

# Memorandum



**Date:** June 2, 2021  
**To:** Honorable Chairman Jose “Pepe” Diaz  
and Members, Board of County Commission

Agenda Item No. 5(B)

**From:** Daniella Levine Cava  
Mayor *Daniella Levine Cava*

**Subject:** Resolution Authorizing the Issuance of Subordinate Water and Sewer System Revenue Bonds, Series 2021 in an Amount Not-to-Exceed \$300,000,000

## **Recommendation**

It is recommended that the Board of County Commissioners (Board) adopt the accompanying resolution (Series 2021 Subordinate Resolution) which authorizes the following:

- Issuance of Subordinate Water and Sewer Revenue Bonds, Series 2021 (Series 2021 Subordinate Bonds) in an aggregate principal amount not-to-exceed \$300 million to fund capital improvement projects to meet the 51 percent match required under certain Water Infrastructure Finance and Innovation Act (WIFIA) loan agreements between the County and the United States Environmental Protection Agency (the “EPA”) described in Exhibit A to the Series 2021 Subordinate Resolution (Series 2021 Projects);
- Funding the cost of issuance and reserve requirement, if any, with proceeds of the Series 2021 Subordinate Bonds or a reserve credit facility; and
- Waiver of Resolution No. R-130-06, which requires that any contracts of the County with third parties be executed and finalized prior to their placement on an agenda for Board consideration.

## **Delegation of Authority**

The Series 2021 Subordinate Resolution delegates and authorizes the Mayor or the Mayor’s designee to: (i) appoint an Underwriter from the County’s pool of underwriters pursuant to Ordinance No. 16-64; (ii) finalize terms of the negotiated sale of the Series 2021 Subordinate Bonds; (iii) determine dates, maturities, redemption provisions, series amounts and certain other details relating to such Series 2021 Subordinate Bonds; (iv) select and appoint a Registrar and a Paying Agent after a competitive process; (v) apply and execute agreements consistent with Exhibit E to receive low interest rate loans from the EPA WIFIA Program; and (vi) take all actions necessary to issue the Series 2021 Subordinate Bonds.

## **Scope**

The scope of the transaction is county-wide.

## **Fiscal Impact/Funding Source**

The Series 2021 Projects are included in the Water and Sewer Department’s (WASD) multi-year capital plan approved in FY21 adopted budget. The principal and interest on the proposed Series 2021 Subordinate Bonds shall be payable from WASD’s net revenues.

## **Track Record/Monitoring**

Annual debt service payments and continuing disclosure will be managed by Arlesa Wood, Director of Division of Bond Administration of the Miami-Dade County Finance Department. Francis G. Morris, Deputy Director/Chief Financial Officer of WASD, will manage funding of debt service payments and debt compliance monitoring.

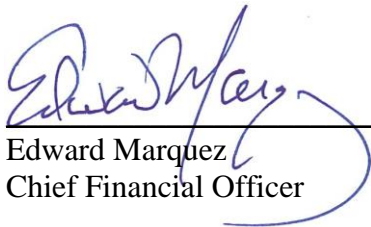
**Background**

On January 22, 2020, the Board authorized the issuance of \$1.5 billion in Subordinate Water and Sewer revenue bonds to pay cost of improvements to the water and sewer utility pursuant to Ordinance No. 20-1. The Water Infrastructure Finance and Innovation Act of 2014 established a federal credit program that accelerates investment in the nation’s water and wastewater infrastructure by providing long-term, low-cost loans to credit worthy borrowers. These loans can be used to fund up to 49 percent of an eligible water and wastewater project, requiring a local or state match of 51 percent of project costs. WASD has taken advantage of this federal funding, closing three WIFIA loans since 2019. The Series 2021 Subordinate Revenue Bonds will provide approximately \$290 million in required matching funds for the department’s existing WIFIA Loan Agreement #2 (WIFIA-N18151FL) dated as of May 28, 2020, and WIFIA Loan Agreement #3 (WIFIA-N19146FL) dated as of July 15, 2020.

As required by Resolution No. R-1313-09, Attachment 1 shows the projected debt service schedule for the Series 2021 Subordinate Bonds based on market conditions as of April 29, 2021. The aggregate principal amount of the Series 2021 Subordinate Bonds is estimated to be \$246 million and the County would pay interest in the amount of \$197 million over the 30-year life of the Series 2021 Subordinate Bonds.

Resolution No. R-130-06 provides that any County contract with a third party be finalized and executed prior to its placement on the agenda. The sale of the Series 2021 Subordinate Bonds, which will set their final terms will not occur until after the effective date of the Series 2021 Subordinate Resolution. Therefore, a waiver of Resolution No. R-130-06 is required to provide the County maximum flexibility in the market.

Attachment



Edward Marquez  
Chief Financial Officer

## TABLE OF CONTENTS

Miami-Dade County, Florida  
 Water and Sewer System Subordinate Revenue Bonds, Series 2021  
 Estimated Market Rates as of April 29, 2021  
 Preliminary, Subject to Change

Report	Page
Sources and Uses of Funds . . . . .	1
Bond Summary Statistics . . . . .	2
Bond Pricing . . . . .	3
Bond Debt Service . . . . .	4
Aggregate Debt Service . . . . .	5
Cost of Issuance . . . . .	7

SOURCES AND USES OF FUNDS

Miami-Dade County, Florida  
 Water and Sewer System Subordinate Revenue Bonds, Series 2021  
 Estimated Market Rates as of April 29, 2021  
 Preliminary, Subject to Change

Dated Date                    07/08/2021  
 Delivery Date                07/08/2021

Sources:

Bond Proceeds:	
Par Amount	246,495,000.00
Premium	45,418,499.25
	291,913,499.25
	291,913,499.25

Uses:

Project Fund Deposits:	
WIFIA Matching Funds	290,000,000.00
Delivery Date Expenses:	
Cost of Issuance	927,519.25
Underwriter's Discount	985,980.00
	1,913,499.25
	291,913,499.25

BOND SUMMARY STATISTICS

Miami-Dade County, Florida  
 Water and Sewer System Subordinate Revenue Bonds, Series 2021  
 Estimated Market Rates as of April 29, 2021  
 Preliminary, Subject to Change

Dated Date	07/08/2021
Delivery Date	07/08/2021
Last Maturity	10/01/2051
Arbitrage Yield	2.007655%
True Interest Cost (TIC)	2.833655%
Net Interest Cost (NIC)	3.146426%
All-In TIC	2.856909%
Average Coupon	4.062806%
Average Life (years)	19.671
Duration of Issue (years)	13.936
Par Amount	246,495,000.00
Bond Proceeds	291,913,499.25
Total Interest	196,993,296.94
Net Interest	152,560,777.69
Total Debt Service	443,488,296.94
Maximum Annual Debt Service	37,288,550.00
Average Annual Debt Service	14,670,200.03
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	4.000000
Total Underwriter's Discount	4.000000
Bid Price	118.025728

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Subordinate Serials	152,820,000.00	120.384	4.133%	14.939	142,633.75
Subordinate Term Bond	24,145,000.00	115.514	4.000%	24.741	23,903.55
Subordinate Term Bond	26,155,000.00	115.317	4.000%	26.741	25,893.45
Subordinate Term Bond	43,375,000.00	115.022	4.000%	29.257	42,507.50
	246,495,000.00			19.671	234,938.25

	TIC	All-In TIC	Arbitrage Yield
Par Value	246,495,000.00	246,495,000.00	246,495,000.00
+ Accrued Interest			
+ Premium (Discount)	45,418,499.25	45,418,499.25	45,418,499.25
- Underwriter's Discount	-985,980.00	-985,980.00	
- Cost of Issuance Expense		-927,519.25	
- Other Amounts			
Target Value	290,927,519.25	290,000,000.00	291,913,499.25
Target Date	07/08/2021	07/08/2021	07/08/2021
Yield	2.833655%	2.856909%	2.007655%

BOND PRICING

Miami-Dade County, Florida  
 Water and Sewer System Subordinate Revenue Bonds, Series 2021  
 Estimated Market Rates as of April 29, 2021  
 Preliminary, Subject to Change

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Call Date	Call Price	Premium (-Discount)
Subordinate Serials:									
	10/01/2027	27,670,000	5.000%	0.960%	124.375				6,744,562.50
	10/01/2028	13,780,000	5.000%	1.110%	126.954				3,714,261.20
	10/01/2029	2,195,000	5.000%	1.240%	129.331				643,815.45
	10/01/2030	440,000	5.000%	1.340%	131.676				139,374.40
	10/01/2031	475,000	5.000%	1.420%	133.975				161,381.25
	10/01/2032	490,000	5.000%	1.540%	132.631	1.781%	10/01/2031	100.000	159,891.90
	10/01/2033	4,580,000	4.000%	1.710%	121.407	2.016%	10/01/2031	100.000	980,440.60
	10/01/2034	7,620,000	4.000%	1.770%	120.781	2.183%	10/01/2031	100.000	1,583,512.20
	10/01/2035	7,930,000	4.000%	1.840%	120.056	2.335%	10/01/2031	100.000	1,590,440.80
	10/01/2036	8,255,000	4.000%	1.890%	119.541	2.454%	10/01/2031	100.000	1,613,109.55
	10/01/2037	8,590,000	4.000%	1.940%	119.029	2.560%	10/01/2031	100.000	1,634,591.10
	10/01/2038	8,940,000	4.000%	1.980%	118.621	2.647%	10/01/2031	100.000	1,664,717.40
	10/01/2039	9,305,000	4.000%	2.020%	118.215	2.725%	10/01/2031	100.000	1,694,905.75
	10/01/2040	9,685,000	4.000%	2.070%	117.709	2.802%	10/01/2031	100.000	1,715,116.65
	10/01/2041	10,080,000	4.000%	2.120%	117.206	2.872%	10/01/2031	100.000	1,734,364.80
	10/01/2042	10,495,000	4.000%	2.170%	116.705	2.937%	10/01/2031	100.000	1,753,189.75
	10/01/2043	10,920,000	4.000%	2.200%	116.406	2.985%	10/01/2031	100.000	1,791,535.20
	10/01/2044	11,370,000	4.000%	2.230%	116.108	3.029%	10/01/2031	100.000	1,831,479.60
		<u>152,820,000</u>							<u>31,150,690.10</u>
Subordinate Term Bond:									
	10/01/2045	11,830,000	4.000%	2.290%	115.514	3.108%	10/01/2031	100.000	1,835,306.20
	10/01/2046	12,315,000	4.000%	2.290%	115.514	3.108%	10/01/2031	100.000	1,910,549.10
		<u>24,145,000</u>							<u>3,745,855.30</u>
Subordinate Term Bond:									
	10/01/2047	12,815,000	4.000%	2.310%	115.317	3.157%	10/01/2031	100.000	1,962,873.55
	10/01/2048	13,340,000	4.000%	2.310%	115.317	3.157%	10/01/2031	100.000	2,043,287.80
		<u>26,155,000</u>							<u>4,006,161.35</u>
Subordinate Term Bond:									
	10/01/2049	13,885,000	4.000%	2.340%	115.022	3.219%	10/01/2031	100.000	2,085,804.70
	10/01/2050	14,450,000	4.000%	2.340%	115.022	3.219%	10/01/2031	100.000	2,170,679.00
	10/01/2051	15,040,000	4.000%	2.340%	115.022	3.219%	10/01/2031	100.000	2,259,308.80
		<u>43,375,000</u>							<u>6,515,792.50</u>
		<u>246,495,000</u>							<u>45,418,499.25</u>

Dated Date	07/08/2021	
Delivery Date	07/08/2021	
First Coupon	10/01/2021	
Par Amount	246,495,000.00	
Premium	45,418,499.25	
Production	291,913,499.25	118.425728%
Underwriter's Discount	-985,980.00	-0.400000%
Purchase Price	290,927,519.25	118.025728%
Accrued Interest		
Net Proceeds	290,927,519.25	

## BOND DEBT SERVICE

Miami-Dade County, Florida  
 Water and Sewer System Subordinate Revenue Bonds, Series 2021  
 Estimated Market Rates as of April 29, 2021  
 Preliminary, Subject to Change

Period Ending	Principal	Coupon	Interest	Debt Service
09/30/2022			7,532,246.94	7,532,246.94
09/30/2023			10,310,300.00	10,310,300.00
09/30/2024			10,310,300.00	10,310,300.00
09/30/2025			10,310,300.00	10,310,300.00
09/30/2026			10,310,300.00	10,310,300.00
09/30/2027			10,310,300.00	10,310,300.00
09/30/2028	27,670,000	5.000%	9,618,550.00	37,288,550.00
09/30/2029	13,780,000	5.000%	8,582,300.00	22,362,300.00
09/30/2030	2,195,000	5.000%	8,182,925.00	10,377,925.00
09/30/2031	440,000	5.000%	8,117,050.00	8,557,050.00
09/30/2032	475,000	5.000%	8,094,175.00	8,569,175.00
09/30/2033	490,000	5.000%	8,070,050.00	8,560,050.00
09/30/2034	4,580,000	4.000%	7,966,200.00	12,546,200.00
09/30/2035	7,620,000	4.000%	7,722,200.00	15,342,200.00
09/30/2036	7,930,000	4.000%	7,411,200.00	15,341,200.00
09/30/2037	8,255,000	4.000%	7,087,500.00	15,342,500.00
09/30/2038	8,590,000	4.000%	6,750,600.00	15,340,600.00
09/30/2039	8,940,000	4.000%	6,400,000.00	15,340,000.00
09/30/2040	9,305,000	4.000%	6,035,100.00	15,340,100.00
09/30/2041	9,685,000	4.000%	5,655,300.00	15,340,300.00
09/30/2042	10,080,000	4.000%	5,260,000.00	15,340,000.00
09/30/2043	10,495,000	4.000%	4,848,500.00	15,343,500.00
09/30/2044	10,920,000	4.000%	4,420,200.00	15,340,200.00
09/30/2045	11,370,000	4.000%	3,974,400.00	15,344,400.00
09/30/2046	11,830,000	4.000%	3,510,400.00	15,340,400.00
09/30/2047	12,315,000	4.000%	3,027,500.00	15,342,500.00
09/30/2048	12,815,000	4.000%	2,524,900.00	15,339,900.00
09/30/2049	13,340,000	4.000%	2,001,800.00	15,341,800.00
09/30/2050	13,885,000	4.000%	1,457,300.00	15,342,300.00
09/30/2051	14,450,000	4.000%	890,600.00	15,340,600.00
09/30/2052	15,040,000	4.000%	300,800.00	15,340,800.00
	246,495,000		196,993,296.94	443,488,296.94

AGGREGATE DEBT SERVICE

Miami-Dade County, Florida  
 Water and Sewer System Subordinate Revenue Bonds, Series 2021  
 Estimated Market Rates as of April 29, 2021  
 Preliminary, Subject to Change

Period Ending	Series 2021 (Subordinate)	SRF Debt (Subordinate)	WIFIA Debt (Subordinate)	Series 2008A	Series 2008B	Series 2015	Series 2017A	Series 2017B	Series 2019	Series 2019B
09/30/2022	7,532,246.94	16,366,482.38		6,929,812.50	51,550,275.00	45,479,050	15,705,868.76	26,884,618.76	11,223,850	26,584,900
09/30/2023	10,310,300.00	13,265,135.72		7,081,593.75	51,389,468.75	45,471,625	15,705,868.76	26,874,143.76	11,223,850	26,584,900
09/30/2024	10,310,300.00	15,725,882.10				102,323,875	15,705,868.76	26,885,768.76	11,223,850	26,584,900
09/30/2025	10,310,300.00	15,317,736.18				102,144,000	15,705,868.76	26,883,768.76	11,223,850	26,584,900
09/30/2026	10,310,300.00	15,317,736.18				102,220,875	15,705,868.76	26,878,143.76	11,223,850	26,584,900
09/30/2027	10,310,300.00	15,317,736.18				101,126,500	15,705,868.76	26,873,518.76	11,223,850	26,584,900
09/30/2028	37,288,500.00	15,317,736.18	2,964,768.23				15,705,868.76	52,502,143.76	11,223,850	26,584,900
09/30/2029	22,362,300.00	15,317,736.18	18,120,941.11				15,705,868.76	52,465,643.76	11,223,850	26,584,900
09/30/2030	10,377,925.00	15,317,736.18	30,312,345.80				15,705,868.76	52,426,268.76	11,223,850	26,584,900
09/30/2031	8,557,050.00	15,301,467.29	30,312,345.81				15,705,868.76	52,448,518.76	18,594,850	26,584,900
09/30/2032	8,569,175.00	15,298,189.64	30,312,345.79				29,550,993.76	52,339,893.76	18,597,100	26,584,900
09/30/2033	8,560,050.00	15,298,189.64	30,312,345.79				29,551,993.76	52,292,768.76	18,599,350	26,584,900
09/30/2034	12,546,200.00	11,320,177.61	30,312,345.81				29,552,118.76	52,246,018.76	18,595,725	26,584,900
09/30/2035	15,342,200.00	7,342,164.74	30,312,345.80				29,550,993.76	52,192,993.76	18,595,225	26,584,900
09/30/2036	15,341,200.00	7,342,164.74	30,312,345.80				29,549,568.76	52,138,693.76	18,596,600	26,584,900
09/30/2037	15,342,500.00	6,807,959.37	30,312,345.79				29,554,068.76	52,086,093.76	18,598,600	26,584,900
09/30/2038	15,340,600.00	5,588,390.00	30,312,345.80				29,553,268.76	52,022,693.76	18,595,100	26,584,900
09/30/2039	15,340,000.00	4,903,030.61	30,312,345.80				29,551,068.76	51,960,793.76	18,594,850	26,584,900
09/30/2040	15,340,100.00	2,746,234.00	30,312,345.79				29,551,168.76	51,891,796.88	18,596,350	26,584,900
09/30/2041	15,340,300.00	2,746,234.00	30,312,345.79				29,552,168.76		18,598,100	26,584,900
09/30/2042	15,340,000.00	2,746,234.00	30,312,345.80				29,552,668.76		18,598,600	26,584,900
09/30/2043	15,343,500.00	2,746,234.00	30,312,345.79				29,551,268.76		18,596,350	26,584,900
09/30/2044	15,340,200.00		30,312,345.78				29,551,468.76		18,594,725	106,955,525
09/30/2045	15,344,400.00		30,312,345.79				29,551,668.76		18,596,850	106,954,275
09/30/2046	15,340,400.00		30,312,345.78				29,550,337.51		18,595,850	106,952,500
09/30/2047	15,342,500.00		30,312,345.78				29,549,918.76		18,597,800	106,952,300
09/30/2048	15,339,900.00		30,312,345.79				29,552,865.63		18,599,600	106,953,400
09/30/2049	15,341,800.00		30,312,345.78						18,599,600	116,563,800
09/30/2050	15,342,300.00		30,312,345.79							
09/30/2051	15,340,600.00		30,312,345.78							
09/30/2052	15,340,800.00		30,312,345.79							
09/30/2053			30,312,345.79							
09/30/2054			30,312,345.79							
09/30/2055			30,312,345.78							
09/30/2056			30,312,345.78							
09/30/2057			30,312,345.78							
09/30/2058			30,312,345.49							
09/30/2059			24,382,808.76							
	443,488,296.94	237,450,586.92	924,526,545.73	14,011,406.25	102,939,743.75	498,765,925	673,282,922.14	840,294,284.56	454,350,875	1,344,581,000



AGGREGATE DEBT SERVICE

Miami-Dade County, Florida  
 Water and Sewer System Subordinate Revenue Bonds, Series 2021  
 Estimated Market Rates as of April 29, 2021  
 Preliminary, Subject to Change

Period Ending	2019C	Series 2021 (Senior)	Aggregate Debt Service
09/30/2022	17,285,514.66	22,202,604.74	247,745,223.74
09/30/2023	17,285,514.66	23,439,700.00	248,632,100.40
09/30/2024	17,285,514.66	23,439,700.00	249,485,659.28
09/30/2025	17,285,514.66	23,439,700.00	248,895,638.36
09/30/2026	17,285,514.66	23,439,700.00	248,966,888.36
09/30/2027	17,285,514.66	23,439,700.00	247,867,888.36
09/30/2028	64,739,586.88	23,439,700.00	249,767,103.81
09/30/2029	64,542,579.93	23,439,700.00	249,763,519.74
09/30/2030	64,373,714.78	23,439,700.00	249,762,309.28
09/30/2031	27,950,493.18	40,463,200.00	249,763,693.80
09/30/2032	28,049,993.86	40,462,825.00	249,767,041.81
09/30/2033	28,097,435.51	40,466,450.00	249,763,483.46
09/30/2034	28,144,299.63	40,465,250.00	249,767,035.57
09/30/2035	28,197,390.45	40,466,350.00	248,584,563.51
09/30/2036	28,249,324.75	40,463,850.00	248,578,647.81
09/30/2037	28,299,125.00	40,466,875.00	248,052,467.68
09/30/2038	28,369,931.50	40,463,200.00	246,830,429.82
09/30/2039	28,435,610.00	40,466,000.00	246,148,598.93
09/30/2040	28,505,288.00	40,464,700.00	243,992,883.43
09/30/2041	80,397,605.50	40,462,025.00	243,993,679.05
09/30/2042	80,405,018.25	40,462,550.00	244,002,316.81
09/30/2043	80,414,160.75	40,465,450.00	244,014,209.30
09/30/2044		40,462,775.00	241,217,039.54
09/30/2045		40,464,000.00	241,223,539.55
09/30/2046		40,462,600.00	241,214,033.29
09/30/2047		40,465,500.00	241,220,364.54
09/30/2048		40,465,600.00	241,223,711.42
09/30/2049		40,465,800.00	221,278,345.78
09/30/2050		40,465,925.00	194,501,970.79
09/30/2051		40,464,025.00	86,116,970.78
09/30/2052		40,466,550.00	86,119,695.79
09/30/2053			30,312,345.79
09/30/2054			30,312,345.79
09/30/2055			30,312,345.78
09/30/2056			30,312,345.78
09/30/2057			30,312,345.78
09/30/2058			30,312,345.49
09/30/2059			24,382,808.76
	820,884,645.93	1,099,941,704.74	7,454,517,936.96

## COST OF ISSUANCE

Miami-Dade County, Florida  
 Water and Sewer System Subordinate Revenue Bonds, Series 2021  
 Estimated Market Rates as of April 29, 2021  
 Preliminary, Subject to Change

Cost of Issuance	\$/1000	Amount
Bond Administration	1.00000	246,495.00
Bond Counsel Fee	0.63033	155,373.75
Bond Counsel Expenses	0.02028	5,000.00
Disclosure Counsel Fee	0.44123	108,761.63
Disclosure Counsel Expenses	0.02028	5,000.00
Moody's (est.)	0.54768	135,000.00
S&P (est.)	0.36512	90,000.00
Printing	0.01724	4,250.00
Shipping (est.)	0.02028	5,000.00
DAC	0.01014	2,500.00
Financial Advisor's Fee	0.56512	139,299.00
Financial Advisor's Expenses	0.02028	5,000.00
Contingency	0.10483	25,839.87
	3.76283	927,519.25



**MEMORANDUM**  
(Revised)

**TO:** Honorable Chairman Jose "Pepe" Diaz  
and Members, Board of County Commissioners

**DATE:** June 2, 2021

**FROM:**   
Gen Bonzon-Keenan  
County Attorney

**SUBJECT:** Agenda Item No. 5(B)

Please note any items checked.

