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ADMINISTRATION
MAIL ROOM

April 11, 1999

Mr. John D. Williams
Public Service Commission
Capital Circle Office Center
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Docket No. 982020-WS, Application for transfer of facilities of IBSCO, Inc.,
To Martin County Utilities in Martin County and for cancellation of Certificate
Nos. 382-W and 328-S.

Dear Mr. Williams:

In response to your letter of February 3, 1999 regarding the above referenced docket, following is our response to the deficiencies noted in your correspondence:

1. Sales Contract: Enclosed find four (4) copies of the sales contract between IBSCO, Inc., and Martin County Utilities.
2. Government Authority Information: Enclosed find four (4) copies of a memo from Mr. John Polley of the Martin County Utilities Department, Memo No. evt98a.025, which Mr. Polley provided in response to this item.
3. Customer Deposits: IBSCO, Inc., did not require or collect deposits from its' customers.
4. Transfer Prior to Approval: Upon advice from our professional consultants, Ingram and Wagner, PA, we were advised this item did not apply to a sale to a government agency.

ACK _____

AFR _____ I apologize for the delay in responding to your request. IBSCO, Inc., no longer has a staff to
APP _____ research and address utility issues. IBSCO, Inc., retained the firm of Ingram and Wagner, PA,
CAF _____ to handle the utility transfer. The application and its' supporting documentation was prepared by
their office.

CMU _____

CTR _____ If you have any additional questions, feel free to contact me.

EAG _____

LEG _____

LIN _____

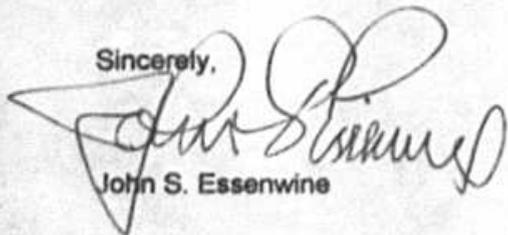
OPC _____

RCH _____

SEC 1 _____

WAS _____

OTH _____

Sincerely,

John S. Essenwine

DOCUMENT NUMBER - DATE

04741 APR 14 99

RECORDS/REPORTING

JANUARY 27th, 1998

**WATER AND SEWER SYSTEM ASSET
PURCHASE AND SALE AGREEMENT**

RECEIVED

APR 14 1999

Florida Public Service Commission
Division of Water and Wastewater

THIS AGREEMENT is made and entered into this 27th day of January, 1998, by and between Martin County, a political subdivision of the State of Florida ("County") and IBSCO, Inc., a Florida Corporation ("IBSCO") and C & D Contractors, Inc., a Florida Corporation ("C & D").

RECITALS

A. IBSCO is the owner of a water production, storage, treatment, transmission, and distribution system, and a wastewater treatment, transmission, collection and effluent disposal system (hereinafter referred to collectively as the "System"), that provides water and wastewater disposal to lands located in Martin County, Florida known as Jensen Park Estates, Jensen Park Villas and Savannas Club.

B. Pursuant to and in accordance with its governmental powers under Chapters 125 and 163, Florida Statutes, its home rule power under Florida Law, and the Martin County Comprehensive Growth Management Plan, Martin County has determined that the purchase of the System is in the public interest.

C. The Martin County Board of County Commissioners has held the public hearing and prepared the statement of public interest pursuant to Florida Statutes section 125.3401.

D. IBSCO and C & D are willing to sell portions of the

System to the County and the County is willing to purchase portions of the System, all on the terms and conditions set forth in this Agreement.

E. C & D owns the water and sewer lines in Jensen Park Estates Phase 4, and is willing to sell them to the County.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties, the parties hereto agree as follows:

SECTION 1. RECITALS. The foregoing Recitals are true and correct, and form a material part of this Agreement.

SECTION 2. PURCHASE AND SALE OF PURCHASED ASSETS.

2.1 On the Closing Date, as hereinafter defined, IBSCO and C & D shall sell, assign, transfer, convey and deliver to the County all of its respective right, title and interest in and to that portion of the System, consisting of such real, personal and mixed property used or held for use in connection with the System, hereinafter referred to as the "Purchased Assets," as more specifically set forth on Exhibit A attached hereto and by this reference made a part hereof, and the County shall purchase, accept and pay for all such rights, title and interest in and to the Purchased Assets. The Purchased Assets consist of:

2.1.1 Real Property. All real property and interests in real property (the "Property"), owned by IBSCO as described in Exhibit A whereupon wells; water transmission and distribution lines and other facilities; and wastewater collection and transmission lines, lift stations; and other water and

wastewater service facilities are located.

2.1.2 Plant and Other Facilities. The following assets owned by IBSCO and C & D as described in Exhibit A: water production, water treatment plant, storage, transmission, distribution, and lift station facilities and wastewater collection, transmission, pumping and disposal facilities, lift stations, pumps, generators, controls, collection and transmission pipes or facilities, valves, meters, service connections, and other water and/or wastewater service connections.

2.1.3 Equipment. Inventory of all equipment, tools, parts, laboratory equipment, and other personal property owned by IBSCO and located on the Property and/or utilized by IBSCO exclusively in connection with the operation of the System, as described in Exhibit A of this Agreement.

2.1.4 Other Rights. All rights, privileges, easements, licenses, prescriptive rights, rights-of-ways, and rights to use public and private roads, highways, streets, and other areas owned and/or used by IBSCO in connection with the construction, reconstruction, installation, maintenance and operation of the System and the Purchased Assets (collectively referred to as the "Easements"). The Easements are more particularly described in Exhibit A of this Agreement. The form of such easements are set forth on Exhibit B, attached hereto and, made a part hereof by this reference.

2.1.5 Customer and Supplier Lists; Other Records. All current customer records and supplier lists, as-built

surveys and water and sewer plans, plats, engineering and other drawings, designs, blueprints, plans and specifications, accounting and customer records and all other information and business records in the possession of IBSCO that relate to the operation of the System. IBSCO may make copies of its books and records, at its expense, before transferring the original or (if the original is not available) copies of the books and records to the County.

2.1.6 Permits and Approvals. All existing (including expired) permits and other governmental authorizations and approvals of any kind necessary to operate and maintain the System in accordance with all governmental requirements, as more specifically described in Exhibit C to this Agreement. The County agrees to execute necessary forms required by governmental agencies to transfer said permits and approvals.

2.1.7 Accounts Receivable. On or about the Closing Date, IBSCO and the County shall jointly cause the meter for each customer's water and/or wastewater account to be read. Such billing shall be made by County within twenty (20) days following the Closing Date. The County shall pay and collect for all water and wastewater service not previously billed for by IBSCO as of the Closing Date. Such billing shall be made by County within twenty (20) days following the Closing Date. The County shall pay to IBSCO its share of revenues collected pursuant to the joint meter reading, base on where the Closing Date falls in the billing cycle within thirty (30) days of billing.

