

RESOLUTION 22-005

(of Clark County Water Reclamation District)

A RESOLUTION CONCERNING THE FINANCING OF WASTEWATER INFRASTRUCTURE CAPITAL IMPROVEMENT PROJECTS IN THE COUNTY; DIRECTING THE SECRETARY OF THE CLARK COUNTY WATER RECLAMATION DISTRICT TO NOTIFY THE CLARK COUNTY DEBT MANAGEMENT COMMISSION OF A PROPOSAL TO ISSUE GENERAL OBLIGATIONS OF THE DISTRICT (ADDITIONALLY SECURED BY PLEDGED REVENUES); PROVIDING CERTAIN DETAILS IN CONNECTION THEREWITH; AND PROVIDING THE EFFECTIVE DATE HEREOF.

WHEREAS, the Clark County Water Reclamation District in the State of Nevada (the "District" and the "State," respectively) is a governmental subdivision of the State duly incorporated as a general improvement district under the provisions of Chapter 318 of the Nevada Revised Statutes (the "NRS") and the Board of Trustees of the District (comprised of the ex-officio Board of Clark County Commissioners) (the "Board") is authorized to acquire, construct, reconstruct, improve, extend or better the sanitary sewer system of the District as provided in NRS 318.140; and

WHEREAS, the District now owns and operates a municipal water reclamation system (the "Water Reclamation System"); and

WHEREAS, the District's 5-year capital improvement plan is an estimated \$1.1 Billion (the "Project"); and

WHEREAS, the Board proposes to issue a maximum principal amount of \$340,000,000 general obligation (limited tax) water reclamation bonds (additionally secured by pledged revenues) (the "Bonds"), to finance the Project; and

WHEREAS, the Board hereby determines and makes a finding that certain revenues of the District's Water Reclamation System, after the deduction of operation and maintenance expenses (the "Pledged Revenues") are anticipated to at least equal the amount necessary in each year for the payment of interest on and principal of the Bonds, and no increase in the rate of an ad

year for the payment of interest on and principal of the Bonds, and no increase in the rate of an ad valorem tax is anticipated to be necessary for the payment of the Bonds for the term thereof (the "Finding"); and

WHEREAS, the Board proposes (subject to the approval of the Finding and the proposal to issue the Bonds by the Clark County Debt Management Commission), to issue pursuant to NRS 350.020(3) the Bonds described in the following proposal (the "Proposal"):

**GENERAL OBLIGATION (LIMITED TAX)
WATER RECLAMATION BONDS (ADDITIONALLY
SECURED BY PLEDGED REVENUES) BOND PROPOSAL:**

Shall the Board of Trustees of Clark County Water Reclamation District, Nevada, be authorized to incur a general obligation indebtedness on behalf of the District by the issuance at one time, or from time to time, of the District's general obligation (limited tax) water reclamation bonds (additionally secured by pledged revenues) in one series or more, in an aggregate principal amount not to exceed \$340,000,000, to defray wholly or in part the acquisition, construction, reconstruction, improvement, extension or betterment of the District's sanitary sewer system, as provided in NRS 318.140; such bonds to mature commencing not later than five years from the date or respective dates of the bonds and ending not later than thirty years therefrom, to be payable from general (ad valorem) taxes, except to the extent pledged revenues received by the District are available therefor, such bonds to be issued and sold at, above, or below par at an effective interest rate (including any sale discount) not exceeding the statutory maximum rate, if any, as shall be determined at the time of the sale thereof, and otherwise to be issued in such manner, upon such terms and conditions, with such covenants and agreements, and with such detail as the Board may determine, including at its option but not necessarily limited to provisions for the redemption of bonds prior to maturity without or with the payment of a premium?

WHEREAS, subsection 1 of NRS 350.014 provides, in relevant part, as follows:

"1. Before any proposal to incur a general obligation debt or levy a special elective tax may be submitted to the electors of a municipality. . . , or, before any other formal action may be taken preliminary to the incurrence of any general obligation debt, the proposed incurrence or levy must receive the favorable vote of two-

thirds of the members of the commission of each county in which the municipality is situated."

and

WHEREAS, subsection 1 of NRS 350.0145 provides, in relevant part, as follows:

"1. The governing body of the municipality proposing to incur general obligation debt . . . shall notify the secretary of each appropriate commission, and shall submit a statement of its proposal in sufficient number of copies for each member of the commission..."