- "3-Day Rule" for committees applicable if raised
- 6 weeks required between first reading and public hearing
- 4 weeks notification to municipal officials required prior to public hearing
- Decreases revenues or increases expenditures without balancing budget
- Budget required
- Statement of fiscal impact required
- Statement of social equity required
- Ordinance creating a new board requires detailed County Mayor's report for public hearing
- No committee review
- Applicable legislation requires more than a majority vote (i.e., 2/3's present \_\_\_\_, 2/3 membership \_\_\_\_, 3/5's \_\_\_\_, unanimous \_\_\_\_, CDMP 7 vote requirement per 2-116.1(3)(h) or (4)(c) \_\_\_\_, CDMP 2/3 vote requirement per 2-116.1(3)(h) or (4)(c) \_\_\_\_, or CDMP 9 vote requirement per 2-116.1(4)(c)(2) \_\_\_\_ ) to approve
- Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required

Approved \_\_\_\_\_ Mayor  
Veto \_\_\_\_\_  
Override \_\_\_\_\_

Agenda Item No. 5(B)

6-2-21

RESOLUTION NO. \_\_\_\_\_

RESOLUTION AUTHORIZING ISSUANCE OF NOT TO EXCEED \$300,000,000.00 OF MIAMI-DADE COUNTY, FLORIDA SUBORDINATE WATER AND SEWER SYSTEM REVENUE BONDS, IN ONE OR MORE SERIES, TO PAY COSTS OF CERTAIN IMPROVEMENTS; PROVIDING FOR CERTAIN DETAILS OF SERIES 2021 BONDS AND THEIR SALE BY NEGOTIATION; AUTHORIZING MAYOR OR MAYOR’S DESIGNEE, WITHIN CERTAIN LIMITATIONS AND RESTRICTIONS, TO FINALIZE DETAILS, TERMS AND OTHER PROVISIONS OF SERIES 2021 BONDS, AND THEIR NEGOTIATED SALE; APPROVING FORMS OF AND AUTHORIZING EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS; PROVIDING CERTAIN COVENANTS; PROVIDING FOR ISSUANCE OF ADDITIONAL BONDS, REFUNDING BONDS AND COMPLETION BONDS; PROVIDING OTHER TERMS AND PROVISIONS FOR ISSUANCE OF ALL BONDS AUTHORIZED UNDER THIS RESOLUTION; AUTHORIZING ADDITIONAL WIFIA LOANS; AUTHORIZING COUNTY OFFICIALS TO TAKE ALL NECESSARY ACTIONS IN CONNECTION WITH SERIES 2021 BONDS; WAIVING PROVISIONS OF RESOLUTION NO. R-130-06; AND PROVIDING FOR SEVERABILITY

**WHEREAS**, the Board of County Commissioners (the “Board”) of Miami-Dade County, Florida (the “County”), acting pursuant to the authority recited in Section 103 of this Resolution, owns and operates water and wastewater treatment plant facilities and a distribution and collection system and pursuant to such authority and Ordinance No. 93-134, enacted by the Board on November 16, 1993, as amended (the “Senior Obligations Bond Ordinance”) is authorized to issue revenue bonds and other obligations from time to time; and

**WHEREAS**, the County has previously issued and there are currently outstanding its First Lien Obligations (as such term is defined in Senior Obligations Bond Ordinance and hereinafter

referred to as “Senior Obligations”) under the provisions of the Senior Obligations Bond Ordinance; and

**WHEREAS**, pursuant to the authority recited in Section 103 of this Resolution and the Senior Obligations Bond Ordinance, the County is authorized to issue Subordinate Obligations (as such term is defined in the Senior Obligations Bond Ordinance); and

**WHEREAS**, pursuant to Ordinance No. 20-1, enacted by the Board on January 22, 2020 (the “2020 Ordinance”), the Board authorized the issuance of not to exceed \$1,500,000,000.00 in aggregate principal amount of Miami-Dade County, Florida Subordinate Obligations to pay costs of certain Improvements to the Water and Sewer Utility (as such terms are hereinafter defined) described therein (the “CIP Projects”), none of which has been issued by the County; and

**WHEREAS**, the County is undertaking certain Improvements, as more particularly described in Exhibit A to this Resolution (the “Series 2021 Project”), which Series 2021 Project constitutes a portion of the CIP Projects, provision for the funding of which is required under the WIFIA Loan Agreement (WIFIA-N18151FL) dated as of May 28, 2020, between the County and the United States Environmental Protection Agency (the “EPA”), and the WIFIA Loan Agreement (WIFIA-N19146FL) dated as of July 15, 2020, between the County and the EPA; and

**WHEREAS**, the Board has determined at this time that it is in the best interests of the County and its citizens to provide for the issuance of Subordinate Obligations under the provisions of the 2020 Ordinance and this Resolution, for the purpose of paying Costs of the Series 2021 Project; and

**WHEREAS**, the Board desires to authorize the issuance of not to exceed \$300,000,000.00 aggregate principal amount of Miami-Dade County, Florida Subordinate Water and Sewer System Revenue Bonds, in one or more Series (the “Series 2021 Bonds”), as Subordinate Obligations

under the 2020 Ordinance and this Resolution, for the purpose of paying Costs of the Series 2021 Project, funding the Reserve Account established under this Resolution (whether with proceeds of the Series 2021 Bonds or by deposit of one or more Reserve Account Credit Facilities), if advisable, funding capitalized interest, if advisable, and paying costs of issuance of the Series 2021 Bonds, including the premiums on or fees for any Credit Facilities and/or Reserve Account Credit Facilities, if there is an economic benefit in accordance with Section 201(g) of this Resolution; and

**WHEREAS**, based upon the findings set forth in Section 105 of this Resolution, the Board deems it in the best financial interest of the County that the Series 2021 Bonds be sold at a public offering by negotiated sale to the Series 2021 Underwriters named in the Series 2021 Bond Purchase Agreement in accordance with the Series 2021 Bond Purchase Agreement and to authorize the distribution, use and delivery of the Series 2021 Preliminary Official Statement and the Series 2021 Official Statement (as all such terms are hereinafter defined), all relating to the negotiated sale of the Series 2021 Bonds; and

**WHEREAS**, the Board deems it appropriate, subject to the limitations contained in this Resolution, to authorize the County Mayor (as such term is hereinafter defined), to (i) finalize the terms of the Series 2021 Bonds to the extent not provided in the 2020 Ordinance or this Resolution; (ii) finalize the terms of the negotiated sale of the Series 2021 Bonds; (iii) secure one or more Credit Facilities and/or one or more Reserve Account Credit Facilities, if there is an economic benefit in accordance with Section 201(g) of this Resolution; (iv) determine whether it is advisable to fund the Reserve Account and/or fund capitalized interest on the Series 2021 Bonds; and (v) select and appoint a Registrar (the “Registrar”) and a Paying Agent (the “Paying Agent”); and

**WHEREAS**, the Board desires to provide for a Book-Entry-Only System with respect to the Series 2021 Bonds, and to approve, ratify and confirm the Blanket Issuer Letter of Representations previously executed and delivered by the County to The Depository Trust Company, New York, New York (“DTC”) relating to such Book-Entry-Only System; and

**WHEREAS**, the Board desires to also make provision for the issuance of Additional Bonds, Refunding Bonds and Completion Bonds from time to time, subject to the terms of this Resolution; and

**WHEREAS**, the Board desires to accomplish the purposes outlined in the accompanying memorandum (the “County Mayor’s Memorandum”), a copy of which is incorporated in this Resolution by reference,

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA:**

## **ARTICLE I**

### **INCORPORATION OF RECITALS AND DEFINITIONS**

**Section 101.**        Incorporation of Recitals. The Board hereby finds and determines and does hereby incorporate as part of this Resolution the matters set forth in the foregoing recitals.

**Section 102.**        Meaning of Words and Terms. In addition to words and terms elsewhere defined in this Resolution, the following words and terms as used in this Resolution shall have the following meanings, unless some other meaning is plainly intended:

“Accountant” means the certified public accountants or firm of certified public accountants employed by the County under the provisions of Section 608 of this Resolution to perform and carry out the duties imposed on the Accountant by this Resolution.

“Accreted Value” means, with respect to any Compounding Interest Bond, (a) the amount representing the Accreted Value of such Bonds as of any Compounding Date, as established by

the schedule of Accreted Values relating to such Bond, which amount represents the initial principal amount thereof plus the amount of interest that has accrued to such Compounding Date calculated on the basis of a three hundred and sixty (360) day year of twelve (12) thirty (30) day months, and (b) as of any date other than a Compounding Date, the sum of (i) the Accreted Value on the preceding Compounding Date plus (ii) the product of (x) a fraction, the numerator of which is the number of days having elapsed from the preceding Compounding Date and the denominator of which is the number of days from such preceding Compounding Date to the next succeeding Compounding Date, multiplied by (y) the difference between the Accreted Values on such Compounding Dates, which amount represents the principal plus the amount of interest that has accrued to such date of determination. The Board may provide by Series Resolution that, with respect to any Series, the Accreted Value as of any date other than a Compounding Date shall be determined using a constant interest rate method rather than as provided in (b).

“Additional Bonds” means any Bonds issued at any time under the provisions of Section 210 of this Resolution.

“Amortization Requirements” means such moneys required to be deposited in the Redemption Account for the purpose of paying when due or redeeming prior to maturity any Term Bonds issued pursuant to this Resolution, or the specific amounts and times of such deposits to be determined in accordance with or under the authority of this Resolution with respect to the Series 2021 Bonds and a Series Resolution authorizing the issuance of such Term Bonds with respect to any other Series of Bonds.

“Annual Budget” means the Annual Budget of Operating Expenses and Capital Expenditures adopted pursuant to Section 603 of this Resolution.



“Assumed Interest Rate” means, for purposes of estimating a projected Variable Rate, as of the date of calculation, (a) with respect to Obligations that bear interest at a tax-exempt Variable Rate, a rate equal to the highest twelve (12) month rolling average of the SIFMA Swap Index over the preceding ten (10) years, and (b) with respect to Obligations that bear interest at a taxable Variable Rate, a rate equal to the highest twelve (12) month rolling average of one (1) month LIBOR over the preceding ten (10) years. If either of the foregoing indices ceases to be published, the applicable index shall be an index which the County determines to most closely replicate the applicable former index. If the SIFMA Swap Index or the one (1) month LIBOR rate shall cease to become regularly updated and available as a widely accepted market index, the County shall select a substitute index (which may include a conversion factor to make appropriate adjustments) that reasonably corresponds to the index being replaced.

“Balloon Indebtedness” shall mean the portion of a Series of Bonds which is not required by the terms of the Series Resolution pursuant to which such Bonds were issued to be amortized by redemption prior to their maturity, if such portion of the principal amount of such Series constitutes twenty-five per centum (25%) or more of the principal amount of such Series.

“Board” means the Board of County Commissioners of Miami-Dade County, Florida, or any successor of the board or body in which the general legislative powers of the County shall be vested.

“Bond Year” means the period commencing the first day of October in each year and ending on the last day of September of the following year.

“Bonds” means, collectively, any bonds issued under the provisions this Resolution.

“Bondholders” or “Holder” means the holders or registered owners of Bonds.

“Bond Service Account” means the Bond Service Account in the Debt Service Fund created and designated by Section 502 of this Resolution, together with any subaccount therein designated by this Resolution or any applicable Series Resolution.

“Book-Entry Bonds” and “Bonds in Book-Entry Form” means Bonds which are subject to a Book-Entry System.

“Book-Entry System” or “Book-Entry-Only-System” means a system under which either (a) bond certificates are not issued and the ownership of bonds is reflected solely by the Register, or (h) physical certificates in fully registered form are issued to a securities depository or to its nominee as Registered Owner, with the certificated bonds held by and “immobilized” in the custody of such securities depository, and under which records maintained by Persons, other than the Registrar, constitute the written record that identifies the ownership and transfer of the beneficial interests in those Bonds.

“Calculation Period” means the County’s Fiscal Year.

“Capital Appreciation Bond” means a Bond which is a Compounding Interest Bond throughout its entire term.

“Capital Facilities Charges” means all payments received by the County or the Department which are related to acquiring, constructing, expanding or equipping capacity and facilities of the Water and Sewer Utility, for the purpose of reserving capacity in either the Water System or the Sewer System, connecting to either System, or paying or reimbursing any capital cost relating to such acquisition, construction, expansion or equipping of excess and unused capacity of either System or any expansion thereof, including connection charges and impact fees relative to the Water and Sewer Utility, but shall not include: (i) amounts received for the acceptance, treatment

or disposal of sewage; (ii) amounts received from the sale of water; (iii) meter installation fees; and (iv) other revenues constituting Operating Revenues.

“Clerk” means the Clerk or Deputy Clerk of the Board or the Clerk’s designee or the officer or officers succeeding to the functions of the Clerk.

“Code” means the Internal Revenue Code of 1986, as amended from time to time. Each reference to a section of the Code herein shall be deemed to include the United States Treasury Regulations proposed or in effect thereunder and applied to the Bonds or the use of proceeds thereof, and also includes all amendments and successor provisions unless the context clearly requires otherwise.

“Commercial Paper Program” means any commercial paper program or revolving line of credit facility of the County relating to short-term financing for the Water and Sewer Utility as authorized from time to time.

“Compounding Date” means, with respect to any Compounding Interest Bond, the date on which interest is compounded for purposes of determining its Accreted Value.

“Compounding Interest Bond” means a Bond, the interest on which (a) shall be compounded periodically, (b) shall be payable at maturity or redemption prior to maturity, and (c) shall be determined by reference to Accreted Value and includes, but is not limited to, Capital Appreciation Bonds and Convertible Capital Appreciation Bonds.

“Construction Fund” means the Miami-Dade County Subordinate Water and Sewer Utility Construction Fund, a special fund created and designated by Section 401 of this Resolution.

“Consultant” means such qualified and nationally recognized independent consulting firm retained by the County, having favorable repute or skill and experience with respect to the services to be provided by such Consultant, as herein required.

“Convertible Capital Appreciation Bond” means a Bond the interest on which from its issuance date or dated date until a conversion date specified therein is compounded periodically, and from and after such conversion date is payable not less often than annually, calculated on the basis of the Accreted Value thereof on such conversion date, and the Accreted Value of which as of said conversion date is treated as the principal amount thereof for purposes of payment or redemption after such conversion date.

“Cost” or “Costs” as applied to any Improvements, means and shall embrace the cost of acquisition and construction and all obligations for expenses and all items of cost which are set forth in Section 403 of this Resolution.

“Counterparty” means a party, other than the County, to a Hedge Agreement.

“County” means Miami-Dade County, Florida, a political subdivision of the State of Florida.

“County Attorney” means the County Attorney of the County or the County Attorney’s designee or the officer or officers succeeding to the functions of the County Attorney.

“County Mayor” means the Mayor of the County or the Mayor’s designee or the officer or officers succeeding to the functions of the Mayor.

“Credit Agreement” means any contract, agreement, or other instrument executed by the County in connection with obtaining or administering any Credit Facility or Reserve Account Credit Facility for any Bonds, including, but not limited to, any reimbursement agreement, financial guaranty agreement, standby bond purchase agreement, continuing covenant agreement, or bondholder agreement.

“Credit Facility” means a policy of insurance, a letter of credit, surety bond or other financial product or instrument which (a) guarantees the prompt payment of all or any portion of

the principal of, premium, if any, or interest on any of the Bonds, (b) provides funds for the purchase of any Bonds for retirement or remarketing, or (c) permits the County to defer any Payment Obligations based on the Credit Facilities terms and conditions.

“Credit Facility Charges” means (a) Initial Credit Facility Charges and (b) Recurring Credit Facility Charges.

“Credit Facility Provider” means an insurance company, bank, or other organization which has provided a Credit Facility in connection with any Series of Bonds.

“Debt Service Fund” means the Miami-Dade County, Florida Subordinate Water and Sewer Utility Revenue Bonds Debt Service Fund, a fund created and designated by Section 502 of this Resolution.

“Defeasance Obligations” means those obligations eligible to refund and defease Bonds of a Series which are defined and described in any applicable Series Resolution.

“Department” means the Miami-Dade Water and Sewer Department, the administrative entity of Miami-Dade County that operates the Water and Sewer Utility, or any successor thereto.

“Depositary” means any bank or trust company duly authorized by law to engage in the banking business and designated by the County as a depositary of moneys under the provisions of this Resolution.

“Director” means the director of the Department.

“Fiscal Year” means the fiscal year of the County.

“Fitch” means Fitch Ratings, Inc., its successors and assigns.

“Fixed Rate Bond” means a bond, the interest rate on which (i) is not, under any circumstances subject to change during its remaining term, or (ii) is subject to change at specified times and in specified amounts so that the yield and annual debt service for each period during its

remaining term is fixed (such as a stepped coupon bond), any bond which was not a fixed rate bond as of its date of issuance shall become a fixed rate bond as of any date after its issuance on which it meets the requirements of (i) or (ii) above.

“GAAP” means generally accepted accounting principles for municipal utilities.

“Government Obligations” means (i) any obligations which as to both principal and interest constitute non-pre-payable and non-callable (except at the option of the holder thereof) direct obligations of, or non-pre-payable and non-callable (except at the option of the holder thereof) obligations, the timely payment of which is fully and unconditionally guaranteed as to full and timely payment by the full faith and credit of, the United States of America, including bonds, U.S. Treasury Securities-State and Local Government Series (“SLGS”), (ii) other evidences of indebtedness issued or guaranteed by any agency or corporation which has been or may hereafter be created pursuant to an Act of Congress as an agency or instrumentality of the United States of America to the extent unconditionally guaranteed as to full and timely payment by the United States of America, (iii) any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state (a) which are not callable for redemption prior to maturity, or which have been duly called for redemption by the obligor on a date or dates specified or as to which irrevocable instructions have been given to a trustee in respect of such bonds or other obligations by the obligor to give due notice of such redemption on such date or dates, which date or dates shall be also specified in such instructions, (b) which are secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash, bonds or other obligations of the character described in clauses (i) or (ii) above which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates

thereof or the redemption date or dates specified in the irrevocable instructions referred to in subclause (a) of this clause (iii), as appropriate, and (c) as to which the principal of and interest on the bonds and obligations of the character described in clauses (i) or (ii) above on deposit in such fund along with any cash on deposit in such fund are sufficient to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this clause (iii) on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in subclause (a) of this clause (iii), as appropriate; and (iv) certificates that evidence ownership of the right to payments of principal and/or interest on obligations described in any of clauses (i), (ii) or (iii) of this definition, provided that such obligations shall be held in trust by a bank or trust company or a national banking association authorization to exercise corporate trust powers and subject to supervision or examination by federal, state, territorial or District of Columbia authority and having a combined capital, surplus and undivided profits of not less than \$25,000,000. The definition of Government Obligations does not include, nor does it permit investment in mutual funds or unit investment trusts.

“Hedge Agreement” (i) with respect to Senior Obligations solely for purposes of Sections 210(c) and 602 of this Resolution, means Hedge Agreement as such term is defined in the Senior Obligations Bond Ordinance, and (ii) with respect to Bonds, means and includes an interest rate exchange agreement, an Interest Swap Agreement, forward purchase contract, put option contract, call option contract or other financial product which is used by the County as a hedging device with respect to its obligation to pay debt service on any of the Bonds, entered into between the County and a Counterparty; provided that such Counterparty shall be an entity whose long-term debt obligations, or whose payment obligations under the Hedge Agreement are guaranteed by an entity, whose senior long-term debt obligations are rated (on the date the Hedge Agreement is

entered into) in one of the three highest rating categories (without regard to gradation) by one or more Rating Agencies or their respective successors; and further provided that such arrangement shall be specifically designated in a certificate of the County Mayor as a “Hedge Agreement” for purposes of this Resolution; and provided further that at the time of entering into such Hedge Agreement the County shall have obtained written evidence that entering into such Hedge Agreement will not, in and of itself, result in a withdrawal or reduction of any rating assigned to the Bonds by a Rating Agency.

“Hedge Charges” means charges payable by the County to a Counterparty upon the execution, renewal or termination of any Hedge Agreement and any periodic fee payable by the County to keep such Hedge Agreement in effect and other payments required thereby, exclusive of Hedge Obligations, which shall be payable from the General Reserve Fund created under the Senior Obligations Bond Ordinance.

“Hedge Obligations” means (i) net payments required to be made by the County under a Hedge Agreement from time to time as a result of fluctuation in hedged interest rates, or fluctuation in the value of any index of payment and (ii) termination charges with respect to a Hedge Agreement, provided that with respect to any such termination charge, such termination charge may be considered as a Hedge Obligation (and not a Hedge Charge) if, on or before the date of entering into such Hedge Agreement, the County shall have obtained written evidence from each applicable Rating Agency that such Hedge Agreement will not, in and of itself, result in the withdrawal or reduction of the rating(s) then applicable to the Bonds.

“Hedge Receipts” means net payments received by the County from a Counterparty under a Hedge Agreement.



“Improvements” means such improvements, renewals and replacements of the Water and Sewer Utility or any part thereof and such extensions and additions including additional water and sewer systems thereto as may be necessary or desirable, in the judgment of the County, to keep the same in proper condition for the safe, efficient and economic operation thereof and to integrate into the Water and Sewer Utility any unit or part thereof, and shall include such land, structures and facilities as may be authorized to be acquired or constructed by the County under the provisions of Florida law and such improvements, renewals and replacements of such land, structures and facilities of the Water and Sewer Utility and such extensions and additions thereto as may be necessary or desirable for continuous and efficient service to the public.

“Initial Credit Facility Charges” means and includes any premium, commitment fee or other issuance charges payable by the County to any Provider for the issuance of any Credit Facility or Reserve Account Credit Facility relating to any Bonds, at the time of the initial issuance of such Bonds, together with any fees and expenses relating thereto, including, but not limited to, the legal fees and expenses of legal counsel to the Provider of any Credit Facility or Reserve Account Credit Facility, which the County is required to pay or for which it is required to make reimbursement, but shall not include any Payment Obligations or Recurring Credit Facility Charges.

“Interest” or “interest” means the interest on the specified obligations; in the case of Compounding Interest Bonds, the interest component included in the Maturity Amount (and in the Accreted Value thereof payable at redemption) shall be deemed to constitute principal, provided, however, that for purposes of any limitation contained herein or in any Series Resolution on the issuance of an aggregate principal amount of Bonds of any Series, the principal amount of Compounding Interest Bonds shall be the initial principal amount thereof on the issuance date.

“Interest Payment Date” means, when used with reference to any Bonds, the dates on which interest is stated to be due thereon, and any date on which interest becomes due thereon on account of the early redemption thereof or on account of the happening of an event which, under the terms of such Bonds, requires a payment of interest to be made thereon.

“Interest Swap Agreement” means an agreement between the County and a Counterparty under which the County is obligated to make periodic payments on a “notional amount” to the Counterparty at a fixed rate of interest and the Counterparty is obligated to make periodic payments to the County on such “notional amount” at a variable rate of interest, or vice-versa, and under which the amounts so payable by the County and such Counterparty on any date are netted against each other with the party owing the larger amount making a net payment to the other party.

“Investment Obligations” means (i) Government Obligations, (ii) bonds, debentures or notes issued by any of the following Federal agencies: Banks for Cooperatives, Federal Intermediate Credit Banks, Federal Home Loan Banks, Export-Import Bank of the United States, Government National Mortgage Association, Federal Land Banks, or the Federal National Mortgage Association (including participation certificates issued by such Association), (iii) all other obligations issued or unconditionally guaranteed as to principal and interest by an agency or person controlled or supervised by and acting as an instrumentality of the United States Government pursuant to authority granted by the Congress, (iv) general obligations of any state of the United States (other than obligations rated lower than the three highest grades by two Rating Agencies), (v) repurchase agreements with any bank or trust company organized under the laws of any state of the United States of America or any national banking association or government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York, which agreement is fully secured by Government Obligations delivered to

another bank or trust company organized under the laws of any state of the United States of America or any national banking association, as custodian, (vi) certificates of deposit or similar arrangements with any Federal or State of Florida bank, trust company or savings and loan association which is a member of the Federal Deposit Insurance Corporation, (vii) investment agreements or contracts which are rated or are issued or guaranteed by an entity whose long-term unsecured obligations are rated in one of the two highest rating categories (without regard to gradation) by one or more Rating Agencies or their respective successors, and which are not required to be registered under the Securities Act of 1933 but may be so registered, whereby under each such investment agreement or contract the party is absolutely and unconditionally obligated to repay the moneys invested by the County and interest thereon at a guaranteed rate, without any right of recoupment, counterclaim or set off; provided, however, that such party may have the right to assign its obligations under any such agreements or contracts to any other entity if the investment agreements or contracts shall continue to be rated in one of the two highest rating categories (without regard to gradation) by one or more Rating Agencies or their respective successors and if such agreements or contracts shall not be registered, the agreements or contracts shall not be required to be registered under the Securities Act of 1933 by reason of such assignment; and (viii) any other investment which is a permitted investment for public funds under County ordinance or rule or State law.