2.1.8 Contracts. All contracts, licenses, and

agreements used in connection with IBSCO's ownership or use of the Purchased Assets or System.

2.1.9 Entire Water and Sewer Facilities.

Notwithstanding any provisions herein to the contrary, the County may not elect to purchase one (1) of the facilities and not the other. If the County exercises any right it has under this Agreement not to purchase either the water plant or the sewer facilities, its loses its right to purchase the other.

SECTION 3. PURCHASE PRICE AND PAYMENT.

3.1 Purchase Price. The County agrees to pay IBSCO and C & D on the Closing Date, and IBSCO and C & D agrees to accept as the purchase price for the Purchased Assets the not to exceed maximum amount of \$873,670.00 (eight hundred and seventy three thousand six hundred seventy dollars), calculated and subject to reduction as contemplated herein (as so calculated and reduced, the "Purchase Price"). The Purchase Price shall be paid at Closing by a County check or federal or other immediately available funds by wire transfer to a bank and bank account designated by IBSCO. Prior to Closing, IBSCO shall deliver written wiring instructions to the County if IBSCO desires a wire transfer.

3.2 Payment. The Purchase Price shall be payable at Closing as follows:

3.2.1 Payment to IBSCO of not to exceed \$537,670 (five hundred and thirty seven thousand six hundred and seventy dollars) by the method designated by IBSCO pursuant to paragraph 3.1 of this Agreement.

3.2.2 The parties acknowledge and agree that the Purchase Price is a maximum and is subject to reduction, adjustment and retention as set forth in this Agreement.

3.2.3 The County shall credit C & D for prepaid capital facility charges ("CFCS") for 105 equivalent residential connections located in phase IV of Jensen Park Estates in the amount of \$336,000 (three hundred and thirty six thousand dollars) pursuant to the terms and conditions of this Agreement. This credit is full payment to C & D under this Agreement. The County will not charge any service availability charges against any property in Jensen Park Estates, Savannas Club or Jensen Park Villas. The County further will not collect capital facility charges on any vacant lots in Phases I, II, or III of Jensen Park Estates and Jensen Park Villas.

3.3 Adjustments and Prorations. At the time of closing, the parties covenant and agree that the following adjustments shall be made:

(1) Real and personal property taxes for prior and current tax years on all real and personal property which is being conveyed by IBSCO to the County, prorated as of the closing date, shall be paid by IBSCO and shall be deposited in escrow with the Martin County Tax Collector, pursuant to the provisions of Section 196.295, Florida Statutes.

(2) On or about the Closing Date, the County shall prorate the receipts from customer billings for the last month of service in accordance with paragraph 2.7 of this Agreement. All rates, fees, and charges for water and sewer service after the

Closing Date shall be the property of the County.

(3) IBSCO shall request all of its suppliers and vendors to submit final invoices for services, materials, and supplies, including electricity for the period up to and including the Closing Date. IBSCO shall be responsible for, and shall provide to the County, upon request, evidence of the payment of all such invoices.

(4) Twenty thousand dollars (\$20,000.00) of the Purchase Price shall be retained by the County at Closing and shall be released upon receipt by the County of satisfactory evidence, in the sole opinion of the County, that the wastewater treatment plant, including the diesel tank, set forth on Exhibit A shall have been removed or dismantled and decommissioned at the sole expense of IBSCO and any and all permits and approvals of any regulatory agencies required in connection therewith shall have been obtained and the decommissioning shall have been accomplished in accordance with such permits and approvals (any removal, dismantling, and/or decommissioning herein called "Decommissioning"). Upon determining that the Decommissioning is satisfactory, the County shall issue a County check to IBSCO in the amount of Twenty thousand dollars (\$20,000.00) within ten (10) business days.

(5) Any hazard insurance premiums on the Purchased Assets shall be prorated from the Purchase Price, or shall be cancelled, at the sole option of the County.

(6) All adjustments and prorations shall be calculated as of 11:59 p.m. of the Closing Date. Credits and

charges for the Closing Date shall belong to, and be borne by IBSCO.

3.4 Closing Expenses. Documentary stamps and surtax, if any, on the Deed and the cost of recording the Deed, the Easements, and any other document required to consummate this transaction shall be paid by IBSCO. Title commitment and title insurance costs are payable as set forth in paragraph 5.1 of this Agreement. All other closing costs or expenses shall be paid by IBSCO. Certified, confirmed and ratified special assessments or liens as of the Closing Date shall be paid by IBSCO.

3.5 Corroboration of Payments After Closing. In each instance in which either IBSCO or the County is to receive money from the other party after the Closing Date pursuant to the provisions of this Agreement, the party who is entitled to receive the money under the terms of this Agreement shall have the right to inspect, at its own expense, those books and records of the other party as may be necessary to corroborate the accuracy of the amount of money received by the party, within thirty (30) days of receipt of payment. In the event the party making the inspection discovers an error in payment, the party making the payment shall promptly transfer the difference in payment to the party who is entitled to payment.

3.6 Allocation of Purchase Price. The allocation of the purchase price shall be as set forth in Exhibit A, attached hereto

and by this reference made a part hereof.

SECTION 4. CONTINGENCIES TO CLOSING. This Agreement, the obligations of the County hereunder, and the Closing of the transaction contemplated in this Agreement are contingent upon the following:

4.1 IBSCO shall have obtained renewal of the consumptive use permit set forth in Exhibit C at its sole cost and expense on or before the Closing Date.

4.2 The Wastewater Collection System Deficiencies set forth on Exhibit D attached hereto and by this reference made a part hereof ("Deficiencies") shall be remedied and repaired to the sole and reasonable satisfaction of the County at the sole cost and expense of IBSCO, it being acknowledged by the parties that a portion of the Purchase Price is allocable to pay for correcting such Deficiencies. The Deficiencies shall be remedied and repaired by IBSCO in a good and workmanlike manner; any warranties or guarantees in connection with the repair of the Deficiencies shall be transferred or assigned to the County at the Closing; and, upon completion, reasonable notice shall be given to the County such that an inspection and testing of such repairs may be made prior to Closing by the County and/or its designees, in the presence of IBSCO personnel; and further provided that any repair that fails such test or inspection shall be re-done at the sole cost and expense of IBSCO at no increase in the Purchase Price until any such repair fully corrects the applicable Deficiency.

