Area Fee Percentage	10%	10%	10%
Annual RPB Service Area Fee Charged to FPL	\$ 199,500	\$ 196,619	\$ 193,902
Monthly RPB Service Area Fee Charged to FPL	\$ 16,625	\$ 16,385	\$ 16,159

Establishment of payment periods affecting reimbursements to FPL due to O&M fees paid by other customers will be as agreed upon by both parties.

EXAMPLE - for illustrative purposes only

BILL OF SALE AND ASSIGNMENT

This **BILL OF SALE AND ASSIGNMENT** ("**Bill of Sale**") is made and entered into as of [] [], 2011 between **FLORIDA POWER & LIGHT COMPANY**, a Florida corporation ("**FPL**") and **PALM BEACH COUNTY**, a political subdivision of the State of Florida (the "**County**"). The County and FPL are hereinafter sometimes collectively referred to as the "**Parties**" and individually referred to as a "**Party**."

WHEREAS, FPL and the County are parties to that certain Reclaimed Water Agreement ("**Agreement**") (County Resolution No R2008-0906) effective as of May 20, 2008; and

WHEREAS, pursuant to Section 6.10(a) of the Agreement, FPL is to transfer by a Bill of Sale (as defined in the Agreement) all rights to the Reclaimed Water Project (as defined in the Agreement) to the County within ten days of the Project Completion Date (as defined in the Agreement); and

WHEREAS, FPL agrees, pursuant to this Bill of Sale, to assign all warranties associated with the Reclaimed Water Project as set forth herein to the County.

NOW, THEREFORE, for good and valuable consideration paid by the County to FPL at or before the execution of this Bill of Sale, the receipt and sufficiency of which are hereby acknowledged, FPL, by this Bill of Sale, does hereby convey, grant, bargain, sell, transfer, set over, assign, alienate, remise, release, deliver and confirm unto the County, its successors and assigns, forever, all of FPL's right, title, interest in and to the following:

A. The following facilities except to the extent the County already maintains title to any portion of the Reclaimed Water Project (hereinafter collectively referred to as the "**Reclaimed Water Project Facilities**"):

(i) the additional facilities or upgrades to the ECR Wastewater Facilities (as more particularly described and set forth in the Procurement and Construction Agreement for East Central Regional Wastewater Treatment Facilities between FPL and Wharton Smith, Inc. ("**Wharton Smith ECR Contract**") dated May 6, 2009) on the ECR Property.

(ii) the Pipeline (as defined in the Agreement) (as more particularly described and set forth in the (a) Construction Agreement for the Eastern Section of the Palm Beach County Central Regional Reclaimed Water Pipeline between FPL and Felix Associates, LLC ("**Felix Contract**") dated August 24, 2009, and (b) Procurement and Construction Agreement for the Western Section of the Palm Beach County Central Regional Reclaimed Water Pipeline between FPL and Garney Companies, Inc. ("**Garney Contract**") dated August 12, 2009); and

(iii) the WCEC On-Site RWP Facilities (as defined in the Agreement) (as more particularly described and set forth in the Procurement and Construction Agreement for West County Energy Center Wastewater Treatment Facilities between FPL and Wharton Smith, Inc. ("**Wharton Smith WCEC Contract**") dated May 6, 2009).

B. The following warranties (hereinafter collectively referred to as the "Warranties"):

(i) any and all warranties associated with the Reclaimed Water Project Facilities, set forth in the following agreements: (a) Felix Contract; (b) Garney Contract; (c) Wharton Smith ECR Contract; and (d) Wharton Smith WCEC Contract; and

(ii) without limitation of the foregoing, any specific subcontractor and equipment supplier warranties furnished to FPL under the: (a) Felix Contract; (b) Garney Contract; (c) Wharton Smith ECR Contract; and (d) Wharton Smith WCEC Contract, which are listed on Exhibit "A" to this Bill of Sale and made a part hereof.

TO HAVE AND TO HOLD all and singular the Reclaimed Water Project Facilities and Warranties unto the County, its successors and assigns, to its and their own use and enjoyment forever.

FPL AND THE COUNTY FURTHER COVENANT AND AGREE AS FOLLOWS:

1. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Agreement.

2. FPL, for itself and its successors and assigns, covenant to and with the County that as of the date hereof (i) FPL is the lawful owner of the Reclaimed Water Project Facilities, (ii) that, to the best of FPL's knowledge, the Reclaimed Water Project Facilities are free and clear from all liens, and (iii) that FPL has good right to sell the Reclaimed Water Project Facilities to the County.

3. Without relinquishing any of its rights otherwise provided herein or in the Agreement, the County hereby acquires, assumes and accepts the Reclaimed Water Project Facilities and the Warranties.

4. FPL acknowledges that the County intends to convey the additional facilities or upgrades to the ECR Wastewater Facilities (as further described in Section A.(i) above) and any associated warranties thereto (as further described in Section B.(i)(c) and B.(ii)(c) above) to the East Central Regional Governing Board (as defined in the Agreement). To the extent that the conveyance from the County to the East Central Regional Governing Board described in the prior sentence requires the consent of FPL under Section 16.1 of the Agreement, FPL hereby consents to such conveyance from the County to the East Central Regional Governing Board.

5. This Bill of Sale is given pursuant to Section 6.10(a) of the Agreement, and, except as otherwise provided herein or in the Agreement, the transfer of the Reclaimed Water Project Facilities and assignment of the Warranties hereunder is made and is transferred to the County "as is" condition and where presently located. FPL DOES NOT MAKE AND EXPRESSLY DISCLAIMS ANY AND ALL WARRANTIES FROM FPL, WHETHER, WRITTEN OR ORAL, EXPRESS OR IMPLIED BY LAW WITH RESPECT TO THE RECLAIMED WATER PROJECT FACILITIES OTHER THAN THOSE WARRANTIES PROVIDED BY FPL TO

THE COUNTY SET FORTH IN THE AGREEMENT. Notwithstanding anything to the contrary set forth herein, if there is any conflict between the terms and conditions of this Bill of Sale and the terms and conditions of the Agreement, the terms and conditions of the Agreement shall control.

6. Any notice, request or other document to be given hereunder or in connection herewith to any Party hereto shall be given in the manner described in the Agreement.

7. The Parties acknowledge and agree that this Bill of Sale may be executed in multiple counterparts, and transmitted via telecopy or .pdf e-mail file, and all such counterparts (whether transmitted via telecopy, .pdf e-mail file or otherwise), when executed and taken together, shall constitute integral parts of one and the same Bill of Sale between the Parties.

8. This Bill of Sale shall be construed in accordance with and governed by the internal laws of the State of Florida without giving effect to any choice of law rule that would cause the application of the laws of any jurisdiction other than the internal laws of the State of Florida to the rights and duties of the Parties.

[Remainder of Page Left Intentionally Blank;
Signatures on Following Page]

IN WITNESS WHEREOF, this BILL OF SALE AND ASSIGNMENT has been duly executed and delivered as of the date first above written.

