



MEMORANDUM

Date: August 23, 2024

To: The Honorable Chair and Members
Pima County Board of Supervisors

From: Jan Leshar 
County Administrator

Re: **Resolutions Relating to Debt Issues for the September 3, 2024 Board of Supervisors Meeting**

There are two Resolutions on the Board of Supervisors September 3, 2024 Agenda relating to the following debt issuances:

- \$40,000,000 of Certificates of Participation (Attachment 1)
- \$54,000,000 of Sewer System Revenue Obligations (Attachment 2)

Certificates of Participation

Due to expenditure limitations restricting the use of cash reserves, we fund projects by issuing debt, such as Certificates of Participation (COP), as debt payments are excluded from the spending limit. This resolution would authorize staff to sell additional Certificates of Participation in an amount sufficient to provide up to \$40,000,000 in proceeds and to refinance existing debt provided it is financially advantageous and does not extend the final maturity. The proceeds will be used to fund capital projects approved by the Board as part of the annual budget such as the Sheriff's San Xavier Substation, the Office of the Medical Examiner and Superior Court Building Improvements including Elevator Modernization with a repayment period of ten years.

As with all COPs issues, the County provides collateral by means of selling and leasing a County Building. As part of this transaction the collateral pool will be updated to replace the Legal Services Building with the Administration West building, the Superior Court building and the Fleet Services facility. The remaining buildings in the collateral pool are the Public Works Building, the Public Service Center and parking garage, the Adult Detention Center, and 33 N. Stone.

Sewer System Revenue Obligations

This resolution would authorize staff to sell additional sewer system revenue obligations in an amount sufficient to provide up to \$54,000,000 in proceeds and to refinance existing debt provided it is financially advantageous and does not extend the final maturity. The proceeds of the debt will be used to fund treatment and conveyance projects within the Regional Wastewater Reclamation Fund's Capital Improvement Program. Pima County

The Honorable Chair and Members, Pima County Board of Supervisors
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August 23, 2024

Page 2

routinely pays for the capital costs of the sewer system by financing them over time as this allows the capital asset costs to be better spread throughout the time the assets are providing benefits to the system's users. These obligations will be repaid over a maximum period of ten years from the Wastewater revenues.

While these issuances represent up to \$94 million in new debt, Pima County's repayment of existing capital program debt this fiscal year totals approximately \$149 million. Pima County continues to repay its debt on a very short-term basis compared to most jurisdictions that issue debt with 25, 30 or even 40-year terms.

JKL/anc

Attachments

c: Carmine DeBonis, Jr., Deputy County Administrator
Francisco Garcia, MD, MPH, Deputy County Administrator & Chief Medical Officer
Steve Holmes, Deputy County Administrator
Ellen Moulton, Director, Finance and Risk Management
Michele Milensky, Financial Management Division Manager, Finance and Risk Management

ATTACHMENT 1

RESOLUTION NO. 2024-__

A RESOLUTION OF THE BOARD OF SUPERVISORS OF PIMA COUNTY, ARIZONA AUTHORIZING THE LEASE AND LEASE-PURCHASE BACK OF CERTAIN REAL PROPERTY, INCLUDING BUILDINGS AND STRUCTURES, IN ORDER TO FINANCE AND REFINANCE PROJECTS FOR THE COUNTY; AUTHORIZING NOTICE TO THE PUBLIC OF THE LEASE OR SALE OF THE PROPERTY AND PROVIDING FOR THE AWARD THEREOF TO THE HIGHEST RESPONSIBLE BIDDER; AUTHORIZING THE EXECUTION AND DELIVERY OF A GROUND LEASE, AMENDMENTS AND SUPPLEMENTS TO A LEASE-PURCHASE AGREEMENT AND A TRUST AGREEMENT AND OTHER NECESSARY AGREEMENTS, INSTRUMENTS AND DOCUMENTS; APPROVING THE EXECUTION AND DELIVERY OF CERTIFICATES OF PARTICIPATION AND REFUNDING CERTIFICATES OF PARTICIPATION TO PROVIDE THE NECESSARY FINANCING AND REFINANCING THEREFOR; AND AUTHORIZING OTHER ACTIONS AND MATTERS IN CONNECTION THEREWITH.