“LIBOR” means the London Interbank Offered Rate, as its administration may be modified from time to time.

“Maturity Amount” means, with respect to any Compounding Interest Bond, the value of such Compounding Interest Bond which is due at the stated maturity thereof.

“Maturity Date” means the stated date on which principal matures on Bonds or on which the Maturity Amount becomes payable on Compounding Interest Bonds.

“Maximum Annual Debt Service” means the maximum of the sum of Senior Obligations Debt Service and Pari Passu Obligations Debt Service in any Fiscal Year.

“Maximum Pari Passu Obligations Debt Service” maximum Pari Passu Obligations Debt Service in any Fiscal Year.

“Maximum Principal and Interest Requirements” means, with respect to Senior Obligations, as of any date of calculation, the greatest amount of Principal and Interest Requirements (as such term is defined in the Senior Obligations Bond Ordinance) for the then current or any future Fiscal Year.

“Moody’s” means Moody’s Investors Service, Inc., its successors and assigns.

“Multimodal Bond” means a Bond which contains provisions allowing for the payment of interest at different rates during different interest periods and for the establishment of different interest periods and interest rates; the interest rate during any particular interest period may be a Variable Rate or a fixed rate.

“Multimodal Obligation” means an Obligation which contains provisions allowing for the payment of interest at different rates during different interest periods and for the establishment of different interest periods and interest rates; the interest rate during any particular interest period may be a Variable Rate or a fixed rate.

“Net Operating Revenues” means the Operating Revenues reduced by Operating Expenses.

“Obligations” means debt of the County that is secured by a pledge and lien on all or a portion of the Operating Revenues of the Water and Sewer Utility.

“Operating Expenses” means all current expenses, paid or accrued, and any Operating Expense reserve as described in Section 503 of the Senior Obligations Bond Ordinance, for the operation, maintenance and ordinary current repairs of the Water and Sewer Utility and its components, as calculated in accordance with GAAP, including, without limitation, insurance premiums (or comparable payments under a self-insurance or risk management program), labor, cost of materials and supplies used for current operation, charges for the accumulation of appropriate reserves for current expenses not annually recurrent but which are such as may reasonably be expected to be incurred in accordance with GAAP, Senior Obligations Credit Facility Charges, Credit Facility Charges, administrative expenses and professional fees and expenses, before depreciation, amortization and interest expense determined in accordance with GAAP, provided, however, there shall not be taken into account:

- (a) any gain or loss resulting from either the extinguishment or refinancing of indebtedness;
- (b) loss from the sale, exchange or other disposition of capital assets not made in the ordinary course of business; and
- (c) any capital expenditures for renewal, replacement, expansion or acquisition of capital assets of the Water and Sewer Utility (including any deposits to reserves therefor).

“Operating Revenues” or “Revenues” means all operating income or earnings received or accrued by the County from the ownership, operation or use of the Water and Sewer Utility, or any part thereof, including, but not limited to, user charges for the provision of water service and sewer service, meter installation fees, and the like, delinquent charges and investment earnings, but shall exclude any income from the investment of the Senior Obligations Construction Fund

and the Construction Fund, proceeds from insurance (except business interruption insurance), condemnation or the disposition of property not in the ordinary course of business, Capital Facilities Charges, grants, and proceeds from the sale of any obligations of the County (exclusive of short-term obligations for Utility working capital), and payments on special assessments for water and sewer improvements.

“Outstanding” means, when used with respect to the Bonds, all Bonds theretofore delivered except:

- (a) Bonds paid or redeemed or delivered to or acquired by the County for cancellation;
- (b) Series 2021 Bonds issued under this Resolution and other Bonds issued under a particular Series Resolution which, under the terms of this Resolution and such Series Resolution, respectively, are no longer deemed to be outstanding (such as Bonds that have been defeased); and for purposes of voting, giving directions and granting consents, Bonds held by the County or by an agent of the County shall not be deemed outstanding, except that when Bonds are held by any tender agent or remarketing agent, such tender agent or remarketing agent rather than the County shall be deemed the holder for purposes of voting the same for purposes of amending this Resolution or the Series Resolution under which the same were issued or for the purpose of giving directions or granting consents under this Resolution or such Series Resolution.

“Pari Passu Obligations” means the Bonds, the WIFIA Loans, the State Loans and any borrowing or indebtedness of the County permitted under this Resolution and that is secured by a

lien on Net Operating Revenues subordinate to the lien in favor of Senior Obligations and on a parity with the lien on Net Operating Revenues securing the Bonds, the WIFIA Loans and the State Loans. The term Pari Passu Obligations is intended to be synonymous with the term “Subordinate Obligations” as such term is defined in the Senior Obligations Bond Ordinance. For purposes of clarification, if an Obligation is secured in part but not in whole by a lien on Net Operating Revenues, only that portion of such Obligation that is secured by Net Operating Revenues shall be considered a Pari Passu Obligation.

“Pari Passu Obligations Debt Service” means with respect to the Pari Passu Obligations, for any period, as of any date of calculation, an amount equal to the sum of all interest and principal of Pari Passu Obligations accruing and payable in respect of such period. In determining the principal amount of Pari Passu Obligations due in such period (unless a different subsection of this definition applies for purposes of determining principal maturities or amortization), payment shall be assumed to be made in accordance with any amortization schedule established for such Pari Passu Obligations, including any scheduled redemption of Pari Passu Obligations on the basis of accreted value or appreciated value, as applicable, or mandatory sinking fund redemptions (as each of such terms is used in the applicable Obligation documents), and for such purpose the redemption payment shall be deemed a principal payment. In determining Pari Passu Obligations Debt Service with respect to Outstanding Bonds, Pari Passu Obligations Debt Service shall mean the respective amounts which are required in each Fiscal Year to pay (a) principal and interest on all Bonds then Outstanding; and (b) the Amortization Requirements, if any, for all Term Bonds then Outstanding for such Fiscal Year, provided, however, at the option of the County, one or more of the following rules shall apply:

- (a) if all or a portion of the principal or Amortization Requirements of or interest on Bonds is payable from funds set aside or deposited for such purpose (other than funds on deposit in the Reserve Account), including funds deposited to the credit of the Construction Fund, together with projected earnings thereon, such principal, Amortization Requirements or interest shall not be included in computing Pari Passu Obligations Debt Service if such funds, together with the investment earnings thereon, will provide sufficient moneys to pay when due such principal, Amortization Requirements or interest, as applicable;
- (b) Pari Passu Obligations Debt Service for any Bonds bearing interest at a Variable Rate shall be determined as provided in the definition of “Variable Rate” herein;
- (c) in the case of Tender Bonds, the date or dates on which the Holders of such Tender Bonds may elect or be required to tender such Tender Bonds for payment or purchase shall be ignored and the stated dates for Amortization Requirements and principal payments thereof shall be used for purposes of this calculation so long as a source for said payment or purchase is a Credit Facility which provides funds for the payment or purchase of such Tender Bonds upon tender; provided, however, that notwithstanding the foregoing or the provisions of clause (i) above, during any period of time after the Provider of a Credit Facility has advanced funds under a Credit Facility and before such amount is repaid, Pari Passu Obligations Debt Service shall include the principal amount so advanced and interest thereon, in



accordance with the principal repayment schedule and interest rate or rates specified in the Credit Agreement relating to such Credit Facility;

- (d) in the case of Capital Appreciation Bonds, the Accreted Value or Maturity Amount shall be included when due and payable;
- (e) in the case of Convertible Capital Appreciation Bonds, the Accreted Value or Maturity Amount shall be included when due and payable;
- (f) if all or a portion of the principal or Amortization Requirements of, or interest on, Bonds is paid or expected to be paid from cash subsidy payments or other similar payments made or expected to be made by the United States Treasury or other federal or state governmental entity to, or on behalf of, the County, the amount of principal, Amortization Requirements or interest so paid or expected to be paid shall not be included in computing Pari Passu Obligations Debt Service; and
- (g) with respect to Balloon Indebtedness, there shall be taken into account in each year the amount of principal of such Balloon Indebtedness that would be payable in such period if the principal of and interest on such Balloon Indebtedness were amortized from the date of issuance thereof over a period of thirty (30) years at an average interest rate equal to (i) with respect to Balloon Indebtedness for which interest is excluded from gross income of the holders thereof for federal income tax purposes, *The Bond Buyer* “25 Bond Revenue Bond Index” (or a comparable index selected by the County if such index is no longer published) selected by the County within one month of the application calculation date, or (B) with respect to Balloon

Indebtedness for which interest is not excluded from gross income of the holders thereof for federal income tax purposes, the yield on direct U.S. Treasury Obligations with comparable maturities selected by the County within one month of the applicable calculation date.

“Pari Passu Obligations Debt Service Reserve Account” means, with respect to Bonds, the Reserve Account, and with respect to other Pari Passu Obligations, a reserve account, if any, established to secure payment of Pari Passu Obligations Debt Service.

“Pari Passu Obligations Reserve Account Credit Facility” means, with respect to Bonds, a Reserve Account Credit Facility, and with respect to other Pari Passu Obligations, a surety bond, a policy of insurance, a letter of credit, or other financial product which provides for the payment of Pari Passu Obligations Debt Service.

“Payment Obligation” means an obligation of the County arising under a Credit Agreement: (a) to reimburse any Provider for amounts advanced by such Provider under a Credit Facility or Reserve Account Credit Facility which are used (i) to pay any principal, Maturity Amount or Accreted Value of, premium on, or interest on any Bond or Bonds, or (ii) to purchase any Bond or Bonds for cancellation, or (iii) to purchase any Bond or Bonds for remarketing, or (b) to pay interest on any such advances

“Pledged Funds” means the Debt Service Fund and to the extent provided herein, the Construction Fund, in each case together with all accounts and subaccounts therein.

“Pledged Revenues” means Net Operating Revenues (whether or not on deposit in the funds and accounts established herein), in the manner and with the priority of application as provided for the payment of Subordinate Obligations in the Senior Obligations Bond Ordinance.

“Principal” or “principal” means the principal of the specified obligations; in the case of Compounding Interest Bonds, the interest component of the Maturity Value (or Accreted Value thereof payable upon redemption) shall be deemed to constitute principal; provided that for purposes of any limitation contained herein or in any Series Resolution on the aggregate principal amount of Bonds of any Series, the principal amount thereof shall be the initial principal amount on the date of issuance thereof.

“Project” means with respect to the Series 2021 Bonds, the Series 2021 Project, and with respect to any other Series of Bonds, the acquisition, construction, addition, improvement, sizing, separating and equipping of various components of the Water and Sewer Utility, identified as a Project by a Series Resolution providing for the issuance of any obligation to finance the cost thereof, in whole or in part.

“Provider” means a Credit Facility Provider or Reserve Account Credit Facility Provider, as indicated by the context in which such term is used.

“Rating Agency” means Moody’s, Standard & Poor’s, and Fitch, and any other nationally recognized securities rating agency.

“Rebate Amount” means the amount of any rebate or penalty in lieu of rebate which is payable under Section 148(f) of the Code.

“Recurring Credit Facility Charges” means and includes (a) all charges payable by the County to any Provider of a Credit Facility or Reserve Account Credit Facility under any Credit Agreement to renew or extend the term of any Credit Facility or Reserve Account Credit Facility, (b) all charges of the type described in the definition of “Initial Credit Facility Charges” relating to the replacement of any Credit Facility or Reserve Account Credit Facility for any Outstanding Bonds with a new Credit Facility or Reserve Account Credit Facility, and (c) any other fees,

charges or amounts the County is required to pay to any Provider of a Credit Facility or Reserve Account Credit Facility (other than Initial Credit Facility Charges and Payment Obligations) under any Credit Agreement, including, but not limited to, draw fees, transaction fees, “gross-up charges,” termination fees, annual fees, expenses of such Provider which the County is required to pay or for which it is required to reimburse such Provider, and any payments the County is required to make to indemnify any such Provider for any costs or expenses incurred by it or any loss suffered by it in connection with a Credit Facility or Reserve Account Credit Facility, but shall not include any Payment Obligations.

“Redemption Account” means the Redemption Account in the Debt Service Fund created and designated by Section 502 of this Resolution.

“Refunding Bonds” means the Bonds issued at any time under the provisions of Section 211 of this Resolution.

“Registrar, Paying Agent or Transfer Agent” means as to any Series of Bonds, the County or a bank or trust company within or without the State, which has been designated by the County as the Registrar, Paying Agent or Transfer Agent, or any one or combination of these functions, for such Series; provided, however, that any bank or trust company designated as Registrar, Paying Agent or Transfer Agent for any Series of Bonds issued hereunder must have an aggregate unimpaired reported capital, surplus and retained earnings of not less than \$25,000,000.

“Regular Record Date” means (i) with respect to the Series 2021 Bonds, the 15<sup>th</sup> day of the calendar month (whether or not a business day) next preceding each Interest Payment Date, and (ii) with respect to any other Series of Bonds, that day in the month immediately preceding any scheduled Interest Payment Date that is established as the Regular Record Date by the Series Resolution applicable to such other Series of Bonds.

“Reserve Account” means the Reserve Account in the Debt Service Fund created and designated by Section 502 of this Resolution.

“Reserve Account Credit Facility” means a surety bond, a policy of insurance, a letter of credit, or other financial product obtained by the County with respect to any Bonds, from an entity that is rated on the date of deposit in the Reserve Account in one of the two highest rating categories (without regard to gradation) by one or more Rating Agencies or their respective successors and which financial product provides for payment of Principal and Interest on such Bonds in amounts not greater than the Reserve Account Requirement for such Bonds in the event of an insufficiency of available moneys herein to pay when due principal of, premium, if any, and interest on such Bonds.

“Reserve Account Requirement” means the Maximum Pari Passu Obligations Debt Service in the then current or any subsequent Fiscal Year on all Outstanding Bonds or such lesser amount which is the greatest allowable under the Code; provided that, if the Series 2021 Omnibus Certificate or the Series Resolution relating to any other Series of Bonds provides for or permits the establishment of a separate subaccount in the Reserve Account to secure only the Series 2021 Bonds or such other Series of Bonds (with the Series 2021 Bonds or such other Series of Bonds having no claim on the other moneys deposited to the credit of the Reserve Account), the Reserve Account Requirement for the Series 2021 Bonds or such other Series of Bonds shall be calculated as set forth in or pursuant to the Series 2021 Omnibus Certificate or the related Series Resolution, and (i) in such event or (ii) in the event that the Series 2021 Omnibus Certificate or the Series Resolution relating to another Series of Bonds provides or permits that the Series 2021 Bonds or such other Series of Bonds shall not be secured by the Reserve Account (including any subaccount therein), the Series 2021 Bonds or each such other Series of Bonds shall not be deemed to be

Outstanding for purposes of calculating the Reserve Account Requirement with respect to all Outstanding Bonds as set forth above.

“Resolution” means this Resolution as the same may be amended or supplemented from time to time in accordance with Article VIII hereof.

“Senior Obligations” means First Lien Obligations as such term is defined in the Senior Obligations Bond Ordinance.

“Senior Obligations Construction Fund” means the Construction Fund as such term is defined in the Senior Obligations Bond Ordinance.

“Senior Obligations Credit Facility Charges” means Credit Facility Charges as such term is defined in the Senior Obligations Bond Ordinance.

“Senior Obligations Debt Service” means, in any Fiscal Year, the Principal and Interest Requirements (as such term is defined in the Senior Obligations Bond Ordinance) with respect to Senior Obligations, provided, however, that the Principal and Interest Requirements for any Senior Obligations bearing interest at a Variable Rate shall be determined as provided in the definition of Variable Rate in this Resolution.

“Senior Obligations Debt Service Coverage Ratio” means, for any Calculation Period, the ratio of Net Operating Revenues for such Calculation Period to Senior Obligations Debt Service for such Calculation Period.

“Senior Obligations Debt Service Reserve Account” means the reserve account established pursuant to Section 502 of the Senior Obligations Bond Ordinance to secure payment of Senior Obligations Debt Service.

“Senior Obligations Debt Service Reserve Account Credit Facility Provider” means the provider of a Reserve Account Credit Facility as such term is defined in the Senior Obligations Bond Ordinance.

“Separate System” means any water and/or sewer system which may be acquired by the County subsequent to the date of this Resolution and designated by the County as a Separate System on or prior to the date of acquisition.

“Serial Bonds” means the Bonds of a Series which shall be stated to mature in sequential years.

“Series” means the Bonds delivered at any one or more times under the provisions of this Resolution which are designated by or pursuant to this Resolution or any supplemental resolution of the Board or applicable Series Resolution as constituting a single Series.

“Series Resolution” or “Resolution” means, as to any one or more Series of Bonds, the resolution or resolutions, including any award resolution, of the County providing for the authorization, sale and issuance of a Series of Bonds and includes any certificate of award, any trust indenture, the bond purchase agreement or other document or instrument that is approved by or required to be executed by any such Resolution, including any agreement relating to other *Pari Passu* Obligations.

“Series 2021 Bond Purchase Agreement” means the Bond Purchase Agreement between the County and the Series 2021 Underwriters related to the purchase of the Series 2021 Bonds, as authorized pursuant to Section 201(e).

“Series 2021 Omnibus Certificate” means a certificate of the County executed by the County Mayor setting forth, among other things, the information and designations required by Section 201 of this Resolution.

“Series 2021 Underwriters” mean the underwriters identified in and party to the Series 2021 Bond Purchase Agreement.

“Sewer System” means and includes any plant, system, facility or property, and additions, extensions and improvements thereto at any future time constructed or acquired as part thereof, owned by the County and useful or necessary or having a present capacity for future use in connection with the collection, treatment, purification and disposal of sewage of any nature or originating from any source, and without limiting the generality of the foregoing definition, shall embrace treatment plants, pumping stations, lift stations, valves, force mains, intercepting sewers, laterals, pressure lines, mains and all necessary appurtenances and equipment, all wastewater mains and laterals for the reception and collection of sewage from premises connected therewith, and shall include all real and personal property and any interest therein, rights, easements and franchises of any nature whatsoever relating to any such system and necessary or convenient for the operation thereof, Sewer System shall not include, at the option of the County, Separate Systems.

“SIFMA Swap Index” means the Securities Industry and Financial Markets Association Municipal Swap Index.

“Standard & Poor’s” means S&P Global Ratings, its successors and their assigns.

“State Loan” means generally (i) any loan from the State of Florida to the County for Improvements to the Water and Sewer Utility pursuant to any State of Florida Pollution Control Loan Agreement entered into pursuant to the authority granted by Article VII, Section 14 of the Florida Constitution and Section 403.1834, Florida Statutes, or any legislation continuing such authority, and (ii) any indebtedness (other than Bonds) issued for the purpose of providing funds for paying or prepaying all or any portion of a loan described in clause (i) of this definition.



“Subordinate Obligations” has the meaning ascribed thereto in the Senior Obligations Bond Ordinance.

“Tender Bonds” means Bonds, a feature of which is an option or requirement on the part of the Holders of such Bonds to tender such Bonds to the County or a fiduciary for such Holders for payment or purchase prior to stated maturity.

“Term Bonds” means that portion of the Bonds of any Series which are stated to mature on one date in a calendar year and which shall be subject to mandatory redemption by operation of Amortization Requirements.

“Total Obligations Debt Service Coverage Ratio” means, for any Calculation Period, the ratio of Net Operating Revenues for such Calculation Period to the sum of Senior Obligations Debt Service and Pari Passu Obligations Debt Service for such Calculation Period.

“Variable Rate” means an interest rate which is subject to future change so that at the date any calculation of interest thereon is required to be made, the interest payable at any future time or for any interest period (which is relevant to such calculation) is not known. With respect to determinations of current or past interest rates on Variable Rate Obligations, the Variable Rate shall be the actual interest rate as in effect from time to time. With respect to determinations of future interest rates on Variable Rate Obligations, the Assumed Interest Rate shall be applied. For purposes of determining compliance with Sections 210(c), 211(d) and 602 of this Resolution, if a Hedge Agreement relating to a Variable Rate Obligations is in effect for any period, the interest rate determined by taking into account the payments expected to be made or expected to be received by the County under such Hedge Agreement (other than Hedge Charges) shall be used for such period, such that if the Obligation and the Hedge Agreement taken together result in a net fixed rate payable by the County for such period, such net fixed rate shall be deemed to be the rate

of interest on such Obligations. For purposes of determining compliance with compliance with Sections 210(c), 211(d) and 602 of this Resolution, if two Variable Rate Obligations taken together result in a net fixed rate payable by the County, such net fixed rate shall be deemed to be the interest rate for such Bonds. A Multimodal Obligation shall be deemed to be a Variable Rate Obligation, except that if the interest rate on a Multimodal Obligation is fixed for a specified period of time, the actual rate shall be used for such period of time, and if the interest rate has been fixed to maturity, such obligation shall be treated as a fixed rate Obligation.

“Variable Rate Obligation” means an Obligation, including Bonds, with respect to which the interest rate varies or may be adjusted by the County from time to time.

“Water and Sewer Utility” or “Utility” means, collectively, the water supply, treatment and distribution system and the sewage collection, transmission, treatment and disposal system owned and operated by the County, together with any Improvements, extensions or enlargements, as same may exist from time to time; provided, however, the Water and Sewer Utility shall not include, at the option of the County, any Separate Systems.

“Water System” means and includes any plant, system, facility or property, and additions, extensions and improvements thereto at any future time constructed or acquired as part thereof, owned by the County and useful or necessary or having the present capacity or future use in connection with the development of sources, treatment or purification and distribution of water, and, without limiting the generality of the foregoing, shall include dams, reservoirs, storage tanks, mains, lines, valves, meters, pumping stations, laterals and pipes for the purpose of carrying water to the premises connected with such system, and shall include all real and personal property and any interest therein, rights, easements and franchises of any nature whatsoever relating to any such

system and necessary or convenient for the operation thereof. Water System shall not include, at the option of the County, Separate Systems.

“WIFIA Loans” means loans obtained by the County from time to time from the Water Infrastructure Finance and Innovation Act Program administered by the Environmental Protection Agency, an agency of the United States of America, to fund construction of certain Improvements to the Water and Sewer Utility.

**Section 103.**        Authority. This Resolution is adopted pursuant to the provisions of the Constitution of the State of Florida, the Home Rule Amendment and Charter of Miami-Dade County, Florida, as amended, Chapters 125 and 166, Florida Statutes, as amended, the Code of Miami-Dade County, Florida, as amended, and other applicable provisions of law (collectively, the “Act”) and the 2020 Ordinance. Bonds issued under this Resolution shall be deemed Subordinate Obligations under the Senior Obligations Bond Ordinance.

**Section 104.**        Construction. Unless the context shall otherwise indicate, the words “Bond”, “owner”, “holder” and “person” shall include the plural as well as the singular number, the word “person” means any individual corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof, and the word “holder” or “bondholder” when used herein with respect to Bonds issued hereunder shall mean the Holder or registered owner, as the case may be, of Bonds at the time issued and outstanding hereunder.