ATTEST:
SHARON R. BOCK
CLERK AND COMPTROLLER

PALM BEACH COUNTY, BY ITS
BOARD OF COUNTY COMMISSIONERS

By: _____
Title: Deputy Clerk

By: _____
, Chair

(SEAL)

APPROVED AS TO FORM AND TO
LEGAL SUFFICIENCY

APPROVED AS TO TERMS AND
CONDITIONS

By: _____
County Attorney

By: Burt Berman
Director of Water Utilities

FLORIDA POWER & LIGHT COMPANY

By: Pamela Rauch
Name:
Title: VP, Development and
External Affairs

Craig W. Aroari 11/3/1

Craig W. Aroari
Vice President
Engineering and Construction

HTY

Exhibit "A"
To
BILL OF SALE AND ASSIGNMENT

Warranties

Wharton Smith ECR Contract

VFDs – Carter & Verplanck and Jacobs Air and Water
Sodium Hypochlorite Generation System – Carter & Verplanck/Severn Trent
Roofing – DHI Roofing
Landscaping Plants – West Orange Nurseries
Irrigation – West Orange Nurseries
Polymer System – Siemens
Piping Insulation – Indian River Insulation
Stucco – Universal Painting
Lift Station Coatings – E&A Painting
Masonry – Oceanside Masonry, Inc.
Doors and Hardware – Hollow Metal Specialists
Instrumentation and Controls – Revere Controls
Motorized Actuators – Ferguson/Pratt/Auma
Plumbing – Renco Plumbing
Mixing Equipment – Philadelphia Mixing Solutions
Ground Storage Tank – Crom Corp.
Deep Bed Gravity Filter System – ITT Leopold/Aerzon/MTS
Pre-Cast Hollow Core Slabs – Colonial Construction Co.
Painting – Sun Art painting Corp and Southland Painting
Fiberglass Storage Tanks – Industrial Plastic Systems
HVAC – Airtex Corp.
Lightning Protection – Sinns & Thomas/Triangular Lightning Protection
Fire Alarm System – Sinns & Thomas/Dynafire
Low Voltage Motor Control – Sinns & Thomas/Eaton
Solid State Starters - Sinns & Thomas/Eaton
Surge Protection Devices (TVSS) – Sinns & Thomas
Electrical – Sinns & Thomas
Peristaltic Hose Pumps – Jacobs Air & Water/Watson- Marlow
Submersible Sump Pumps – ITT Flygt
Submersible Pumps - ITT Flygt
Sample Pumps – Hudson Pump/ITT
Vertical Turbine Pumps – Carter & Verplanck
Peristaltic Type Tube Pumps - Jacobs Air & Water/Watson- Marlow
Slide Gates – Hydro-Gate
Overhead Door – Door Systems of South Florida
Termite Treatment – Southeastern Termite & Pest Management

(continued on next page)

Wharton Smith WCEC Contract

Instrumentation & Controls – Revere Controls

V-Port Ball Valve – Key Controls

Valves and Actuators – Ferguson/Pratt

Submersible Mixer – Wilo EMU

Concrete Tank – Crom Corp

BILL OF SALE AND ASSIGNMENT

THIS BILL OF SALE AND ASSIGNMENT is made and entered into as of _____, 2011 between **PALM BEACH COUNTY**, a Political Subdivision of the State of Florida ("**County**"), and **EAST CENTRAL REGIONAL WASTEWATER TREATMENT FACILITIES OPERATION BOARD**, a legal entity created under the terms of Chapter 163, Florida Statutes, ("**ECR**").

WHEREAS, County, ECR, and the City of West Palm Beach are parties to that certain Interlocal Agreement related to the construction, operation, and maintenance of reclaimed water facilities ("**Agreement**") (County Resolution No R2008-0907) effective as of May 20, 2008; and

WHEREAS, pursuant to Section 3.4 of the Agreement, County is to deliver or cause to be delivered to ECR all rights to the Onsite Reclaimed Water Facilities (as defined in the Agreement) upon completion of construction of same, together with all contractor, subcontractor, and equipment supplier warranties related thereto; and

WHEREAS, pursuant to Section A.(i) of that Bill of Sale and Assignment by and between FPL and County, which is dated the same date as this Bill of Sale and Assignment, ("**FPL Bill of Sale and Assignment**"), a copy of which is attached hereto and incorporated herein as **Exhibit "A"**, FPL has conveyed to the County the additional facilities or upgrades to the ECR Wastewater Facilities ("**FPL BOS Facilities**"); and

WHEREAS, pursuant to Section B.(i)(c) and B.(ii)(c) of the FPL Bill of Sale and Assignment, FPL has conveyed to the County certain warranties associated with the FPL BOS Facilities ("**FPL BOS Warranties**"); and

WHEREAS, County wishes to convey its interests in the FPL BOS Facilities and FPL BOS Warranties to ECR; and

WHEREAS, to the extent that the County has any remaining interest in the Onsite Reclaimed Water Facilities which is not included in the FPL BOS Facilities, the County hereby wishes to transfer such interest to ECR; and

WHEREAS, to the extent that the County has any remaining interest in any contractor, subcontractor, and equipment supplier warranties related to the Onsite Reclaimed Water Facilities which is not included in the FPL BOS Warranties, the County hereby wishes to transfer such interest to ECR.

NOW THEREFORE, for and in consideration of the sum of Ten Dollars (\$10.00) in hand and other good and valuable consideration paid by ECR, the receipt of which is hereby acknowledged, County, by these presents does hereby grant, bargain, sell, transfer, set over and deliver, unto ECR, its successors and assigns, with quitclaim covenants only, the FPL BOS Facilities together with any other interest that the County may have in the Onsite Reclaimed Water Facilities (collectively, the "**Conveyed Facilities**"), together with the FPL BOS Warranties and all contractor, subcontractor, and equipment supplier warranties related to the

Onsite Reclaimed Water Facilities (collectively, the “Conveyed Warranties”).

County hereby sells and transfers only such right, title and interest as it may hold and that the Conveyed Facilities and Conveyed Warranties sold herein are sold subject to such prior liens, encumbrances and adverse claims, if any, that may exist, and, with the exception of any warranties contained within the Conveyed Warranties, County disclaims any and all warranties thereto. County expressly declares ECR as County’s assignee under the FPL Bill of Sale and Assignment with respect to the FPL BOS Facilities and FPL BOS Warranties.

Subject to the terms and conditions of the Agreement, the Conveyed Facilities are further sold in “as is” condition and where presently located. Notwithstanding anything to the contrary set forth herein, if there is any conflict between the terms and conditions of this Bill of Sale and the terms and conditions of the Agreement, the terms and conditions of the Agreement shall control.

IN WITNESS WHEREOF, the County has caused this Bill of Sale and Assignment to be duly executed this _____ day of _____, _____.

ATTEST:

Clerk & Comptroller (or Deputy Clerk)

**PALM BEACH COUNTY, FLORIDA, BY
ITS BOARD OF COUNTY
COMMISSIONERS**

By: _____
_____, Chair

**APPROVED AS TO FORM AND
LEGAL SUFFICIENCY**

By: _____
County Attorney

**APPROVED AS TO TERMS AND
CONDITIONS**

By:  _____
Department Director

Exhibit "A"
FPL Bill of Sale and Assignment

BILL OF SALE AND ASSIGNMENT

This **BILL OF SALE AND ASSIGNMENT** ("**Bill of Sale**") is made and entered into as of [] [], 2011 between **FLORIDA POWER & LIGHT COMPANY**, a Florida corporation ("**FPL**") and **PALM BEACH COUNTY**, a political subdivision of the State of Florida (the "**County**"). The County and FPL are hereinafter sometimes collectively referred to as the "**Parties**" and individually referred to as a "**Party**."

WHEREAS, FPL and the County are parties to that certain Reclaimed Water Agreement ("**Agreement**") (County Resolution No R2008-0906) effective as of May 20, 2008; and

WHEREAS, pursuant to Section 6.10(a) of the Agreement, FPL is to transfer by a Bill of Sale (as defined in the Agreement) all rights to the Reclaimed Water Project (as defined in the Agreement) to the County within ten days of the Project Completion Date (as defined in the Agreement); and

WHEREAS, FPL agrees, pursuant to this Bill of Sale, to assign all warranties associated with the Reclaimed Water Project as set forth herein to the County.

NOW, THEREFORE, for good and valuable consideration paid by the County to FPL at or before the execution of this Bill of Sale, the receipt and sufficiency of which are hereby acknowledged, FPL, by this Bill of Sale, does hereby convey, grant, bargain, sell, transfer, set over, assign, alienate, remise, release, deliver and confirm unto the County, its successors and assigns, forever, all of FPL's right, title, interest in and to the following:

A. The following facilities except to the extent the County already maintains title to any portion of the Reclaimed Water Project (hereinafter collectively referred to as the "**Reclaimed Water Project Facilities**"):

(i) the additional facilities or upgrades to the ECR Wastewater Facilities (as more particularly described and set forth in the Procurement and Construction Agreement for East Central Regional Wastewater Treatment Facilities between FPL and Wharton Smith, Inc. ("**Wharton Smith ECR Contract**") dated May 6, 2009) on the ECR Property.