WHEREAS, Pima County, Arizona (the "County") upon due investigation and consideration deems it advantageous and necessary to lease at public auction and to lease-purchase back certain land, buildings, structures and improvements comprised of the Superior Court Building located at 110 West Congress Street, the County Office Building located at 150 West Congress Street, and the Fleet Services Facility located at 1291 South Mission Road, all in Tucson, Arizona (collectively, the "Facilities"); and

WHEREAS, the Board of Supervisors (the "Board"), is authorized to lease, at public auction, after notice to the public, County property pursuant to Arizona Revised Statutes § 11-256; and

WHEREAS, the County, in accordance with applicable law, will request bids for the lease of the Facilities, all as more fully described in the legal notice requesting such bids (the "Request for Bids"); and

WHEREAS, upon receipt of sealed bid proposals and following the public auction, the County intends that the Facilities be leased and awarded to the bidder which submits the highest bid as determined by the requirements of and responsive to the Request for Bids (the "Successful Bidder"); and

WHEREAS, the County intends that the proceeds received from the lease of the Facilities be applied by the County to pay or to reimburse costs of the acquisition, construction, improvement and equipping of various County sites, buildings and facilities and for other capital purposes (the "Projects"); and

WHEREAS, the County intends to lease-purchase back the Facilities through amendments or supplements to the existing Lease-Purchase Agreement (defined below) executed and delivered pursuant to Arizona Revised Statutes § 11-251(46);

WHEREAS, it is presently anticipated that (a) any Successful Bidder of the Facilities will finance its bid through the execution and delivery of certificates of participation, in one or more series (the “New Money Certificates”), evidencing and representing proportionate interests of the owners thereof in lease payments to be made by the County pursuant to amendments or supplements to the Lease-Purchase Agreement and to approve and execute all required legal documents in connection with such financing, including, without limitation a ground lease (the “Ground Lease”) between the County and the Trustee (defined below), as lessee, relating to the Facilities; and

WHEREAS, the New Money Certificates will be executed, delivered and paid in accordance with the terms of amendments or supplements to the existing Trust Agreement (defined below); and

WHEREAS, the County as lessee, previously entered into a Lease-Purchase Agreement, dated as of June 1, 2008 (the “Original Lease-Purchase Agreement”), as amended, most recently by a Fourteenth Amendment to Lease-Purchase Agreement, dated as of November 1, 2023 (collectively, and as further amended by the Lease Amendments hereinafter described, the “Lease-Purchase Agreement”) with U.S. Bank Trust Company, National Association, as successor in interest to U.S. Bank National Association, as trustee under the below-described Trust Agreement (the “Trustee”), as lessor (in such capacity, the “Lessor”), pursuant to which the Lessor leases to the County, as lessee, certain leased property (the “Leased Property”) as described therein; and

WHEREAS, the Trustee and the County have previously entered into a Trust Agreement, dated as of June 1, 2008 (the “Original Trust Agreement”), as supplemented, most recently by a Fourteenth Supplement to Trust Agreement, dated as of November 1, 2023 (collectively, and as further supplemented by the Trust Supplements hereinafter described, the “Trust Agreement”), pursuant to which the Trustee executed and delivered the following currently outstanding series of certificates of participation: Certificates of Participation, Series 2014 (the “2014 Certificates”), Certificates of Participation, Taxable Series 2016B (the “Taxable 2016B Certificates”), Certificates of Participation, Series 2019 (the “2019 Certificates”), Certificates of Participation, Series 2019A (the “2019A Certificates”), Certificates of Participation, Tax-Exempt Series 2020B (the “2020B Certificates”), Certificates of Participation, Taxable Series 2020C (the “Taxable 2020C Certificates”), Certificates of Participation, Taxable Series 2021 (the “Taxable 2021 Certificates”), Certificates of Participation, Tax-Exempt Series 2022A (the “2022A Certificates”) Certificates of Participation, Taxable Series 2022B (the “Taxable 2022B Certificates”), Certificates of Participation, Tax-Exempt Series 2023A (the “2023A Certificates”) and Certificates of Participation, Taxable Series 2023B (the “Taxable 2023B Certificates” and, together with the 2014 Certificates, the Taxable 2016B Certificates, the 2019 Certificates, the 2019A Certificates, the 2020B Certificates, the Taxable 2020C Certificates, the Taxable 2021 Certificates, the 2022A Certificates, the Taxable 2022B Certificates and the 2023A Certificates, the “Outstanding Certificates”),

for the purpose of financing and refinancing the costs of certain projects of the County approved by this Board, and amending and restructuring the County's lease payments (the "Lease Payments") under the Lease-Purchase Agreement; and

WHEREAS, the Trust Agreement permits, under certain conditions, the execution and delivery of "Additional Certificates," on a parity with the "Certificates" then outstanding under the Trust Agreement, and permits the further supplementation and amendment of the Trust Agreement and the Lease-Purchase Agreement to facilitate such an execution and delivery of such Additional Certificates; and

WHEREAS, the County has determined that it will be advantageous (i) to cause the execution and delivery of the New Money Certificates; and (ii) to authorize the execution and delivery of certain Additional Certificates (the "Refunding Certificates"), from time to time, in one or more series, to refinance some or all of the Outstanding Certificates, the New Money Certificates and any Additional Certificates that may be hereafter executed and delivered from time to time (collectively, the "Certificates to be Refunded"), and all necessary actions and agreements in connection with such refinancing which achieves a present value debt service savings net of all costs of issuance of at least 2.0% of the par amount of Certificates to be Refunded thereby (such savings level being the "Savings Threshold"); and