WHEREAS, subsection 3 of NRS 361.4727 provides, in relevant part, as follows, that an increase in the rate of an ad valorem tax is exempt from abatement from taxation if the Board makes the Finding:

"3. Except as otherwise provided in this subsection, any increase in the rate of an ad valorem tax authorized pursuant to this section must be included in the calculation of the partial abatements from taxation provided pursuant to NRS 361.4722, 361.4723 and 361.4724. An increase in the rate of an ad valorem tax authorized pursuant to this section is exempt from each partial abatement from taxation provided pursuant to NRS 361.4722, 361.4723 and 361.4724 if the obligations for which that increase is imposed are issued:

(a) Before July 1, 2005; or

(b) On or after July 1, 2005, and, before the issuance of the obligations:

(1) The governing body of the taxing entity issuing the obligations makes a finding that no increase in the rate of an ad valorem tax is anticipated to be necessary for the payment of the obligations during the term thereof; and

(2) The debt management commission of the county in which the taxing entity is located approves that finding."

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES
OF CLARK COUNTY WATER RECLAMATION DISTRICT, NEVADA:**

Section 1. Based on the revenue study presented to the Board, the Board hereby finds that no increase in the rate of an ad valorem tax is anticipated to be necessary for the payment of the Bonds described in the Proposal for the term thereof, approves the Finding, and requests the

Clark County Debt Management Commission (the "Commission") to approve the Proposal and the Finding.

Section 2. All action, proceedings, matters and things heretofore taken, had and done by the Board, and the officers thereof (not inconsistent with the provisions of this resolution) directed toward the issuance of the Bonds set forth in the Proposal and the Project, be and the same hereby are, ratified, approved and confirmed.

Section 3. The Clerk is authorized and directed to notify immediately the Secretary of the Commission of the Proposal and the Finding, and to submit to the Commission Secretary a statement of the Proposal in sufficient number of copies for each member of the Commission. The General Manager of the District or designee (the "General Manager") is authorized to file the information required by NRS 350.013 to the extent required to comply with NRS 350.013 and consistent with the provisions of this resolution.

Section 4. The General Manager is hereby authorized to arrange for the issuance and sale of the Bonds in the principal amount of not more than \$340,000,000 to carry out the Project in accordance with NRS 350.500 to 350.720, and all laws amendatory thereof (the "Bond Act"). The General Manager or Deputy General Manager or designee is hereby authorized to specify the terms of the Bonds, the method of their sale, the final principal amount of the Bonds (not in excess of \$340,000,000), the terms of their repayment and security therefor, and other details of the Bonds, and to advertise the Bonds for sale, subject to the Bond Act and ratification by the Board by the adoption of a bond resolution or resolutions specifying the terms and details of the Bonds and approving their sale (the "Bond Resolution").

Section 5. The officers of the District are hereby authorized to take all action necessary or appropriate to effectuate the provisions of this Resolution, including without limitation assembling of financial and other information concerning the District, the Project and the Bonds as specified by the General Manager or designee.

Section 6. The General Manager or Deputy General Manager or designee shall, after arranging for the sale of the Bonds, present the proposed terms of the sale to the Board for its approval by adoption of the Bond Resolution. The authority to issue the Bonds shall be deemed and considered a continuing authority to issue and deliver the Bonds at one time or from time to time, in

one series or in more than one series, all as ordered by the Board. Neither the partial exercise of the authority so conferred nor the lapse of time shall be considered as exhausting or limiting the full authority so conferred.

Section 7. The Board hereby declares its intent to reimburse the costs of the Project from proceeds of the Bonds. This is a declaration of official intent under Section 1.150-2 of the Treasury Regulations promulgated under the Internal Revenue Code of 1986, as amended (the "Code") to reimburse under the Code.

Section 8. In order to permit the District to reimburse itself for prior expenditures relating to the Project from the proceeds of the Bonds, the Board hereby determines and declares that:

- (a) The maximum aggregate principal amount of the Bonds expected to be issued for the Project is \$340,000,000;
- (b) The Board reasonably expects to incur expenditures with respect to the Project prior to the issuance of the Bonds in the amount of \$340,000,000 and to reimburse those expenditures from the proceeds of the Bonds; and
- (c) The payment of costs related to the Project and the reimbursement of such costs from the proceeds of the Bonds is consistent with the Board's budgetary and financial circumstances as of the date of this Resolution. The Board does not currently have moneys which are, nor does the Board reasonably expect moneys to be, allocated on a long-term basis, reserved or otherwise available pursuant to the Board's budget to pay the expenditures which the Board intends to reimburse.

Section 9. All resolutions, or parts thereof, in conflict with the provisions of this resolution, are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any resolution, or part thereof, heretofore repealed.

Section 10. If any section, paragraph, clause or other provision of this resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or other provision shall not affect any of the remaining provisions of this resolution.

