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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of County Commissioners
Lee County, Florida

We have performed the procedures enumerated below, which were agreed to by Lee County, Florida, through its Clerk of the Circuit Court (the County and the specified parties), on the accompanying Solid Waste Management Facility Letter from the Chief Financial Officer to demonstrate financial assurance for closing and long-term care costs prepared in accordance with Rule 62-701.630(6), F.A.C. (the "Letter") as of September 30, 2018. The County's management is responsible for the Letter. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

The procedures and the associated findings are as follows:

1. We read and understand the requirement for the financial test as found in Title 40, *Protection of Environment*, Chapter 1, *Environmental Protection Agency*, Part 264 *Standards for Owners and Operators of Hazardous Waste Treatment, Storage, and Disposal Facilities*, 40 CFR 264.143(f)(3) and (5), *Financial Assurance for Closure*, and 40 CFR 264.145(f)(3) and (5) *Financial Assurance for Post-Closure Care*;
2. We compared the data which the Letter, entitled *State of Florida Solid Waste Facility Financial Test (Letter from the Chief Financial Officer)* [DEP Form 62-701.900(5)(e)], specifies as having been derived from the independently audited year-end financial statements as of and for the year ended September 30, 2018 (the latest fiscal year) with the amounts in such financial statements. This letter is signed by Linda Doggett, Clerk of the Circuit Court, on March 25, 2019; and
3. In connection with procedure number 2, no matters came to our attention which caused us to believe that the specified data should be adjusted.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an audit or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Letter. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of Lee County, Florida, and is not intended to be, and should not be, used by anyone other than the specified parties.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Fort Myers, Florida
March 25, 2019

**STATE OF FLORIDA
SOLID WASTE FACILITY FINANCIAL TEST
(LETTER FROM CHIEF FINANCIAL OFFICER)**

Director, Division of Waste Management
Florida Department of Environmental Protection

The term "Required Action," as used in this document means closing, long-term care, or corrective action, or any combination of these, which is checked below. The term "Firm" shall mean the legal or government entity whose chief financial officer is completing this letter.

Check Appropriate Box(es): ☒ Closing ☒ Long-Term Care ☐ Corrective Action

I am the chief financial officer of Lee County Board of County Commissioners
Name of Firm
P.O. Box 9366 Fort Myers, FL 33902
Business Address

This letter is in support of this firm's use of the financial test to demonstrate financial assurance, as specified in Subpart H of 40 CFR Part 264, as adopted by reference in Rule 62-701.630, Florida Administrative Code (F.A.C.).

Fill out the following eight paragraphs regarding facilities and associated cost estimates. If your firm has no facilities that belong in a particular paragraph, write "NONE" in the space indicated. For each facility, include its FDEP identification number (WACS or EPA ID), facility name, site address and current facility amount. The facility amount will be the total of facility closing, long-term care and corrective action cost estimates (as applicable), or total of closure, post-closure, corrective action cost estimates and liability coverage (as applicable), or the total of plugging and abandonment cost estimates.

1. This firm is the owner or operator of the following solid waste management facilities in the State of Florida for which financial assurance for the "Required Action" is demonstrated through the financial test specified in Subpart H of 40 CFR Part 264, as adopted by reference in Rule 62-701.630, F.A.C.:

WACS ID #00074766 Lee/Hendry County Regional Solid Waste Disposal Facility 5500 Church Road, Felda, FL 33930 - Class I Landfill (Phases 1 and 2)	\$15,632,006.00
WACS ID #00074766 Lee/Hendry County Regional Solid Waste Disposal Facility 5500 Church Road, Felda, FL 33930 - Class III Landfill	\$10,945,552.00
WACS ID #00074766 Lee/Hendry County Regional Solid Waste Disposal Facility 5500 Church Road, Felda, FL 33930 - Ash Monofill	\$13,366,642.00

2. This firm guarantees, through the corporate guarantee specified in Subpart H of 40 CFR Part 264, as adopted by reference in Rule 62-701.630, F.A.C., the "Required Action" of the following solid waste management facilities in the State of Florida owned or operated by the guaranteed party: **NONE**

The firm identified above is [Check Appropriate Box] (Complete only when a Corporate Guarantee - Form 62-701.900(5)(f) - is being submitted.)

- ☐ (1) the direct or higher-tier parent corporation of the owner or operator;
- ☐ (2) owned by the same parent corporation as the parent corporation of the owner or operator and receiving the following value in consideration of this guarantee - _____; or
Value received*
- ☐ (3) engaged in the following substantial business relationship with the owner or operator - _____
Business Relationship*
and receiving the following value in consideration of this guarantee - _____
Value received*

* - (Attach a written description of the value received or business relationship or a copy of the contract establishing such relationship to this letter.)

