

**1. REQUESTED MOTION:**

**ACTION REQUESTED:**

Approve a resolution and Declaration of Intent of the county to reimburse itself for expenses from an effective date associated with the acquisition, construction and installation of certain wastewater facilities.

**WHY ACTION IS NECESSARY:**

Treasury Regulation 1.150-2 requires a reimbursement resolution for expenses that the County may want to have reimbursed from a future State bond issue.

**WHAT ACTION ACCOMPLISHES:**

Allows county expenditures incurred from an effective date associated with future state bonds to be reimbursed from state bond proceeds when the bonds are sold.

**2. DEPARTMENTAL CATEGORY:**  
**COMMISSION DISTRICT #**

*CIC*

**3. MEETING DATE:**

*09-23-2003*

**4. AGENDA:**

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

**5. REQUIREMENT/PURPOSE:**  
*(Specify)*

- STATUTE
- ORDINANCE
- ADMIN.
- CODE
- OTHER

**6. REQUESTOR OF INFORMATION:**

- A. COMMISSIONER
- B. DEPARTMENT *County Administration*
- C. DIVISION *Budget Services*

BY: *Antonio Majul, Budget Director*

**7. BACKGROUND:**

Lee County is presently planning to borrow funds from the Florida Department of Environmental Protection (DEP)'s State Revolving Fund. The State of Florida will be issuing debt as a basis for reimbursing costs associated with various wastewater projects.

Projects included in this group are treatment, transmission and deep injection well facilities at Gateway, Pine Island and the Airport Sewer District. This reimbursement resolution will allow expenditures associated with these projects from 60 days prior to the date of this resolution and forward to be eligible for repayment from the state's bond proceeds. This resolution is intended as a declaration of official intent under Treasury Regulation 1.150-2. The debt to be issued is not expected to exceed \$35 million.

**8. MANAGEMENT RECOMMENDATIONS:**

Approve the reimbursement resolution and Declaration of Intent.

**9. RECOMMENDED APPROVAL:**

A Department Director	B Purchasing or Contracts	C Human Resources	D Other	E County Attorney	F Budget Services				G County Manager
<i>AMajul</i> <i>9/11/03</i>				<i>KED</i> <i>9/11/03</i>	<i>Office 9/11/03</i>				
					OA	OM	Risk	GC	<i>per for</i> <i>HAS 9-11-03</i>
					<i>JL</i>	<i>AS</i> <i>9/11/03</i>	<i>US</i> <i>9/10/03</i>	<i>AV</i> <i>9/10/03</i>	

**10. COMMISSION ACTION:**

- APPROVED
- DENIED
- DEFERRED
- OTHER

Rec. by CoAtty  
Date: *9/11/03*  
Time: *9:40 AM*  
Forwarded To: *CO Atty*  
*9/11/03 10:20 AM*

RECEIVED BY  
COUNTY ADMIN: *SG*  
*9/11*  
*11:10 am*  
COUNTY ADMIN  
FORWARDED TO: *PL*  
*9/11/03*  
*4:45 PM*

RESOLUTION OF THE BOARD OF COUNTY  
COMMISSIONERS OF LEE COUNTY, FLORIDA

RESOLUTION NO. \_\_\_\_\_

Authorizing Declarations of Official Intent Under U.S.  
Treasury Regulations with Respect to Reimbursements  
from Note and Bond Proceeds of Temporary Advances  
Made for Payments Prior to Issuance, and Related  
Matters.