(ii) the Pipeline (as defined in the Agreement) (as more particularly described and set forth in the (a) Construction Agreement for the Eastern Section of the Palm Beach County Central Regional Reclaimed Water Pipeline between FPL and Felix Associates, LLC ("**Felix Contract**") dated August 24, 2009, and (b) Procurement and Construction Agreement for the Western Section of the Palm Beach County Central Regional Reclaimed Water Pipeline between FPL and Garney Companies, Inc. ("**Garney Contract**") dated August 12, 2009); and

(iii) the WCEC On-Site RWP Facilities (as defined in the Agreement) (as more particularly described and set forth in the Procurement and Construction Agreement for West County Energy Center Wastewater Treatment Facilities between FPL and Wharton Smith, Inc. ("**Wharton Smith WCEC Contract**") dated May 6, 2009).

B. The following warranties (hereinafter collectively referred to as the "Warranties"):

(i) any and all warranties associated with the Reclaimed Water Project Facilities, set forth in the following agreements: (a) Felix Contract; (b) Garney Contract; (c) Wharton Smith ECR Contract; and (d) Wharton Smith WCEC Contract; and

(ii) without limitation of the foregoing, any specific subcontractor and equipment supplier warranties furnished to FPL under the: (a) Felix Contract; (b) Garney Contract; (c) Wharton Smith ECR Contract; and (d) Wharton Smith WCEC Contract, which are listed on Exhibit "A" to this Bill of Sale and made a part hereof.

TO HAVE AND TO HOLD all and singular the Reclaimed Water Project Facilities and Warranties unto the County, its successors and assigns, to its and their own use and enjoyment forever.

FPL AND THE COUNTY FURTHER COVENANT AND AGREE AS FOLLOWS:

1. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Agreement.

2. FPL, for itself and its successors and assigns, covenant to and with the County that as of the date hereof (i) FPL is the lawful owner of the Reclaimed Water Project Facilities, (ii) that, to the best of FPL's knowledge, the Reclaimed Water Project Facilities are free and clear from all liens, and (iii) that FPL has good right to sell the Reclaimed Water Project Facilities to the County.

3. Without relinquishing any of its rights otherwise provided herein or in the Agreement, the County hereby acquires, assumes and accepts the Reclaimed Water Project Facilities and the Warranties.

4. FPL acknowledges that the County intends to convey the additional facilities or upgrades to the ECR Wastewater Facilities (as further described in Section A.(i) above) and any associated warranties thereto (as further described in Section B.(i)(c) and B.(ii)(c) above) to the East Central Regional Governing Board (as defined in the Agreement). To the extent that the conveyance from the County to the East Central Regional Governing Board described in the prior sentence requires the consent of FPL under Section 16.1 of the Agreement, FPL hereby consents to such conveyance from the County to the East Central Regional Governing Board.

5. This Bill of Sale is given pursuant to Section 6.10(a) of the Agreement, and, except as otherwise provided herein or in the Agreement, the transfer of the Reclaimed Water Project Facilities and assignment of the Warranties hereunder is made and is transferred to the County "as is" condition and where presently located. FPL DOES NOT MAKE AND EXPRESSLY DISCLAIMS ANY AND ALL WARRANTIES FROM FPL, WHETHER, WRITTEN OR ORAL, EXPRESS OR IMPLIED BY LAW WITH RESPECT TO THE RECLAIMED WATER PROJECT FACILITIES OTHER THAN THOSE WARRANTIES PROVIDED BY FPL TO

THE COUNTY SET FORTH IN THE AGREEMENT. Notwithstanding anything to the contrary set forth herein, if there is any conflict between the terms and conditions of this Bill of Sale and the terms and conditions of the Agreement, the terms and conditions of the Agreement shall control.

6. Any notice, request or other document to be given hereunder or in connection herewith to any Party hereto shall be given in the manner described in the Agreement.

7. The Parties acknowledge and agree that this Bill of Sale may be executed in multiple counterparts, and transmitted via telecopy or .pdf e-mail file, and all such counterparts (whether transmitted via telecopy, .pdf e-mail file or otherwise), when executed and taken together, shall constitute integral parts of one and the same Bill of Sale between the Parties.

8. This Bill of Sale shall be construed in accordance with and governed by the internal laws of the State of Florida without giving effect to any choice of law rule that would cause the application of the laws of any jurisdiction other than the internal laws of the State of Florida to the rights and duties of the Parties.

[Remainder of Page Left Intentionally Blank;
Signatures on Following Page]

IN WITNESS WHEREOF, this BILL OF SALE AND ASSIGNMENT has been duly executed and delivered as of the date first above written.

ATTEST:

SHARON R. BOCK
CLERK AND COMPTROLLER

PALM BEACH COUNTY, BY ITS
BOARD OF COUNTY COMMISSIONERS

By: _____
Title: Deputy Clerk

By: _____
, Chair

(SEAL)

APPROVED AS TO FORM AND TO
LEGAL SUFFICIENCY

APPROVED AS TO TERMS AND
CONDITIONS

By: _____
County Attorney

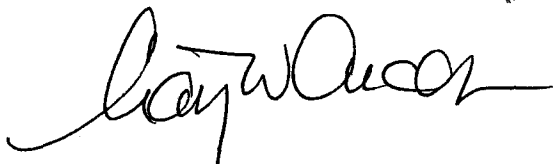
By:  _____
Director of Water Utilities

FLORIDA POWER & LIGHT COMPANY

By:  _____

Name:

Title: VP, Development and
External Affairs



11/3/11

Craig W. Aroari

Vice President

Engineering and Construction

ATTY

Exhibit "A"
To
BILL OF SALE AND ASSIGNMENT

Warranties

Wharton Smith ECR Contract

VFDs – Carter & Verplanck and Jacobs Air and Water
Sodium Hypochlorite Generation System – Carter & Verplanck/Severn Trent
Roofing – DHI Roofing
Landscaping Plants – West Orange Nurseries
Irrigation – West Orange Nurseries
Polymer System – Siemens
Piping Insulation – Indian River Insulation
Stucco – Universal Painting
Lift Station Coatings – E&A Painting
Masonry – Oceanside Masonry, Inc.
Doors and Hardware – Hollow Metal Specialists
Instrumentation and Controls – Revere Controls
Motorized Actuators – Ferguson/Pratt/Auma
Plumbing – Renco Plumbing
Mixing Equipment – Philadelphia Mixing Solutions
Ground Storage Tank – Crom Corp.
Deep Bed Gravity Filter System – ITT Leopold/Aerzon/MTS
Pre-Cast Hollow Core Slabs – Colonial Construction Co.
Painting – Sun Art painting Corp and Southland Painting
Fiberglass Storage Tanks – Industrial Plastic Systems
HVAC – Airtex Corp.
Lightning Protection – Sinns & Thomas/Triangular Lightning Protection
Fire Alarm System – Sinns & Thomas/Dynafire
Low Voltage Motor Control – Sinns & Thomas/Eaton
Solid State Starters - Sinns & Thomas/Eaton
Surge Protection Devices (TVSS) – Sinns & Thomas
Electrical – Sinns & Thomas
Peristaltic Hose Pumps – Jacobs Air & Water/Watson- Marlow
Submersible Sump Pumps – ITT Flygt
Submersible Pumps - ITT Flygt
Sample Pumps – Hudson Pump/ITT
Vertical Turbine Pumps – Carter & Verplanck
Peristaltic Type Tube Pumps - Jacobs Air & Water/Watson- Marlow
Slide Gates – Hydro-Gate
Overhead Door – Door Systems of South Florida
Termite Treatment – Southeastern Termite & Pest Management

(continued on next page)

Wharton Smith WCEC Contract

Instrumentation & Controls – Revere Controls

V-Port Ball Valve – Key Controls

Valves and Actuators – Ferguson/Pratt

Submersible Mixer – Wilo EMU

Concrete Tank – Crom Corp

Please Return to:

Joshua Escoto, Esq.
Florida Power & Light Company
700 Universe Boulevard LAW / JB
Juno Beach, Florida 33408

UTILITY EASEMENT

THIS UTILITY EASEMENT is made this ____ day of _____, 20__ between FLORIDA POWER & LIGHT COMPANY, a Florida corporation, whose mailing address is 700 Universe Blvd., Juno Beach, Florida 33408-0420, Attn: Corporate Real Estate Department ("**Company**") and PALM BEACH COUNTY, a political subdivision of the State of Florida, whose mailing address is c/o Water Utilities Department, 8100 Forest Hill Boulevard, West Palm Beach, Florida ("**County**").