4.3 IBSCO shall perform or cause to be performed all of

the work in connection with the interconnection of portions of the System to the County's system as set forth on Exhibit E attached hereto and made a part hereof ("Interconnection") as follows:

4.3.1 A Florida licensed professional engineer shall have designed the Interconnection to the standards and specifications of the County's Utilities Department ("Specifications"), a copy of same having been provided by the County to IBSCO prior to execution of this Agreement and the approved plans and specifications are attached hereto as Exhibit G and by this reference made a part hereof;

4.3.2 The Interconnection shall be built to the Specifications by an appropriately licensed contractor under the laws of the State of Florida in accordance with a written contract by and between IBSCO and such contractor that provides for the following:

4.3.2.1 A payment bond and a performance bond, each in an amount equal to the construction price of the Interconnection, and issued by a surety satisfactory to the County;

4.3.2.2 A one (1) year warranty on the Interconnection work, assigned to the County at Closing;

4.3.2.3 Contractor shall not commence work under this Agreement until all insurance required under this section has been obtained and such insurance has been approved by the COUNTY.

All insurance policies shall be issued by companies authorized to do business under the laws of the State of Florida. CONTRACTOR

shall furnish original certificates of Insurance prior to the commencement of work. The Certificate shall clearly indicate that CONTRACTOR has obtained insurance of the type, amount and classification required for strict compliance with this Section, and that no material change or cancellation shall be effective without thirty (30) days prior written notice to the COUNTY. Compliance with the foregoing requirements shall not relieve CONTRACTOR of its liability obligations under this Agreement.

CONTRACTOR shall maintain during the term of this Agreement, Comprehensive General Liability Insurance in the amount of \$300,000 per occurrence to protect CONTRACTOR from claims for damages for bodily injury, including wrongful death as well as from claims of property damage caused by CONTRACTOR'S operations or by anyone directly employed by or contracting with CONTRACTOR.

CONTRACTOR shall maintain, during the term of this Agreement, Comprehensive Automobile Insurance in the amount of \$100,000 per person for bodily injury and property damage liability and \$300,000 per occurrence, to protect CONTRACTOR from claims for damages for bodily injury, including death as well as from claims for property damage, which may arise from the ownership, use or maintenance of owned and non-owned automobiles whether such operations are by the CONTRACTOR or by anyone directly or indirectly employed by the CONTRACTOR.

CONTRACTOR shall maintain, during the term of this Agreement, Worker's Compensation Insurance and Employer's Liability Insurance in at least such amounts as are required by law for all of it's

employees (if three or more) per Florida Statute 440.02.

CONTRACTOR shall maintain Fire and Extended Coverage Insurance for Building Construction Projects only including vandalism and malicious mischief, to protect the COUNTY and the CONTRACTOR in an amount not less than the Contract amount.

All insurance other than Worker's Compensation required herein to be maintained by CONTRACTOR shall specifically name the COUNTY as an "Additional Insured".

4.3.2.4 All required FDEP and other permits are to be obtained by IBSCO prior to the commencement of any work by the Contractor;

4.3.2.5 The price for the Interconnection work shall not exceed \$ 178,670.00 (one hundred and seventy eight thousand and six hundred and seventy dollars) which shall include engineering, construction, permitting and financing costs;

4.3.2.6 Inspection and testing of the Interconnection after completion by both the County and IBSCO and their respective designees and prompt repair by the Contractor of any Interconnection work that fails any such test or inspection; and

4.3.2.7 Certification of the contractor that all subcontractors, laborers, materialmen, and material suppliers have been paid and that there are no liens, claims, security interests or encumbrances in favor or same with respect to the Interconnection work at the time of final completion of the Interconnection work.

4.3.3 All time and materials invoices, together with any other invoices of the Contractor constructing the Interconnection; the detailed invoices of the engineer who designed the Interconnection; all permitting costs associated with the Interconnection; proof of financing costs and a certification from the project engineer for the Interconnection with respect to the total costs of the Interconnection shall be submitted to the County at least fourteen (14) days prior to Closing so that the County may review same to determine the final amount of the Purchase Price. The final price for the interconnect shall be a minimum of \$160,170.00 and a maximum of \$178,670.00.

4.3.4 Following completion of Interconnection, the hydrants shall be flow tested in the presence of designees of the County and IBSCO, and the results of such flow testing shall be satisfactory to the County in its sole discretion. Each party shall bear its respective costs for such joint testing and there shall be no increase in the Purchase Price due to such testing. If the results are not satisfactory to the County, the deficiencies shall promptly be remedied by IBSCO at its sole cost and expense with no increase in the Purchase Price.

4.4 The construction of the water and wastewater infrastructure located in Phase IV of Jensen Park Estates, and associated with the CFC credits shall be designed, permitted, and built at the sole cost and expense of C & D, in accordance with Martin County Minimum Design & Construction Standards dated June 1992 and Revised October 1992.

4.5 In accordance with Section 31-48 of the Martin County Code of Laws and Ordinances, IBSCO shall have installed at its sole cost and expense, a County approved backflow meter at the master meter located in Savannas Club. There shall be no increase in the Purchase Price attributable to the installation of such backflow meter.

4.6 IBSCO shall perform or cause to be performed the Decommissioning as soon as practicable after the Closing Date as follows:

4.6.1 The Decommissioning shall be done by an appropriately licensed contractor under the laws of the State of Florida in accordance with a written contract by and between IBSCO and such contractor that provides for the following:

4.6.1.1 Insurance of the types and in the amounts as described in paragraph 4.3.2.3;

4.6.1.2 All required FDEP and other permits are to be obtained by IBSCO prior to the commencement of any Decommissioning work by the Contractor;

4.6.1.3 Inspection and testing of the Decommissioning after completion by both the County and IBSCO and their respective designees and prompt repair by the Contractor of any Decommissioning work that fails any such test or inspection.

4.6.2 Following completion of Decommissioning, the area shall be inspected in the presence of designees of the County and IBSCO, and the results of such inspection shall be satisfactory to the County in its sole discretion. After the

County is satisfied with the results of such inspection, the County shall send a County check in the amount of twenty thousand dollars (\$20,000.00) to IBSCO as set forth in paragraph 3.3(4).

4.7 A Phase I Environmental Property Assessment prepared by Fraser Environmental on Parcel F of Jensen Park Estates dated September 8, 1997 as shown in Exhibit(F) attached hereto and by this reference made a part hereof, has been delivered to and accepted by the County

4.8 IBSCO shall have obtained the written approval of the Florida Public Service Commission for transfer of the Purchased Assets from IBSCO to the County. IBSCO agrees to pay all fees and costs incurred by IBSCO incident to such dealings with the Florida Public Service Commission. It is agreed that County shall apply every reasonable effort to cooperate with IBSCO to obtain approval from the Florida Public Service Commission and will render all reasonable assistance to IBSCO necessary to obtain such approval.