WHEREAS, in connection with the execution and delivery of New Money Certificates and Refunding Certificates, it will be necessary to enter into a supplemental or restated Trust Agreement or amendments or supplements thereto, between the County and the Trustee (collectively, "Trust Supplements"), and a supplemental or restated Lease-Purchase Agreement or amendments or supplements thereto, between the County and the Trustee, as lessor (collectively, "Lease Amendments"); and

WHEREAS, upon execution and delivery of each series of New Money Certificates or Refunding Certificates, as applicable, all the conditions for the execution and delivery of Additional Certificates under the Trust Agreement will have been met for such series; and

WHEREAS, in connection with the execution and delivery of Refunding Certificates it may be necessary or advantageous for the County to execute and deliver one or more depository trust or similar agreements (each, a "Depository Trust Agreement") with the Trustee or another financial institution serving as depository trustee thereunder, providing for the payment of Certificates to be Refunded; and

WHEREAS, the New Money Certificates and the Refunding Certificates of each series will be offered for sale pursuant to a Preliminary Official Statement (the "Preliminary Official Statement"), which, with conforming changes, will become the Official Statement (the "Official Statement") and sold, as it relates to the New Money Certificates, in a principal amount not exceeding the principal amount specified in the bid of the Successful Bidder, and, as it relates to the Refunding Certificates, in a principal amount necessary to pay costs associated with the execution and delivery of the Refunding Certificates which achieve a present value debt service savings net of all costs of issuance

of at least the Saving Threshold, pursuant to one or more Certificate Purchase Agreements (collectively, the "Purchase Agreement") between the County and the purchaser of such series of the New Money Certificates and the Refunding Certificates (collectively, the "Original Purchaser"); and

WHEREAS, in connection with the execution and delivery of the New Money Certificates and the Refunding Certificates, Securities and Exchange Commission Rule 15(c)2-12 may require the County to make certain agreements for the benefit of holders and beneficial owners from time to time of the New Money Certificates and the Refunding Certificates, as evidenced in one or more Continuing Disclosure Undertakings from the County (the "Continuing Disclosure Undertaking"); and

WHEREAS, the County has the power and authority to enter into and deliver the Lease Amendments, the Ground Lease, the Trust Supplements, the Purchase Agreement, the Continuing Disclosure Undertaking, the Depository Trust Agreements and such additional agreements (collectively, the "County Documents") or amendments thereto and has determined that it is advantageous and in the public interest to approve the execution, sale and delivery of the Additional Certificates in order to secure the financial advantages for the County;

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF PIMA COUNTY, ARIZONA, AS FOLLOWS:

Section 1. It is hereby found and determined that the lease and lease-purchase back of all or a portion of the Facilities pursuant to the Request for Bids are advantageous to the County and in furtherance of the purposes of the County and in the public interest.

Section 2. The Board hereby directs, approves and authorizes the lease and lease-purchase back of all or a portion of the Facilities pursuant to the Request for Bids and in accordance with the requirements of all applicable laws. The County Administrator, the Director of Finance of the County and all other appropriate officers and employees of the County are hereby authorized and directed to prepare the form of the Request for Bids. The publication and advertisement of such lease in accordance with the applicable law and the taking of all necessary steps to effectuate such lease in accordance with the applicable law is hereby authorized, approved, ratified, and confirmed in all respects.

Section 3. Upon the receipt of sealed bid proposals at the date, time and place prescribed by the Request for Bids, whether continued, postponed or rescheduled, and following the public auction and the consideration of bids received and the recommendation of the Director of Finance of the County, the lease of the Facilities described in the Request for Bids will be awarded to the Successful Bidder by this Board acting through its Chairman on behalf of the County to the highest bid as determined by the requirements of and responsive to the Request for Bids, unless all bids are rejected.

Section 4. (a) The execution, delivery and issuance of New Money Certificates, in one or more series, for financing projects of the County approved by this Board, plus any amount approved by an Authorized Officer as being necessary to pay the costs associated with the execution and delivery of such New Money Certificates, and to restructure the Lease Payments under the Lease-Purchase Agreement is hereby approved.

(b) The execution, delivery and issuance of Refunding Certificates, in one or more series, each in a principal amount sufficient to accomplish the refinancing of Certificates to be Refunded thereby and amounts necessary to pay costs associated with the execution and delivery of such Refunding Certificates which achieve a present value debt service savings net of all costs of issuance of at least the Savings Threshold is hereby approved.

Section 5. The Chairman, Vice Chairman or Acting Chairman of this Board, the County Administrator of the County or the Director of Finance of the County (each an "Authorized Officer") are each hereby authorized, empowered and directed, with the approval of counsel to the County, in the name and on behalf of the County, to execute or attest, as required, and deliver the County Documents, in such forms as shall be reviewed by counsel to the County and approved by the Authorized Officer executing the same.