**Section 105.**        Findings. The Board finds, determines and declares as follows:

- (a) The County is authorized under the Act, the Senior Obligations Bond Ordinance and the 2020 Ordinance to issue the Series 2021 Bonds to provide funds to pay Costs of the Series 2021 Project.

(b) In accordance with Section 218.385, Florida Statutes, as amended, and based upon the advice of Public Resources Advisory Group, Inc., which is serving as financial advisor to the County in connection with the issuance of the Series 2021 Bonds (the “Financial Advisor”), the negotiated sale of the Series 2021 Bonds is in the best interest of the County because of the subordinate nature of the Series 2021 Bonds and the need (i) for flexibility in size and structure, (ii) to premarket to investors, and (iii) to allow the County to enter the market at a time most advantageous to the County.

(c) The sale and issuance of the Series 2021 Bonds and the use of the proceeds of the Series 2021 Bonds, as provided in this Resolution, serve a valid public and County purpose.

(d) The Board has determined that it is in the best interest of the County to appoint the Series 2021 Underwriters from the County’s pool of underwriters and sell the Series 2021 Bonds to them through a negotiated sale but only upon the terms and conditions set forth in this Resolution and as may be determined by the County Mayor, after consultation with the County Attorney and, as may be determined by the County Mayor, the Financial Advisor and Bond Counsel, in accordance with the terms of this Resolution and set forth in the Series 2021 Bond Purchase Agreement and the Series 2021 Omnibus Certificate.

(e) The authority granted to the County Mayor in this Resolution is necessary for the proper and efficient implementation of the financing program contemplated by this Resolution, and such authorization is in the best interest of the County.

## **ARTICLE II**

**ISSUANCE OF BONDS; FORM, EXECUTION, DELIVERY  
AND REGISTRATION OF BONDS; ADDITIONAL WIFIA LOANS**

**Section 201.**      Authorization and Form of Series 2021 Bonds; Terms and Provisions

of Series 2021 Bonds.

(a)      Authorization and Form.      The Series 2021 Bonds, to be designated as “Miami-Dade County, Florida Subordinate Water and Sewer System Revenue Bonds,” are authorized to be issued in one or more Series, with such Series designations (including their year of issuance) as shall be set forth in the Series 2021 Omnibus Certificate, pursuant to the 2020 Ordinance and this Resolution. The aggregate principal amount of the Series 2021 Bonds shall not exceed \$300,000,000.00. The Series 2021 Bonds shall be issued as fixed rate Tax-Exempt Bonds to pay Costs of the Series 2021 Project, fund the Reserve Account (whether with proceeds of the Series 2021 Bonds or by the deposit of one or more Reserve Account Credit Facilities), if advisable, fund capitalized interest, if advisable, and pay the costs of issuance of the Series 2021 Bonds, including the premiums on or fees for any Credit Facilities and/or Reserve Account Credit Facilities.

Each of the Series 2021 Bonds shall be in substantially the form attached as Exhibit B to this Resolution, which form of Series 2021 Bond is approved, with such variations, omissions and insertions and such filling in of blanks as may be necessary, and approved by the County Mayor, after consultation with the County Attorney and Squire Patton Boggs (US) LLP and D. Seaton and Associates, P.A. (collectively, “Bond Counsel”).

(b)      Terms and Provisions of the Series 2021 Bonds.      The County Mayor is authorized, after consultation with the County Attorney and, as may be determined by the County Mayor, the Financial Advisor and Bond Counsel, to approve the terms of the Series 2021 Bonds not set forth in this Resolution, such approval to be evidenced by the terms and provisions set forth

in the Series 2021 Omnibus Certificate, including, without limitation, the aggregate principal amount of the Series 2021 Bonds, the number of Series of Series 2021 Bonds to be issued and the Series designations, the dated date of the Series 2021 Bonds, the interest rates of the Series 2021 Bonds, the purchase price for the Series 2021 Bonds, the maturity dates of the Series 2021 Bonds, the optional and mandatory redemption terms of the Series 2021 Bonds, if any, whether the Series 2021 Bonds shall be Serial Bonds and/or Term Bonds, and the maturity amounts as to Serial Bonds and Amortization Requirements as to Term Bonds; provided, however, that in no event shall: (i) the aggregate principal amount of the Series 2021 Bonds exceed \$300,000,000.00; (ii) the purchase price (excluding original issue discount and original issue premium) be less than 99.00% of the aggregate principal amount of the Series 2021 Bonds (the “Minimum Purchase Price”); (iii) the true interest cost rate (the “TIC”) on the Series 2021 Bonds exceed 5.00% (the “Maximum TIC”); and (iv) the final maturity of the Series 2021 Bonds be later than forty years from the dated date of the Series 2021 Bonds.

The Series 2021 Bonds shall be issuable only in fully registered form in denominations of \$5,000.00 or any integral multiple of \$5,000.00. Interest on Series 2021 Bonds shall be payable semiannually on April 1 and October 1 of each year (each an “Interest Payment Date”), commencing on the date determined by the County Mayor and set forth in the Series 2021 Omnibus Certificate.

Each Series of the Series 2021 Bonds shall be initially numbered consecutively from R-1 and upwards.

The principal of or any premium on any Series 2021 Bond shall be payable when due to a Bondholder upon presentation and surrender of such Series 2021 Bond at the designated corporate trust office of the Paying Agent and interest on each Series 2021 Bond shall be paid on each

Interest Payment Date by check or draft, mailed by the Paying Agent on that Interest Payment Date to the registered owner of the Series 2021 Bond as of the close of business on the Regular Record Date applicable to that Interest Payment Date and at the Bondholder's address as it appears on the registration books of the Registrar on that Regular Record Date, provided, however, that (i) so long as the ownership of such Series 2021 Bonds are maintained in a Book-Entry-Only-System by a securities depository, such payment shall be made by automatic funds transfer ("wire") to such securities depository or its nominee and (ii) if such Series 2021 Bonds are not maintained in a Book-Entry-Only-System by a securities depository, upon written request of the registered owner of \$1,000,000.00 or more in principal amount of Series 2021 Bonds delivered at least 15 days prior to an Interest Payment Date, interest may be paid when due by wire in immediately available funds. If and to the extent, however, the County fails to make payment or provision for payment on any Interest Payment Date of interest on any Series 2021 Bond, interest shall be payable to the person in whose name such bond is registered at the close of business on a special record date for the payment of such defaulted interest as established by notice mailed by the Registrar to the registered owners of the Series 2021 Bonds not less than fifteen days preceding such special record date. Such notice shall be mailed to the persons in whose name the Series 2021 Bonds are registered at the close of business on the fifth (5th) day preceding the date of mailing.

The registered owner of any Series 2021 Bond shall be deemed and regarded as the absolute owner of the Series 2021 Bonds for all purposes of this Resolution. Payment of or on account of the debt service on any Series 2021 Bond shall be made only to or upon the order of that registered owner or such registered owner's attorney in fact duly authorized in writing in the manner permitted by law, and neither the County nor the Paying Agent shall be affected by notice to the contrary. All payments made as described in this Resolution shall be valid and effective to

satisfy and discharge the liability upon that Series 2021 Bond, including without limitation, the interest on that Series 2021 Bond, to the extent of the amount or amounts so paid.

(c) Redemption Provisions. The Board authorizes the County Mayor to determine in the Series 2021 Omnibus Certificate the redemption provisions with respect to the Series 2021 Bonds. The Series 2021 Bonds shall be subject to mandatory redemption from moneys in the Redemption Account and/or at the option of the County, as provided in the Series 2021 Omnibus Certificate and in the Series 2021 Bonds. The amount of Series 2021 Bonds constituting Term Bonds, if any, required to be redeemed in each Bond Year as set forth in the Series 2021 Omnibus Certificate shall constitute the Amortization Requirements for the Series 2021 Bonds in the preceding Bond Year. The execution and delivery of such Series 2021 Omnibus Certificate by the County Mayor shall be conclusive evidence of the approval of such redemption provisions by the Board.

Upon surrender of any Series 2021 Bond for redemption in part only, the County shall issue and the Registrar shall deliver to the registered owner of the Series 2021 Bond, without charge, a new Series 2021 Bond or Series 2021 Bonds of the same Series and maturity in authorized denominations in an aggregate principal amount equal to the unredeemed portion surrendered.

On the date so designated for redemption, notice having been mailed as provided in this Resolution, the Series 2021 Bonds so called for redemption shall become and be due and payable at the redemption price provided for redemption of such Series 2021 Bonds on such date, together with accrued interest, if any, and moneys for payment of the redemption price, together with accrued interest, if any, being held in separate accounts by the Paying Agent in trust for the registered owners of the Series 2021 Bonds to be redeemed, interest on the Series 2021 Bonds so called for redemption shall cease to accrue, such Series 2021 Bonds shall not be deemed to be



Outstanding for purposes of this Resolution, and shall cease to be entitled to any lien, benefit or security under this Resolution, and the registered owners of such Series 2021 Bonds shall have no rights in respect of the Series 2021 Bonds except to receive payment of the redemption price of the Series 2021 Bonds, together with accrued interest, if any, to such date.

(d) Appointment of Paying Agent and Registrar. The County Mayor is authorized to appoint a Paying Agent and a Registrar after a competitive process and after consultation with the County Attorney and, as may be determined by the County Mayor, the Financial Advisor and Bond Counsel, to execute any necessary agreements with the Paying Agent and the Registrar.

(e) Approval of Series 2021 Bond Purchase Agreement and Authorization to Award the Sale of the Series 2021 Bonds. The Board approves the Series 2021 Bond Purchase Agreement in substantially the form on file with the Clerk's office as Exhibit C to this Resolution, with such additions, deletions and completions as may be necessary and approved by the County Mayor in accordance with the terms of this Resolution after consultation with the County Attorney and, as may be determined by the County Mayor, the Financial Advisor and Bond Counsel. Upon compliance by the Series 2021 Underwriters with the requirements of Section 218.385, Florida Statutes, as amended, the County Mayor, after consultation with the County Attorney and, as may be determined by the County Mayor, the Financial Advisor, is authorized and directed to award the sale of the Series 2021 Bonds to the Series 2021 Underwriters upon the terms described in Section 201(b) of this Resolution and to finalize the terms of, and to execute the Series 2021 Bond Purchase Agreement between the County and the Series 2021 Underwriters and to deliver the Series 2021 Bond Purchase Agreement. The execution and delivery of the Series 2021 Bond Purchase Agreement by the County Mayor shall be conclusive evidence of the Board's approval of any such additions, deletions and completions and acceptance of the Series 2021 Underwriters'

proposal to purchase the Series 2021 Bonds. The Board approves the negotiated sale of the Series 2021 Bonds to the Series 2021 Underwriters upon the final terms and conditions in this Resolution and as set forth in the Series 2021 Omnibus Certificate and the Series 2021 Bond Purchase Agreement.

(f) Approval of the Series 2021 Preliminary Official Statement and Final Series 2021 Official Statement. The use and distribution of the Preliminary Official Statement (the “Series 2021 Preliminary Official Statement”) in connection with the offering and sale of the Series 2021 Bonds in substantially the form attached as Exhibit D to this Resolution is approved, with such variations, additions, deletions and completions as may be necessary and approved by the County Mayor, after consultation with the County Attorney and, as may be determined by the County Mayor, the Financial Advisor, Bond Counsel and Nabors, Giblin & Nickerson, P.A. and Manuel Alonso-Poch, P.A. (collectively, “Disclosure Counsel”). The County Mayor is authorized to deem the Series 2021 Preliminary Official Statement “final” for the purposes of Rule 15c2-12 of the Securities and Exchange Commission (the “Rule”). The County Mayor is authorized and directed to deliver the final Official Statement (the “Series 2021 Official Statement”) in connection with the offering and sale of the Series 2021 Bonds. The Series 2021 Official Statement shall be in substantially the form of the Series 2021 Preliminary Official Statement, with such variations, omissions and insertions and such filling in of blanks as may be necessary and approved by the County Mayor, after consultation with the County Attorney and, as may be determined by the County Mayor, the Financial Advisor, Bond Counsel and Disclosure Counsel, with the delivery of the Series 2021 Official Statement by the County Mayor being conclusive evidence of the Board’s approval of any such variations, omissions and insertions and such filling in of blanks.

(g) Credit Facilities and Reserve Account Credit Facilities. If the County Mayor determines, after consultation with the County Attorney and, as may be determined by the County Mayor, the Financial Advisor, that there is an economic benefit to the County to obtain and pay for one or more Credit Facilities and/or Reserve Account Credit Facilities with respect to all or a portion of the Series 2021 Bonds, the County Mayor is authorized to secure one or more Credit Facilities and/or Reserve Account Credit Facilities with respect to all or a portion of the Series 2021 Bonds. The County Mayor is authorized to provide for the payment of any premiums on or fees for such Credit Facilities and/or Reserve Account Credit Facilities from the proceeds of the issuance of the Series 2021 Bonds and, after consultation with the County Attorney and, as may be determined by the County Mayor, Bond Counsel, to enter into, execute and deliver any agreements as may be necessary to secure such Credit Facilities and/or Reserve Account Credit Facilities, with the County Mayor's execution of any such agreements to be conclusive evidence of the Board's approval of such agreements. Any such agreements shall supplement and be in addition to the provisions of this Resolution.

(h) Application of Series 2021 Bond Proceeds. The proceeds received from the sale of the Series 2021 Bonds (net of the Series 2021 Underwriters' discount) shall be deposited and applied as follows:

- (i) If the County Mayor determines that it is advisable to fund the Reserve Account and to the extent not satisfied by the deposit of one or more Reserve Account Credit Facilities, proceeds of the Series 2021 Bonds in such amount as shall be set forth in the Series 2021 Omnibus Certificate shall be deposited in the Reserve Account.

- (ii) Proceeds of the Series 2021 Bonds in an amount necessary to pay the costs of issuance of the Series 2021 Bonds shall be deposited in a special account created in the Construction Fund and designated the “Miami-Dade County, Florida Subordinate Water and Sewer System Revenue Bonds, Series 2021 Cost of Issuance Account” (the “Series 2021 Cost of Issuance Account”), to be held by the County and applied to such costs of issuance of the Series 2021 Bonds; provided, however, that any premiums on or fees for Credit Facilities and/or a Reserve Account Credit Facilities payable by the County may be paid directly by the Series 2021 Underwriters from the proceeds of the Series 2021 Bonds.
- (iii) Subject to the last sentence of this clause (iii), the balance of the proceeds of the Series 2021 Bonds shall be deposited in the Series 2021 Construction Account, to be held by the County and applied to the payment of the Costs of the Series 2021 Project (other than as described under clauses (i) and (ii) above and the next succeeding sentence). If the County Mayor determines that it is advisable to fund capitalized interest on the Series 2021 Bonds, proceeds of the Series 2021 Bonds in such amount as shall be set forth in the Series 2021 Omnibus Certificate shall be deposited in a special subaccount to be created in the Series 2021 Construction Account and designated the “Series 2021 Capitalized Interest Subaccount” (the “Series 2021 Capitalized Interest Subaccount”), to be held by the County and applied to the payment of capitalized interest on the Series 2021 Bonds.

If more than one Series of Series 2021 Bonds are issued, separate accounts and subaccounts shall be created and designated with respect to each Series of Series 2021 Bonds and the above deposits shall be made with respect to each Series of Series 2021 Bonds as set forth in the Series 2021 Omnibus Certificate.

(i) Tax Covenants. The County covenants to take the actions required of it for interest on the Series 2021 Bonds to be and to remain excluded from gross income of the holders of the Series 2021 Bonds for federal income tax purposes, and not to take any actions that would adversely affect that exclusion. In furtherance of the foregoing covenant, the County agrees that it will comply with the provisions of a tax compliance certificate to be prepared by Bond Counsel and executed and delivered on the date of issuance of the Series 2021 Bonds. The County Mayor is authorized to execute and deliver, and the Director is authorized to acknowledge, such tax compliance certificate.

Notwithstanding anything in this Resolution to the contrary, the requirement of the County to rebate any amounts due to the United States pursuant to Section 148 of the Code shall survive the payment or provision for payment of the principal, interest and redemption premium, if any, with respect to all or any of the Series 2021 Bonds.

(j) Continuing Disclosure.

(i) The County agrees, in accordance with the provisions of, and to the degree necessary to comply with, the continuing disclosure requirements of the Rule to provide or cause to be provided for the benefit of the beneficial owners of the Series 2021 Bonds (the “Beneficial Owners”) to the Municipal Securities Rulemaking Board (“MSRB”) in an electronic format prescribed by the MSRB and such other municipal securities information

repository as may be required by law or applicable legislation, from time to time (each such information repository, a “MSIR”), the following annual financial information (the “Annual Information”), commencing with the Fiscal Year ending after the issuance of the Series 2021 Bonds:

- (A) Operating Revenues and Pledged Revenues in a form which is generally consistent with the presentation of such information in the Official Statement; and
- (B) The Department’s Comprehensive Annual Financial Report utilizing generally accepted accounting principles applicable to local governments.

The information in clauses (A) and (B) above is expected to be available on or before June 1 of each year for the preceding Fiscal Year. The Department’s Comprehensive Annual Financial Report referred to in clause (j)(i)(B) above is expected to be available separately from the information in clause (j)(i)(A) above and shall be provided by the County as soon as practical after acceptance of the audited financial statements from the auditors by the Department. If not available within eight (8) months from the end of the Fiscal Year, unaudited information will be provided in accordance with the time frame set forth above and audited financial statements will be provided as soon after such time as they become available.

- (ii) The County agrees to provide or cause to be provided to each MSIR in the appropriate format required by law or applicable regulation, in a timely

manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of any of the following events with respect to the Series 2021 Bonds:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Series 2021 Bonds, or other material events affecting the tax status of the Series 2021 Bonds;
- (7) modifications to rights of holders of the Series 2021 Bonds, if material;
- (8) bond calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution, or sale of any property securing repayment of the Series 2021 Bonds, if material;

- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the County (which is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the County in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the County, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the County);
- (13) the consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of the assets of the County, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) the appointment of a successor or additional trustee or the change of name of a trustee, if material;



- (15) incurrence of a financial obligation of the County, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the County, any of which affect security holders, if material; and
- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the County, any of which reflect financial difficulties.

For purposes of clauses (15) and (16) above, “financial obligation” shall have the meaning set forth in the Rule.

- (iii) The County agrees to provide or cause to be provided, in a timely manner, to each MSIR, in the appropriate format required by law or applicable regulation, notice of its failure to provide the Annual Information with respect to itself on or prior to June 1 following the end of the preceding Fiscal Year.
- (iv) The obligations of the County under this Section 201(j) shall remain in effect only so long as the Series 2021 Bonds are Outstanding. The County reserves the right to terminate its obligations to provide the Annual Information and notices of the occurrence of the events specified in subsection (j)(ii) above if and when the County no longer remains an “obligated person” with respect to the Series 2021 Bonds within the meaning of the Rule.
- (v) The County agrees that its undertaking pursuant to the Rule set forth in this Section 201(j) is intended to be for the benefit of the Beneficial Owners of

the Series 2021 Bonds and shall be enforceable by the Beneficial Owners if the County fails to cure a breach within a reasonable time after receipt of written notice from a Beneficial Owner that a breach exists; provided, however, that any Beneficial Owner's right to enforce the provisions of this undertaking shall be on behalf of all Beneficial Owners and shall be limited to a right to obtain specific performance of the County's obligations under this Section 201(j) in a federal or state court located within the County and any failure by the County to comply with the provisions of this undertaking shall not be a default with respect to the Series 2021 Bonds.

- (vi) Notwithstanding the foregoing, each MSIR to which information shall be provided shall include each MSIR approved by the Securities and Exchange Commission prior to the issuance of the Series 2021 Bonds. In the event that the Securities and Exchange Commission approves any additional MSIRs after the date of issuance of the Series 2021 Bonds, the County shall, if the County is notified of such additional MSIRs, provide such information to the additional MSIRs. Failure to provide information to any new MSIR whose status as a MSIR is unknown to the County shall not constitute a breach of this covenant.
- (vii) The requirements of subsection (j)(i) above do not necessitate the preparation of any separate annual report addressing only the Series 2021 Bonds. The requirements of subsection (j)(i) may be met by the filing of an annual information statement or the County's Comprehensive Annual Financial Report, provided such report includes all of the required Annual

Information and is available by June 1 of each year for the preceding Fiscal Year. Additionally, the County may incorporate any information in any prior filing with each MSIR or included in any final official statement of the County, provided such final official statement is filed with the MSRB.

(viii) The County reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the County, provided that the County agrees that any such modification will be done in a manner consistent with the Rule.

(ix) Except to cure any ambiguity, inconsistency or formal defect or omission in the provisions of this Section 201(j), the County's covenants as to continuing disclosure (the "Covenants") may only be amended if:

(A) the amendment is made in connection with a change in circumstances that arises from a change in legal requirements, a change in law or a change in the identity, nature or status of the County or type of business conducted; the Covenants, as amended, would have complied with the requirements of the Rule at the time of award of the Series 2021 Bonds, after taking into account any amendments or change in circumstances; and the amendment does not materially impair the interests of the Beneficial Owners, as determined by Disclosure Counsel or other independent counsel knowledgeable in the area of federal securities laws and regulations;

or

- (B) all or any part of the Rule, as interpreted by the staff of the Securities and Exchange Commission at the date of adoption of this Resolution, ceases to be in effect for any reason, and the County elects that the Covenants shall be deemed amended accordingly.
- (x) Any assertion of beneficial ownership must be filed with the County, along with full documentary support as part of the written request described above.
- (xi) The Board further authorizes and directs the County Mayor to cause all other agreements to be made or action to be taken as required in connection with meeting the County's obligations as to the Covenants. The County Mayor shall further be authorized to make such additions, deletions and modifications to the Covenants as she shall deem necessary or desirable in consultation with the County Attorney and, as may be determined by the County Mayor, Bond Counsel and Disclosure Counsel.

**Section 202.**      Additional Bonds, Refunding Bonds and Completion Bonds. There may be issued, from time to time, pursuant to the provisions of this Resolution, Additional Bonds, Refunding Bonds and Completion Bonds, subject to the terms and provisions hereinafter provided in Sections 210, 211 and 212.

**Section 203.**      Details of Bonds Other than Series 2021 Bonds. The Series Resolution relating to any Series of Bonds shall provide for establishing the terms and provisions of the Bonds of each such Series other than the Series 2021 Bonds, including, but not limited to the denomination of each Bond, the numbering sequence of the Bonds, interest rates, maturities,

payment dates and redemption provisions. The Bonds of each Series shall bear an appropriate title, which shall include an identifying Series designation.

The County may issue all manner and forms of Bonds hereunder, including, but not limited to Fixed Rate Bonds, Variable Rate Bonds (including index, auction, inverse floater or other types of Variable Rate Bonds), Capital Appreciation Bonds, Convertible Capital Appreciation Bonds, Compounding Interest Bonds, Multimodal Bonds, Tender Bonds, Balloon Indebtedness, Serial Bonds, Term Bonds, taxable or tax-exempt Bonds, and other types of bonds as may be issuable from time to time, and any one or combination of these.

The County may enter into Hedge Agreements, Interest Swap Agreements, agreements regarding Credit Facilities, and all other forms of contracts relating to the issuance of Bonds, whether or not related to a specific Series of Bonds.

Principal, interest or the Accreted Value thereof on the Bonds and premiums, if any, shall be paid in any coin or currency of the United States of America which, at the respective dates of payment thereof, is legal tender for the payment of public and private debts. The Bonds shall be payable at such places and in such other manner as shall be provided for in this Resolution with respect to the Series 2021 Bonds and the Series Resolution under which such other Bonds are issued.

**Section 204.**            Execution and Form of Bonds.

(a)        The Series 2021 Bonds shall be executed as set forth in this Resolution. A Certificate of Authentication of the Registrar shall appear on the Series 2021 Bonds, and no Series 2021 Bonds shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Resolution unless such certificate shall have been duly manually executed by the Registrar on such Series 2021 Bonds.

