

RESOLUTION AUTHORIZING PROCEEDING WITH THE ISSUANCE BY AUGUSTA, GEORGIA OF ITS WATER AND SEWERAGE REVENUE BONDS IN ORDER (A) TO FINANCE, IN WHOLE OR IN PART, THE COST OF CERTAIN IMPROVEMENTS TO THE WATER AND SEWERAGE SYSTEM OF AUGUSTA, GEORGIA, AND (B) IF ECONOMICALLY FEASIBLE, TO REFUND OUTSTANDING DEBT OF AUGUSTA, GEORGIA RELATING TO THE WATER AND SEWERAGE SYSTEM; TO DECLARE THE INTENT OF AUGUSTA, GEORGIA TO REIMBURSE ITSELF WITH A PORTION OF THE PROCEEDS OF SUCH BONDS FOR EXPENDITURES MADE IN CONNECTION WITH SUCH IMPROVEMENTS; AND FOR OTHER RELATED PURPOSES.

WHEREAS, under and by virtue of the authority of the Constitution and laws of the State of Georgia, including specifically, but without limitation, Article 3 of Chapter 82 of Title 36 of the Official Code of Georgia Annotated, known as the “Revenue Bond Law”, as amended (the “Revenue Bond Law”), Augusta, Georgia (the “Consolidated Government”), acting by and through its governing body, the Augusta-Richmond County Commission (the “Commission”), is authorized to operate and maintain a system, plant, work, instrumentality, and property used or useful in connection with (i) the obtaining of a water supply and the conservation, treatment, and disposal of water for public and private uses, and (ii) the collection, treatment, and disposal of sewage, waste, and storm water, together with all parts of any such undertaking and all appurtenances thereto; and

WHEREAS, the Revenue Bond Law authorizes the Consolidated Government to issue revenue bonds (a) to finance, in whole or in part, the cost of the acquisition, construction, reconstruction, improvement, betterment, or extension of any undertaking, including any of the undertakings specified above, and (b) at any time to refund or refinance, in whole or in part, all outstanding revenue bonds and all obligations or debt of any nature against any existing undertaking or any combination thereof, including any of the undertakings specified above, or its anticipated revenue; and

WHEREAS, the Consolidated Government currently owns, operates, and maintains a water and sewerage system (such system, as now existent and as hereafter added to, extended, improved, and equipped, hereinafter sometimes referred to as the “System”); and

WHEREAS, the Consolidated Government has determined that there is a need for the acquisition and construction of improvements, betterments, and extensions of the System, all as generally described in the summary prepared by the Augusta Utilities Department attached hereto as Exhibit A (the “Project”), and the Consolidated Government presently anticipates that the cost of the Project will be approximately \$80,000,000; and

WHEREAS, the Consolidated Government has been advised by staff and its financial advisor, Davenport & Company LLC (the “Financial Advisor”), that due to market conditions the refunding of certain of the Consolidated Government’s outstanding System debt may be desirable if it generates sufficient interest savings to the Consolidated Government to be economically feasible, and the Commission desires that staff and the Financial Advisor continue to monitor market conditions, and, in conjunction with the financing of the Project, pursue the refunding of

any of such outstanding System debt that is economically feasible and desirable as determined by staff and the Financial Advisor, including, but not limited to, all or a portion of the outstanding (i) Augusta, Georgia Water and Sewerage Revenue Refunding and Improvement Bonds, Series 2012, (ii) Augusta, Georgia Water and Sewerage Taxable Revenue Bonds (Second Resolution), Series 2013, (iii) Augusta, Georgia Water and Sewerage Revenue Refunding and Improvement Bonds (Second Resolution), Series 2014, (iv) Augusta, Georgia Water and Sewerage Taxable Revenue Bond, Series 2019 and (v) outstanding loans funding improvements to the System obtained from the Georgia Environmental Finance Authority (collectively, the “Refunded Debt”); and

WHEREAS, the Consolidated Government has previously issued its water and sewerage revenue bonds pursuant to a Master Bond Resolution, adopted by the Commission on October 16, 2012, as supplemented and amended by certain parity bond resolutions and supplemental resolutions (the “Master Resolution”); and

WHEREAS, the Commission has determined that the best and most feasible method of obtaining the funds necessary to finance the Project, including reimbursement to the Consolidated Government for certain expenditures it has incurred or may incur, to refinance the Refunded Debt and to pay related costs, is through the issuance of water and sewerage revenue bonds (the “Proposed Bonds”); and

