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July 19, 2021

Mike Mullin, Esquire
Nassau County Attorney
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Re: Nassau County, Interlocal Agreement with the JEA

Dear Mike,

We are honored that you and Mr. Pope have asked for our assistance, on behalf of Nassau County, in determining a recommended course of action by the County relative to its relationship with the JEA. In that regard, we have reviewed the outstanding "Interlocal Agreement" by and between the JEA and Nassau County, which agreement was entered into in connection with the JEA's acquisition of the entire United Water Florida water and wastewater systems in Duval, St. Johns and Nassau Counties in 2001. We are also aware of the concern of the members of the County Commission and senior staff as to the JEA's lack of providing water and wastewater utility services in a timely manner to areas of Nassau County that are in need of the same.

During our discussions, I referenced the on-going administrative litigation by and between our client, First Coast Regional Utilities, Inc. (FCRU) and the JEA currently pending before the Florida Public Service Commission (FPSC). As of this writing the First District Court of Appeal (FDCA) has stayed the FPSC action pending resolution of JEA's Petition for a Writ of Prohibition as filed in the FDCA. That matter is scheduled for oral argument later this month on July 28th. At this point, it is doubtful that the parties will be able to amicably resolve the matter, thus, assuming that the stay is lifted, we would expect the FPSC to actually hear the case later this year and thereafter render its final order granting or denying the FCRU's requested certificates of authorization to provide water and wastewater service in parts of Duval, Baker and Nassau Counties. We note that both Baker and Nassau Counties have filed letters with the FPSC supporting FCRU's application obviously based upon a good faith and well-grounded belief that the granting of the certificates is in the public interest.

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However, as lawyers, we must avoid even the appearance of a conflict of interest, and thus, as counsel to FCRU and its parent, 301 Capital Partners, we believe it best for all parties to memorialized that our firm will not take a position contrary to the interest of FCRU or 301 Capital Partners in the very southwest portion of Nassau County covered by the ongoing FCRU/FPSC application referenced above and that by the County's execution hereof, the County acknowledges this provision. Of course, if a conflict were to appear, the County would retain its rights to engage other counsel and in which case we would continue on behalf of FCRU/301 Capital Partners. The County may be absolutely assured, however, that we will scrupulously avoid any such conflict to the best of our knowledge and ability. Obviously, we believe that the possibility of a conflict is extremely remote due to the Nassau County Commission's unanimous letter of support for the FCRU application as filed before the FPSC.

We would propose that our representation of Nassau County occur in phases, with Phase 1 being information gathering, such as: (i) Where are the JEA facilities in Nassau County? (ii) Where are the interconnections? (iii) What is their capacity? (iv) What are the present and future water and wastewater utility needs in Nassau County? (v) What is the cost thereof? (vi) Approximately what does Nassau County expect to pay the JEA upon expiration of the above-referenced Interlocal Agreement? (vii) How should the County finance this undertaking? (viii) Will the JEA voluntarily terminate the Agreement in whole or in part early? (ix) Whether litigation in that regard is recommended? (x) And so on and so forth. After the conclusion of Phase 1, which we would expect to occur at approximately around the same time that the FCRU case is resolved, either judicially by the FDCA or administratively by the FPSC, Phase 2 would begin, which would include direct talks by and between representatives of Nassau County and the JEA in furtherance of Phase 1.

As to our proposed fee structure, we will bill the County monthly on a straight hourly basis with my fee being \$350 per hour, and the rate for Mr. Brannan and Mr. Deterding being \$325 per hour, plus reimbursement for out of pocket costs advanced for such things as travel and the like.

We are a small boutique firm, and as such, do not suffer the overhead that larger firms do. Thus, we can bring bottom line savings to Nassau County because of the specialized nature of our practice.

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If this arrangement is acceptable to the County, please have the appropriate County official countersign at the place provided and return one copy hereof to us for our files.

Should you have any questions or concerns regarding the above, please do not hesitate to contact me.

Sincerely,

SUNDSTROM & MINDLIN, LLP

William E. Sundstrom /brf

William E. Sundstrom, P.A.
For the Firm

WES/brf

Accepted and Agreed to this 13 day of September, 2021
by: Nassau County, Florida

By: 

Printed Name: Thomas R. Ford

Title: Chairman, Board of County Commissioners