(b) Bonds shall be signed by, or bear the facsimile signature of, the Mayor and shall be signed by, or bear the facsimile signature of, the Clerk, and a facsimile of the official seal of the County shall be imprinted on the Bonds. When applicable, the Bonds shall be authenticated by manual signature of an authorized signer on behalf of an authenticating agent for such Bonds. The County may provide by Series Resolution any other uniform method for execution and authentication of Bonds.

(c) Each of the Series 2021 Bonds shall be in substantially the form attached as Exhibit B to this Resolution. The form of any other Bonds shall be specified in or provided for in the Series Resolution under which such Bonds are issued.

(d) Bonds issued pursuant to any Series Resolution may be issued in Book-Entry, Form, or may be issued in fully certificated form.

(e) In case any one or more of the officers who shall have signed any Bonds shall cease to be such officer of the County before the Bonds so signed shall have been actually delivered, such Bonds may nevertheless be delivered as provided in this Resolution and may be issued as if the person who signed such Bonds had not ceased to hold such office. Any Bonds may be signed on behalf of the County by such person as at the actual time of the execution of such Bonds shall hold the proper office, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

**Section 205.**      No Necessity for Validation. The Bonds issued under and pursuant to this Resolution are not required to be validated; however, Bonds of any Series may be validated at the option of the County.

**Section 206.**      Negotiability, Registration and Transfer of Bonds. At the option of the registered Holder thereof and upon surrender thereof at the designated corporate trust office of the

Registrar with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered Holder or such Holder's duly authorized attorney, and upon payment by such Holder of any charge which the Registrar may make as provided in this Section, the Bonds may be exchanged for Bonds of the same Series, interest rate, maturity date and tenor of any other authorized denominations.

The Registrar shall keep books for the registration of Bonds and for the registration of transfers of Bonds. The Bonds shall be transferable by the Holder thereof in person or by such Holder's attorney duly authorized in writing only upon the registration books of the County kept by the Registrar and only upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar duly executed by the Holder or such Holder's duly authorized attorney. Upon the transfer of any such Bond, the County shall issue in the name of the transferee a new Bond or Bonds.

The County, the Paying Agent and the Registrar shall deem and treat the person in whose name any Bond shall be registered upon the books kept by the Registrar as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on such Bond as the same become due and for all other purposes. All such payments so made to any such Holder or upon such Holder's order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the County, the Paying Agent nor the Registrar shall be affected by any notice to the contrary.

In all cases in which the privilege of exchanging Bonds or transferring Bonds is exercised, the County shall execute and the Registrar shall authenticate and deliver Bonds in accordance with the provisions of this Resolution or any applicable Series Resolution. All Bonds surrendered in

any such exchanges or transfers shall forthwith be delivered to the Registrar and canceled by the Registrar in the manner provided in this Section. There shall be no charge for any such exchange or transfer of Bonds, but the County or the Registrar may require the payment of a sum sufficient to pay any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer. Neither the County nor the Registrar shall be required (a) to transfer or exchange Bonds for a period from a Regular Record Date to the next succeeding Interest Payment Date on such Bonds or 15 days next preceding any selection of Bonds to be redeemed or thereafter until after the mailing of any notice of redemption; or (b) to transfer or exchange any Bonds called for redemption. However, if less than all of a Term Bond is redeemed or defeased, the County shall execute and the Registrar shall authenticate and deliver, upon the surrender of such Term Bond, without charge to the Bondholder, for the unpaid balance of the principal amount of such Term Bond so surrendered, a registered Term Bond in the appropriate denomination and interest rate.

All Bonds paid or redeemed, either at or before maturity shall be delivered to the Registrar when such payment or redemption is made, and such Bonds, together with all Bonds purchased by the County, shall thereupon be promptly canceled. Bonds so canceled may at any time be destroyed by the Registrar, who shall execute a certificate of destruction in duplicate by the signature of one of its authorized officers describing the Bonds so destroyed, and one executed certificate shall be filed with the County and the other executed certificate shall be redeemed by the Registrar.

The County, by Series Resolution, may provide for the registration of the Bonds of any Series by adopting the Book-Entry System for such Series. Beneficial ownership of such Bonds shall be transferred in accordance with the procedures of the Securities Depository and its participants.



**Section 207.**        Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated, or be destroyed, stolen or lost, the County may in its discretion cause to be executed, and the Registrar shall authenticate and deliver, a new Bond of like date and tenor as the Bond so mutilated, destroyed, stolen or lost in exchange and substitution for such mutilated Bond upon surrender and cancellation of such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder furnishing the County and the Registrar proof of ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the County and the Registrar may prescribe and paying such expenses as the County and the Registrar may incur. All Bonds so surrendered shall be canceled by the Registrar or Paying Agent on behalf of the County. If any of the Bonds shall have matured or be about to mature, instead of issuing a substitute Bond, the County may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Any such duplicate Bonds issued pursuant to this Section 207 shall constitute original, additional contractual obligations on the part of the County whether or not the lost, stolen or destroyed Bonds be at any time found by anyone and such duplicate Bonds shall be entitled to equal and proportionate benefits and rights as to lien on and source and security for payment from the funds, as hereinafter pledged, to the same extent as all other Bonds issued hereunder.

**Section 208.**        Preparation of Definitive Bonds; Temporary Bonds. Until definitive Bonds are prepared, the Mayor and the Clerk may execute and the Registrar may authenticate, in the same manner as is provided in Section 204 of this Article II, and deliver, in lieu of definitive Bonds, but subject to the same provisions, limitations and conditions as the definitive Bonds, one or more printed, lithographed or typewritten temporary fully registered Bonds, substantially of the

tenor of the definitive Bonds in lieu of which such temporary Bond or Bonds are issued, in authorized denominations or any whole multiples thereof, and with such omissions, insertions and variations as may be appropriate to such temporary Bonds. Upon the surrender at the designated corporate office of the Registrar of such temporary Bonds for which no payment or only partial payment has been provided, the Registrar shall authenticate and, without charge to the Holder thereof, deliver in exchange therefor, definitive Bonds of the same aggregate principal amount and maturity as the temporary Bond surrendered. Until so exchanged, the temporary Bonds shall in all respects be entitled to the same benefits and security as definitive Bonds issued pursuant to this Resolution.

**Section 209.**        Additional Senior Obligations. So long as any Bonds shall remain Outstanding, the County shall comply with the provisions of the Senior Obligations Bond Ordinance for the issuance of any Senior Obligations under the Senior Obligations Bond Ordinance.

**Section 210.**        Provisions for Issuance of Additional Bonds; Debt Service Coverage Requirements. Additional Bonds of the County and any other obligations that are Pari Passu Obligations, which for the purposes of this Section are deemed Additional Bonds (other than Completion Bonds and Refunding Bonds), may be issued under and secured by this Resolution, subject to the conditions hereinafter provided in this Section, from time to time, (i) for the purpose of paying all or any part of the cost of constructing or acquiring any Improvements, (ii) or to refund any obligations of the County which financed or refinanced any Improvements, (iii) to finance termination payments relating to Hedge Agreements, or (iv) for any other lawful purpose of the County related to the System.

Before any Series of Additional Bonds shall be issued under the provisions of this Section 210, the Board shall adopt a Series Resolution authorizing the issuance of such Additional Bonds, providing for the amount and the details thereof, and describing in brief and general terms the Project to be constructed or acquired (or, if applicable, obligations to be refunded). The Additional Bonds of each Series issued under the provisions of this Section shall be dated, shall mature (subject to the right of prior redemption as hereinafter set forth) on such dates in such year or years not more than the number of years allowed by law after the date of such Additional Bonds, shall have such Paying Agents, and any Term Bonds of such Series shall have such Amortization Requirements, and may be made redeemable at such times and prices (subject to the provisions of Article III of this Resolution), all as may be specified in or provided for by or pursuant to the Series Resolution authorizing the issuance of such Additional Bonds. Such Additional Bonds, if issued in certificated form, shall be executed substantially in the manner hereinabove set forth, with such changes as may be necessary or appropriate to conform to the provisions of the Series Resolution authorizing the issuance of such Additional Bonds. Prior to the delivery of each Series of Additional Bonds, there shall be filed with the County Mayor the following:

- (a) a copy, certified by the Clerk, of the Series Resolution mentioned above;
- (b) to the extent not provided for under the Series Resolution authorizing the issuance of such Additional Bonds, a copy, certified by the Clerk, of the Resolution adopted by the Board awarding such Additional Bonds and directing the delivery of such Additional Bonds to or upon the order of the purchasers therein named upon payment of the purchase price therein set forth, or if such Additional Bonds are sold by competitive bid, authorizing the receipt of bids and acceptance of the best qualifying bid received;
- (c) a certificate, signed by the County Mayor:

- (i) setting forth the amount of the Net Operating Revenues for any four consecutive quarters (the “Computation Period”) in the six quarters immediately preceding the date of such issuance (such quarters relating to the County’s Fiscal Year). For purposes of this paragraph (c), the Net Operating Revenues, at the election of the County, may be adjusted as set forth in Section 208(c) of the Senior Obligations Bond Ordinance;
- (ii) setting forth Maximum Annual Debt Service; and stating that the adjusted Net Operating Revenues (as determined by subparagraph (i) above) for the Computation Period shall equal or exceed the sum of one hundred ten percent (110%) of Maximum Annual Debt Service as of the date of such issuance.

(d) an opinion of the County Attorney stating that the issuance of such Additional Bonds has been duly authorized.

In calculating Senior Obligations Debt Service and Pari Passu Obligations Debt Service projections for purposes of issuing Additional Bonds under Section 210(c), the principles set forth in the definition of Variable Rate shall apply (as if applied to Senior Obligations and Pari Passu Obligations in the same manner), and the County obligations to pay a Variable Rate shall be projected forward using as the applicable Variable Rate, the Assumed Interest Rate. With respect to Hedge Agreements, except as otherwise permitted in the definition of Variable Rate, the County shall assume Senior Obligations Debt Service and Pari Passu Obligations Debt Service as the fixed rate or Variable Rate (using as the Variable Rate, the Assumed Interest Rate), as applicable, that the County is obligated to pay under the applicable Hedge Agreement. Maturing principal of

commercial paper Obligations, lines of credit and bond anticipation notes, and obligations of the County to purchase tendered indebtedness of the County that are not secured by a Credit Facility, shall be disregarded.

When the documents mentioned above in this Section shall have been filed with the County Mayor and when the Additional Bonds described in the Resolutions mentioned in clauses (a) and (b) of this Section shall have been executed as required by this Resolution, the County shall deliver such Additional Bonds at one time to or upon the order of the purchasers named in the Resolution mentioned in said clause (b), but only upon payment to the County of the purchase price of such Additional Bonds.

The proceeds, excluding accrued interest and any proceeds to be deposited in the Reserve Account for the Bonds of such Series shall be deposited by the County Mayor with one or more Depositories to the credit of a special account or accounts, which shall be created and appropriately designated in the Series Resolution, and shall be applied to the payment of the Cost of such Improvements and the cost of issuance of the Bonds. The amount received as accrued interest and any premium on such Bonds shall be deposited to the credit of the Bond Service Account for application to the interest due on such Bonds. Any proceeds which are required by the applicable Series Resolution to fund the Reserve Account for such Bonds or to purchase a Reserve Account Credit Facility for such Bonds shall be used for said purpose.

**Section 211.**      **Refunding Bonds.** Refunding Bonds may be issued under and secured by this Resolution, subject to the conditions hereinafter provided in this Section, from time to time for the purpose of providing funds for paying at maturity and redeeming all or any part of the outstanding Bonds of any one or more Series, including the payment of any redemption premium thereon and any interest which will accrue on such Bonds and any principal on Serial Bonds which

will mature on the redemption date or stated maturity date or dates and any expenses in connection with such paying at maturity and redemption.

Before any Series of Refunding Bonds shall be issued under the provisions of this Section, the Board shall adopt a Series Resolution authorizing the issuance of such Refunding Bonds, fixing or providing for the fixing of the amount and details thereof, and describing the Bonds to be paid and redeemed. Such Refunding Bonds shall be dated, shall be stated to mature (subject to the right of prior redemption as hereinafter set forth) on such dates in such year or years not more than the number of years allowed by law after the date of such Refunding Bonds, shall have such Paying Agents, and any Term Bonds of such Series shall have such Amortization Requirements, and may be made redeemable at such times and prices (subject to the provisions of Article III of this Resolution), all as may be specified in or provided for by the Series Resolution authorizing the issuance of such Refunding Bonds. Such Refunding Bonds, if issued in certificated form, shall be executed substantially in the manner hereinabove set forth, with such changes as may be necessary or appropriate to conform to the provisions of the Series Resolution authorizing the issuance of such Refunding Bonds. Prior to or simultaneously with the delivery of such Refunding Bonds, there shall be filed with the County Mayor the following:

(a) a copy, certified by the Clerk, of the Series Resolution authorizing the issuance of such Refunding Bonds;

(b) to the extent not provided for under the Series Resolution authorizing the issuance of such Refunding Bonds, a copy, certified by the Clerk, of the Resolution adopted by the Board, awarding such Refunding Bonds and directing the delivery of such Refunding Bonds to or upon the order of the purchasers therein named upon payment of the purchase price therein set forth;

(c) an opinion of the County Attorney to the effect that the issuance of such Refunding Bonds has been duly authorized and that all conditions precedent to the delivery of such Refunding Bonds have been fulfilled;

(d) a certificate, signed by the County Mayor, either:

(A) stating that the Pari Passu Obligations Debt Service with respect to Outstanding Bonds for each Fiscal Year thereafter (except for years subsequent to the final maturity of all then Outstanding Bonds) on account of all Bonds to be Outstanding after the issuance of such Bonds and the payment and redemption of the Bonds to be paid and redeemed shall not exceed the Pari Passu Obligations Debt Service with respect to Outstanding Bonds for each such Fiscal Year on account of all Bonds Outstanding immediately prior to the issuance of such Bonds. For purposes of the foregoing calculation, Pari Passu Obligations Debt Service relating to the Commercial Paper Program shall be disregarded; or

(B) stating that the aggregate Pari Passu Obligations Debt Service in all Fiscal Years thereafter with respect to all Bonds to be Outstanding after the issuance of such Refunding Bonds shall not exceed the aggregate Pari

Passu Obligations Debt Service in all Fiscal Years with respect to all Bonds Outstanding immediately prior to the issuance of such Refunding Bonds; or

(C) complying with paragraph 210(c) hereof.

(e) such documents as shall be required by the County Mayor to show that provision has been duly made in accordance with the provisions of this Resolution for the defeasance, payment or redemption of all of the Bonds to be defeased, paid or redeemed.

In calculating Pari Passu Obligations Debt Service projections for purposes of issuing Refunding Bonds under Section 211(d), the principles set forth in the definition of Variable Rate shall apply (as if applied to Senior Obligations and Pari Passu Obligations in the same manner), and the County obligations to pay a Variable Rate shall be projected forward using as the applicable Variable Rate, the Assumed Interest Rate. With respect to Hedge Agreements, except as otherwise permitted in the definition of Variable Rate, the County shall assume Pari Passu Obligations Debt Service as the fixed rate or Variable Rate (using as the Variable Rate, the Assumed Interest Rate), as applicable, that the County is obligated to pay under the applicable Hedge Agreement. Maturing principal of commercial paper Obligations and bond anticipation notes, and obligations of the County to purchase tendered indebtedness of the County that are not secured by a Credit Facility, shall be disregarded.

When the documents mentioned above in this Section shall have been filed with the County Mayor and when the Refunding Bonds described in the Resolutions, mentioned in clauses (a) and (b) of this Section shall have been executed as required by this Resolution, the County Mayor shall deliver such Refunding Bonds at one time to or upon the order of the purchasers named in the



Resolution mentioned in said clause (b), but only upon payment to the County Mayor of the purchase price of such Refunding Bonds.

**Section 212.**        Completion Bonds. Bonds may be issued under and secured by this Resolution, subject to the conditions hereinafter provided in this Section, from time to time for the purpose of providing funds for paying the cost of completion of any Project for which one or more Series of Bonds have theretofore been issued, in a principal amount not greater than ten percent (10%) of the estimated cost of such Project.

Before any Series of Completion Bonds shall be issued under the provisions of this Section, the Board shall adopt a Series Resolution authorizing the issuance of such Completion Bonds, fixing or providing for the fixing of the amount and details thereof, and describing the Improvements. Such Completion Bonds shall be dated, shall be stated to mature (subject to the right of prior redemption as hereinafter set forth) on such dates in such year or years not more than the number of years allowed by law after the date of such Completion Bonds, shall have such Paying Agents, and any Term Bonds of such Series shall have such Amortization Requirements, and may be made redeemable at such times and prices (subject to the provisions of Article III of this Resolution), all as may be specified in or provided for by the Series Resolution authorizing the issuance of such Completion Bonds. Such Completion Bonds, if issued in certificated form, shall be executed substantially in the manner hereinabove set forth, with such changes as may be necessary or appropriate to conform to the provisions of the Series Resolution authorizing the issuance of such Completion Bonds. Prior to or simultaneously with the delivery of such Completion Bonds, there shall be filed with the County Mayor the following:

- (a) a copy, certified by the Clerk, of the Series Resolution mentioned above authorizing the issuance of such Completion Bonds;

(b) to the extent not provided for under the Series Resolution authorizing the issuance of such Completion Bonds, a copy, certified by the Clerk, of the resolution adopted by the Board, awarding or authorizing the award of such Completion Bonds and directing the delivery of such Completion Bonds to or upon the order of the purchasers therein named upon payment of the purchase price therein set forth;

(c) an opinion of the County Attorney stating that the signer is of the opinion that the issuance of such Completion Bonds has been duly authorized and that all conditions precedent to the delivery of such Completion Bonds have been fulfilled.

When the documents mentioned above in this Section shall have been filed with the County Mayor and when the Completion Bonds described in the resolutions mentioned in clauses (a) and (b) of this Section shall have been executed as required by this Resolution, the County Mayor shall deliver such Completion Bonds at one time to or upon the order of the purchasers named in the resolution mentioned in said clause (b), but only upon payment to the County Mayor of the purchase price of such Completion Bonds.

**Section 213.**      Moneys Held in Trust. All moneys which the County shall have withdrawn from the Debt Service Fund or shall have received from any other source and deposited with the Paying Agents, for the purpose of paying any of the Bonds hereby secured, either at the maturity thereof or upon call for redemption, or for the purpose of paying any interest on, the Bonds hereby secured, shall be held in trust for the respective Holders of such Bonds. But any moneys which shall be so set aside or deposited and which shall remain unclaimed by the Holders of such Bonds for the period of six (6) years after the date on which amount shall have become due and payable, upon the County's request in writing, shall be paid to the County or to such officer, board or body as may then be entitled by law to receive the same, and thereafter the Holders

of such Bonds shall look only to the County or to such officer, board or body, as the case may be, for the payment and then only to the extent of the amounts so received without any interest thereon, and the Paying Agents shall have no responsibility with respect to such moneys.

**Section 214.**        Cancellation of Bonds. All Bonds paid, redeemed or purchased, either at or before maturity, shall be canceled by the Paying Agent upon the payment, redemption or purchase of such Bonds. All Bonds canceled under any of the provisions of this Resolution shall be destroyed by the Paying Agent and the person so destroying such Bonds shall execute a certificate in triplicate describing the Bonds, and one executed certificate shall be filed with the Clerk, one executed certificate shall be filed with the County Mayor and the other executed certificate shall be retained by the person making such certificate.

**Section 215.**        Additional WIFIA Loans. Pursuant to the 2020 Ordinance, the Board hereby authorizes the incurrence of additional WIFIA Loans as Additional Subordinate Obligations (as such term is defined in the 2020 Ordinance) to finance a portion of the CIP Projects, the details, terms and other matters relating to the additional WIFIA Loans to be set forth in one or more loan agreements and secured by WIFIA notes set forth as an exhibit thereto in forms similar to the loan agreement and WIFIA note for the WIFIA Loan on file with the Clerk's office as Exhibit E to this Resolution, with such variations, additions, deletions and completions as may be necessary and approved by the County Mayor, after consultation with the County Attorney. The County Mayor, after consultation with the County Attorney, is authorized to execute and deliver any such loan agreements and WIFIA notes, with the execution and delivery of such loan agreements and WIFIA notes by the County Mayor being conclusive evidence of the Board's approval of any such variations, omissions and insertions and such filling in of blanks. This

Resolution shall constitute a subsequent resolution for purposes of the incurrence of additional WIFIA Loans pursuant to the 2020 Ordinance.

### **ARTICLE III**

#### **REDEMPTION**

**Section 301.**        Provisions for Redemption. Each Series of Bonds shall be subject to redemption prior to their maturity upon the terms and conditions and at such times, in such manner and at such redemption price or premium as shall be provided for by the Series Resolution adopted with respect to such Series of Bonds.

**Section 302.**        Notice of Redemption. In the event any Bonds are called for redemption, the Paying Agent shall give notice in the name of the County, of the redemption of such Bonds, which notice shall (i) specify the Bonds, including Series designations, to be redeemed, the CUSIP numbers, certificate numbers, the date of issue, interest rate, maturity date if the Bonds to be redeemed, the redemption date, the date of notice, the redemption price and the place or places where amounts due upon such redemption will be payable (which shall be the designated principal corporate trust office of the Paying Agent or of its agent) and, if less than all of the Bonds of any Series are to be redeemed, the numbers of the Bonds and the portion of Bonds so to be redeemed and (ii) state that on the redemption date, the Bonds to be redeemed shall cease to bear interest.

Notice of redemption shall be given by the Paying Agent in the name of the County by mailing a copy of a redemption notice to the registered owners of the Bonds not less than 30 days prior to the date fixed for redemption (or such shorter time with respect to a Series of Bonds as provided in the Series Resolution with respect thereto), by first class mail at the addresses appearing on the bond registration books of the County maintained by the Registrar, and, if applicable, to the securities depository. Provision may be made in any applicable Series Resolution

for notice by certified mail, or other type of special mailing, to the Holders of Bonds having an aggregate principal amount of, or Accreted Value in the case of Capital Appreciation Bonds, \$1,000,000 or more.

Anything contained in this Resolution to the contrary notwithstanding, failure to mail any such notice (or any defect in the notice) to one or more Holders of Bonds shall not affect the validity of any proceedings for such redemption with respect to Holders of Bonds to which notice was duly given.

If any Bonds or any portion thereof are to be optionally redeemed pursuant to the terms authorized in this Resolution, the County may provide a conditional notice of redemption of such Bonds in accordance with the terms set forth below, and the County Mayor is authorized, in the County Mayor's discretion, to add to the form of Bonds a provision reflecting this right:

Conditional Notice of Redemption. In the case of an optional redemption, the notice of redemption may state that (1) it is conditioned upon the deposit of moneys with the Paying Agent or with an escrow agent under an escrow deposit agreement, in amounts necessary to effect the redemption, no later than the redemption date or (2) the County retains the right to rescind such notice on or prior to the scheduled redemption date (in either case, a "Conditional Redemption"), and such notice and optional redemption shall be of no effect if such moneys are not so deposited or if the notice is rescinded as described in this subsection. Any such notice of Conditional Redemption shall be captioned "Conditional Notice of Redemption." Any Conditional Redemption may be rescinded at any time prior to the redemption date if the County delivers a written direction to the Paying Agent directing the Paying Agent to rescind the redemption notice. The Paying Agent shall give prompt notice of such rescission to the affected Bondholders. Any Bonds subject to

Conditional Redemption where redemption has been rescinded shall remain Outstanding, and neither the rescission nor the failure by the County to make such moneys available shall constitute an Event of Default. The County shall give immediate notice to each MSIR and the affected Bondholders that the redemption did not occur and that the Bonds called for redemption and not so paid remain Outstanding.