Section 6. From and after the execution and delivery of the County Documents in definitive form by the County and the other parties thereto, as required, the officers, agents and employees of the County are hereby authorized, empowered and directed to do all such acts and things and to execute all such agreements, documents, instruments and certificates as may be necessary to carry out and comply with the provisions thereof, including but not limited to the execution of tax compliance certificates or any other such document necessary in relation to the tax-exempt status of any series of New Money Certificates or Refunding Certificates intended by the County to be executed and delivered bearing tax-exempt interest or otherwise required by the related Purchase Agreement.

Section 7. (a) The execution, sale and delivery of New Money Certificates, which in the aggregate will not exceed the principal amount specified in the bid of the Successful Bidder, plus any amount approved by an Authorized Officer as being necessary to fund a debt service reserve fund, bearing interest at the rate or rates per annum not to exceed a yield of 6.00% per annum computed in accordance with Section 148 of the Internal Revenue Code of 1986 as amended, with respect to any New Money Certificates issued on a tax-exempt basis, and at the rate or rates per annum not to exceed 7.00% per annum with respect to New Money Certificates issued on a taxable basis, and having the other terms and conditions to be provided in the related Purchase Agreement and the Trust Agreement (as executed and delivered) and consistent with this Resolution, are in all respects approved. Each series of New Money Certificates shall be sold and awarded to the Original Purchaser at a price of not less than 98% of par (excluding any original issue discount). Each series of New Money Certificates shall mature over a period ending not later than fifteen years from its execution and delivery, may be subject to mandatory or optional redemption prior to maturity, and shall have such other terms, all as provided in the related Trust Agreement and Purchase Agreement

(as executed and delivered). The New Money Certificates shall be executed and delivered for any or all of the following purposes: (a) financing or reimbursing costs of the Projects, and (b) funding any amount required to be deposited into a debt service reserve fund and paying the costs associated with the execution and delivery of such New Money Certificates.

(b) The execution, sale and delivery of Refunding Certificates, in one or more series, on a tax-exempt or taxable basis, each in a principal amount sufficient to accomplish the refinancing of the Certificates to be Refunded in transactions meeting the Savings Threshold, and amounts necessary to pay costs associated with the execution and delivery of such Refunding Certificates, bearing interest at the rate or rates per annum (which fixed rates do not exceed the maximum rate or rates provided by the County Documents) and have series designations and other terms and conditions to be provided in the related Purchase Agreements and the Trust Supplement (as executed and delivered) and, consistent with this Resolution, are in all respects approved. Each series of Refunding Certificates shall be sold and awarded to the Original Purchaser at a price of not less than 98% of par (excluding any original issue discount). Each series of Refunding Certificates shall mature over a period of not more than the final maturity of the Certificates to be Refunded thereby, and may be subject to mandatory or optional redemption prior to maturity, and shall have such other terms, all as provided in the related Trust Supplements and Purchase Agreements (as executed and delivered). Each series of Refunding Certificates shall be sold to the Original Purchaser as determined by the Director of Finance to be most advantageous to the County.

Section 8. The distribution of the Preliminary Official Statement by the Original Purchaser with respect to each series of Certificates is hereby ratified and approved in the form approved by an Authorized Officer and an Official Statement for such series is hereby authorized and approved, in substantially the form of the related Preliminary Official Statement, with such changes or revisions as may be approved by the Authorized Officer executing the same. Any Authorized Officer is hereby authorized, empowered and directed, in the name and on behalf of the County, to execute and deliver the same to the Original Purchaser, and to execute and deliver instruments confirming that the Preliminary Official Statement is "deemed final" in accordance with Securities and Exchange Commission Rule 15(c)2-12.

Section 9. If the Director of Finance of the County or her designee determines that the purchase of an insurance policy securing payment of any series of New Money Certificates or Refunding Certificates, or a surety bond or other reserve fund guaranty, would be advantageous to the County, any officer, agent or employee of the County is hereby authorized to negotiate with and secure, with proceeds of such series of New Money Certificates or Refunding Certificates or otherwise, such an insurance policy or reserve fund guaranty, or both, from one or more institutions the claims-paying ability of which are then assigned a rating of "Aa3/AA-" or better by a nationally recognized credit rating agency at the time of issuance of the insurance policy and/or reserve fund guaranty. Each Authorized Officer is hereby further authorized to execute and deliver any instruments or documents necessary in connection with the purchase of any such insurance policy and/or reserve fund guaranty, including those making provision for the

repayment of amounts advanced by the institutions issuing such insurance policy and/or reserve fund guaranty.