3. In states other than Florida, this firm, as owner or operator or guarantor is demonstrating financial assurance for the closing, long-term care and/or corrective action (or equivalent terms) of the following solid waste management facilities through the use of a test equivalent or substantially equivalent to the financial test specified in Subpart H of 40 CFR Part 264, as adopted by reference in Rule 62-701.630, F.A.C.: NONE

4. This firm is the owner or operator or guarantor of the following solid waste management facilities for which financial assurance for the closing, long-term care and/or corrective action (or equivalent terms) is not demonstrated to the federal government or other state government through the financial test or any other financial assurance mechanism specified in Rule 62-701.630, F.A.C., or equivalent or substantially equivalent federal or state mechanisms: NONE

5. This firm is the owner or operator or guarantor of the following underground injection control (UIC) facilities for which financial assurance for plugging and abandonment is required under 40 CFR Part 144 and/or Rule 62-528.435(9), F.A.C.: NONE

6. This firm is the owner or operator or guarantor of the following hazardous waste facilities for which financial assurance for closure, post-closure care, corrective action and/or liability coverage is required under 40 CFR Parts 264 and 265, Subpart H and/or Rule 62-730.180, F.A.C.: NONE

7. This firm is the owner or operator or guarantor of the following underground storage tank (UST) and aboveground storage tank (AST) facility(ies) for which financial responsibility for liability coverage and corrective action is required under 40 CFR Parts 280 and 281 and/or Rule 62-761.400(3), and 62-762.401(3), F.A.C.: NONE

8. This firm is the owner or operator or guarantor of the following phosphogypsum stack systems for which financial assurance for closure and post-closure care is required under Rule 62-673.640, F.A.C.: NONE

This firm is not required to file a Form 10K with the Securities and Exchange Commission (SEC) for the latest fiscal year. The fiscal year of this firm ends on September 30. The figures for the following items marked with an asterisk (*) are derived from this firm's independently audited, year-end financial statements and footnotes for the latest completed fiscal year, ended September 30, 2018.

Month, Day
Date

Complete either Alternative I or Alternative II

Fill in Alternative I if the criteria of Rule 62-701.630 (6)(c) 1., F.A.C., are used.
Fill in Alternative II if the criteria of Rule 62-701.630 (6)(c) 2., F.A.C., are used.

☐ **ALTERNATIVE I**

☒ **ALTERNATIVE II**

1. Sum of current facility amounts. \$ _____
(Total of all costs listed in paragraphs 1-8 [above])
- *2. Total liabilities. \$ _____
(If any portion of the current facility amounts is included in your total liabilities, you may deduct that portion from this line and add that amount to lines 3 and 4.)
- *3. Tangible net worth. \$ _____
- *4. Net worth. \$ _____
- *5. Current assets. \$ _____
- *6. Current liabilities. \$ _____
7. Net working capital. \$ _____
(Line 5 minus line 6)
- *8. The sum of net income plus depreciation, depletion, and amortization. \$ _____
- *9. Total assets in U.S. \$ _____

- | | YES | NO |
|---|-------|-------|
| 10. Is line 3 minus line 1 at least \$10 million? | _____ | _____ |
| 11. Is line 3 at least 3 times line 1? | _____ | _____ |
| 12. Is line 7 at least 3 times line 1? | _____ | _____ |
| 13. Is line 9 at least 3 times line 1? | _____ | _____ |
| 14. Is line 2 divided by line 4 less than 1.5? | _____ | _____ |
| 15. Is line 8 minus \$10 million divided by line 2 greater than 0.10? | _____ | _____ |

1. Sum of current facility amounts. \$ 39,944,200.00
(Total of all costs listed in paragraphs 1-8 [above])
2. Current investment grade bond:
 - A. CUSIP Number. 523510EM3
(or attach copy of first page of bond)
 - B. Rating Service. Moody's
(Moody's or Standard and Poor's)
 - C. Bond rating. Baa1
(Rating must be Underlying or Senior Unsecured)
 - D. Date of bond issuance. 09/07/2016
 - E. Date of bond maturity. 10/01/2026
- *3. Tangible net worth. \$ 2,867,352,000.00
(If any portion of the current facility amounts is included in "total liabilities" on your financial statements, you may add that portion to this line.)
- *4. Total assets in the U.S. \$ 5,062,831,000.00

- | | YES | NO |
|--|----------|-------|
| 5. Is line 3 minus line 1 at least \$10 million? | <u>X</u> | _____ |
| 6. Is line 3 at least 3 times line 1? | <u>X</u> | _____ |
| 7. Is line 4 at least 3 times line 1? | <u>X</u> | _____ |

CERTIFICATION

The chief financial officer whose signature appears below hereby certifies that the wording of this letter is identical to the wording as adopted and incorporated by reference in Rule 62-701.630(6)(a), F.A.C.



Linda Doggett
Type Name

Clerk of Circuit Court
Title

3-25-19
Date

239-533-2100
Telephone Number

mcrowell@leeclerk.org
E-mail Address