

LEE COUNTY BOARD OF COUNTY COMMISSIONERS
AGENDA ITEM SUMMARY

BLUE SHEET NO: 20021096-UTL

1. REQUESTED MOTION:

ACTION REQUESTED:

Authorize staff to commence procedures and all necessary steps for Lee County to assume the assets and refinance the bonded debt of Gulf Environmental Services, Inc. (GES), with a county bond issue, pursuant to I.R.C. Ruling 63-20.

WHY ACTION IS NECESSARY:

Board approval is required for County acquisition of utilities and bonded debt obligations. A public hearing, per F.S. Title XI, Chapter 125.3401, is also required and will be scheduled prior to final Board approval.

WHAT ACTION ACCOMPLISHES:

Provides staff with BOCC authorization to proceed with the acquisition and coordination for the organized and effective transition of the assumption and in-house operation of the GES utilities facilities and infrastructure, per I.R.C. Ruling 63-20.

2. DEPARTMENTAL CATEGORY: 10 - UTILITIES
COMMISSION DISTRICT #: 5

AIDA

3. MEETING DATE:

11-19-2002

4. AGENDA:

- ___ CONSENT
- ADMINISTRATIVE
- ___ APPEALS
- ___ PUBLIC
- ___ WALK ON
- TIME REQUIRED: ___

5. REQUIREMENT/PURPOSE:

(Specify)

- STATUTE F.S. Chap. 125.3401
- ___ ORDINANCE
- ___ ADMIN. CODE
- OTHER I.R.C. Ruling 63-20

6. REQUESTOR OF INFORMATION:

- A. COMMISSIONER: _____
- B. DEPARTMENT: Lee County Public Works
- C. DIVISION/SECTION: Utilities Division
- BY: Rick Diaz, Utilities Director

DATE: 10/22/02

7. BACKGROUND:

On March 31, 1998 the BOCC adopted Resolution No. 98-03-249. The Resolution provided preliminary inducement for GES, an IRC 63-20 not-for-profit corporation, to finance and acquire Gulf Utility Company.

On June 9, 1998 the BOCC adopted Resolution No. 98-06-18 granting final approval to a proposed plan of finance for the cost of the acquisition of Gulf Utility Company by the IRC 63-20 corporation, Gulf Environmental Services, Inc. (GES).

(CONT'D)

8. MANAGEMENT RECOMMENDATIONS:

9. RECOMMENDED APPROVAL

| (A) DEPARTMENT DIRECTOR | (B) PURCH. OR CONTRACTS | (C) HUMAN RESOURCES | (D) OTHER | (E) COUNTY ATTORNEY | (F) BUDGET SERVICES | | | | (G) COUNTY MANAGER |
|--------------------------------------|-------------------------------|---------------------------|--------------|----------------------------------|---------------------------|-----------------|-----------------|-----------------|--------------------------------------|
| | | | | | OA | OM | Risk | GC | |
| <i>J. Lavender</i> Date: 10.22.02 | N/A Date: | N/A Date: | | <i>D. Owen</i> Date: 10/28/02 | <i>10/28/02</i> | <i>10/25/02</i> | <i>10/30/02</i> | <i>10/28/02</i> | <i>J. Lavender</i> Date: 10.22.02 |

10. COMMISSION ACTION:

- ___ APPROVED
- ___ DENIED
- ___ DEFERRED
- ___ OTHER

Rec. by CoAtty
Date: 10/23/02
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Resolution No. 98-06-18 provides the BOCC the authority to assume GES' debt and the take-over of its operations. Staff recommends, at this time, that this occur on or about midnight of June 30, 2003. As of that date, the existing contract operator's contract will terminate.

Request BOCC approval for the coordination and transition by LCU for the assumption of GES, and the refinancing of the GES debt with a county bond issue.

LCU has provided in its FY 2002-2003 BOCC approved budget, the necessary funds and staffing requirements to perform the entire operation of GES.