Section 10. The Authorized Officers, and the designees of any of them, are each hereby designated and appointed as the Lessee Representative, as defined in the Lease-Purchase Agreement, and each of them is authorized to execute in the name of and on behalf of the County any closing documents, certificates, or other instruments or documents necessary or appropriate in connection with the transactions described in or contemplated by the related Official Statement, Purchase Agreement, Lease-Purchase Agreement, Ground Lease or Trust Agreement or amendments or supplements thereto and to do all acts and things as may be necessary or desirable to carry out the terms and intent of this Resolution and of any of the documents referred to herein.

Section 11. The proceeds received by the Trustee from the sale of each series of New Money Certificates and Refunding Certificates shall immediately be applied as provided in the related Trust Supplement. Pending disbursement of any such proceeds received by the County and held by the County Treasurer, the County Treasurer is directed to invest the amounts so received and held in the State Treasurer's Local Government Investment Pool (LGIP); provided, however, that the Director of Finance of the County may at any time provide other written investment instructions to the County Treasurer and the County Treasurer, to the extent that such investments are lawful, is authorized and directed to invest monies as set forth in the instructions.

Section 12. All actions of the officers, agents and employees of the County which are in conformity with the purposes and intent of the foregoing resolutions be, and the same are hereby, in all respects, authorized, approved, ratified and confirmed.

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PASSED, ADOPTED AND APPROVED, by the Board of Supervisors of Pima County, Arizona, on September 3, 2024.


PIMA COUNTY, ARIZONA

By: _____
Chairman, Board of Supervisors

ATTEST:

By: _____
Clerk, Board of Supervisors

Approved as to Form:
SQUIRE PATTON BOGGS (US) LLP,
Bond Counsel

By:  _____
Pedro J. Miranda

ATTACHMENT 2

RESOLUTION NO. 2024- ____

RESOLUTION OF THE BOARD OF SUPERVISORS OF PIMA COUNTY, ARIZONA, PROVIDING FOR THE EXECUTION, DELIVERY AND SALE OF (A) SEWER SYSTEM REVENUE OBLIGATIONS IN AN AGGREGATE PRINCIPAL AMOUNT SUFFICIENT TO PROVIDE UP TO \$54,000,000 TO PURCHASE PROPERTY CONSTITUTING ADDITIONS AND IMPROVEMENTS TO THE SEWER SYSTEM OF THE COUNTY, PLUS AN AMOUNT TO FUND A DEBT SERVICE RESERVE ACCOUNT AND PLUS AN AMOUNT TO PAY COSTS OF DELIVERY, AND (B) SEWER SYSTEM REVENUE REFUNDING OBLIGATIONS IN AN AGGREGATE PRINCIPAL AMOUNT SUFFICIENT TO ACCOMPLISH THE REFINANCING OF OUTSTANDING SEWER REVENUE OBLIGATIONS BEING REFUNDED THEREBY, TO FUND A DEBT SERVICE ACCOUNT AND TO PAY COSTS OF DELIVERY; AUTHORIZING THE EXECUTION AND DELIVERY OF ONE OR MORE OBLIGATION INDENTURES IN CONNECTION THEREWITH AND THE EXECUTION AND DELIVERY OF ONE OR MORE PURCHASE AGREEMENTS PROVIDING FOR INSTALLMENT PAYMENTS BY THE COUNTY FOR THE PURCHASE OR REFINANCING OF SAID PROPERTY TO BE MADE FROM REVENUES OF THE SEWER SYSTEM OF THE COUNTY; AND AUTHORIZING THE COMPLETION, EXECUTION AND DELIVERY OF ALL NECESSARY OR APPROPRIATE AGREEMENTS OR DOCUMENTS AND THE TAKING OF ALL ACTIONS AND MATTERS IN CONNECTION THEREWITH.

BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF PIMA COUNTY, ARIZONA, AS FOLLOWS:

Section 1. Recitals, Findings and Conclusions.

(a) Pursuant to Title 11, Chapter 2, Article 4, Arizona Revised Statutes, as amended (the "Act"), Pima County, Arizona (the "County"), is authorized to purchase, construct or operate a sewer system (the "System"), including the collection, transportation, pumping, treatment and disposal of sewage and to charge fees therefor.

(b) In order to finance or refinance the purchase, construction and operation, additions and improvements to the System (the "Existing Property"), the County authorized the execution and delivery of the various series of sewer system revenue obligations and sewer system revenue refunding obligations, more fully-described in paragraph (d) below (the "Outstanding Obligations"), pursuant to each series' respective obligation indenture (each, an "Outstanding Obligation Indenture") with a trustee thereunder, which Outstanding Obligations evidence proportionate interests of the holders thereof in installment payments of the purchase price for the applicable Existing Property to be paid by the County pursuant to an applicable purchase agreement (each, an "Outstanding Purchase Agreement"), between the County and the trustee under the related Outstanding Obligation Indenture, in such trustee's separate capacity as seller.

(c) Each Outstanding Purchase Agreement provides that the County may incur obligations ranked on a parity with the payments due thereunder that share pro rata in payments to be made by the County from the Pledged Revenues (as defined in each Outstanding Purchase Agreement) ("Additional Obligations") if certain requirements are met as provided therein.