4.9 Event of Default. Unless the time of performance is extended or waived in writing by the County, it shall be an event of default if IBSCO, C & D or the County fail timely to perform in accordance with any of the conditions precedent and contingencies set forth in this Agreement. In such event, either IBSCO or C & D or the County at such party's sole option, may terminate this Agreement with no liability to other parties.

SECTION 5. TITLE MATTERS.

5.1 Status of Title. Contemporaneously with or before the execution of this Agreement by IBSCO and the County, IBSCO at the sole cost and expense of IBSCO shall deliver to the County an

ALTA Form B title commitment for the real property and Easements being sold by IBSCO under this Agreement as set forth on Exhibits A and B, respectively. The commitment for an Owner's ALTA Form B title insurance policy in favor of the County shall be in the amount of \$110,507.00. The policy shall be written on Attorneys' Title Insurance Fund or such other underwriter as the County may approve. IBSCO shall bear the cost of the title insurance policy.

5.2 Exception of Title. The Commitment shall show IBSCO to be (i) vested with fee simple title to the Property shown on Exhibit A and (ii) vested with valid easement interests for the Property described on Exhibit B, subject only to following (the "Permitted Exceptions"):

(1) Ad valorem real estate taxes and assessments for the year 1997 and subsequent years;

(2) Restrictions set out in the recorded plats of subdivisions covered by the System;

(3) Easements for utilities and drainage set out in such recorded plats of subdivisions; provided, however, that none of the restrictions or easements set out in such recorded plats or subdivisions shall prevent, hinder or restrict the present use of the Property;

(4) Restrictions of record (except liens, encumbrances, or mortgages) that do not impair, restrict, or inhibit the present use of or improvement to the Property as permitted by applicable zoning and land use regulations presently in effect and that are not coupled with a forfeiture or reversionary provision; and

(5) All laws, ordinances, and governmental regulations, including, but not limited to, all applicable building, zoning, land use and environmental ordinances, regulations, restrictions, prohibitions and other requirements, none of which will prevent or hinder the present use of the Property.

5.3 Status of Title. The County shall have thirty (30) days from receipt of the Commitment within which to examine same. If the County finds title, as shown on the Commitment, to be defective (i.e., matters which render title unmarketable in accordance with title standards adopted by The Florida Bar and that are not Permitted Exceptions), the County shall, no later than the expiration of such 30 (thirty) day period, notify IBSCO in writing specifying the defect(s). If the County has given IBSCO timely written notice of defect(s) and the defect(s) render the title other than as required by this Agreement, IBSCO shall use all reasonable efforts to cause such defect(s) to be cured by the Closing Date, provided, however, that in no event shall IBSCO be required to bring suit or to expend any sum in excess of one hundred thousand dollars (\$100,000.00) in the aggregate to cure title defects, exclusive of mortgages or other monetary liens against the Property which are in a liquidated amount and which IBSCO has the obligation to discharge on or before Closing under the terms of this Agreement. In the event that defects are timely raised by the County and IBSCO, after exercising all reasonable efforts, cannot cure same prior to the Closing Date, then, in that event, the County shall have the right: i) to purchase the Property

in its then existing condition of title with a reduction in Purchase Price based upon the cost to cure the title defect of the Property; or ii) to rescind and terminate this Agreement without liability by either party to the other. Notice of such election shall be given by the County to IBSCO, in writing, as contemplated in this Agreement, within thirty (30) days after receipt from IBSCO of written notice to the County that such title defects cannot be cured prior to the Closing Date.

SECTION 6. REPRESENTATIONS AND WARRANTIES OF IBSCO. IBSCO and C & D each represent and warrant to the County that, as of the Closing Date:

6.1 Organization, Standing and Power. IBSCO and C & D are each corporations, duly organized, validly existing, and in good standing under the laws of the State of Florida. IBSCO and C & D each have all requisite power and authority to own and operate their respective properties, the Purchased Assets, and the System, and to conduct their respective businesses as same are currently being conducted.

6.2 Authority for Agreement. IBSCO and C & D each have the power and authority to execute and deliver this Agreement and to carry out their respective obligations hereunder. This Agreement: has been duly authorized by all action required to be taken by each of IBSCO and C & D; has been duly executed and delivered by each of IBSCO and C & D; and constitutes a valid and binding obligation of each of IBSCO and C & D, enforceable in accordance with its terms.

6.3 Good and Marketable Title. Subject to the Permitted

Exceptions, each of IBSCO and C & D have good and marketable title to the Purchased Assets.

6.3.1 At Closing, IBSCO and, as applicable, C & D shall deliver Warranty Deeds for all of the real property shown on Exhibit A. IBSCO and, as applicable, C & D represent and warrant that there are no deed restrictions which are coupled with a reverter or re-entry clause and that title is not based upon a tax deed, or if based upon a tax deed, that the title has been duly quieted by suit.

6.3.2 IBSCO shall transfer, convey and assign to the County at Closing an enforceable Easement interest for each of the Easement parcels shown on Exhibit B so that the present use of the Easement parcels may be continued by the County for the operation of the System. The Easement interests shown on Exhibit B conveyed to the County shall not be subordinate to any superior interests which could result in the County losing the right to use the Easement parcel for utility purposes. Any such superior interests shall be deemed a title defect under paragraph 5.3 hereof and shall be cured by IBSCO as set forth in that paragraph. The parties acknowledge the easements in Jensen Park Villas may be encumbered. IBSCO shall not be obligated to pay those encumbrances. If the mortgagees decline to subordinate their mortgage at no cost, then either the County can accept title with the encumbrances or IBSCO may elect to pay for the subordination. If neither of these events occur, any party may terminate this Agreement. At Closing, IBSCO shall assign to the County all of its Easement interests in the Property regardless of whether such

Easement is listed on Exhibit B. Such form of assignment shall be satisfactory to the County.

6.4 No Liens or Encumbrances. Except as otherwise specifically set forth in this Agreement or as may be released prior to the Closing Date, there are no mortgages, liens, claims or encumbrances of any type or nature upon or against the Purchased Assets including, but not limited to, mortgages, financing statements, or security instruments filed under the Uniform Commercial Code either in the county where the Property is located or with the Secretary of State. To the best of IBSCO's and C & D's knowledge, after full investigation, there are no restrictions or conditions of record which would affect the use of the System or the Purchased Assets described in Exhibit A and there are no off-record or undisclosed legal or equitable interests in the Purchased Assets owned or claimed by any other person, firm, corporation or other entity.