WITNESSETH

WHEREAS, Company is an electric power company that owns and operates the West County Energy Center power plant and appurtenant power facilities including, but not limited to, high-voltage transmission circuits (collectively referred to as the "**WCEC**") located on real property in Palm Beach County, Florida, hereinafter referred to as the "**Property**" and described further in **Exhibit "A"**;

WHEREAS, County is the owner of certain reclaimed water utility facilities located on the Property that provide reclaimed water to the WCEC, depicted further in **Exhibit "B"** ("**Reclaimed Water Facilities**");

WHEREAS, Company desires to provide a utility easement to County to access, operate and maintain the Reclaimed Water Facilities ("**Utility Easement**"), the location of said Utility Easement depicted further in **Exhibit "B"**;

WHEREAS, County understands that the operation of the WCEC is a highly regulated activity that requires special safety, operational, and security standards and County shall in no way interfere with the WCEC in Company's sole and absolute discretion.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein and other valuable consideration, the receipt of which is hereby acknowledged, Company hereby grants to County, and County hereby accepts from Company, a non-exclusive utility easement to access, operate, maintain, service, repair, replace, and improve the Reclaimed Water Facilities upon the following terms and conditions:

1. **Term:** The term of this Utility Easement shall be for the duration of the operation of the Reclaimed Water Facilities.

2. **Restrictions on Use:** County shall not use the Utility Easement in any manner which, in the opinion of Company, may interfere with Company's use of the Property, WCEC or that may cause a hazardous condition to exist on the Property. Specifically, County shall not cause or permit any waste of the Utility Easement including the removal of soil, addition of fill or altering of existing grade, without the written permission of Company. Following each use of the Utility Easement, County shall restore the Utility Easement to its condition prior to said use. Following the effective date of this Utility Easement, County shall not construct or erect any additional structure, fixture, attachment, or other improvement, whether the same be permanent or temporary, without prior written permission of Company. Any work, including maintenance, to be performed by County on the Utility Easement shall be in accordance with detailed plans and specifications to be prepared by County and submitted to Company for prior written approval. It is expressly agreed that County shall not commence any work until the plans and specifications have been approved by Company, except where conditions require that the County immediately commence repair work upon the Reclaimed Water Facilities where the failure to undertake said repair work would be detrimental to the public interest, health, safety, and/or welfare (an "**Emergency Condition**"). County understands that disturbance of any of the WCEC facilities may cause a hazardous condition. County shall exercise extraordinary precautions so as to prevent damage or injury to property or persons in the vicinity of the WCEC facilities.

3. **Company's Right to Cure:** During the term of this Easement, Company, at its sole discretion, has the right to remove or cause to be removed by it or its contractors, all objects, materials, debris, or structures that create a hazardous condition to the WCEC or interfere with Company's use of the WCEC and the Property. To the extent that the objects, materials, debris, or structures were placed upon the Utility Easement by County, and to the extent that County failed to remove them following reasonable notice from Company to County, all costs expended by Company pursuant to this paragraph will be the sole obligation of County and shall be reimbursed to Company immediately upon demand.

4. **Environmental:** County shall comply with all federal, state and local environmental laws and regulations and shall use all applicable environmental best management practices, including, but not limited to, pollution prevention. County agrees that no hazardous substance, as the term is defined in Section 101 (14) of the Comprehensive Environmental Response Compensation and Liability Act ("CERCLA") (42 USC Section 9601 [14]), petroleum products, liquids or flammables shall be placed on, under, transported across, or stored on the Utility Easement and/or Property, which restricts, impairs, interferes with, or hinders the use of the WCEC and/or Property by Company or the exercise by Company of any of its rights. County agrees further that in the event it should create a hazardous condition on the Utility Easement or Property, then upon notification by Company, County shall, within seventy-two (72) hours, at its sole cost and expense, correct such condition or situation; provided however that the Company retains the right to enter upon the Utility Easement and correct any such condition or situation at any time.

5. **Compliance with Laws:** County agrees at its sole cost and expense to comply with all laws, rules, and regulations of any governmental authority having jurisdiction over the Utility Easement.

6. **Notices:** All notices under this Utility Easement shall be deemed served when deposited in the United States mail, registered or certified mail or prepaid overnight courier and addressed to the parties at the addresses first written above. Either party may, at any time, designate in writing a substitute address for the address first written above; and thereafter, notices shall be directed to such substituted address.

7. **No Encumbrances:** County expressly covenants and agrees that the Utility Easement shall not be subject to any encumbrance by any mortgage or lien nor shall the Utility Easement be liable to satisfy any indebtedness that may result from County's operation.

8. **Access:** County shall only use the ingress and egress depicted in **Exhibit "B"**. County understands that the Property is a secure facility and County shall obtain prior written approval and shall coordinate with Company for all ingress and egress and parking for County's employees. County understands that the Property has on-site security twenty-four (24) hours a day, seven (7) days a week. In the event of an Emergency Condition, the requirement for prior written approval shall be waived. Upon arriving at the Property to repair an Emergency Condition, County representatives shall contact on-site security from the call box located at the gate, and on-site security shall permit the County representatives entrance and escort the County representatives to the location of the Emergency Condition. To the extent that the County is either unable to access or is unreasonably delayed from accessing an Emergency Condition due to the actions or inactions of FPL, its employees and agents, FPL shall indemnify and hold the County harmless from any and all damages resulting from said inability or delay.

9. **Operational Standards:** County shall comply with all applicable operational security and safety standards, including, but not limited to, Occupational Safety and Health Administration (OSHA) standards, National Electrical Safety Code (NESC) standards, and all of Company's operational and security safety standards.

10. **No Transfer:** County may not, without the prior written consent of Company, transfer, assign, sublet, enter into any license or concession agreement, or mortgage or hypothecate this Utility Easement.

11. **Taxes & Assessments:** County shall pay before delinquency all taxes, assessments, license fees and public charges levied, assessed or imposed upon its business operation as well as upon its Utility Easement interest.

12. **Waiver of Jury Trial:** Company and County knowingly, voluntarily and intentionally waive the right it may have to a trial by jury in respect of any litigation based hereon, or arising out of, under or in connection with this Utility Easement, or any document contemplated to be executed in conjunction herewith, or any course of conduct, course of dealing, statement (whether oral or written) or action of Company and County.

13. **Time & Entire Agreement:** Time is of the essence, and no extension of time shall be deemed granted unless made in writing and executed by both Company and County. This Utility Easement constitutes the entire agreement between the parties relative to the easement hereby granted, and any agreement or representation which is not expressly set forth herein and covered hereby is null and void. Any amendment, modification, or supplement to this Utility Easement must be in writing and executed by both Company and County. Waiver by Company of any breach of any term or provision hereof shall not be deemed a waiver of subsequent breach of the same or any other term or provision hereof.

14. **Conflict of Law:** Should any provision of this Utility Easement be determined by a court of competent jurisdiction illegal or in conflict with any applicable law, the validity of the remaining provisions shall not be impaired.

15. **Headings:** The headings and underscorings contained herein are for convenience purposes only and shall not be used to interpret nor be deemed to extend or limit the specific sections. All terms used herein shall be construed as embracing such number and gender as the character of the party or parties require(s).