Except as provided above in connection with a Conditional Redemption, any Bonds which have been duly selected for redemption, as well as any Bonds which are deemed to be paid in accordance with this Article III, shall cease to bear interest on the specified redemption date.

#### **ARTICLE IV**

#### **CONSTRUCTION FUND**

**Section 401.**        Construction Fund. There is hereby created and established a special fund to be called the “Miami-Dade County, Florida Subordinate Water and Sewer Utility Construction Fund” (the “Construction Fund”), which shall be held by the Department. There is created and established in the Construction Fund a special account with respect to the Series 2021 Bonds designated the “Series 2021 Construction Account” (the “Series 2021 Construction Account”), to be held by the County and any proceeds of the Series 2021 Bonds deposited therein shall be applied as provided in Section 201(h). A separate account shall be established in the Construction Fund for each other Series of Bonds issued hereunder from time to time relating to a Project, which shall be provided for in the applicable Series Resolution.

The moneys in the Construction Fund shall be held in trust and applied to the payment of the Cost of any Improvements and, pending such application, shall be subject to a lien and charge in favor of the Holders of the Bonds issued and Outstanding under this Resolution and for the further security of such Holders until paid out, as herein provided.

**Section 402.**        Payments from Construction Fund. Payment of the Cost of any Improvements shall be made from the applicable Construction Account, as provided for herein with respect to the Series 2021 Project and in the Series Resolution relating to the applicable Project. Moneys in the respective Construction Accounts shall be disbursed subject to such controls and procedures as the County may from time to time institute in connection with the disbursement of funds for paying the Cost of Projects, and in accordance with, or as provided for by the applicable Series Resolution.

**Section 403.**        Cost of Improvements. The Cost of any Improvements to be constructed or acquired shall include, without limitation, the following:

- (a) obligations incurred for labor and materials and to contractors, builders and materialmen in connection with the construction of enlargements, improvements, and extensions, for machinery and equipment, for the restoration of property damaged or destroyed in connection with such construction, for the relocation of water and sewer lines and for the demolition and disposal of structures necessary or desirable in connection with such construction or the operation of the Water and Sewer Utility;
- (b) interest accruing upon any Bonds prior to the commencement of and during construction or for any additional period as may be determined by the County, subject to any limitation herein and in the applicable Series Resolution;
- (c) the cost of acquiring any Water System or Sewer System now serving any portion of the County and territory adjacent thereto, or any part of such system, either within or without or partly within and partly without the corporate limits of the County;
- (d) the cost of acquiring by purchase, and the amount of any award or final judgment in any proceeding to acquire by condemnation, such land, structures, facilities

and improvements, interests in lands as necessary or convenient in connection with such construction or with the operation of the Water and Sewer Utility, and the amount of any damages incident thereto;

(e) expenses of administration properly chargeable to such construction or acquisition, legal, architectural and engineering expenses and fees, cost of audits and of preparing and issuing the Bonds, fees and expenses of consultants, financing charges, taxes or other governmental charges lawfully assessed during construction, premiums on insurance in connection with construction, the cost of funding the Reserve Account, costs of Credit Facilities, Hedge Charges, costs of issuance and all other items of expense not elsewhere specified herein, incident to the financing, construction or acquisition of any Improvements and the placing of the same in operation; and

(f) any obligation or expense advanced by the County for any of the foregoing purposes, which is legally reimbursable.

**Section 404.**        Disposition of Construction Fund Balance. When the construction of any Improvements shall have been completed, which fact shall be determined by the County Mayor in a manner approved by such person, the balance in the Construction Fund not reserved by the County for the payment of any remaining part of the Cost of such Improvements shall be deposited, at the option of the County, (i) to the credit of the Debt Service Fund, (ii) shall be applied to purchase or redeem outstanding Bonds, or (iii) may be applied to the Cost of other Improvements to the Water and Sewer Utility.

## ARTICLE V

### REVENUES AND FUNDS

**Section 501.**        Security for Bonds, Hedge Obligations and Hedge Charges. The Bonds shall be a special and limited obligation of the County, payable solely from and secured by



a prior lien upon and a pledge of the Pledged Revenues of the Water and Sewer Utility as herein provided. The Bonds shall constitute Subordinate Obligations and Pari Passu Obligations. Until payment has been provided for as herein permitted, the payment of the principal of and interest on the Bonds and all Hedge Obligations shall be secured forthwith equally and ratably by an irrevocable lien on the Pledged Revenues, and the County does hereby irrevocably pledge and grant a lien upon such Pledged Revenues to the payment of the principal of and interest on the Bonds, the reserves therefor, Hedge Obligations, and for all other required payments hereunder including Hedge Charges, in the manner and with the priority of application as provided herein. Unless provided for by supplemental resolution, no Holder of any Bonds issued hereunder nor any Counterparty shall have the right to require or compel the exercise of the ad valorem taxing power of the County or taxation in any form of any property therein for payment of the Bonds or any Hedge Obligation or Hedge Charges, or be entitled in payment of such amount from any other funds of the County, except from the Pledged Revenues in the manner provided herein.

**Section 502.**      Creation of Fund and Accounts. The following special fund and accounts are hereby created and established: the “Miami-Dade County Subordinate Water and Sewer Utility Bond Debt Service Fund” (herein called the “Debt Service Fund”) together with three separate accounts therein, designated “Bond Service Account”, “Redemption Account”, and “Reserve Account”, respectively.

A.      *Trust Funds.* The moneys in each of said Fund and Accounts shall be held in trust by the County and applied as hereinafter provided with regard to each such Fund and Account and, pending such application, shall be subject to a lien and charge in favor of the Holders of the Bonds and Counterparties until paid out or transferred as herein provided.

B. *Government Accounting Effect.* The cash required to be accounted for in each of the Funds and Accounts established herein may be deposited in a single bank account, provided that adequate accounting records are maintained to reflect and control the allocation of the cash on deposit therein for the various purposes of such Funds and Accounts. The designation and establishment of the various Funds and Accounts in and by this Resolution shall not be construed to require the establishment of any completely independent, self-balancing funds, as such term is commonly defined and used in governmental accounting, but rather is intended solely to constitute an earmarking of Pledged Revenues and certain other assets of the Water and Sewer Utility for certain purposes and to establish certain priorities for application of such Pledged Revenues and other assets as herein provided.

C. *Subaccounts.* There are created and established for the benefit of the Series 2021 Bonds separate subaccounts in the Debt Service Fund created pursuant to this Section 502 designated “Series 2021 Bond Service Subaccount” (the “Series 2021 Bond Service Subaccount”) and “Series 2021 Redemption Subaccount” (the “Series 2021 Redemption Subaccount”). The County is authorized to create or cause to be created such additional subaccounts as shall be necessary or advisable in connection with the issuance of the Series 2021 Bonds, including in connection with the issuance of more than one Series of Series 2021 Bonds. Amounts held in any such subaccounts are to be held solely for the benefit of the Series 2021 Bonds.

In each Series Resolution, the County may create subaccounts within the Funds and Accounts herein established with respect to one or more other Series of Bonds and may *provide* that deposits to such Funds and Accounts shall be appropriately credited to such

subaccounts, together with amounts received pursuant to any Credit Facility or Hedge Agreement. Amounts held in any such subaccount may be required to be held solely for the applicable Series of Bonds and applied to the payment thereof or to the payment of Payment Obligations and Hedge Obligations relating to such Series.

**Section 503.**      Flow of Funds. For as long as any of the principal of and interest on any of the Bonds shall be outstanding and unpaid, or until payment has been provided for as herein permitted, or until there shall have been set apart in the Debt Service Fund, including the Reserve Account therein, a sum sufficient to pay when due the entire principal of the Bonds remaining unpaid, together with interest accrued or to accrue thereon, and all Hedge Obligations and Hedge Charges, the County covenants with the Holders of any and all Bonds as follows:

Application of Pledged Revenues. Subject to the prior application of Revenues under Sections 503(i), (ii) and (iii) of the Senior Obligations Bond Ordinance, the County, on or before the 20th day of each month, commencing in the month immediately following the first delivery of any Bonds, shall apply Pledged Revenues, on a pro rata basis with all other Pari Passu Obligations, to the credit of the following Accounts in the following order:

- (i) to the credit of the Bond Service Account, an amount equal to one-sixth (1/6th) of the amount of interest payable on the bonds of each Series on the interest payment date next succeeding (less any amount received as capitalized or accrued interest from the proceeds of any Bonds which is available for such interest payment) and an amount equal to one-twelfth (1/12th) of the next maturing installment of principal (or Accreted Value, as applicable) on all Serial Bonds then outstanding; provided, however, that:

- (1) in each month intervening between the date of delivery of a Series of Bonds, and the next succeeding interest payment date and the next succeeding principal payment date, respectively, the amount specified in this subparagraph (i) shall be that amount which when multiplied by the number of deposits to the credit of the Bond Service Account required to be made during such respective periods will equal the amounts required (in addition to any amounts received as accrued interest or capitalized interest from the proceeds of such Bonds) for such next succeeding interest payment and next maturing installment of principal, respectively;
- (2) the amount specified in this subparagraph (i) shall be reduced to take into account Hedge Receipts to be received on or before the succeeding interest payment date and shall be increased to provide for the payment of any Hedge Obligations to be paid on or before the succeeding interest payment date; and
- (3) with respect to any Bonds (or any Hedge Agreement) bearing interest at a Variable Rate and/or payable other than semiannually, the amount specified in this subparagraph (i) for the payment of interest (or Hedge Obligation) shall be that amount necessary to provide substantially equal

monthly payments for the payment of such interest (or Hedge Obligation) on the payment dates therefor.

- (ii) to the credit of the Redemption Account an amount equal to one-twelfth (1/12th) of the principal amount (or Accreted Value, as applicable) of Term Bonds of each Series then Outstanding required to be retired in satisfaction of the Amortization Requirements for such Bond Year, plus the redemption premiums, if any, which would be payable in such Bond Year for such Term Bonds were to be redeemed prior to their respective maturities from moneys held for the credit of the Debt Service Fund; and
- (iii) to the credit of the Reserve Account the amount required under Section 507 for such month; provided, however, no deposit shall be required in any month in which the amount on deposit in the Reserve Account is at least equal to the Reserve Account Requirement. If a Reserve Account Credit Facility is utilized and the Provider thereof is required to advance any sums to meet Pari Passu Obligations Debt Service with respect to the Outstanding Bonds or other sums required to be funded from the Reserve Account, the County shall reimburse the Provider within 12 months from the date the County receives written notice of such advance by the Provider.

If the amount deposited in any month to the credit of any of the Accounts shall be less than the amount required to be deposited under the foregoing provisions of this Section, the requirement therefor shall nevertheless be cumulative and the amount of any deficiency in any month shall be

added to the amount otherwise required to be deposited in each month thereafter until such time as all such deficiencies have been made up.

**Section 504.**        Payment of Operating Expenses. The Operating Expenses of the Water and Sewer Utility shall be paid as provided in the Senior Obligations Bond Ordinance.

**Section 505.**        Application of Monies in Bond Service Account. (a) Except as provided in subsection (b), all Hedge Receipts shall be deposited by the County directly into the Bond Service Account and applied as provided in this Section. The County Mayor, on or before each interest or principal payment date, shall withdraw from the Bond Service Account, and deposit in trust with the Paying Agents the amounts required for paying the interest on the Bonds as such interest becomes due and payable and the principal of all Serial Bonds as such principal becomes due and payable. In addition, on or before each payment date for any Hedge Obligation, the County Mayor shall withdraw from the Bond Service Account the amount payable with respect to such Hedge Obligation and pay such amount to the applicable Counterparty. Such payments may be made by wire transfer or other electronic means or as may be provided with respect to any Book-Entry System.

(b) Hedge Receipts constituting termination payments may, at the option of the County, be applied to acquire a replacement Hedge Agreement on terms similar to the expired or terminated Hedge Agreement and, in such event, only the Hedge Receipts in excess of the cost of entering into such replacement Hedge Agreement shall be deposited into the Bond Service Account as required by subsection (a).

**Section 506.**        Application of Moneys in Redemption Account. Moneys held for the credit of the Redemption Account shall be applied to the retirement of the Bonds issued under the provisions of this Resolution as follows:

(a) Subject to the provisions of paragraph (c) of this Section, the County Mayor may purchase any Term Bonds secured hereby and then outstanding, whether or not such Term Bonds shall then be subject to redemption, on the most advantageous terms obtainable with reasonable diligence, such price not to exceed the principal of such Term Bonds plus the amount of the redemption premium, if any, which might on the next redemption date be paid to the Holders of such Term Bonds if such Term Bonds should be called for redemption on such date from moneys in the Debt Service Fund. The County Mayor shall pay the interest accrued on such Term Bonds to date of settlement therefor from the Bond Service Account and the purchase price from the Redemption Account, but no such purchase shall be made by the County Mayor within the period of forty-five (45) days next preceding any interest payment date on which such Term Bonds are subject to call for redemption under the provisions of this Resolution, except from moneys other than moneys set aside or deposited for the redemption of Term Bonds.

(b) Subject to the provisions of Article III of this Resolution and paragraph (c) of this Section, the County Mayor may call for redemption on each interest payment date on which Term Bonds are subject to redemption that amount of such Term Bonds as, with the redemption premium, if any, will exhaust the moneys which will be held for the credit of the Redemption Account on said interest payment date as nearly as may be practicable; provided, however, that not less than Fifty Thousand Dollars (\$50,000) principal amount of Term Bonds shall be called for redemption at any one time unless a lesser amount shall be required to satisfy the Amortization Requirement for any Bond Year. Such redemption shall be made pursuant to the provisions of Section 201(c) with respect to the Series 2021 Bonds, Article III of this Resolution and the applicable Series Resolution. The County Mayor, on or before the redemption date, shall withdraw from the Bond Service Account and the Redemption Account and set aside in separate accounts

or deposit with the Paying Agent the respective amounts required for paying the interest on, and the principal and redemption premium of, the Term Bonds so called for redemption.

(c) Moneys held in the Redemption Account shall be applied by the County Mayor each Bond Year to the retirement of Bonds then outstanding in the following order:

*First:* to the retirement of Term Bonds to the extent of the Amortization Requirement, if any, for such Bond Year for such Term Bonds. plus the applicable premium, if any, and any deficiency in any preceding Bond Years in the purchase or redemption of such Term Bonds under the provisions of this subdivision and, if the amount available in such Bond Year shall not be sufficient therefor, then in proportion to the Amortization Requirement, if any, for such Bond Year for the Term Bonds of each such Series then outstanding, plus the applicable premium, if any, and any such deficiency.

*Second:* Term and Serial Bonds may be retired by optional redemption or by purchase as provided herein with respect to the Series 2021 Bonds and in or by the Series Resolution under which such Serial Bonds are issued.

Upon the retirement of any Bonds by purchase or redemption the County Mayor shall file with the Clerk and the Director a statement briefly describing such Bonds and setting forth the date of their purchase or redemption, the amount of the purchase price or the redemption price of such bonds and the amount paid as interest thereon. The expenses in connection with the purchase or redemption of any Bonds shall be paid by the Department as provided in the Senior Obligations Bond Ordinance.

**Section 507.**      Application of Moneys in Reserve Account. Except with respect to the Series 2021 Bonds, to the extent not secured by the Reserve Account as provided in the 2021 Omnibus Certificate, and as may be set forth in a Series Resolution with respect to any other Series



of Bonds, each Series of Bonds shall be secured by the Reserve Account. The Reserve Account shall be funded with cash, investments or a Reserve Account Credit Facility or any combination thereof. Upon the initial issuance of any Bonds hereunder secured by the Reserve Account, the County shall deposit into the Reserve Account the amount necessary to make the balance in the Reserve Account equal to the Reserve Account Requirement. Moneys held for the credit of the Reserve Account shall first be used for the purpose of paying the interest on and the principal of the Bonds secured by the Reserve Account whenever and to the extent that the available moneys held for such purpose for the credit of the Bond Service Account shall be insufficient for such purpose, and thereafter for the purpose of making deposits to the credit of the Redemption Account of the Debt Service Fund with respect to Bonds secured by the Reserve Account pursuant to the requirements of clause (ii) of Section 503 of this Resolution whenever and to the extent that amounts in the Debt Service Fund are insufficient for such purpose, and shall next be used to pay Payment Obligations with respect to the applicable Reserve Account Credit Facility, if any. Amounts withdrawn from the Reserve Account for the purpose of payment of debt service on any Bonds secured by the Reserve Account shall be replenished by substantially equal monthly deposits into the Reserve Account over a period not to exceed 60 months. If at any time the moneys held for the credit of any subaccount in the Reserve Account shall exceed the Reserve Account Requirement for those Bonds which are secured by such subaccount, such excess shall be withdrawn by the County Mayor and deposited to the credit of the Debt Service Fund.

**Section 508.**      Investment of Moneys in Funds and Accounts. All moneys in the funds and accounts created hereunder shall be invested and reinvested in Investment Obligations. Investment Obligations allocated to any fund or account shall mature not later than the respective dates, as estimated by the Department, that moneys held for the credit of such fund or account will

be needed for the purposes thereof. In the case of the Reserve Account, Investment Obligations shall mature (or be subject to mandatory purchase at the option of the Holder) not later than seven (7) years, unless the Investment Obligation is of such a nature that it can be drawn upon or redeemed at par, in which event such Investment Obligation may mature not later than the final maturity on Bonds secured by the Reserve Account. Investment earnings may be retained in such account to the extent necessary to maintain the Reserve Account Requirement therein, or may be transferred to the Construction Fund, if any, if necessary or desirable in connection with any Series as determined by the County at or prior to the issuance of such Series. Except as otherwise provided herein with respect to any particular moneys, and except to the extent necessary to be deposited into the Rebate Fund in accordance with any tax compliance certificate, all income received on Investment Obligations shall upon receipt be deposited into the Debt Service Fund.

**Section 509.**        Security for Deposits. Any and all moneys deposited under the provisions of this Resolution shall, to the extent provided herein, be trust funds under the terms hereof and shall not be subject to any lien or attachment by any creditor of the County or the Department other than as provided herein. Such moneys shall be held in trust and applied in accordance with the provisions of this Resolution.

All money deposited in the funds and accounts created under this Resolution in excess of the amount guaranteed by the Federal Deposit Insurance Corporation or other federal agency shall be continuously secured for the benefit of the County and the Holders in such manner as may then be required or permitted by applicable State or federal laws and regulations regarding the security for, or granting a preference in the case of, the deposit of trust or public funds; provided, however, that it shall not be necessary to give security for any money that shall be represented by obligations

purchased under the provisions of this Resolution as an investment of such money unless otherwise required by applicable law.

## **ARTICLE VI**

### **COVENANTS**

**Section 601.**        Water and Sewer Rates. The County covenants that it will cause the schedules of rates for water and sewer service by the Water and Sewer Utility to be not less than the schedules fixed and prescribed by resolutions heretofore adopted by the County and now in effect as of the date of this Resolution, and that neither such schedules nor the effective dates thereof will be revised except as hereinafter provided in this Article, except that there shall be no restriction on increasing rates at any time.

**Section 602.**        Rate Covenant. The County further covenants that it will fix, charge and collect rates and charges for the use of the services and facilities furnished by the Water and Sewer Utility and that from time to time, and as often as it shall be necessary, it will adjust such rates and charges by increasing or decreasing the same or any selected categories of rates and charges, so as to provide Net Operating Revenues in each Fiscal Year no less than (a) a Senior Obligations Debt Service Coverage Ratio at least equal to 1.25 in each such Calculation Period, plus 100% of all deposits required to be made into the Senior Obligations Reserve Account (less any portion of such deposits to be deposited from the proceeds of the Senior Obligations) together with Senior Obligations Reserve Account Credit Facility costs payable during the applicable Fiscal Year; and (b) a Total Obligations Debt Service Coverage Ratio at least equal to 1.10 in each such Fiscal Year, plus 100% of all deposits required to be made into any Pari Passu Obligations Reserve Account (less any portion of such deposits to be deposited from the proceeds of the Pari Passu Obligations) together with Pari Passu Obligations Reserve Account Credit Facility costs payable during the applicable Fiscal Year.

In calculating Senior Obligations Debt Service and Pari Passu Obligations Debt Service projections, the principles set forth in the definition of Variable Rate shall apply (as if applied to Senior Obligations and Pari Passu Obligations in the same manner), and County obligations to pay a Variable Rate shall be projected forward using as the applicable Variable Rate, the Assumed Interest Rate. With respect to Hedge Agreements, except as otherwise permitted in the definition of Variable Rate, the County shall assume Senior Obligations Debt Service and Pari Passu Obligations Debt Service as the fixed rate or Variable Rate (using as the Variable Rate, the Assumed Interest Rate), as applicable, that the County is obligated to pay under the applicable Hedge Agreement. Maturing principal of commercial paper Obligations, lines of credit and bond anticipation notes, and obligations of the County to purchase tendered indebtedness of the County that are not secured by a Credit Facility, shall be disregarded.

**Section 603.**        Annual Budget. The County covenants that on or before the first day of each Fiscal Year the Board will cause the Department to adopt a budget of Operating Expenses and Capital Expenditures for such Fiscal Year (herein sometimes called the “Annual Budget”) Copies of the Annual Budget shall be filed with the Clerk and the County Mayor and mailed by the County to those Credit Facility Providers, Counterparties and Bondholders who shall have filed a request for the same and who have submitted their names and addresses with the Clerk for such purpose.

If for any reason the Board shall not have adopted the Annual Budget before the first day of any Fiscal Year, the Annual Budget for the preceding Fiscal Year, until the adoption the Annual Budget for such Fiscal Year shall be deemed to be in force and shall be treated as the Annual Budget under the provisions of this Article.

The Board may at any time adopt an amended or supplemental Annual Budget for the remainder of the then current Fiscal Year and the Annual Budget so amended or supplemented shall be treated as the Annual Budget under the provisions of this Article. Copies of any such amendment or supplemental Annual Budget shall be filed with the Clerk and the County Mayor and mailed by the County to all Bondholders who shall have filed their names and addresses with the Clerk for such purpose.

**Section 604.**        Payment of Principal, Interest and Premiums. The County covenants that it will promptly pay (i) the principal of and the interest on each and every Bond issued under the provisions of this Resolution at the places, on the dates and in the manner specified herein and in said Bonds and any premium required for the retirement of said Bonds by purchase or redemption according to the true intent and meaning thereof.

Bonds issued under the provisions of this Resolution and Hedge Agreements secured hereunder shall not be deemed to constitute a debt of the County or a pledge of the faith and credit of the County but such Bonds shall be payable solely from the funds provided therefor from Revenues, the issuance of the Bonds shall not directly or indirectly or contingently obligate the County to levy or to pledge any form of taxation whatever therefor, nor shall any such Bonds constitute a charge, lien or encumbrance, legal or equitable, upon any property of the County.

**Section 605.**        Construction of Improvements; Operation of Water and Water and Sewer Utility. The County covenants that it will construct any Improvements for which Bonds shall be issued under the provisions of this Resolution, or for which moneys repayable from the proceeds of Bonds issued under the provisions of this Resolution shall have been or are to be expended, in accordance with plans theretofore approved by the Consultant and that upon the

completion of such Improvements it will operate and maintain the same as a part of the Water and Sewer Utility.

**Section 606.**        Covenant as to Maintenance Repair and Operation. The County covenants that it will establish and enforce reasonable rules and regulations governing the use of the Water and Sewer Utility and the operations thereof, that it will operate the Water and Sewer Utility in an efficient and economical manner, that it will at all times maintain the Water and Sewer Utility in good repair and in sound operating condition and will make all necessary repairs, renewals and replacements, and that it will comply with all valid acts, rules, regulations, orders and directions of any legislative, executive, administrative or judicial body applicable to the Water and Sewer Utility.