6.5 Litigation. There are no actions, suits, or proceedings at law or in equity, pending against IBSCO or C & D before any federal, state, municipal or other court, administrative or governmental agency or instrumentality, domestic or foreign, which affect the System or any of the Purchased Assets or IBSCO's or C & D's right and ability to enter into, make and perform this Agreement; nor are IBSCO or C & D aware of any facts which to its knowledge are likely to result in any such action, suit or proceedings. Except as set forth in Exhibit H attached hereto and by this reference made a part hereof, IBSCO is not in default with respect to any order or decree of any court or of any

administrative or governmental agency or instrumentality affecting the System or any of the Purchased Assets. Each of IBSCO and C & D acknowledge and warrant that each shall have a continuing duty to disclose up to and including the Closing Date the existence and nature of all pending judicial or administrative suits, actions, proceedings, and orders which in any way relate to the operation of the System of the Purchased Assets. There are no attachments, executions, assignments for the benefit of creditors, or voluntary or involuntary proceedings in bankruptcy (or under any other debtor relief laws) contemplated by or threatened against IBSCO or C & D or the Purchased Assets which would adversely affect IBSCO's or C & D's interest in the Purchased Assets or the County's title to the Purchased Assets subsequent to the Closing.

6.6 Customer Deposits. There are no customer deposits with respect to the System.

6.7 No Governmental Violations. There are no violations of any governmental rules, regulations, permitting conditions or other governmental requirements applicable to the ownership, maintenance or operation of the System except as set forth on Exhibit H.

6.8 Absence of Changes. After the date of the execution of this Agreement, neither IBSCO nor C & D shall:

(1) undergo any change in its condition or properties, assets, liabilities, business or operations other than changes in the ordinary course of business which are not, either in any case or in the aggregate, materially adverse to the operation of the System;

Each of IBSCO and C & D shall indemnify the County from and hold the County harmless against any and all claims, demands, costs, losses or liabilities, damages and expenses, including legal fees, paid or incurred by the County as a result of IBSCO's or C & D's representations or warranties being false, or IBSCO's or C & D's failure to adequately and timely perform any covenant.

6.11 FIRPTA. Neither IBSCO nor C & D are a "foreign person" within the meaning of the United States tax laws and to which reference is made in Section 1445 (b) (2) of the Internal Revenue Code. On the Closing Date, IBSCO and C & D shall each deliver to the County a certificate to such effect.

6.12 No materials which would constitute "Hazardous Wastes", "Hazardous Substances", "Hazardous Material", "Pollutants", "Toxic Substances", "Solid Wastes", or "Contaminants" (as such terms are defined by any applicable law, ordinance, rule, prohibition or regulation, including but not limited to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, the Hazardous Materials Transportation Act, the Resource Conservation Recovery Act, the Toxic Substances Control Act, the Clean Air Act, as amended, the Federal Water Pollution and Control Act, as amended, or their Florida equivalents) with the respect to air, water or environmental conditions are located on, beneath or about the Purchased Assets; the Purchased Assets have not been used for the generation, treatment, storage or disposal of any of the aforementioned materials, nor has there been any release or discharge of any of the aforementioned materials on, beneath or from the Purchased

Assets in excess of the amounts allowed by law or regulation; there are no threatened or pending investigations concerning the Purchased Assets by any Florida or federal agency charged by law with the enforcement of any environmental law or regulation; the Purchased Assets are not now being used and have not been used in the past in any manner which violated any Florida or federal environmental law or regulation; and there are no underground storage tanks located in, on, at or under the Purchased Assets.

6.13 No wetland areas of the Purchased Assets portion of the System have been filled without appropriate permits.

SECTION 7. CONDUCT PENDING CLOSING. IBSCO and C & D each covenant that prior to the Closing Date:

7.1 Business Conduct. Except as otherwise consented to in writing by the County, whose consent shall not be unreasonably withheld, for the period beginning on the date of the execution of this Agreement and ending on the Closing Date, IBSCO and C & D each shall:

(1) operate the System in, and only in, the usual, regular and ordinary course and fully comply with all applicable governmental requirements and laws;

(2) maintain all of the System's structures, equipment, permits and other tangible personal property in good repair, order and condition, except for depletion, depreciation, ordinary wear and tear and damage by unavoidable casualty;

(3) keep in full force and effect insurance comparable in amount and scope of coverage to insurance now carried by it for the System;

(4) perform in all material respects all of its obligations under any and all agreements, contracts, and instruments relating to or affecting the System's properties, assets and operation;

(5) subject to available administrative remedies pursuant to Chapter 120, Florida Statutes, or any administrative judicial procedures or proceedings applicable to particular permits, comply in all material respects with all statutes, laws, ordinances, rules and regulations applicable to it and to the operation of the System;

(6) promptly advise the County, in writing, of any material change which adversely affects the operation of the System;

(7) not enter into any transaction, including without limitation, the purchase, sale or exchange of the Purchased Assets or any other property which relates to the System, the value of which exceeds five thousand dollars (\$5,000.00) except in furtherance of this Agreement;

(8) subject to available administrative remedies pursuant to Chapter 120, Florida Statutes, or any administrative or judicial procedures or proceedings applicable to particular permits, comply with any and all System permit requirements including but not limited to, the consumptive use permit and seek to obtain all necessary permit extensions or renewals so that such permits are valid, extended or subject to a request for an extension as of the Closing Date;

(9) provide copies of all correspondence to and

from the South Florida Water Management District in connection with the consumptive use permit and the operation of the System; and

(10) provide copies of all correspondence to and from the Florida Department of Environmental Protection in connection with the operation of the System.

7.2 Risk of Loss. IBSCO and C & D each shall bear the risk of loss, damage or destruction of the Purchased Assets by fire or other casualty prior to the Closing. If any portion of the Purchased Assets is damaged by fire, act of God or other casualty before the Closing Date, IBSCO and C & D shall immediately notify the County and the County shall have the option of (1) proceeding to Closing and taking the Purchased Assets as is, without reduction in price, together with IBSCO's and C & D's assignment to the County of all rights under its insurance policies and all of the insurance proceeds, if any; 2) proceeding to Closing and taking the Purchased Assets, as is, with a reduction in Purchase Price based upon a percentage allocation of the Purchase Price derived by comparing the net book value of the Purchased Assets destroyed to the net book value of the System and IBSCO and C & D shall maintain all rights under its insurance policies and to all of the insurance proceeds; or (3) terminate this Agreement with no liability to IBSCO or C & D.

7.3 No Encumbrances. From and after the date of the execution of this Agreement, neither IBSCO nor C & D will, without the prior written consent of the County, which consent shall not be unreasonably withheld, dispose of or encumber any of the Purchased Assets.

7.4 Access to Records. IBSCO and C & D each will at all times cooperate by providing reasonable access, upon prior written notice (not less than forty-eight (48) hours in advance), to their records and facilities for inspection to assist in acquainting the County's operating and administrative personnel in the operation of the System; provided, however, that no such inspection shall materially interfere with the operation of the System or the day to day activities of IBSCO's personnel.