16. **Applicable Law and Venue:** This Utility Easement is governed and interpreted pursuant to the laws of the State of Florida. All legal matters arising out of, or in connection with, this Utility Easement shall be subject to a court of competent jurisdiction within the State of Florida. If any part of the Utility Easement is unlawful, void or unenforceable, that part will be deemed severable and will not affect the validity and enforceability of any of the remaining provisions.

IN WITNESS WHEREOF, the parties hereto have caused this Utility Easement to be signed the day and year first above written.

Witnesses for Company:

Michelle M. Kahmann
Name: Michelle M. Kahmann

Marta Hull
Name: MARTA Hull

COMPANY:

FLORIDA POWER & LIGHT COMPANY,
a Florida corporation

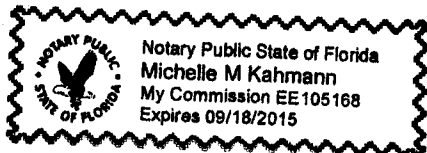
By: Dean J. Girard
Name: Dean J. Girard
Its: Director, Corporate Real Estate

STATE OF FLORIDA

COUNTY OF PALM BEACH.

The foregoing instrument was acknowledged before me this 1st day of NOV., 2011,
by Dean J. Girard, the Director Corp. Real Estate of Florida
Power & Light Company, a Florida corporation, on behalf of said corporation, who is personally
~~known to me~~ or has produced _____ as identification, and who did (did not)
take an oath. (Type of Identification)

My Commission Expires:



Michelle M. Kahmann
Notary Public, Signature

Print Name Michelle M. Kahmann

ATTEST:
SHARON R. BOCK
CLERK AND COMPTROLLER

PALM BEACH COUNTY, BY ITS
BOARD OF COUNTY COMMISSIONERS

By: _____
Title: Deputy Clerk

By: _____
_____, Chair

(SEAL)

APPROVED AS TO FORM AND TO
LEGAL SUFFICIENCY

APPROVED AS TO TERMS AND
CONDITIONS

By: _____
County Attorney

By:  _____
Director of Water Utilities

Exhibit "A"