Section 11. This resolution shall become effective and be in force immediately upon its adoption.

PASSED AND ADOPTED on November 15, 2022.

(SEAL)

Attest:

Tick Segerblom, Chair
Board of Trustees

Lynn Marie Goya, District Secretary

APPROVED AS TO LEGALITY ONLY:



David Stoft, District General Counsel

[Signature page for CCWRD Water Reclamation Bonds DMC Notice Resolution
page 6 of 6, excluding Clerk's certificate]

STATE OF NEVADA)
) ss.
COUNTY OF CLARK)

I am the duly chosen and qualified District Secretary of Clark County Water Reclamation District (the "District"), Nevada do hereby certify:

1. The foregoing pages constitute a true, correct, complete and compared copy of a resolution adopted by the Board of Trustees of the District (the "Board") at a meeting held on November 15, 2022.

2. The adoption of the resolution was duly moved and seconded and the resolution was adopted by an affirmative vote of a majority of the members of Board as follows:

Those Voting Aye:	_____
Those Voting Nay:	_____

Those Absent:	_____

3. All members of the Board were given due and proper notice of the meeting pursuant to NRS 241.020. A copy of such notice is attached hereto as Exhibit A.

4. The revenue study presented to the Board which is referenced in the resolution is attached hereto as Exhibit B.

IN WITNESS WHEREOF, I have hereunto set my hand on November 15, 2022.

Lynn Marie Goya, District Secretary

EXHIBIT A

(Attach Copy of Notice of Meeting)

EXHIBIT B

(Attach Copy of Revenue Study)

REVENUE STUDY

SUFFICIENCY OF PLEDGED REVENUES FOR EXISTING AND PROPOSED BONDS

Fiscal Year Ending June 30,	Pledged Revenues (1)	Existing Debt Service	Proposed Bonds Debt Service (2)	Total Debt Service (3)	Coverage (times)
2023	\$131,623,674	\$32,258,806	\$0	\$32,258,806	4.08
2024	131,623,674	32,265,056	22,750,000	55,015,056	2.39
2025	137,623,674	32,260,181	22,752,750	55,012,931	2.50
2026	137,623,674	32,257,556	22,751,850	55,009,406	2.50
2027	131,623,674	32,260,056	22,751,775	55,011,831	2.39
2028	137,623,674	32,265,431	22,751,738	55,017,169	2.50
2029	137,623,674	32,445,006	22,750,950	55,195,956	2.49
2030	131,623,674	32,312,305	22,753,625	55,065,930	2.39
2031	137,623,674	32,173,365	22,753,713	54,927,078	2.51
2032	137,623,674	29,150,570	22,750,425	51,900,995	2.65
2033	131,623,674	28,008,622	22,752,975	50,761,597	2.59
2034	137,623,674	26,985,950	22,750,050	49,736,000	2.77
2035	137,623,674	27,002,350	22,750,863	49,753,213	2.77
2036	131,623,674	27,016,250	22,754,100	49,770,350	2.64
2037	137,623,674	27,141,025	22,753,450	49,894,475	2.76
2038	137,623,674	27,157,075	22,752,863	49,909,938	2.76
2039	131,623,674	27,741,625	22,751,025	50,492,650	2.61
2040	137,623,674	0	22,751,625	22,751,625	6.05
2041	137,623,674	0	22,753,088	22,753,088	6.05
2042	137,623,674	0	22,748,838	22,748,838	6.05
2043	137,623,674	0	22,752,563	22,752,563	6.05
2044	137,623,674	0	22,752,163	22,752,163	6.05
2045	131,623,674	0	22,751,063	22,751,063	5.79
2046	137,623,674	0	22,752,425	22,752,425	6.05
2047	137,623,674	0	22,749,150	22,749,150	6.05
2048	137,623,674	0	22,749,400	22,749,400	6.05
2049	131,623,674	0	22,750,813	22,750,813	5.79
2050	137,623,674	0	22,751,025	22,751,025	6.05
2051	137,623,674	0	22,752,675	22,752,675	6.05
2052	137,623,674	0	22,753,138	22,753,138	6.05
2053	137,623,674	0	22,749,788	22,749,788	6.05
TOTAL		\$510,701,229	\$682,549,906	\$1,193,251,135	

- (1) Fiscal year 2022-23 based on FY 2022-23 budget. Assumes 0% growth rate thereafter. Source: Clark County fiscal year 2022-23 Final Budget.
- (2) Preliminary, subject to change. Estimated all in true interest cost is 5.07%.
- (3) Preliminary, subject to change.

SOURCE: Clark County, Nevada and Financial Advisors.