7.5 Performance of Closing Conditions. IBSCO and C & D each shall perform all of the conditions to Closing which should be performed by IBSCO and C & D prior to the Closing Date as provided herein.

7.6 Insurance. Prior to the Closing Date, IBSCO and C & D shall maintain adequate fire and extended coverage insurance to cover the cost of any repairs to the Purchased Assets that may be required by casualty damage.

7.7 Examination and Inspection. IBSCO and C & D shall each permit reasonable examination by the County's authorized representatives of all existing contractual obligations, physical systems, assets, real estate, rights-of-way, easements and inventories which are utilized by IBSCO in connection with the System. No such examination by the County's authorized representatives shall materially interfere with IBSCO's or C & D's operations of the System or the day to day operations of IBSCO's or C & D's personnel. IBSCO shall make these assets and records available for examination by the County's authorized representatives at reasonable times and upon prior written notice

(not less than forty-eight (48) hours in advance) from the County. Such facilities will be properly maintained by IBSCO and C & D within the custom and usage of the water and wastewater industry in Florida until the Closing Date.

SECTION 8. REPRESENTATIONS AND WARRANTIES OF THE COUNTY.

The County represents and warrants to IBSCO and C & D, as follows:

8.1 Organization, Standing and Power of the County. The County is a political subdivision of the State of Florida, validly existing under the laws of the State of Florida and has all requisite power and authority to enter into, execute and deliver this Agreement, to own and lease real and personal property, and to carry out and perform the terms and provisions of this Agreement.

8.2 Authority for Agreement. The County has held all of the necessary public hearings to authorize the County's purchase of the System pursuant to and in accordance with the terms of this Agreement. This Agreement has been duly authorized by all action required to be taken by the County, has been duly executed and delivered by the County, and constitutes a valid and legally binding obligation of the County, enforceable in accordance with its terms.

8.3 Disclosure. No representation or warranty made by the County, to the best of the County's knowledge, in this Agreement contains or will contain any untrue statement or material facts or omits or will omit to state any material fact required to make the statements herein contained not misleading.

8.4 Litigation. There are no actions, suits, or proceedings at law or in equity, pending against the County before

any federal, state, municipal or other court, administrative or governmental agency or instrumentality, domestic or foreign, which affect the County's ability to enter into and perform this Agreement. The County shall have the continuing duty to disclose up to and including the Closing Date the existence and nature of all pending judicial or administrative suits, actions, proceedings, and orders which in any way relate to its ability to perform its obligations under the Agreement.

8.5 Performance of Closing Conditions. The County shall perform all of the conditions for Closing which should be performed by the County prior to the Closing Date as provided herein.

8.6 Survival of Covenants. The County agrees that its representations and warranties set forth herein are true and correct as of the date of the execution hereof, shall be true and correct at the time of the Closing Date, but shall only survive for three (3) years following the Closing Date.

SECTION 9. ASSIGNMENT. The County, IBSCO and C & D agree that this Agreement may not be assigned, in whole or in part, by IBSCO or C & D that any such attempted or purported assignment shall be void and shall be grounds for the County to terminate this Agreement without liability to IBSCO or C & D. The County may assign this Agreement in whole without IBSCO's or C & D's consent at any time to any entity that is a municipal, governmental, quasi-governmental, cooperative, or non-profit authority or corporation. Nothing herein shall be construed as creating any personal liability on the part of any officers, or agent of the County who may be a party hereto.

SECTION 10. CLOSING. As used in this Agreement, references to "a closing", the "closing" or "day of closing" shall mean the Closing of the purchase and shale contemplated by this Agreement. Provided that all conditions precedent and contingencies to Closing have been so performed or have occurred or been waived in accordance with the terms of this Agreement, the place of Closing shall be in Martin County at the Martin County Administration Building, County Attorney's office, 4th floor, 2401 SE Monterey Road, Stuart, Florida, and such Closing shall occur on or before April 15, 1998 (the "Closing Date"), beginning at 9:00 a.m. or at such earlier date or time as the parties mutually agree to in writing. Immediately following the Closing Date, the County shall have full right to the possession of all of the Purchased Assets wherever the same may be located.

SECTION 11. CLOSING DOCUMENTS AND PROCEDURES.

11.1. Deliveries from IBSCO and C & D. The following documents shall be delivered by IBSCO and C & D to the County at a preclosing meeting to be held at least two weeks prior to the Closing Date but shall be executed on the Closing Date:

11.1.1 Warranty deeds in recordable form to all of the Property owned by IBSCO and C & D as described in Exhibit A conveying to the County all of IBSCO's and c & D's right, title and interest in all such Property and warranting that such Property is free and clear of all liens, claims and encumbrances other than Permitted Exceptions, as that term is defined in paragraph 5.2 hereof.

11.1.2 Instruments of conveyance, in recordable

form, of all the Easements as described in Exhibit B conveying to the County all of IBSCO's right, title and interest in all such property, together with all utility improvements thereto, and warranting that such easement rights and rights to use dedicated rights-of-way are free and clear of all liens, security, interests, encumbrances, leasehold interests, charges, options, covenants or restrictions other than Permitted Exceptions, as that term is defined herein;

11.1.3 Absolute assignment by IBSCO and C & D of all other interests in the Purchased Assets, together with an absolute assignment of all contracts, agreements, permits and approvals provided for herein;

11.1.4 Bills of sale or other documents of assignment and transfer, with full warranties of title, to all Purchased Assets other than those assets covered by paragraphs 11.1.1, 11.1.2, and 11.1.3 hereof;

11.1.5 All business records sold to the County hereby;

11.1.6 All permits, governmental authorizations and approvals, together with transfer approvals from any and all agencies that have issued such permits, authorizations, and approvals;

11.1.7 Standard no-lien affidavit in a form required by the title company as to realty and personalty ensuring against any liens, claims or encumbrances upon the Purchased Assets;

11.1.8 A "non-foreign" affidavit or certificate

pursuant to Section 1445 of the Internal Revenue Code; and

11.1.9 A ALTA Form B Title Policy insuring title to the Property and the Easements dated the date of Closing in accordance with Section 5 of this Agreement.

11.2. Deliveries from the County. On the Closing Date, the County shall pay the Purchase Price as set forth in paragraph 3.1 of this Agreement, reduced as set forth in this Agreement. The County shall also deliver at the preclosing meeting, the form of an assumption of the agreements set forth in paragraph 2.1.8 of this Agreement, an assumption of the leases, permits, agreements, approvals and other interests in the Purchased Assets being assigned by IBSCO, and a certified copy of a resolution of the Martin County Board of County Commissioners approving the transaction. Such documents, other than the resolutions, shall be executed on the Closing Date. The assignments and assumptions being prepared by the parties may be incorporated in one document at the convenience of the parties.