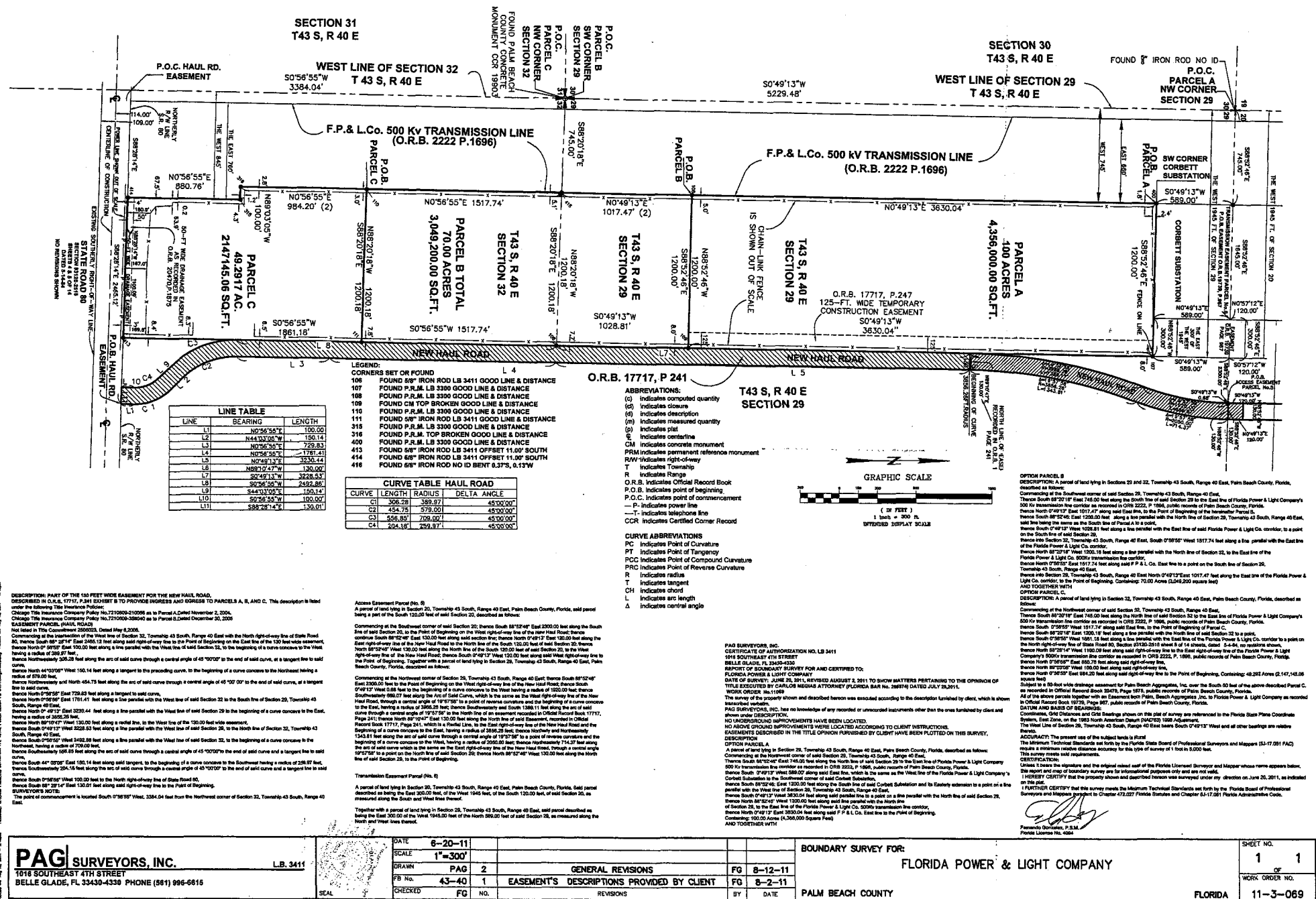
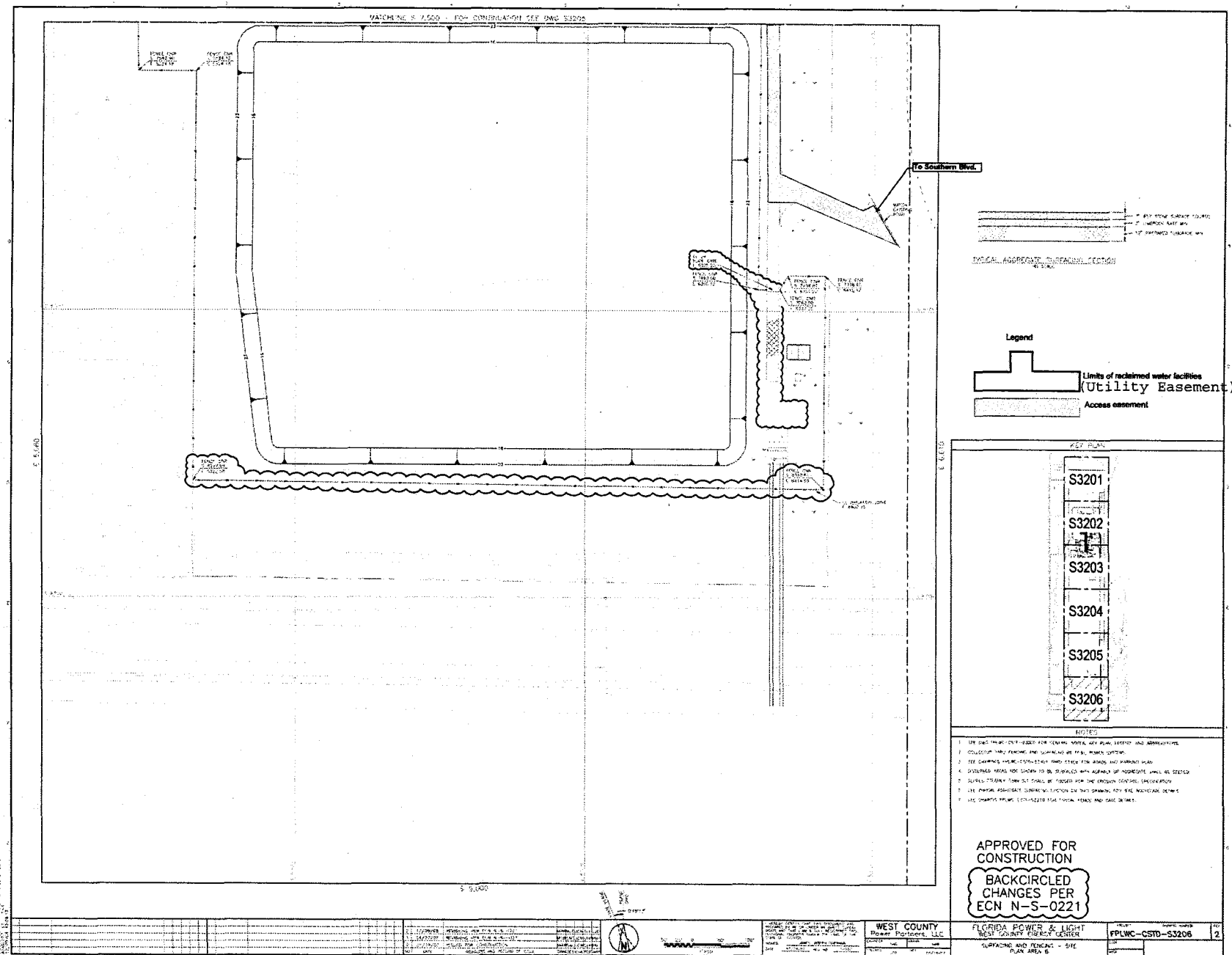
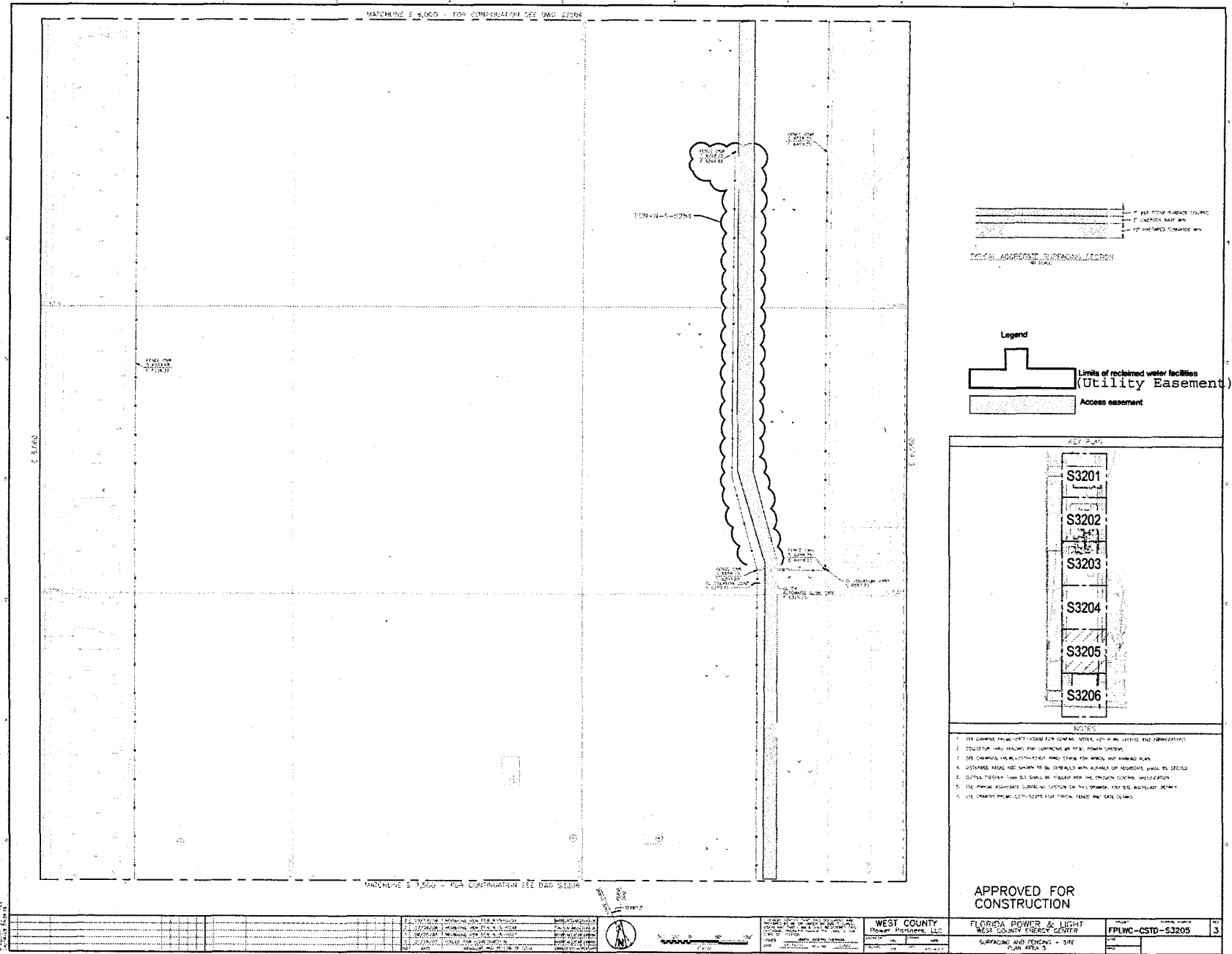
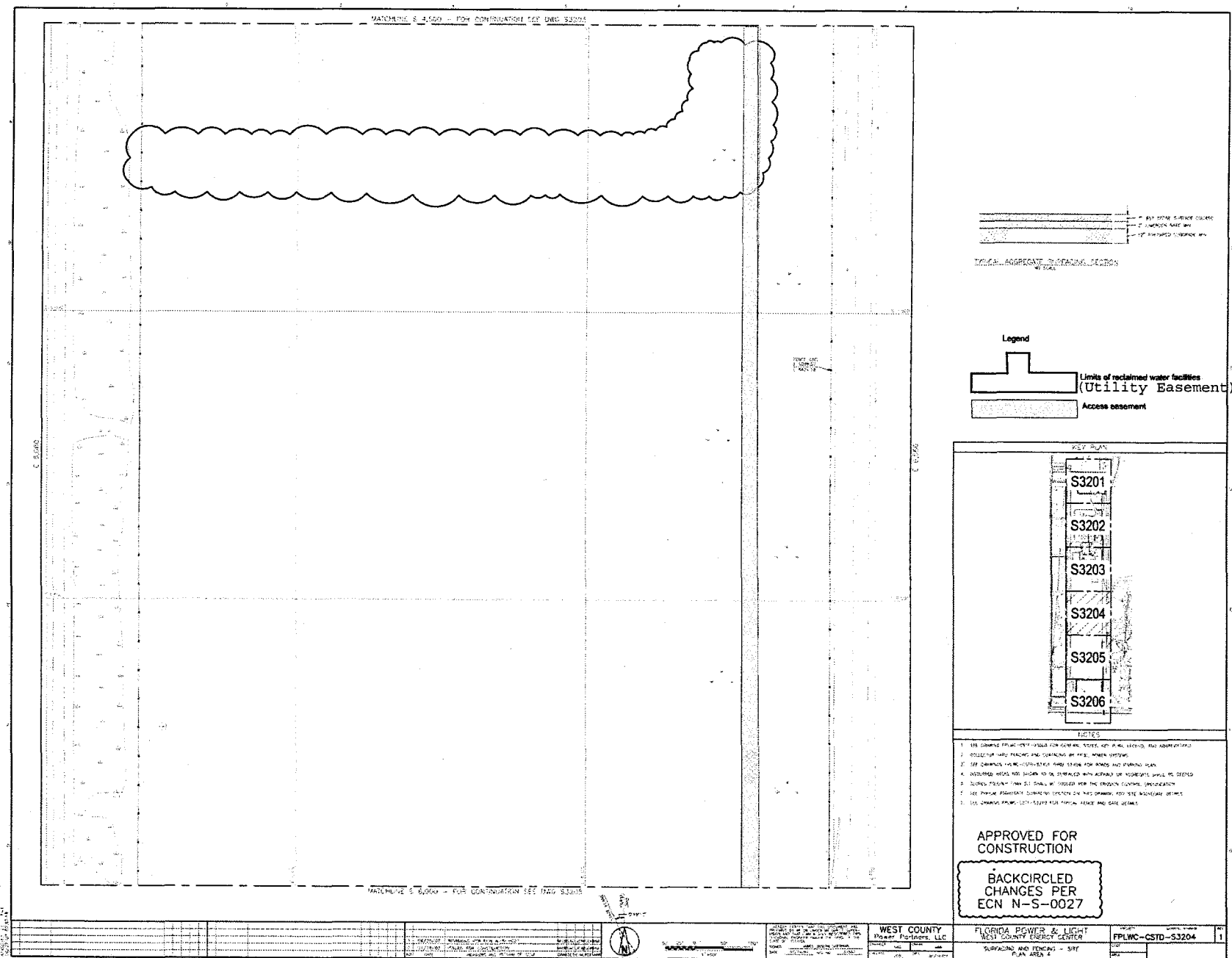
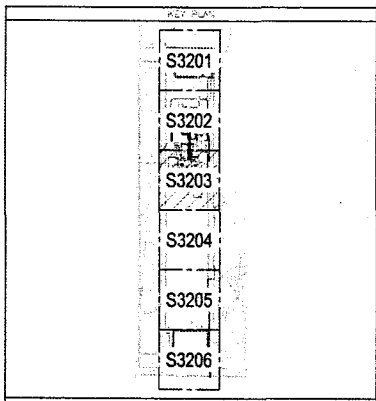