**Section 607.**        Employment of Consultant. The County covenants and agrees that so long as any Bonds are outstanding under this Resolution, it will employ a Consultant whose duty shall be to prepare and file with the County on or before the 1st day of September in each year a report setting forth their recommendations as to any necessary or advisable revisions of rates and charges and such other advice and recommendations as they may deem desirable.

Anything in this Resolution to the contrary notwithstanding, if the County shall comply with all recommendations of the Consultant in respect of rates and charges, it will not constitute an Event of Default under this Resolution if the total amounts deposited to the credit of the Bond Service Account, the Redemption Account or the Reserve Account, as the case may be, in any Fiscal Year, shall be less than the amounts required in Section 602 herein; provided, however, that in any Fiscal Year the County shall have Pledged Revenues of at least 100% of Maximum Pari Passu Obligations Debt Service and 100% of all required deposits to the Reserve Account.

The County shall employ a Consultant to make physical inspection of the Water and Sewer Utility at least once every three years and render a written report as to the state of condition and repair of the Water and Sewer Utility, including therein recommendations as to repairs, replacements and improvements required.

The County further covenants that the Consultant shall at all times have free access to all properties of the Water and Sewer Utility and every part thereof for the purposes of inspection and examination, and that the County's books, records and accounts relating to the Water and Sewer Utility may be examined by the Consultant at all reasonable times.

**Section 608.**      Employment of Accountant. For the purpose of performing and carrying out the duties imposed on the Accountant by this Resolution, the County will employ an accountant of suitable experience and responsibility.

**Section 609.**      Insurance. The County covenants that it will maintain a practical insurance program, with reasonable terms, conditions, provisions and costs, which the County determines will afford adequate protection against loss, caused by damage to or destruction of the Water and Sewer Utility or any part thereof and also such comprehensive public liability insurance on the Water and Sewer Utility for bodily injury and property damage.

All such insurance policies shall be carried by a responsible insurance company or companies as provided in the Senior Obligations Bond Ordinance.

The proceeds of all such insurance covering damage to or destruction of the Water and Sewer Utility shall be applied as provided in the Senior Obligations Bond Ordinance.

Copies of all recommendations and approvals made by the Consultant under the provisions of this Section shall be filed with the County Mayor.

Notwithstanding the foregoing provisions of this Section, the County may institute and maintain self-insurance programs with regard to such risks as shall be consistent with the recommendations of the Miami-Dade County Insurance Department; provided, however, the Miami-Dade County Insurance Department shall determine the premiums on an actuarially sound basis, and the premiums so determined shall be paid annually

**Section 610.**        Records, Accounts and Audits. The County covenants that it will keep the accounts of the Water and Sewer Utility separate from all other accounts of the County or of any of its departments, and that it will keep accurate records and accounts of all items of cost and of all expenditures relating to the Water and Sewer Utility and of the Operating Revenues collected and the application of such Operating Revenues.

The County further covenants that, at the end of each Fiscal Year, it will prepare financial statements of the Water and Sewer Utility in accordance with GAAP and that it will cause an audit of the financial statements to be made by the Accountant. Such audit will be conducted in accordance with generally accepted auditing standards. The audit will be completed within sixty (60) days after the completed financial statements are submitted to the Accountant and such financial statements shall be submitted to the Accountant within sixty (60) days after the end of the Fiscal Year. The County will also cause an annual report of operations of the Water and Sewer Utility to be prepared, such annual report to cover the matters usually contained in annual reports for water and sewer systems. Within a reasonable time thereafter reports of each such audit and copies of each annual report shall be filed with the County Mayor and the Director and copies of such reports shall be mailed by the Director to the Consultant. The scope of the Accountant's audit will be sufficient to enable them to express an opinion that the County has complied with the conditions and covenants of its Resolution or to the extent that such audit causes them to be of the



opinion that compliance has not been met, to report events of non-compliance which came to their attention as a result of their audit which was designed for the purpose of testing such compliance.

The cost of such audits shall be treated as a part of the cost of operation.

The County further covenants that it will cause any additional reports or audits relating to the Water and Sewer Utility to be made as required by law.

For the purposes of this Resolution each fund, account or subaccount created or provided for hereunder shall be a series of accounts within the book of accounts of the Water and Sewer Utility and shall connote a segregation of accounts, which will support special purpose disclosure reports, not to be construed as a separate set of books of accounts.

**Section 611.**        Mandatory Connections. The County, to the full extent permitted by law, will require all lands, buildings and structures within the service area of the Water and Sewer Utility, fronting or abutting on the lines of the Water and Sewer Utility, or any part thereof, or which can use the facilities of the Water and Sewer Utility to connect with and use such facilities within ninety (90) days after notification that service is available. The County may make charges for sewage disposal service effective as to each lot or parcel of land which may feasibly use the facilities of the sewer portion of the Water and Sewer Utility at the time when the construction or the sewer lines abutting upon such lot or parcel of land or sewer lines from which such lot or parcel of land may feasibly be served are completed and are ready for service

The County may grant franchises for the operation of water systems or sewer systems or water and sewer systems if the Consultant shall certify that (a) the area to be covered by such franchise cannot be served feasibly by the Water and Sewer Utility in accordance with generally accepted engineering practices, (b) the customers in the area to be covered by such franchise would be better served by the proposed grantee of the franchise than by the Water and Sewer Utility and

(c) the granting of such franchise will not require the County to raise the rates and charges for the services and facilities of the Water and Sewer Utility in order to comply with Section 602 of this Resolution.

**Section 612.**        Supervisory Personnel. The Director shall serve as the manager of the Water and Sewer Utility. The County shall require all employees who may have possession of money of the County derived from the operation of the Water and Sewer Utility to be covered by a fidelity bond, written by a responsible indemnify company in amounts fully adequate to protect the County from loss.

**Section 613.**        No Free Service. The County will not render or cause to be rendered any free services of any nature by the facilities of the Water and Sewer Utility nor will any preferential rates be established for users of the same class; the County including its departments, agencies and instrumentalities in the service area, shall avail itself of the facilities of the Water and Sewer Utility, and the same rates, fees and charges applicable to other customers receiving like services under similar circumstances shall be charged to the County and any such department, agency or instrumentality. Such charges will be paid as they accrue, and the County shall transfer from its appropriate funds sufficient sums to pay such charges. The moneys so received shall be deemed to be Operating Revenues and shall be deposited and accounted for in the same manner as other Revenues.

**Section 614.**        Failure to Pay for Services. To the extent permitted by law, but subject in all respects to any declarations of a state of emergency, upon failure of any user to pay for services rendered within ninety (90) days, the County shall shut off the connection of such user to the Water and Sewer Utility and shall not furnish such user or permit such user to receive further service until all obligations owed by such user to the County on account of services shall have

been paid in full. This covenant shall not, however, prevent the County from causing any connection to be shut off sooner. To the extent permitted by law, the County shall not provide any water or sewer service to any new property owner until such time as all delinquent charges owed for services rendered to such property are paid.

**Section 615.**        Enforcement of Collection. The County will diligently enforce and collect the rates, fees and other charges for the services of the Water and Sewer Utility; will take all steps, actions and proceedings for the enforcement and collection of such rates, fees and charges that become delinquent, to the full extent permitted or authorized by law; and will maintain accurate records with respect thereto. All such rates, fees, charges and revenues herein pledged, as collected, shall be held in trust to be applied as provided in this Resolution and not otherwise.

**Section 616.**        Right to Borrow and Pledge Federal Grants. Notwithstanding anything contained in this Resolution, the County shall have the right from time to time to incur indebtedness to any person for the purpose of paying all or any part of the Cost of Improvements for paying the cost of which the County has a grant agreement with the Federal government provided, that such indebtedness shall be payable as to principal, interest and premium solely from moneys to be received by the County pursuant to such grant agreement and such indebtedness may in no event be payable from Revenues.

**Section 617.**        Disposition of Assets. Except for the sale of parts being replaced in the ordinary course of business, the County will not sell or otherwise dispose of any portion or component of the Water and Sewer Utility, except as provided in the Senior Obligations Bond Ordinance.

**ARTICLE VII**

**EVENTS OF DEFAULT; REMEDIES**

**Section 701.**      Events of Default. Each of the following events is hereby declared an “Event of Default”:

(a)      Payment of the principal of or any premium on any Bond shall not be made when the same shall become due and payable, either at maturity or on required payment dates by proceedings for redemption, purchase or otherwise; or

(b)      Payment of any installment of interest on any Bond shall not be made when the same shall become due and payable; or

(c)      The County shall fail to cause any Bond to be purchased at the time required by this Resolution or the Series Resolution under which such Bond was issued; or

(d)      The County shall admit that it has been rendered incapable of fulfilling its obligations under this Resolution or under any Series Resolution to such an extent that the payment of or security for any of the Bonds will be materially adversely affected, and that such condition has continued unremedied for a period of thirty (30) days after the County first became aware of such condition; or

(e)      An order or decree shall be entered, with the consent or acquiescence of the County, appointing a receiver or receivers of the County or of any of the Pledged Revenues or of any of the funds herein described, or any part thereof or the filing of a petition by the County of or relief under federal bankruptcy laws or any other applicable law or statute of the United states of America or the State, which shall not be dismissed, vacated or discharged within thirty (30) days after the filing thereof; or

(f)      Any proceedings shall be instituted, with the consent or acquiescence of the County, for the purpose of effecting a composition between the County and its creditors or

for the purpose of adjusting the claims of such creditors, pursuant to any federal or state statutes now or hereafter enacted, if the claims of such creditors are under any circumstances payable from the Pledged Funds or any of the funds; or

(g) The entry of a final judgment or judgments for the payment of money against the County which subjects the Pledged Revenues or any of the funds or any part thereof to a lien for the payment thereof in contravention of the provisions of this Resolution or of any Series Resolution for which there does not exist adequate insurance, reserves or appropriate surety or indemnity bonds for the timely payment thereof, and any such judgement shall not be discharged within ninety (90) days from the entry thereof or an appeal shall not be taken therefrom or from the order, decree or process upon which or pursuant to which such judgment shall have been granted or entered, in such manner as to stay the execution of or levy under such judgment, order, decree or process or the enforcement thereof; or

(h) Any Event of Default under any Series Resolution which, by the terms of such Series Resolution, shall be deemed an Event of Default hereunder;

(i) The County shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in any of the Bonds, in this Resolution or in any Series Resolution on the part of the County to be performed, and such default shall continue for thirty (30) days after written notice specifying such default and requiring the same to be remedied shall have been given by the registered owners of not less than ten percent (10%) in aggregate principal amount (and Accreted Value, if applicable) of the one or more Series of Bonds then Outstanding, with respect to which such default has occurred; or

(j) The County shall be in default on any payments which are due under any Credit Agreement relating to a Credit Facility or Reserve Account Credit Facility securing any Bonds and the Provider which issued such credit facility or reserve fund credit facility notifies the County Mayor in writing by registered mail that it elects to treat such default as an Event of Default hereunder; or

(k) An event of default under the Senior Obligations Bond Ordinance or with respect to any Pari Passu Obligation, but only to the extent remedies are being pursued with respect to such event of default.

Notwithstanding the foregoing, but subject to limitations in any Series Resolution or Credit Agreement, with respect to the events described in clauses (d), (h) and (i) above, the County shall not be deemed in default hereunder if such default can be cured within a reasonable period of time and if the County in good faith institutes appropriate curative action and diligently pursues such action until the default has been corrected.

**Section 702.**      Notice of Default. If any Event of Default shall occur, the County Mayor shall give, or cause to be given, within thirty (30) days after the County Mayor has knowledge of the Event of Default, unless such Event of Default shall have been cured, written notice of the Event of Default, by first class mail to the Holders of all Bonds and by registered or certified mail, to each Provider and Counterparty.

**Section 703.**      Remedies. The Bonds shall in no event be subject to acceleration. Any trustee, any Holder of Bonds issued under the provisions hereof acting for the Holders of all Bonds may by suit, action, mandamus or other proceedings in any court of competent jurisdiction, protect and enforce any and all rights, including the right to the appointment of a receiver, existing under the laws of the State of Florida, or granted and contained herein, and may enforce and

compel the performance of all duties herein required or to any applicable statutes to be performed by the County or by any officer thereof. Nothing herein, however, shall be construed to grant to any Holder of such Bonds any lien on any property of or within the corporate boundaries of the County. No Holder of Bonds, however, shall have any right in any manner whatever to affect, disturb or prejudice the security of this Resolution or to enforce any right hereunder except in the manner herein provided, and all proceedings at law or in equity shall be instituted and maintained for the benefit of all Holders of Bonds.

Nothing herein shall be construed to preclude any Counterparty from exercising any and all rights and remedies, including the right to the appointment of a receiver, available to it under the laws of the State of Florida as a pledgee to enforce the obligations of the County under the applicable Hedge Agreement.

If any payments of Pari Passu Obligations Debt Service with respect to Outstanding Bonds are made by a Credit Facility Provider with respect to Bonds which have not been defeased in accordance with the provisions of Section 901 hereof, the lien upon and pledge of the money on deposit from time to time in the Funds and Accounts created and established herein and all covenants and other obligations of the Issuer to the Holders of such Bonds shall continue to exist and the Credit Facility Provider shall be subrogated to the rights of the Holders of such Bonds with respect to the Pari Passu Obligations Debt Service with respect to Outstanding Bonds paid or insured by such Credit Facility Provider.

**Section 704.**      Pro Rata Application Funds. Anything in this Resolution to the contrary notwithstanding, if at any time the available moneys in the Debt Service Fund shall not be sufficient to pay the principal of or the interest on the Bonds and Hedge Obligations as the same become due and payable, such moneys together with any moneys then available or thereafter

becoming available for such purpose, whether through the exercise of the remedies provided for in this Article or otherwise, shall be applied as follows:

*First:* to the payment of the persons entitled thereto of all installments of interest then due and payable on the Bonds and all Hedge Obligations (other than termination payments), in the order in which such amounts become due and payable, and, if the amount available shall not be sufficient to make payment in full, then to the payment ratably, according to the amounts due, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds or applicable Hedge Agreement;

*Second:* to the payment of the persons entitled thereto of the unpaid principal of any of the Bonds and Hedge Obligations which are termination payments that have become due (other than Bonds called for redemption for the payment of which sufficient moneys are held pursuant to the provisions of this Resolution), in the order of their due dates, and, if the amount available shall not be sufficient to pay in full the principal of Bonds due on any particular date and then to the payment of such principal, ratably according to the amount of such principal due on such date, to the persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds; and

*Third:* to the payment of the interest on and the principal of the Bonds, Hedge Obligations and Hedge Charges, and to the purchase and retirement of Bonds and to the redemption of Bonds, all in accordance with the provisions of Article V of this Resolution.

For purposes of the foregoing provisions of this Section, if any principal or interest on any particular Bonds is paid with funds advanced under any Credit Facility, the Credit Facility Provider



shall become subrogated to the Holder's right to payment from the County of such principal or interest and shall be entitled to receive payment from the County under the foregoing provisions.

Whenever moneys are to be applied by the County pursuant to the provisions of this Section, such moneys shall be applied by the County at such times, and from time to time, as the County Mayor in the County Mayor's sole direction shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future; the deposit of such moneys with the Paying Agents, or otherwise setting aside such moneys, in trust for the proper purpose, shall constitute proper application by the County; and the County shall incur no liability whatsoever to any Bondholder or to any other person for any delay in applying any such funds, so long as the County acts with reasonable diligence, having due regard to the circumstances, and ultimately applies the same in accordance with such provisions of this Resolution as may be applicable at the time of application. Whenever the County Mayor shall exercise such discretion in applying such funds, the County Mayor shall fix the date upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The County Mayor shall give such notice as the County Mayor may deem appropriate of the fixing of any such date, and shall not be required to make payment to the Holder of any Bond until such Bond shall be surrendered to the County Mayor for appropriate endorsement.

The pro-rata application of moneys pursuant to this Section 702 shall be adjusted with respect to Variable Rate Bonds and any Bonds bearing interest payable other than semiannually on October 1 and April 1 so as to ensure that each person entitled to receive payment shall receive as nearly as practicable the same proportion of the total amount due to such person, taking into account any interest paid since the preceding October 1 or April 1.

Notwithstanding the foregoing, moneys in each subaccount of the Reserve Account securing particular Bonds shall be used only to pay debt service on such particular Bonds (or to pay Payment Obligations to any Credit Facility Provider which has advanced moneys under a Credit Facility securing such Bonds) and moneys in any other subaccount in the Reserve Account shall not be used to pay debt service on said Bonds or to pay such Payment Obligations.

**Section 705.**        Effect of Discontinuance of Proceedings. In case any proceeding taken by any Bondholder or Credit Facility Provider on account of any default shall have been discontinued or abandoned for any reason, then and in every such case the County and the Bondholder or Credit Facility Provider shall be restored to their former positions and rights hereunder, respectively, and all rights and remedies of the Bondholders and Credit Facility Providers shall continue as though no such proceeding had been taken.

**Section 706.**        Restriction on Individual Bondholder Action. No Holder of any of the Bonds hereby secured nor any Counterparty shall have any right in any manner whatever by such Holder's action to affect, disturb or prejudice the security of this Resolution or to enforce any right hereunder except in the manner herein provided, and all proceedings at law or in equity shall be instituted, had and maintained for the benefit of all Holders of such Bonds, and all Credit Facility Providers, as their respective interests may appear.

Nothing herein shall be construed to preclude any Counterparty from exercising any and all rights and remedies, including the right to the appointment of a receiver, available to it under the laws of the State of Florida as a pledgee to enforce the obligations of the County under the applicable Hedge Agreement.

**Section 707.**        Right to Enforce Payment of Bonds. Nothing in this Article shall affect or impair the right of any Holder of a Bond to enforce the payment of the principal of and

interest on such Holder's Bond, or the obligation of the County to pay the principal of and interest on each Bond to the Holder thereof at the time and place stated in said Bond or the right of any Counterparty to enforce payment of amounts due under a Hedge Agreement or the obligation of the County to make such payments in accordance with such Hedge Agreement.

## ARTICLE VIII

### SUPPLEMENTAL RESOLUTIONS

**Section 801.** Supplemental Resolution Without Bondholders' Consent. The Board, from time to time and at any time may adopt such resolutions supplemental hereto as shall not be incompatible with the terms and provisions hereof (which supplemental resolutions shall thereafter form a part hereof), in order to:

(a) cure any ambiguity or formal defect or omission or to correct any inconsistent provisions in this Resolution or in any supplemental resolution, or

(b) grant to or confer upon the Bondholders any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Bondholders, or

(c) add to the conditions, limitations and restrictions on the issuance of Bonds or the entering into of Hedge Agreements under the provisions of this Resolution other conditions, limitations and restrictions thereafter to be observed, or

(d) add to the covenants and agreements of the County in this Resolution other covenants and agreements thereafter to be observed by the County or to surrender any right or power herein reserved to or conferred upon the County, or

(e) to make other changes or modifications to the provisions of this Resolution which are not materially adverse to the interests of the Bondholders, any Credit provider or any Counterparty.

**Section 802.**      Supplemental Resolution With Bondholders' Consent. Subject to the terms and provisions contained in this Section, and not otherwise, the Holders of not less than a majority in aggregate principal amount of the Bonds then outstanding shall have the right, from time to time, anything contained in this Resolution to the contrary notwithstanding, to consent to and approve the adoption of such resolution or resolutions supplemental hereto as shall be deemed necessary or desirable by the County for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Resolution or in any supplemental resolution; provided, however, that nothing herein contained shall be construed as permitting, (a) an extension of the maturity of the principal of or the interest on any Bonds issued hereunder, or (b) a reduction in the principal amount of any Bonds or the redemption premium or the rate of interest thereon, or (c) the creation of a lien upon or a pledge of Revenues other than a lien and pledge created by this Resolution, or (d) a preference or priority of any Bond or Bonds over any other Bond or Bonds, or (e) a reduction in the aggregate principal amount of the Bonds required for consent to such supplemental resolution, or (f) a change in any Pari Passu Obligation which is materially adverse to the interests of the Bondholders. Nothing herein contained, however, shall be construed as making necessary the approval by Bondholders of the adoption of any supplemental resolution as authorized in Section 801 of this Article.

If the Holders (and Providers who are entitled to act in lieu of Holders) of not less than a majority in aggregate principal amount of the Bonds outstanding at the time of the adoption of such supplemental resolution shall have consented to and approved the adoption thereof as herein provided, no Holder of any Bond or Credit Facility Provider shall have any right to object to the adoption of such supplemental resolution, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the adoption thereof,

or to enjoin or restrain the Board from adopting the same or from taking any action pursuant to the provisions thereof.

Upon the enactment of any supplemental resolution pursuant to the provisions of this Section, this Resolution shall be and be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Resolution of the County and all Holders of Bonds then outstanding shall thereafter be determined, exercised and enforced in all respects under the provisions of this Resolution as so modified and amended.

**Section 803.**        Rights of Credit Facility Provider. In the event that a Credit Facility is in full force and effect as to a Series of Bonds and the Credit Facility Provider is not insolvent and no default of the Credit Facility exists on the part of the Credit Facility Provider, then said Credit Facility Provider, in place of the Holders of that Series of Bonds, shall have the power and authority to give any consents and exercise any and all other rights which the Holders of that Series would otherwise have the power and authority to make, give or exercise, including, but not limited to, the exercise of remedies provided in Article VII, and the giving of consents to supplemental resolutions when required by Section 802 above, and such consent shall be deemed to constitute the consent of the Holders of all of those Bonds which are secured by such Credit Facility.

**Section 804.**        Supplemental Resolutions Part of Resolution. Any supplemental resolution enacted in accordance with the provisions of this Article and approved as to legality by the County Attorney shall thereafter form a part of this Resolution, and all of the terms and conditions containing in any such supplemental resolution as to any provision authorized to be contained therein shall be and shall be deemed to be part of the terms and conditions of this Resolution for any and all purposes. In case of the approval of any supplemental resolution, express

reference may be made thereof in the text of any Bonds issued thereafter, if deemed necessary or desirable by the County.

**Section 805.**        Notice of Supplemental Resolutions. The County shall give to the applicable Rating Agencies which has assigned a rating to any Series of Bonds advance notice of the proposed adoption of any supplemental resolution, which notice shall include the substantial form of such supplemental resolution.

## **ARTICLE IX**

### **DEFEASANCE**

**Section 901.**        Cessation of Interest of Bondholders. If, when any Bonds secured hereby shall have become due and payable in accordance with their terms or shall have been called for redemption on either instructions to call the Bonds for redemption or to pay the Bonds at their respective maturities and mandatory redemption dates or any combination of such payment and redemption, and, if applicable, provisions for redemption shall have been made by the County with an appropriate escrow agent, the whole amount of the principal and the interest and premium, if any, so payable upon such Bonds then Outstanding shall be paid or sufficient moneys or Defeasance Obligations shall be held by such escrow agent for such purpose, and provision shall also be made for paying all other sums payable by the County on said Bonds, then and in that case the right, title and interest of the Holders of said Bonds in this Resolution and any applicable Series Resolution shall thereupon cease, determine and become void; otherwise this Resolution shall be, continue and remain in full force and effect; provided, however, that in the event Defeasance Obligations shall be deposited with and held by an escrow agent as above provided, in addition to the requirements set forth in Article III of this Resolution, the County Mayor, within thirty (30) days after such Defeasance Obligations shall have been deposited with such escrow agent, shall cause a notice to be mailed to all registered owners of such Bonds, setting forth the date designated

for the redemption of the Bonds and identifying the Bonds to be redeemed. Further, when all amounts due under any Hedge Agreement and any Credit Facility shall have been paid or provided for (in the manner permitted under such Hedge Agreement or Credit Facility), then and only in that case the right, title and interest of the Counterparty or the Credit Facility Provider in this Resolution shall thereupon cease, determine and become void.