SECTION 12. RESPONSIBILITY FOR PROFESSIONAL FEES AND COSTS. Each party hereto shall be responsible for its own attorneys' fees, engineering fees, consulting fees and other costs in connection with the preparation and execution of this Agreement and the Closing of the transaction contemplated herein.

SECTION 13. COMMISSIONS. IBSCO, C & D and the County each warrant to the other that the transaction contemplated by this Agreement is a direct, private transaction among IBSCO, C & D and the County without the use of a broker or commissioned agent.

SECTION 14. FURTHER ASSURANCES. Each of the parties hereto

agrees that, from time to time, upon the reasonable request of the other party and at the expense of the requesting party, with no change in the Purchase Price, it shall execute and deliver to the requesting party any and all further instruments, affidavits, conveyances and transfers as may be reasonably required to carry out the provisions of this Agreement.

SECTION 15. NOTICES; PROPER FORM. Any notices required or allowed to be delivered hereunder shall be in writing and may either be (1) hand delivered, (2) sent by recognized overnight courier (such as Federal Express) or (3) mailed by certified or registered mail, return receipt requested, in a postage prepaid envelope, and addressed to a party at the address set forth opposite the party's name below, or at such other address as the party shall have specified by written notice to the other party delivered in accordance herewith:

COUNTY:

County Administrator
Martin County
2401 SE Monterey Road
Stuart, Florida 34996

with a required
copies to:

County Attorney
2401 SE Monterey Road
Stuart, Florida 34996

County Utilities Director
P.O. Box 9000
Stuart, Florida 34995-9000

C & D &
IBSCO:

C & D Contractors, Inc. and
IBSCO, Inc.
P.O. Box 365
Jensen Beach, Florida 34958

with a copy to:

John E. Prewitt, Esq.
Oughterson, Oughterson, Prewitt &
Sundheim, P.A.

310 S.W. Ocean Boulevard
Stuart, Florida 34994-2007

Notices personally delivered by hand or sent by overnight courier shall be deemed given on the date of delivery and notices mailed in accordance with the foregoing shall be deemed given within three (3) days after deposit in the U.S. Mail.

SECTION 16. NO INTERFERENCE WITH EMPLOYMENT. IBSCO will not interfere with the County hiring the present operational staff of the System. The County has an interest in and shall use its best efforts in retaining the sole employee of IBSCO presently working in the System on the terms and conditions set forth in the Memorandum of Understanding dated October 1, 1996.

SECTION 17. ENTIRETY OF CONTRACT; AMENDMENT. This Agreement incorporates and includes all prior and contemporaneous negotiations, correspondence, conversations, agreements, and understandings applicable to the matters contained herein and the parties agree that there are no commitments, agreements or understandings concerning the subject matter of this Agreement that are not contained in this Agreement. Accordingly, it is agreed that no deviation from the terms hereof shall be predicated upon any prior or contemporaneous representations or agreements, whether oral or written. It is further agreed that no modification, amendment or alteration in the terms and conditions contained herein shall be effective unless contained in a written document executed with the formality and of equal dignity herewith.

SECTION 18. PLEDGE OF CREDIT. Neither IBSCO nor C & D shall pledge the County's credit or make the County a guarantor of

payment or surety for any contract, debt, obligation, judgment, lien or any form of indebtedness.

SECTION 19. DISCLAIMER OF THIRD PARTY BENEFICIARIES. This Agreement is solely for the benefit of the named parties herein, and no right or cause of action shall accrue upon or by reason hereof, to or for the benefit of any third party not a named party hereto.

SECTION 20. BINDING EFFECT. All of the provisions of this Agreement shall be binding upon and inure to the benefit of and be enforceable by the legal representatives, successors and nominees of the County and IBSCO.

SECTION 21. TIME OF THE ESSENCE. Time is hereby declared of the essence in the performance of each and every provision of this Agreement.

SECTION 22. APPLICABLE LAW. This Agreement shall be construed, controlled, and interpreted according to the laws of the State of Florida and any and legal action instituted because of this Agreement shall be initiated in Martin County.

SECTION 23. Availability of Funds. The obligations of the County under this Agreement are subject to the availability of funds lawfully appropriated by the Board of County Commissioners of Martin County.

SECTION 24. RADON GAS. RADON IS A NATURALLY OCCURRING RADIOACTIVE GAS THAT, WHEN IT HAS ACCUMULATED IN A BUILDING IN SUFFICIENT QUANTITIES, MAY PRESENT HEALTH RISKS TO PERSONS WHO ARE EXPOSED TO IT OVER TIME. LEVELS OF RADON THAT EXCEED FEDERAL AND STATE GUIDELINES HAVE BEEN FOUND IN BUILDINGS IN FLORIDA.

ADDITIONAL INFORMATION REGARDING RADON AND RADON TESTING MAY BE OBTAINED FROM YOUR COUNTY PUBLIC HEALTH UNIT.

SECTION 25. MISCELLANEOUS.

25.1. All of the parties to this Agreement have participated fully in the negotiation and preparation hereof, and, accordingly, this Agreement shall not be strictly construed against any one of the parties hereto.

25.2. Except for the provisions of Section 3 and Section 11.1 hereof, in the event any term or provision of this Agreement be determined by appropriate judicial authority to be illegal or otherwise invalid, such provision shall be given its nearest legal meaning or be construed as deleted as such authority determines, and the remainder of this Agreement shall be construed to be in full force and effect.

25.3. In the event of any litigation between the parties under this Agreement, the prevailing party shall be entitled to reasonable attorney's fees and court costs at all trial and appellate levels.

25.4. In construing this Agreement, the singular shall be held to include the plural, the plural shall be held to include the singular, the use of any gender shall be held to include every other and all genders, and captions and paragraph headings shall be disregarded.

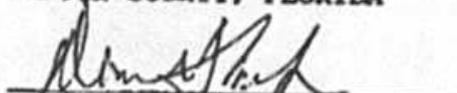
25.5. This Agreement may be executed in several counterparts, but each such counterpart shall be deemed an original, but all such counterparts will constitute only one agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year first above written.

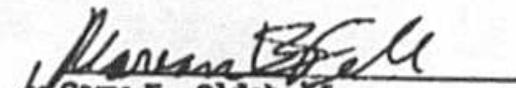
Attest


Marsha Stiller, Clerk

BOARD OF COUNTY COMMISSIONERS
MARTIN COUNTY, FLORIDA

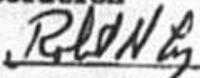

Donna Sutter Melzer, Chair

Approved as to form and
correctness


Gary K. Oldenhoff
County Attorney



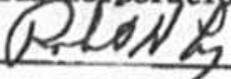
IBSCO, INC., a Florida
Corporation

By: 
Title: Vice President

[Corporate Seal]



C & D CONTRACTORS, INC., a
Florida Corporation

By: 
Title: President

[Corporate Seal]

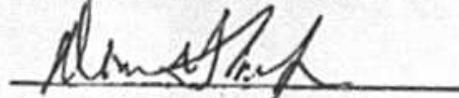


IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year first above written.