WHEREAS, United States Treasury Regulations §1.150-2 (the "Reimbursement Regulations") prescribe conditions under which proceeds of bonds, notes or other obligations ("Bonds") used to reimburse advances made for capital and certain other expenditures ("Original Expenditures") paid before the issuance of such Bonds will be deemed to be expended (or properly allocated to expenditures) for purposes of Sections 103 and 141-150 of the Internal Revenue Code of 1986, as amended (the "Code"), upon such reimbursement so that the proceeds so used will no longer be subject to requirements or restrictions under those sections of the Code; and

WHEREAS, certain provisions of the Reimbursement Regulations require that there be a Declaration of Official Intent not later than 60 days following payment of the Original Expenditures expected to be reimbursed from proceeds of Bonds, and that the reimbursement occur within certain prescribed time periods after an Original Expenditure is paid or after the property resulting from that Original Expenditure is placed in service; and

WHEREAS, Lee County, Florida, wishes to take steps to comply with the Reimbursement Regulations;

NOW, THEREFORE, be it resolved by the County Commissioners of Lee County, Florida, (the "Borrower") as follows:

Section 1. Definitions. The following definitions apply to the terms used herein:

"Authorized Officer" means the Chairman of the Board of County Commissioners or any person designated for the purpose by the Chairman of the Board of County Commissioners,.

"Declaration of Official Intent" means a declaration of intent, in the form, manner and time contemplated in the Reimbursement Regulations, that the advances for expenditures referred to therein are reasonably expected to be reimbursed from the proceeds of Bonds to be issued after those expenditures are paid.

"Reimbursement" or "reimburse" means the restoration to the Borrower of money temporarily advanced from its own funds and spent for Original Expenditures before the issuance of the Bonds, evidenced in writing by an allocation on the books and records of the Borrower that shows the use of the proceeds of the Bonds to restore the money advanced for the Original Expenditure. "Reimbursement" or "reimburse" generally does not include the refunding or retiring of Bonds previously issued and sold to, or borrowings from, unrelated entities.

Section 2. Authorization and Requirement of Declarations of Official Intent.

Each Authorized Officer is authorized to prepare and sign Declarations of Official Intent in substantially the form attached with respect to Original Expenditures to which the Reimbursement Regulations apply, to be made from money temporarily advanced and that is reasonably expected to be reimbursed (in accordance with applicable authorizations, policies and practices) from the proceeds of Bonds, to make appropriate reimbursement and timely allocations from the proceeds of the Bonds to reimburse such prior expenditures, and to take any other actions as may be appropriate, all at the times and in the manner required under the Reimbursement Regulations in order for the reimbursement to be treated as an expenditure of such proceeds for purposes of Sections 103 and 141 to 150 of the Code. No advance from any fund or account or order for payment may be made for Original Expenditures (other than expenditures excepted from such requirement under the Reimbursement Regulations) that are to be reimbursed subsequently from proceeds of Bonds unless a Declaration of Official Intent with respect thereto is made within the time required by the Reimbursement Regulations.

Enacted this \_\_\_\_\_ day of \_\_\_\_\_, 2003 by the Board of County Commissioners of Lee County, Florida,.

By \_\_\_\_\_  
(Signature)

Title: \_\_\_\_\_  
(type or print)

**DECLARATION OF OFFICIAL INTENT**

**For Reimbursement of Expenditures from Bonds/Notes**

This is a Declaration of Official Intent under U.S. Treasury Regulations for purposes of Sections 103 and 141 to 150 of the Internal Revenue Code of 1986, as amended (the "Code").

1. The undersigned, on behalf of Lee County, Florida, (the "Borrower") declares that the Borrower reasonably expects that the capital and other expenditures described in paragraph 2 (the "Project") will be reimbursed with the proceeds of "bonds" (as defined in Section 150 of the Code). The maximum principal amount of bonds expected to be issued for the Project is \$35,000,000.
2. Description of capital and other expenditures to be reimbursed.

Expenditures for (insert a general functional description of property, project, program or purpose):

Water Pollution Control Improvements (initially funded from Lee County's water and sewer capital improvement funds) \_\_\_\_\_  
\_\_\_\_\_

The undersigned has been authorized by the Borrower to make and sign this Declaration on behalf of the Borrower.

Date of Declaration:

Lee County, Florida,

\_\_\_\_\_, 2003

By \_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Type or print Name and Title)

Caution: This Declaration of Official Intent will not be effective unless the bonds providing moneys for the reimbursement are issued and the reimbursement for the Project described above is made (by an allocation on the books and records identifying the expenditures as in paragraph 2 above) within the applicable period prescribed in the Treasury Regulations – generally, 18 months after the later of the date of the expenditure or the date the Project is placed in service, but in no event later than three years after the date of the expenditure.

