

The county shall prepare a statement showing that the purchase, sale, or wastewater facility privatization contract is in the public interest, including a summary of the purchaser's or private firm's experience in water, sewer, and wastewater reuse utility operation and a showing of financial ability to provide the service, whether the purchaser or private firm is the county or the entity purchasing the utility from the county.

The Liberty County Drinking Water system was originally installed by the Liberty County Board of County Commissioners in the late 1970's and consists of five smaller systems: Estiffanulga, Hosford-Telogia, Lake Mystic, Rock Bluff and Sumatra. Liberty County, like most municipalities over the previous decades, initiated public drinking water systems to address shallow wells, water quality, and water quantity concerns in their jurisdictions. In the late 1990's, the Hosford-Telogia system was again updated along with replacement and/or expansion of the Lake Mystic and Estiffanulga systems. The Rock Bluff system was brought on line in 2003.

Talquin is a Member-owned, not-for-profit electric distribution cooperative headquartered in Quincy, Florida. Talquin provides electricity to approximately 53,000 accounts and provides water and wastewater services from Florida's Gulf coast to the Florida state line, including portions of Tallahassee and the surrounding areas. Talquin provides services to homes and businesses across a four-county, 2,600 square mile service territory including Gadsden, Leon, Liberty, and Wakulla counties of Florida.

Talquin operates according to a core set of seven principles. These principles are guidelines by which the cooperative puts their values into practice. The seven core principles are voluntary membership, democratic control, economic participation, independence, education, cooperation, and community.

Talquin purchases power from Seminole Electric Cooperative, a nine-member cooperative and one of the largest generation and transmission (G&T) providers in the country.

Talquin is also part of the NRECA which consists of 840 distribution and 65 G&T cooperatives, a total of 905 NRECA co-op members. Electric cooperatives serve an estimated 42 million people

in 47 states, including 18.5 million businesses, homes, schools, churches, farms, irrigation systems, and other establishments in 2,500 of 3,141 counties in the U.S. More than 12 percent of the nation's meters are consumers of rural electric co-ops which exist to power communities and empower Members.

Please see attached document for Talquin Water and Wastewater Incorporated Financial Reports for years ending in 2020 and 2021 showing a financial ability to provide the service.

Talquin has over 50 years of water and wastewater experience with qualified and experienced employees. TWWI holds in good standing all compliance and permitting requirements by all state and federal agencies for water operation and distribution.

\$600,000 from sale would go towards

1. Recovering losses from two USDA loan pay offs (\$99,129.30 in August of 2022 and \$360,262.32 in December of 2022) payments.
2. Close out and reimbursement of all customer accounts (at least \$68,000 in deposit refunds)
3. Close Fund 401 (Proprietary Fund)

Considering all the factors presented it is the Clerk's recommendation that this sale is in the public interest for health, safety, and long term financial sustainability of Liberty County.

Balance Sheets

| | 2021 | 2020 |
|---|---------------------|---------------------|
| Assets | | |
| Net Water/WW Plant (less Acc. Depreciation) | \$68,848,975 | \$66,541,543 |
| Investments and Notes Receivable | \$5,722,488 | (\$6,785,176) |
| Accounts Receivable | \$772,724 | \$2,154,724 |
| Materials and Supplies | \$468,893 | \$334,117 |
| Other Current Assets | \$2,353,831 | \$149,024 |
| Total Assets | \$78,166,911 | \$62,394,232 |
| Equities and Liabilities | | |
| Equities | | |
| Memberships & Patronage Capital | \$1,979,566 | (\$525,400) |
| Other Equities | \$25,543,641 | \$25,570,199 |
| Total Equities | \$27,523,207 | \$25,044,799 |
| Liabilities | | |
| Long Term Debt | \$42,688,796 | \$31,962,968 |
| Accounts Payable | \$287,992 | \$252,926 |
| Members' Deposits | \$320,849 | \$306,844 |
| Other Current Liabilities | \$3,562,413 | \$3,003,970 |
| Deferred Credits | \$3,783,654 | \$1,822,725 |
| Total Liabilities | \$50,643,704 | \$37,349,433 |
| Total Equities and Liabilities | \$78,166,911 | \$62,394,232 |

Statement of Revenue and Expenses

| | 2021 | 2020 |
|--|---------------------|---------------------|
| Revenue | \$14,503,944 | \$13,184,331 |
| Expenses | | |
| Cost of Power for Pumping | \$786,343 | \$814,823 |
| Operations, Maintenance and Admin. | \$7,774,698 | \$7,768,289 |
| Depreciation | \$1,862,236 | \$1,795,314 |
| Interest on Loans | \$1,896,200 | \$1,955,130 |
| Total Expenses | \$12,319,477 | \$12,333,556 |
| Operating Margins (Revenue minus Expenses) | \$2,184,467 | \$850,775 |
| Non-Operating Margins | (\$25,455) | \$210,672 |
| Other Capital Credits | \$319,888 | \$373,199 |
| Total Margins | \$2,478,900 | \$1,434,646 |

Water & Wastewater Accounts