WHEREAS, Treasury Regulation Section 1.150-2 requires the Consolidated Government to declare its intent to use proceeds of the Proposed Bonds to reimburse its General Fund or its Water and Sewer System Fund for moneys used to pay expenditures related to the Project; and

WHEREAS, in conjunction with the issuance of the Proposed Bonds, staff and the Financial Advisor desire to pursue with the bond rating agencies amendments to the Master Resolution that would revise, eliminate or reduce the debt service reserve funding requirements applicable to bonds issued under the Master Resolution, all to the benefit of the Consolidated Government; and

WHEREAS, the Commission desires that the Proposed Bonds be issued by the Consolidated Government in accordance with and subject to the parameters and other conditions set forth in this Resolution;

NOW, THEREFORE, BE IT RESOLVED by the Augusta-Richmond County Commission, as follows:

1. The Commission hereby authorizes the Consolidated Government to issue the Proposed Bonds upon terms and conditions to be specified in a parity bond resolution, supplementing and amending the Master Resolution (the “Parity Bond Resolution”), to be adopted by the Commission, provided that:

(a) the Proposed Bonds shall be issued in such amount necessary to (i) finance the Project (estimated at \$80 million), (ii) refund such of the Refunded Debt as is economically feasible and desirable as determined by staff and the Financial Advisor, (iii) finance capitalized interest and any required debt service reserve fund and (iv) pay any costs related to the Proposed Bonds;

(b) the Proposed Bonds shall be issued as Additional Bonds (as defined in the Master Resolution) payable from and secured by Pledged Revenues (as defined in the Master Resolution) and shall rank on a parity as to the pledge of and lien on the Pledged Revenues with the water and sewerage revenue bonds previously issued and outstanding under the Master Resolution, as permitted under Article VI of the Master Resolution;

(c) the Proposed Bonds shall be sold at negotiated public sale, competitive public sale or private sale to a financial institution, as determined by staff and the Financial Advisor as appropriate, upon such terms to be specified in the Parity Bond Resolution, which in any event shall be upon competitive market terms; and

(d) the Commission understands that the timing of the issuance of the Proposed Bonds will be determined, in part, upon receipt of all professional studies and reports of the Consolidated Government's consultants required by investors and the bond rating agencies rating the Proposed Bonds.

2. The Commission declares its intent to use a portion of the proceeds of the Proposed Bonds to reimburse its General Fund or its Water and Sewer System Fund for moneys used to pay expenditures related to the Project.

3. The Commission further hereby authorizes staff and the Financial Advisor to pursue discussions with the bond rating agencies regarding the amendment of the debt service reserve fund requirements under the Master Resolution to revise, eliminate or reduce the debt service reserve funding requirements, all to the benefit of the Consolidated Government.

4. This Resolution shall take effect immediately upon its adoption.

PASSED, ADOPTED, SIGNED, APPROVED, AND EFFECTIVE this ____ day of September 2023.

AUGUSTA, GEORGIA

(SEAL)

By: _____
Mayor

Attest:

Clerk of Commission

EXHIBIT A

Project List

<u>Category</u>	<u>Amount</u>
Administrative	\$ 3,200,000
AED projects	8,000,000
Fort Gordon	9,470,000
Sewer	8,855,000
Sewer- Basin	5,050,000
Water	7,050,000
Water Facilities	9,125,000
Water Raw	8,000,000
Wastewater Treatment Plant	21,250,000
Total	<u><u>\$ 80,000,000</u></u>

STATE OF GEORGIA

RICHMOND COUNTY

CLERK OF COMMISSION'S CERTIFICATE

I, **LENA J. BONNER**, the duly appointed, qualified, and acting Clerk of Commission of Augusta, Georgia (the "Consolidated Government"), **DO HEREBY CERTIFY** that the foregoing pages of typewritten matter constitute a true and correct copy of a resolution adopted on September ____, 2023 by the Augusta-Richmond County Commission (the "Commission") in a meeting duly called and assembled in accordance with applicable laws and with the procedures of the Consolidated Government, by a vote of ____ Yea and ____ Nay, which meeting was open to the public and at which a quorum was present and acting throughout, and that the original of the foregoing resolution appears of public record in the Minute Book of the Commission, which is in my custody and control.

I further certify that such resolution has not been rescinded, repealed, or modified.

GIVEN under my hand and the seal of the Consolidated Government, this ____ day of September 2023.

(SEAL)

Clerk of Commission