# Request for Inclusion

Project Description (Please Attach)

To be eligible for listing on the fundable part of the integrated priority list, the project component(s) must be specifically identified in a planning document. If the planning has been completed for this project, note the title and date, and reference the page numbers or other location at which the specific facilities are described.

- a. A project may encompass urban stormwater management facilities, such as detention/retention facilities, treatment facilities, etc. sponsored by a local government (eligible under Section 212 of the amended Clean Water Act).
- b. A project may encompass wastewater management facilities, such as detention/retention facilities, treatment facilities, sludge facilities, etc. sponsored by a local government (eligible under Section 212 of the amended Clean Water Act).
- c. A project may encompass nonpoint source pollution control best management practices for agriculture, silviculture, on-site treatment and disposal, wetlands, mining, marinas, or groundwater protection sponsored by any entity (eligible under Section 319 or 320 of the amended Clean Water Act).

5. Estimated cost for Projects Involving Construction Including Structural Best Management Practices (Clean Water Act Section 212, 319 or 320).....

(\$1000's)

a. Construction Costs:

i. Construction, Demolition and Related Procurement.....	\$	24,200
ii. Eligible Land.....	\$	0
iii. Other... (Start-Up Services; 1.5% of Item i.).....	\$	363
iv. Contingency (10% of Items i. Through iii.).....	\$	2,456
v. Technical Services During Construction.....	\$	3,630
vi. Sum of Items i. Through v. ....	\$	30,649
vii. Administrative Allowance [see Rule 62-503.420(2), F.A.C.].....	\$	_____
viii. Engineering Work Allowance [see Rule 62-503.420(3), F.A.C.].....	\$	_____
ix. Total (sum of Items vi. Through viii.).....	\$	30,649
x. Loan Repayment Reserve for Direct Loans Only [See Rules 62-503.430(3)(a)1. And 2., F.A.C.].....	\$	919
Total (sum of Items ix. And x.) for Direct Loans Only.....	\$	31,568

b. Preconstruction Costs for Local Government Project Sponsors [see Rule 62-503.350(1), F.A.C.]:

i. Item vi. Under Item a. above.....	\$	34,724
ii. Administrative Allowance [see Rule 62-503.420(2), F.A.C.].....	\$	_____
iii. Planning Allowance [see Rule 62-503.420(5), F.A.C.].....	\$	_____
iv. Appropriate Engineering Work Allowance [see Rule 62-503.420(3), F.A.C.].....	\$	_____
v. Total (sum of Items ii. Through iv.).....	\$	_____
vi. Loan Repayment Reserve for Direct Loans Only [see Rules 62-503.430(3)(a)1. And 2., F.A.C.].....	\$	_____
Total (sum of Items v. and vi.) for Direct Loans Only.....	\$	_____

*1.10 additional contingency round to 35,000*

**Projects to be funded via  
FDEP-SRF  
Wastewater Projects**

SRF - RFI-6-03JBL

June 17th 2003

Project	Scope	Estimated Cost	DEP-SRF Status
Airport Sewer District	Phase I capital improvements to Gateway 1.0 MGD WWTP.	\$ 8,000,000	Planning accepted 7/1/02.
Pine Island WWTP Deep Injection Well	LCU portion of injection well and transmission line.	\$ 2,500,000	Planning accepted 7/1/02.
Airport Sewer Transmission Line	Transmission line from Daniels@Palomino to Gateway WWTP.	\$ 4,500,000	Planning accepted 7/1/02.
Gateway WWTP Expansion	Phase II expansion to Gateway WWTP from 1.0 MGD to 2.5 MGD.	\$ 9,200,000	Planning accepted 7/1/02.
<b>Total WW Projects</b>		<b>\$ 24,200,000</b>	

Note: Project costs updated from those shown in planning document.