(d) In order to finance or refinance the purchase, construction and operation of the Existing Property, the County has incurred the following Outstanding Obligations, all of which are titled as Sewer System Revenue Obligations or Sewer System Revenue Refunding Obligations:

<u>Series Designation</u>	<u>Original Aggregate Amount</u>	<u>Dated Date</u>
Series 2014	\$ 48,500,000	February 12, 2014
Series 2016	211,595,000	July 7, 2016
Series 2017	45,000,000	February 9, 2017
Series 2018	38,205,000	April 12, 2018
Series 2019	21,245,000	April 24, 2019
Series 2020A	35,295,000	March 5, 2020
Series 2020B	45,715,000	December 16, 2020
Series 2021	45,000,000	November 4, 2021
Series 2022	68,225,000	November 16, 2022
Series 2023	42,350,000	November 9, 2023

(e) The Board has determined that it is in the best fiscal interest of the County (i) that Additional Obligations should be executed, delivered and sold, and the proceeds thereof be used to purchase, construct and operate other additions and improvements to the System (the “New Money Property” and, collectively with the Existing Property and any property financed with Additional Obligations, the “Property”), such acquisition being financed through the sale, execution and delivery of securities representing proportionate interests (the “New Money Obligations”) in the hereinafter-described applicable Series Purchase Agreement; and (ii) to authorize the refinancing from time to time of some or all of the Outstanding Obligations, the New Money Obligations and any future Additional Obligations (collectively, the “Obligations to be Refunded”) through the sale, execution and delivery of one or more series of Sewer System Revenue Refunding Obligations (the “Refunding Obligations” and, together with the Outstanding Obligations, the New Money Obligations and future Additional Obligations, the “Obligations”), in order to achieve a present value debt service savings net of all costs of issuance of at least 2.0% of the par amount of Obligations to be Refunded thereby (such savings level being the “Savings Threshold”).

(f) In connection with the execution and delivery of the New Money Obligations and Refunding Obligations, the Board intends to execute and deliver one or more Purchase Agreements (each a “Series Purchase Agreement”), by which the County will agree to purchase or refinance the purchase of the applicable Property. Each Series Purchase Agreement shall be in a form that is substantially similar to the Series 2023 Purchase Agreement, dated November 1, 2023, between the County and the seller thereunder.

(g) The acquisition or refinancing of the Property will be financed or refinanced through the sale, execution and delivery of securities representing proportionate interests in the applicable Series Purchase Agreement pursuant to, and secured by, an obligation indenture (each a “Series Obligation Indenture”), by and between the County and a financial institution selected by the Director of Finance and Risk Management of the County (the “Director of Finance”) to serve in its separate capacity as trustee thereunder (including any successor thereto, the

“Series Trustee”), in a form that is substantially similar to the Series 2023 Obligation Indenture, dated November 1, 2023, between the County and trustee thereunder.

(h) Upon execution and delivery of each series of the New Money Obligations or Refunding Obligations, all the conditions for the execution and delivery of Additional Obligations under the Outstanding Purchase Agreements and each Series Purchase Agreement will have been met for such series.

(i) The County will offer and sell each series of New Money Obligations and Refunding Obligations either (i) directly to one or more banks submitting a lending proposal to the County (the “Purchaser”), or (ii) through an underwritten offering, to one or more firms then eligible to serve as underwriter for County obligations or to the winning bidder through a sealed bid offering (the “Underwriter”), in either case as determined by the Director of Finance and Risk Management of the County (the “Director of Finance”), to be the most advantageous to the County.

(j) New Money Obligations and Refunding Obligations of any series sold through an underwritten offering to the Underwriter, will be offered for sale pursuant to a Preliminary Official Statement (each, a “Preliminary Official Statement”), in a form substantially the same as that used in connection with the sale of the Sewer System Revenue Obligations, Series 2023 (the “2023 Obligations”) which, with conforming changes, will become the Official Statement (the “Official Statement”).

(k) In connection with the execution and delivery of Refunding Obligations it may be necessary or advantageous for the County to execute and deliver one or more depository trust or similar agreements (each, a “Depository Trust Agreement”) with a Series Trustee or another financial institution serving as depository trustee thereunder, providing for the payment of Obligations to be Refunded.

(l) New Money Obligations and Refunding Obligations of any series will be sold pursuant to an obligation purchase contract (each, an “Obligation Purchase Contract”) between the County and the Purchaser or the Underwriter, as applicable, which (a) with respect to the sale of a series of New Money Obligations or Refunding Obligations to a bank or banks pursuant to a lending proposal, shall be evidenced by the Purchaser’s certificate and receipt, or (b) with respect to the sale of New Money Obligations or Refunding Obligations to the Underwriter through a negotiated underwritten offering, shall be evidenced by a purchase agreement between the County and the Underwriter in a form substantially the same as that used in connection with the sale of the 2023 Obligations or (c) with respect to the sale of New Money Obligations and Refunding Obligations to the Underwriter through a sealed bid offering, shall be evidenced by a notice of sale disseminated by the County in a form substantially the same as that used in connection with the most recent sealed bid sale of securities by the County, with appropriate changes to reflect the offering of New Money Obligations and Refunding Obligations.