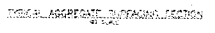
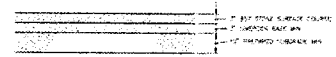
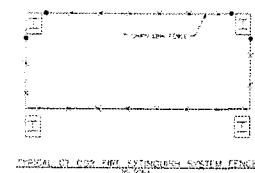
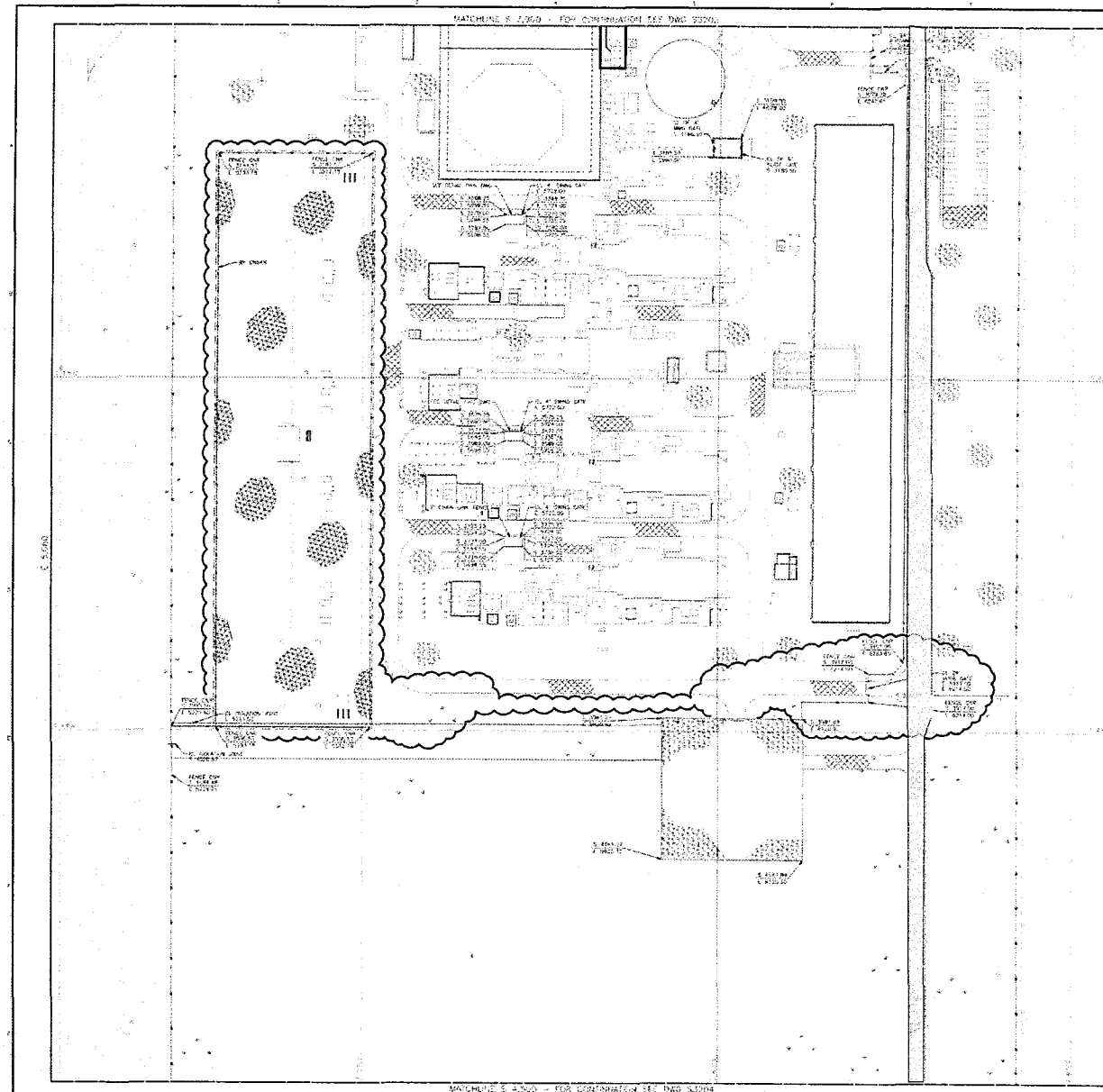