Attest

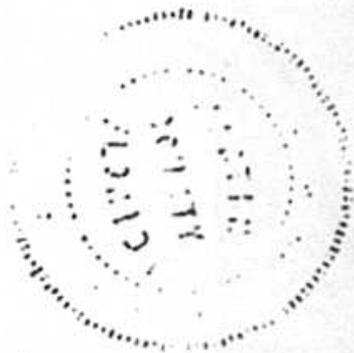

Marsha Stiller, Clerk

BOARD OF COUNTY COMMISSIONERS
MARTIN COUNTY, FLORIDA

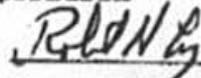

Donna Sutter Melzer, Chair

Approved as to form and
correctness


Gary K. Oldehoff
County Attorney



IBSCO, INC., a Florida
Corporation

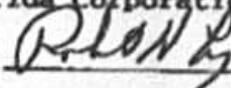
By: 

Title: Vice President

[Corporate Seal]



C & D CONTRACTORS, INC., a
Florida Corporation

By: 

Title: President

[Corporate Seal]





MARTIN COUNTY - STUART, FL

HOME	SEARCH	SURVEYS	EVENTS
HOT TOPICS	GUEST BOOK	WHAT'S NEW	

"Character Counts!" in Martin County

RECEIVED
 APR 14 1999
 Florida Public Service Commission
 Division of Water and Wastewater

SYSTEM MAINTENANCE: 4/9/99 @ 5:30 pm (ET) This will cause two brief 15-20 minute disruptions of service that evening; one around 5:30 and the other about three hours later.

MEMO: cv198a.025 MEETING DATE: January 27, 1998 PLACEMENT: Public Hearing
 DUE DATE: January 12, 1998 PRESET: 1:30 PM

WORDING: 6 _____

IBSCO UTILITIES ACQUISITION

REQUESTED BY: ENVIRONMENTAL SERVICES PREPARED BY:
 John Polley John Polley, Acting Utilities Director John Polley
 DOCUMENT(S) REQUIRING ACTION: Water and Sewer Asset Purchase and Sale Agreement

BACKGROUND

Pursuant to Board action taken on August 27, 1996 and May 13, 1997, staff has been evaluating the purchase of IBSCO Utilities. To that end staff, with the assistance of consultants, has negotiated a water and sewer asset purchase and sale agreement for the acquisition of the utility. Pursuant to the agreement the County will acquire the water distribution system, the wastewater collection system, two water production wells and a small parcel of land. The on-site water and wastewater package plants will be dismantled and removed. The customers will receive service from Martin County's regional treatment facilities.

IBSCO Utilities will correct deficiencies identified during the due diligence period and construct improvements to physically connect the water and wastewater systems of the IBSCO system with the County's Consolidated System.

GENERAL ACQUISITION TERMS

1. An acquisition price equal to \$650,000 which would allow the County to acquire the utility on an "as-is" basis.
2. An amount of \$45,000 to correct identified deficiencies in the gravity collection system.
3. An amount not to exceed \$178,670 to offset the Capital Cost for connection of the IBSCO system to the County's Consolidated System.
4. A listing of payment provisions which call for the following:

- a) A cash payment not to exceed \$537,670.00 paid to the seller at the time of acquisition.
- b) The receipt of Capital Facility Charge credits for 105 Equivalent Residential Connections anticipated to be constructed by the seller as a result of the expansion of the service area.
(\$336,000)

ISSUES

125.3401 Statement

Any potential public acquisition of a private utility is governed by Section 125.3401 of the Florida Statutes which state:

125.3401 Purchase or sale of water or sewer utility by county. No county may purchase or sell a water or sewer utility that provides service to the public for compensation, until the governing body of the county has held a public hearing on the purchase or sale and made a determination that the purchase or sale is in the public interest, the county shall consider, at a minimum, the following:

1. The most recent available income and expense statement for the utility;
2. The most recent available balance sheet for the utility, listing assets and liabilities and clearly showing the amount of contributions in-aid-of-construction and the accumulated depreciation thereon;
3. A statement of the existing rate base of the utility for regulatory purposes;
4. The physical condition of the utility facilities being purchased or sold;
5. The reasonableness of the purchase or sales price and term;
6. The impacts of the purchase or sale on utility customers, both positive and negative;
7. Any additional investment required and the ability and willingness of the purchaser to make that investment, whether the purchaser is the county or the entity purchasing the utility from the county;
8. The alternatives to the purchase or sale and the potential impact on utility customers if the purchase or sale is not made; and
9. The ability of the purchaser to provide and maintain high quality and cost effective utility service, whether the purchaser is the county or the entity purchasing the utility from the county.

The County's consultant has prepared a statement showing that the purchase is in the public interest, including a summary of the County's experience in water and sewer utility operation and a showing of the financial ability to provide the service. The briefing document provides a summary of the above considerations and is attached. In addition a staff prepared background document is attached which gives a history of the project.

Utility staff met with the homeowners on October 21, 1996 and February 24, 1997 and January 12, 1998 to discuss the purchase. In general, the homeowners appear to support the purchase. In addition each customer of the IBSCO utility was mailed notice of the hearing.

RECOMMENDED ACTION

Recommendation

a. Staff recommends that the Board of County Commissioners authorize the Chair to execute the Water and Sewer Asset Purchase and Sale Agreement for the acquisition of IBSCO Utilities after receiving public comment.

Alternative #1

a. As an alternative the Board may modify or reject the purchase and sale agreement.

Alternative #2

a.

Alternative #3

a.

FISCAL IMPACT

Recommendation

Based on the evaluation of staff and consultants the acquisition will result in an increase in expenses and revenue to the County's Consolidated Utility System.

#183; Estimated increase in total direct operating expenses \$120,069.00

#183; Estimated increase in sales revenue \$257,567.00

#183; Estimated increase in net revenue \$137,498.00

#183; Estimated timeframe to recover cost of acquisition 6.35 years

Alternative #1

Alternative #2

Alternative #3

APPROVAL

COUNTY ADMINISTRATOR COUNTY ATTORNEY DCA EVT

ATTACHMENTS

a. none

SUGGESTED REFERENCE MATERIAL

Related Memos

none

Previous Agenda Items

05-13-97 utd97a.037 801