(m) In connection with the sale of New Money Obligations or Refunding Obligations through an underwritten offering, Securities and Exchange Commission Rule 15(c)2-12 may require the County to make certain agreements for the benefit of holders and beneficial owners from time to time of such Obligations, as evidenced in one or more Continuing Disclosure Undertakings from the County (each an “Undertaking”).

(n) The County has the requisite power and authority to execute and deliver each Series Purchase Agreement and to cause the sale, execution and delivery of each series of New Money Obligations and Refunding Obligations. All requirements of the Constitution, the laws of the State of Arizona, and the County that are preconditions to the adoption of this Resolution have been met such that each Series Purchase Agreement will be a valid and binding limited, special obligation of the County.

Section 2. Authorization and Execution and Delivery of Documents and Obligations.

(a) For the purpose of providing funds to finance or refinance the purchase, construction and operation of the Property, to fund a debt service reserve account and to pay the related costs of the sale, execution and delivery of the New Money Obligations or Refunding Obligations, as applicable, such Obligations shall be sold, executed and delivered as one or more series of obligations (determined as provided herein). Each series of New Money Obligations and Refunding Obligations shall be dated the date of their initial delivery and shall (i) be in an aggregate principal amount, (ii) bear interest, (iii) be issued in such form and denominations and with such series designation, (iv) be payable as to interest and principal on such dates, (v) be tax-exempt or taxable, (vi) be executed in such manner and (vi) have such other provisions, including, without limitation, provisions with respect to redemption prior to maturity, as set forth in the Series Obligation Indenture and (A) if sold to the Purchaser, as agreed to with the Purchaser, or (B) if sold to the Underwriter, as set forth in each Obligation Purchase Contract. Each series of New Money Obligation and Refunding Obligations shall include additions, deletions and modifications consistent with this Resolution as shall be approved by the officers of the Series Trustee, as evidenced by the execution and delivery of series by the Series Trustee.

(b) The Chair, Vice Chair or Acting Chair of the Board, the County Administrator or the Director of Finance (collectively, the "Authorized Officers") are authorized to determine on behalf of the County and then to take any action, make any modification of documents, enter into any agreements, make any elections or certifications and pay any costs necessary to provide for the sale, execution and delivery of each series of New Money Obligations or Refunding Obligations or such portion thereof in such manner, and to comply with the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), for such series executed and delivered on a tax-exempt basis, and the terms of such series and any agreement related thereto, including causing such New Money Obligations and Refunding Obligations to be issued in multiple series, to the extent consistent with this Resolution.

(c) The aggregate principal amount of the New Money Obligations shall not exceed the amount sufficient to provide up to \$54,000,000 to purchase the New Money Property, plus an amount to fund a debt service reserve account and plus an amount to pay costs of delivery as provided in the Series Purchase Agreement and the Obligation Purchase Contract, the New Money Obligations shall not mature later than July 1, 2039. Each series of New Money Obligations shall be sold at such prices and shall bear interest at such rates as to result in an effective yield as calculated for federal income tax purposes relative to the issuance of obligations, the interest income on which is excluded from gross income, of not to exceed six percent (6.00%) per annum.

(d) The aggregate principal amount of each series of Refunding Obligations shall not exceed the amount sufficient to accomplish the refinancing of the Obligations to be Refunded and amounts, if any, necessary to fund a debt service reserve account and to pay transaction costs in order to achieve a present value debt service savings net of all costs of issuance of at least the Savings Threshold and each series of Refunding Obligations shall mature over a period of not more than the final maturity of the Obligations to be Refunded. Each series of Refunding Obligations shall be sold at such prices and shall bear interest at such rates as to result in an effective yield as calculated for federal income tax purposes relative to the issuance of obligations, the interest income on which is excluded from gross income, of not to exceed six percent (6.00%) per annum.

(e) The Authorized Officers are authorized to execute each Series Purchase Agreement, each Series Obligation Indenture, each Depository Trust Agreement, each Obligation Purchase Contract and, if sold pursuant to the Obligation Purchase Contract, the Undertaking, which are hereby approved, with such additions, deletions and modifications as shall be approved by the Authorized Officers executing and delivering the same on behalf of the County, the execution and delivery thereof shall be evidence of their approval, and of such additions, deletions and modifications. The Authorized Officers are authorized to approve additions, deletions and modifications to each New Money Obligations or Refunding Obligations, each Series Purchase Agreement and each Series Obligation Indenture to accommodate the sale of the Obligations to the Purchaser instead of the Underwriter, including the form, authorized denominations and method of payment of the Obligations, and to add covenants such as providing certain information as required by the Purchaser.