Exhibit "B"





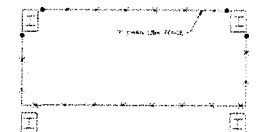
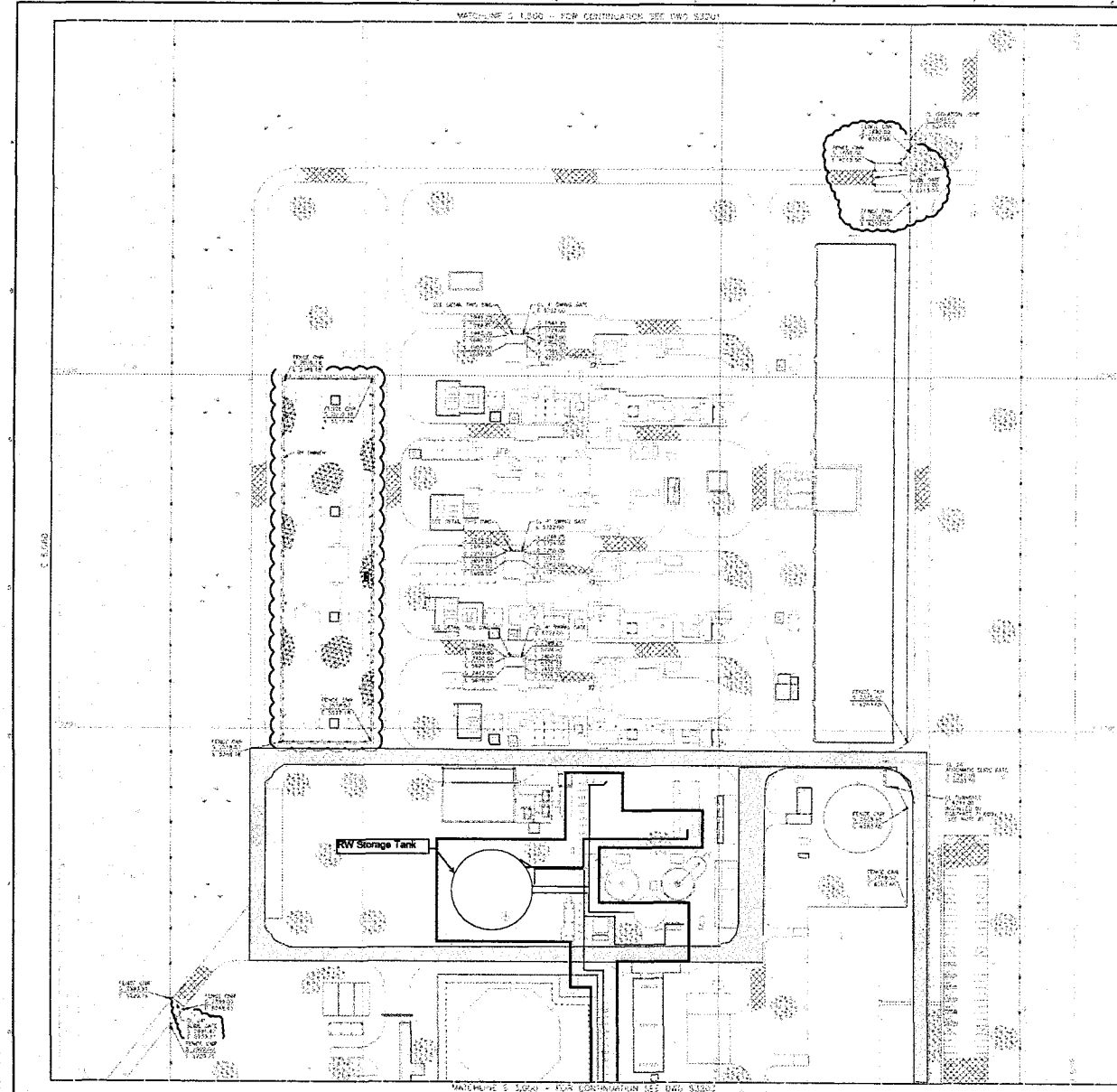




- NOTES:
- SEE THE RECLAIMED WATER FACILITIES (UTILITY EASEMENT) AND RECLAIMED WATER FACILITIES (UTILITY EASEMENT) FOR THE RECLAIMED WATER FACILITIES (UTILITY EASEMENT).
 - SEE THE RECLAIMED WATER FACILITIES (UTILITY EASEMENT) AND RECLAIMED WATER FACILITIES (UTILITY EASEMENT) FOR THE RECLAIMED WATER FACILITIES (UTILITY EASEMENT).
 - SEE THE RECLAIMED WATER FACILITIES (UTILITY EASEMENT) AND RECLAIMED WATER FACILITIES (UTILITY EASEMENT) FOR THE RECLAIMED WATER FACILITIES (UTILITY EASEMENT).
 - SEE THE RECLAIMED WATER FACILITIES (UTILITY EASEMENT) AND RECLAIMED WATER FACILITIES (UTILITY EASEMENT) FOR THE RECLAIMED WATER FACILITIES (UTILITY EASEMENT).
 - SEE THE RECLAIMED WATER FACILITIES (UTILITY EASEMENT) AND RECLAIMED WATER FACILITIES (UTILITY EASEMENT) FOR THE RECLAIMED WATER FACILITIES (UTILITY EASEMENT).
 - SEE THE RECLAIMED WATER FACILITIES (UTILITY EASEMENT) AND RECLAIMED WATER FACILITIES (UTILITY EASEMENT) FOR THE RECLAIMED WATER FACILITIES (UTILITY EASEMENT).
 - SEE THE RECLAIMED WATER FACILITIES (UTILITY EASEMENT) AND RECLAIMED WATER FACILITIES (UTILITY EASEMENT) FOR THE RECLAIMED WATER FACILITIES (UTILITY EASEMENT).
 - SEE THE RECLAIMED WATER FACILITIES (UTILITY EASEMENT) AND RECLAIMED WATER FACILITIES (UTILITY EASEMENT) FOR THE RECLAIMED WATER FACILITIES (UTILITY EASEMENT).

APPROVED FOR
CONSTRUCTION
BACKCIRCLED
CHANGES PER
ECN N-S-0221

PROJECT: WEST COUNTY ENERGY CENTER	DATE: 01/15/2011	DESIGNER: WEST COUNTY POWER PARTNERS, LLC	CHECKED: WEST COUNTY POWER PARTNERS, LLC	APPROVED: WEST COUNTY POWER PARTNERS, LLC
PROJECT: WEST COUNTY ENERGY CENTER	DATE: 01/15/2011	DESIGNER: WEST COUNTY POWER PARTNERS, LLC	CHECKED: WEST COUNTY POWER PARTNERS, LLC	APPROVED: WEST COUNTY POWER PARTNERS, LLC
PROJECT: WEST COUNTY ENERGY CENTER	DATE: 01/15/2011	DESIGNER: WEST COUNTY POWER PARTNERS, LLC	CHECKED: WEST COUNTY POWER PARTNERS, LLC	APPROVED: WEST COUNTY POWER PARTNERS, LLC
PROJECT: WEST COUNTY ENERGY CENTER	DATE: 01/15/2011	DESIGNER: WEST COUNTY POWER PARTNERS, LLC	CHECKED: WEST COUNTY POWER PARTNERS, LLC	APPROVED: WEST COUNTY POWER PARTNERS, LLC
PROJECT: WEST COUNTY ENERGY CENTER	DATE: 01/15/2011	DESIGNER: WEST COUNTY POWER PARTNERS, LLC	CHECKED: WEST COUNTY POWER PARTNERS, LLC	APPROVED: WEST COUNTY POWER PARTNERS, LLC



TYPICAL CROSS SECTION OF RECLAIMED WATER PIPE



TYPICAL AGGREGATE SURFACING SECTION



Legend

Limits of reclaimed water facilities
(Utility Easement)

Access easement

REV. PLAN

- S3201
- S3202
- S3203
- S3204
- S3205
- S3206

NOTES

1. SEE CIVIL ENGINEER'S REPORT FOR GENERAL NOTES AND ALL ERECTION AND APPROVALS.
2. RECLAIMED WATER FACILITIES AND CONNECTIONS ARE PER LOCAL ORDINANCES.
3. SEE RECLAIMED WATER FACILITIES AND CONNECTIONS PER LOCAL ORDINANCES.
4. SURFACING SHALL BE PER LOCAL ORDINANCES AND RECLAIMED WATER SHALL BE USED.
5. SURFACING SHALL BE PER LOCAL ORDINANCES AND RECLAIMED WATER SHALL BE USED.
6. SEE RECLAIMED WATER FACILITIES AND CONNECTIONS PER LOCAL ORDINANCES.
7. SEE RECLAIMED WATER FACILITIES AND CONNECTIONS PER LOCAL ORDINANCES.
8. SEE RECLAIMED WATER FACILITIES AND CONNECTIONS PER LOCAL ORDINANCES.

APPROVED FOR
CONSTRUCTION

BACKCIRCLED
CHANGES PER
ECN N-S-0221

PROJECT: RECLAIMED WATER FACILITIES AND CONNECTIONS	DATE: 12/22/2011	DESIGNED BY: J. L. LEE	CHECKED BY: J. L. LEE	APPROVED BY: J. L. LEE	WEST COUNTY POWER & LIGHT, INC.	FLORIDA POWER & LIGHT WEST COUNTY ENERGY CENTER	FPLWC-CSTD-53202	4
PROJECT: RECLAIMED WATER FACILITIES AND CONNECTIONS	DATE: 12/22/2011	DESIGNED BY: J. L. LEE	CHECKED BY: J. L. LEE	APPROVED BY: J. L. LEE	WEST COUNTY POWER & LIGHT, INC.	FLORIDA POWER & LIGHT WEST COUNTY ENERGY CENTER	FPLWC-CSTD-53202	4