(f) The Series Trustee is directed to execute and deliver the Obligations, the Series Purchase Agreement and the Series Obligation Indenture to accomplish the purposes of this Resolution.

(g) The Authorized Officers are authorized to:

(i) cause the sale, execution and delivery of each series of New Money Obligations and Refunding Obligations, and are delegated the authority to complete any missing information necessary to consummate the transactions contemplated by each Series Purchase Agreement, each Series Obligation Indenture, each Depository Trust Agreement, each Obligation Purchase Contract and the Undertaking;

(ii) select, and execute and deliver contracts with, appropriate professionals (including outside counsel to the County) to provide professional services with respect to the sale, execution and delivery of each series of New Money Obligations or Refunding Obligations, and to provide for such other matters (including credit enhancement providers) as are necessary to accomplish the purposes of this Resolution; and

(iii) execute and deliver any instruments or documents necessary in connection with the purchase of any credit enhancement, including providing for the repayment of amounts advanced for credit enhancement.

The fees, costs and expenses with respect to the foregoing shall be paid from proceeds of the sale of the Obligations or any other legally available moneys. The Director of Finance is authorized to receive and expend such funds as necessary to accomplish the purposes of this Resolution, including payment of installment payments related to debt service on the Obligations.

Section 3. Acceptance of Proposal. If the terms for a series of New Money Obligations or Refunding Obligations comply with Section 2 hereof, the Authorized Officers are authorized to determine whether to accept the proposal of the Underwriter pursuant to an Obligation Purchase Contract or the proposal of the Purchaser. Each series shall be prepared, executed and delivered following the adoption of this Resolution, and shall be delivered upon payment therefor to either the Underwriter (in accordance with the terms of the Obligation Purchase Contract) or the Purchaser.

Section 4. Authorization of Official Statement. If a series of New Money Obligations or Refunding Obligations are to be sold to the Underwriter, the Authorized Officers are authorized to:

(a) approve the preparation and dissemination by the Underwriter of one or more Preliminary Official Statements relating to the Obligations; and

(b) execute and approve the preparation and delivery to, and use by, the Underwriter of one or more final Official Statements relating to such series, in substantially the form of the Preliminary Official Statement with such additions, deletions and modifications consistent with this Resolution as shall be approved by the Authorized Officers.

For purposes of the Rule, if applicable, the Authorized Officers shall certify or represent that each Preliminary Official Statement, in original or revised form, is a “deemed final” official statement (except for permitted omissions) of the County as of a particular date and that a completed version is a “final” official statement. If necessary, the distribution and use of each Preliminary Official Statement and each Official Statement by the County and the Underwriter are authorized, ratified and approved. If necessary, the Authorized Officers are further authorized (i) to use and distribute, or authorize the use and distribution of, any supplements in connection with the original execution and delivery of any series and (ii) to sign and deliver, on behalf of the County, each Official Statement and such certificates in connection with the accuracy of each Official Statement and any amendment thereto.

Section 5. Appointment of Trustee and Depository Trustee. The financial institution to serve as Series Trustee under each Series Obligation Indenture for a series of New Money Obligations and Refunding Obligations shall be designated by the Director of Finance. The Authorized Officers are authorized to appoint a bank or trust company to serve as depository trustee under each Depository Trust Agreement.

Section 6. Severability. This Resolution confers upon the County all powers set forth in the Act, and if any portion hereof shall be deemed invalid by a court of competent jurisdiction, such judgment shall not affect the remaining provisions hereof. All prior resolutions or parts thereof in conflict with this Resolution are repealed.

Section 7. Ratification of Actions. All actions of the officers, employees and agents of the County that conform to the purposes and intent of this Resolution, whether taken before or after adoption of this Resolution, are ratified and approved. The proper officers and agents of the County are authorized and directed to do all such acts and to execute and deliver all such documents on behalf of the County as may be necessary to carry out the terms and intent of this Resolution.

PASSED, ADOPTED, AND APPROVED by the Board of Supervisors of Pima County, Arizona, on September 3, 2024.

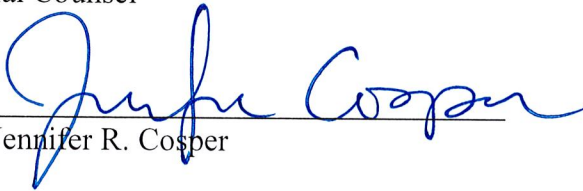
By: _____
Chair, Board of Supervisors

ATTEST:

Clerk, Board of Supervisors

APPROVED AS TO FORM:

SQUIRE PATTON BOGGS (US), LLP
Special Counsel

By: 
Jennifer R. Cosper