As to Variable Rate Bonds, the amount required for the interest thereon shall be calculated at the maximum rate permitted by the terms of the provisions which authorized the issuance of such Variable Rate Bonds; provided, however, that if on any date, as a result of such Variable Rate Bonds having borne interest at less than such maximum rate for any period, the total amount of moneys and Defeasance Obligations on deposit for the payment of interest on such Variable Rate Bonds is in excess of the total amount which would have been required to be deposited on such date in respect of such Variable Rate Bonds in order to fully discharge and satisfy such Bonds pursuant to the provisions of this Section, the County may use the amount of such excess, free and clear of any trust, lien, security interest, pledge or assignment securing said Variable Rate Bonds or otherwise existing under this Resolution.

Notwithstanding any of the provisions of this Resolution to the contrary, Tender Bonds may only be fully discharged and satisfied either by paying the principal of and interest on said Bonds as they become due and payable or by depositing moneys or Defeasance Obligations which shall be sufficient at the time of such deposit to pay when due the maximum amount of principal of and redemption premium, if any, and interest on such Tender Bonds which could become payable to the registered owners of such Bonds upon the tenders of such Bonds and the County; provided, however, that if, at the time a deposit is made pursuant to this paragraph, the tenders of

such Tender Bonds are no longer exercisable, such Bonds shall not be considered Tender Bonds for these purposes.

If any portion of the moneys deposited for the payment of the principal of and redemption premium, if any, and interest on any portion of Bonds is not required for such purpose, the County may use the amount of such excess, free and clear of any trust, lien, security interest, pledge or assignment securing said Bonds or otherwise existing under this Resolution.

## **ARTICLE X**

### **MISCELLANEOUS PROVISIONS**

**Section 1001.**      Inconsistent Resolutions. All resolutions and parts thereof, which are inconsistent with any of the provisions of this Resolution are hereby declared to be inapplicable to the provisions of this Resolution.

**Section 1002.**      Further Acts. The County Mayor, the County Attorney, the Clerk and other officers, employees and agents of the County are hereby authorized and directed to do all acts and things and to execute and deliver any and all documents and certificates which they deem necessary or advisable in order to consummate the issuance of the Series 2021 Bonds, the financing of the Series 2021 Project and the incurrence of the additional WIFIA Loans and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution as it relates to the Series 2021 Bonds, the Series 2021 Bonds, the additional WIFIA Loans and the related documents. In the event that the County Mayor, the Clerk or the County Attorney is unable to execute and deliver the contemplated documents, such documents shall be executed and delivered by the respective designee of such officer or official or any other duly authorized officer or official of the County.

The officers and agents of the County are further hereby authorized and directed to do all acts and things required of them by the Bonds and this Resolution, for the full, punctual and



complete performance of all of the terms, covenants, provisions and agreements contained in the Bonds and this Resolution.

**Section 1003.**      Headings Not Part of Resolution. Any headings preceding the text of the several Articles and Sections hereof and any table of contents, marginal notes or footnotes appended to copies hereof shall be solely for convenience of reference, and shall not constitute a part of this Resolution, nor shall they affect its meaning, construction or effect.

**Section 1004.**      No Third Party Beneficiaries. Except as herein otherwise expressly provided, nothing in this Resolution, expressed or implied, is intended or shall be construed to confer upon any person, firm or corporation, other than the County, any applicable Credit Facility Provider, any Counterparty and the Holders of the Bonds issued under and secured by this Resolution, any right, remedy or claim, legal or equitable, under or by reason of this Resolution or any provision hereof, this Resolution and all its provisions being intended to be and being for the sole and exclusive benefit of the County, each Credit Facility Provider, each Counterparty and the Holders from time to time of the Bonds issued hereunder.

**Section 1005.**      Severability; Resolution Controlling. In case any one or more of the provisions of this Resolution or any approved document shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Resolution or such document, as the case may be, and such other provisions shall be construed and enforced as if such illegal or invalid provisions had not been contained. All or any part of resolutions or proceedings in conflict with the provisions of this Resolution are to the extent of such conflict repealed or amended to the extent of such inconsistency.

**Section 1006.**      Governing Law; Venue. The Bonds are to be issued and this Resolution is adopted and such other documents necessary for the issuance of the Bonds shall be

executed and delivered with the intent that, except to the extent otherwise specifically provided in such documents, the laws of the State shall govern their construction. Except as otherwise specifically provided in any such documents, venue shall lie in Miami-Dade County, Florida.

**Section 1007.**      **No Recourse Against County’s Officers.** No covenant, agreement or obligation contained in this Resolution shall be deemed to be a covenant, agreement or obligation of any present or future official, officer, employee or agent of the County in the individual capacity of such person, and no official, officer, employee or agent of the County executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance of the Bonds. No official, officer, employee, agent or advisor of the County shall incur any personal liability with respect to any other action taken by such person pursuant to this Resolution, provided the official, officer, employee, agent or advisor acts in good faith, but this Section 1007 shall not relieve any official, officer, employee, agent or advisor of the County from the performance of any official duty provided by law or this Resolution.

**Section 1008.**      **Waivers.** The provisions of Resolution No. R-130-06, as amended, requiring that any contracts of the County with third parties be executed and finalized prior to their placement on an agenda of the Board are waived at the request of the County Mayor for the reasons set forth in the County Mayor’s Memorandum.

The foregoing resolution was offered by Commissioner \_\_\_\_\_, who moved its adoption. The motion was seconded by Commissioner \_\_\_\_\_ and upon being put to a vote, the vote was as follows:

Jose "Pepe" Diaz, Chairman  
Oliver G. Gilbert, III, Vice-Chairman  
Sen. René García  
Sally A. Heyman  
Eileen Higgins  
Kionne L. McGhee  
Raquel A. Regalado  
Sen. Javier D. Souto  
Keon Hardemon  
Danielle Cohen Higgins  
Joe A. Martinez  
Jean Monestime  
Rebeca Sosa

The Chairperson thereupon declared this resolution duly passed and adopted this 2<sup>nd</sup> day of June, 2021. This resolution shall become effective upon the earlier of (1) 10 days after the date of its adoption unless vetoed by the County Mayor, and if vetoed, shall become effective only upon an override by this Board, or (2) approval by the County Mayor of this resolution and the filing of this approval with the Clerk of the Board.

MIAMI-DADE COUNTY, FLORIDA  
BY ITS BOARD OF  
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By: \_\_\_\_\_  
Deputy Clerk

Approved by County Attorney as  
to form and legal sufficiency.

JRA

Juliette R. Antoine

EXHIBIT A

SERIES 2021 PROJECT

WASTEWATER PROJECTS

\$290,000,000

Central District - Wastewater Treatment Plant Upgrades  
Central Miami-Dade Wastewater Transmission Mains  
and Pump Stations Improvements  
Flow Reduction Program (FRP)  
North District Upgrades - Wastewater Treatment Plant  
North Miami-Dade - Wastewater Transmission Mains  
and Pump Stations Improvements  
Ocean Outfall Legislation Capacity  
Ocean Outfall Legislation Regulatory  
Peak Flow Management Facilities  
Pump Station Improvements Program  
Pump Station Resilience Program (PSRP)  
Pump Stations - Generators and Miscellaneous Upgrades  
Sewer Pump Station Systems - Consent Decree Projects  
South District Upgrades - Wastewater Treatment Plant  
Wastewater Collection and Transmission Lines - Consent Decree Projects  
Wastewater Treatment Plants - Consent Decree Projects  
Wastewater Treatment Plants - Miscellaneous Upgrades

EXHIBIT B

FORM OF SERIES 2021 BOND

No. R- \_\_\_\_\_ \$ \_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF FLORIDA  
MIAMI-DADE COUNTY, FLORIDA  
SUBORDINATE WATER AND SEWER SYSTEM REVENUE BOND,  
SERIES \_\_\_\_\_

INTEREST RATE                      MATURITY                      DATED DATE                      CUSIP

REGISTERED OWNER:

PRINCIPAL AMOUNT:

Miami-Dade County, Florida, a political subdivision of the State of Florida (the "County"), for value received, hereby promises to pay, but only from the special funds described in this Bond, to the Registered Owner of this Bond specified above on the date shown above, upon surrender of this Bond, the principal of this Bond and to pay to the Registered Owner of this Bond at the close of business on the Regular Record Date (defined below), but only from said special funds, interest on this Bond from the interest payment date next preceding the date on which this Bond is authenticated unless it is authenticated on an interest payment date, in which event it shall bear interest from such date or if it is authenticated prior to the first interest payment date, in which event it shall bear interest from the Dated Date specified above, until payment of said principal amount has been made or provided for, at the interest rate shown above, computed on the basis of a 360-day year of twelve 30-day months on the first day of April and October of each year, commencing \_\_\_\_\_, 20\_\_\_. Regular Record Date for the purposes of this Bond shall mean the fifteenth day of the calendar month (whether or not a business day) next preceding the interest payment date. The interest on this Bond is payable by check or draft drawn on the Paying Agent hereinafter mentioned and the principal is payable at the designated corporate trust office of \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, or at the duly designated office of any duly appointed alternate or successor paying agent (the "Paying Agent"), provided that for any Registered Owner of one million dollars (\$1,000,000) or more in principal amount of Bonds, such payment shall, upon the express written request of such Registered Owner delivered 15 days prior to an interest payment date, be made by wire transfer. If and to the extent, however, the County fails to make payment or provision for payment on any interest payment date of interest on this Bond, interest shall be payable to the Registered Owner of this Bond at the close of business on a special record date for the payment of such defaulted interest (the "Special Record Date") as established by notice mailed by the Registrar to the Registered Owner of this Bond not

less than fifteen days preceding such Special Record Date. Such notice shall be mailed to the person who is the Registered Owner of this Bond at the close of business on the fifth (5<sup>th</sup>) day preceding the date of mailing. The principal of and interest on this Bond shall be paid in any coin or currency of the United States of America which, at the time of payment, is legal tender for the payment of public and private debts.

This Bond is one of a duly authorized series of revenue bonds of the County designated as “Miami-Dade County, Florida Subordinate Water and Sewer System Revenue Bonds, Series \_\_\_\_” (the “Series \_\_\_\_ Bonds”), issued for the principal purpose of paying Costs of the Series 2021 Project, pursuant to Ordinance No. 20-1, duly enacted by the Board of County Commissioners of Miami-Dade County, Florida (the “Board”) on January 22, 2020 (the “Ordinance”), and Resolution No. R-\_\_\_\_-21, duly adopted by the Board on \_\_\_\_\_, 2021 (the “Resolution” and, together with the Ordinance, the “Bond Ordinance”), reference to which Bond Ordinance is hereby made for the provisions, among others, with respect to the custody and application of the proceeds of the Series \_\_\_\_ Bonds, the funds charged with and pledged to the payment of the principal of and the interest on the Series \_\_\_\_ Bonds, the nature and extent of the security, the terms and conditions on which obligations on a parity with the Series \_\_\_\_ Bonds may be issued under the Ordinance, the rights, duties and obligations of the County under the Bond Ordinance and the rights of the owners of the Series \_\_\_\_ Bonds; and, by the acceptance of this Bond, the owner of this Bond assents to all the provisions of the Bond Ordinance. This Bond is issued, the Ordinance was enacted and the Resolution was adopted under the authority of the Constitution and laws of the State of Florida, including, but not limited to, the Home Rule Amendment and Charter of Miami-Dade County, Florida, as amended, Chapters 125 and 166, Florida Statutes, as amended, the Code of Miami-Dade County, Florida, as amended, and all other applicable laws. Terms used in capitalized form in this Bond and not defined shall have the meanings assigned to such terms in the Bond Ordinance.

This Bond and the interest thereon is a special and limited obligation of the County, payable from and secured by a subordinate lien on and a pledge of certain income and earnings derived from the ownership and operation of the water and sewer utility (the “Utility”) of the County, subject to the prior payment of expenses of operation and maintenance of the Water and Sewer Utility, Senior Obligations and other payment obligations (as defined in the Resolution, “Pledged Revenues”), all in the manner provided in the Resolution. This Bond constitutes a Subordinate Obligation.

The Outstanding Bonds, the Series \_\_\_\_ Bonds and any additional bonds (collectively, the “Bonds”) issued under the Resolution and other Pari Passu Obligations are and will be equally and ratably secured, to the extent provided in the Resolution, by the pledge of the Pledged Revenues.

This Bond shall be a special limited obligation of the County payable solely from and secured solely by Pledged Revenues. This Bond does not constitute an indebtedness, liability, general or moral obligation, or a pledge of the faith, credit or power of the County, the State or any political subdivision of the State, within the meaning of any constitutional, statutory or charter provision. Neither the State nor any political subdivision of the State nor the County shall be directly or indirectly or contingently obligated to levy any ad valorem taxes on any property to pay the principal of or the interest on this Bond or other related costs, or to pay the same from any other funds of the County except from the Pledged Revenues. The acceptance of this Bond by the

Registered Owner from time to time of this Bond shall be deemed an agreement between the County and such Registered Owner that this Bond and the indebtedness evidenced by this Bond shall not constitute a lien upon the Water and Sewer Utility, any part of the Water and Sewer Utility, or any other property of the County, but shall constitute a lien only on the Pledged Revenues.

The Series \_\_\_\_ Bonds maturing on October 1, \_\_\_\_\_ are subject to mandatory sinking fund redemption in part prior to maturity by lot, at a redemption price equal to 100% of the principal amount of the Series \_\_\_\_ Bonds to be redeemed, plus accrued interest to the date of redemption, commencing on October 1, \_\_\_\_\_ and on each October 1 thereafter, in the years and principal amounts set forth below:

<u>Year</u>	<u>Principal Amount</u>
-------------	-------------------------

---

\*Final Maturity

The Series \_\_\_\_ Bonds maturing on or before October 1, \_\_\_\_\_ shall not be subject to optional redemption prior to maturity. The Series \_\_\_\_ Bonds maturing on or after October 1, \_\_\_\_\_ are subject to optional redemption prior to maturity, at the option of the County, in whole or in part at any time, on or after October 1, \_\_\_\_\_, and if in part, in maturities determined by the County and by lot within a maturity, at a redemption price equal to 100% of the principal amount of the Series \_\_\_\_ Bonds or portion of such Series \_\_\_\_ Bonds to be redeemed, plus accrued interest to the date of redemption.

Any such redemption shall be made upon written notice not less than thirty (30) days prior to the redemption date to the Registered Owners of the Series \_\_\_\_ Bonds to be redeemed, in the manner and under the terms and conditions provided in the Bond Ordinance. On the date designated for redemption, notice having been given and moneys for payment of the redemption price, together with accrued interest, if any, to the redemption date, being held by the Paying Agent, all as provided in the Bond Ordinance, the Series \_\_\_\_ Bonds so called for redemption shall become and be due and payable at the redemption price provided for redemption of such Series \_\_\_\_ Bonds on such date, together with accrued interest, if any, to the redemption date, interest on the Series \_\_\_\_ Bonds so called for redemption shall cease to accrue, such Series \_\_\_\_ Bonds shall cease to be entitled to any benefit or security under the Bond Ordinance, and the Registered Owners of such Series \_\_\_\_ Bonds shall have no rights in respect of such Series \_\_\_\_ Bonds except to receive payment of the redemption price, together with accrued interest, if any, to the redemption date. If less than all of one Series \_\_\_\_ Bond is selected for redemption, the Registered Owner of such Series \_\_\_\_ Bond or his legal representative shall present and surrender such Series \_\_\_\_ Bond to the Paying Agent for payment of the principal amount of the Series \_\_\_\_ Bond called for redemption, together with accrued interest, if any, to the redemption date, and the County shall execute and the Registrar shall authenticate and deliver to or upon the order of such Registered Owner or his legal representative, without charge, for the unredeemed portion of the principal amount of the old Series \_\_\_\_ Bond, a new Series \_\_\_\_ Bond of the same maturity,

bearing interest at the same rate and of any denomination or denominations authorized by the Bond Ordinance.

The Registered Owner of this Bond shall have no right to enforce the provisions of the Bond Ordinance, or to institute action to enforce the covenants contained in the Bond Ordinance, or to take any action with respect to any event of default under the Bond Ordinance, or to institute, appear in or defend any suit or other proceeding, except as provided in the Bond Ordinance.

Modifications or alterations of the Bond Ordinance or of any amendatory or supplemental ordinance or resolution may be made only to the extent and in the circumstances permitted by the Bond Ordinance.

This Bond is transferable by the Registered Owner in person or by his attorney duly authorized in writing at the designated corporate trust office of the Registrar, but only in the manner, subject to the limitations and upon payment of the charges provided in the Bond Ordinance, and upon surrender and cancellation of this Bond. Upon such transfer a new registered Series \_\_\_\_ Bond or Series \_\_\_\_ Bonds of the same maturity and interest rate and of authorized denomination or denominations for the same aggregate principal amount will be issued in exchange to the transferee.

The Registrar shall not be required to transfer or exchange any Series \_\_\_\_ Bond (a) during the period beginning on a Regular Record Date and ending on the next succeeding interest payment date, (b) during the period 15 days next preceding any selection of Series \_\_\_\_ Bonds to be redeemed or thereafter until after the mailing of any notice of redemption, or (c) called for redemption.

Each Series \_\_\_\_ Bond delivered pursuant to any provision of the Bond Ordinance in exchange or substitution for, or upon the transfer of the whole or any part of one or more other Series \_\_\_\_ Bonds, shall carry all of the rights to interest accrued and unpaid and to accrue that were carried by the whole or such part, as the case may be, of such one or more other Series \_\_\_\_ Bonds, and notwithstanding anything contained in the Bond Ordinance, such Series \_\_\_\_ Bonds shall be so dated or bear such notation, that neither gain nor loss in interest shall result from any such exchange, substitution or transfer.

No recourse shall be had for the payment of the principal of or interest on this Bond, or for any claim based on this Bond or on the Bond Ordinance, against any member, officer or employee, past, present or future, of the County or of any successor body, as such, either directly or through the County or any such successor body, under any constitutional provision, statute or rule of law, or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise, all such liability of such members, officers or employees being released as a condition of and as consideration for the enactment of the Ordinance and the adoption of the Resolution by the County and the issuance of this Bond.

The County, the Registrar and the Paying Agent may deem and treat the person in whose name this Bond is registered upon the books kept by the Registrar as the absolute owner for the purpose of receiving payment of, or on account of, the principal of and the interest due on this Bond and for all other purposes; and neither the County, the Registrar nor the Paying Agent shall



be affected by notice to the contrary except upon the due execution and delivery to the Registrar of the Certificate of Transfer set forth at the end of this Bond.

All acts, conditions and things required by the Constitution and laws of the State of Florida and the Bond Ordinance to exist, to have happened and to have been performed precedent to and in the issuance of this Bond, do exist, have happened and have been performed.

This Bond is not valid unless the Registrar's Certificate of Authentication endorsed on this Bond is duly executed.

IN WITNESS WHEREOF, Miami-Dade County, Florida has caused this Bond to be executed in its name and on its behalf by the facsimile signature of its Mayor and a facsimile of the seal to be printed hereon and attested by the facsimile signature of its Clerk and has caused this Bond to be dated as of \_\_\_\_\_.

MIAMI-DADE COUNTY, FLORIDA

[SEAL]

By: \_\_\_\_\_  
Mayor

Attest: \_\_\_\_\_  
Clerk of the Board of  
County Commissioners

REGISTRAR'S CERTIFICATE OF AUTHENTICATION

This Bond is one of the bonds of the Series designated herein, described in the within-mentioned Bond Ordinance.

\_\_\_\_\_  
\_\_\_\_\_,  
as Registrar

By: \_\_\_\_\_  
Authorized Signatory

Date of Authentication: \_\_\_\_\_

CERTIFICATE OF TRANSFER

FOR VALUE RECEIVED, \_\_\_\_\_, the undersigned, hereby sells, assigns and transfers unto \_\_\_\_\_ (Tax Identification or Social Security No. \_\_\_\_\_) the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_ attorney to transfer the within bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever.

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of the within Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

- TEN COM -- as tenants in common
- TEN ENT -- as tenants by the entireties
- JT TEN -- as joint tenants with rights of survivorship and not as tenants in common

UNIFORM GIFT MIN ACT - \_\_\_\_\_ Custodian \_\_\_\_\_  
(Cust) (Minor)

Under Uniform Gifts to Minors Act

\_\_\_\_\_  
(State)

Additional abbreviations may also be used though not in the above list.

EXHIBIT C  
BOND PURCHASE AGREEMENT

On file with the Clerk's office

EXHIBIT D

PRELIMINARY OFFICIAL STATEMENT

**PRELIMINARY OFFICIAL STATEMENT DATED JUNE \_\_, 2021**

**NEW ISSUE - BOOK-ENTRY ONLY**

**RATINGS: See "RATINGS" herein.**

*In the opinion of Squire Patton Boggs (US) LLP and D. Seaton and Associates, P.A., Bond Counsel, under existing law: (i) assuming continuing compliance with certain covenants and the accuracy of certain representations, interest on the Series 2021 Subordinate Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax, and (ii) the Series 2021 Subordinate Bonds and the income thereon are exempt from taxation under the laws of the State of Florida, except estate taxes imposed by Chapter 198, Florida Statutes, as amended, and net income and franchise taxes imposed by Chapter 220, Florida Statutes, as amended. Interest on the Series 2021 Subordinate Bonds may be subject to certain federal taxes imposed only on certain corporations. For a more complete discussion of the tax aspects relating to the Series 2021 Subordinate Bonds, see "TAX MATTERS".*

§ \_\_\_\_\_\*  
**MIAMI-DADE COUNTY, FLORIDA**  
**SUBORDINATE WATER AND SEWER SYSTEM REVENUE BONDS,**  
**SERIES 2021**

**Dated: Date of Delivery**

**Due: October 1, as shown on the inside front cover**

Miami-Dade County, Florida (the "County") is issuing its Subordinate Water and Sewer System Revenue Bonds, Series 2021 (the "Series 2021 Subordinate Bonds") as fully-registered bonds in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Series 2021 Subordinate Bonds. Since purchases of beneficial interests in the Series 2021 Subordinate Bonds will be made in book-entry only form in denominations of \$5,000 or any integral multiple of \$5,000, beneficial owners will not receive physical delivery of bond certificates. Interest on the Series 2021 Subordinate Bonds will be payable semi-annually on October 1 and April 1 of each year, commencing October 1, 2021. Principal of the Series 2021 Subordinate Bonds will be payable at the designated office of U.S. Bank National Association, as Paying Agent and Registrar for the Series 2021 Subordinate Bonds. As long as DTC or its nominee is the registered owner of the Series 2021 Subordinate Bonds, payments of the principal of and interest on the Series 2021 Subordinate Bonds will be made directly to DTC or its nominee. See "APPENDIX J – BOOK-ENTRY ONLY SYSTEM".

The Series 2021 Subordinate Bonds are being issued under and pursuant to Ordinance No. 20-1 enacted by the Board of County Commissioners of the County (the "Board") on January 22, 2020 (the "Subordinate Obligations Ordinance") and Resolution No. R-\_\_-21, adopted by the Board on [June 2,] 2021, as may be amended and supplemented from time to time (the "Subordinate Bonds Resolution"). The proceeds of the Series 2021 Subordinate Bonds will be used to: (i) pay the costs of the Series 2021 Project (as defined herein) and (ii) pay the costs of issuance of the Series 2021 Subordinate Bonds.

The Series 2021 Subordinate Bonds: (a) constitute "Subordinate Obligations" as defined in the Senior Obligations Bond Ordinance (as defined in the Subordinate Bonds Resolution) and "Additional Subordinate Obligations" as defined in the Subordinate Obligations Ordinance, (b) are subordinate to the Outstanding Senior Bonds (as defined herein) and any future Additional Bonds, Completion Bonds and Refunding Bonds issued pursuant to the Senior Obligations Bond Ordinance and with any future Hedge Obligations (each as defined in the Senior Obligations Bond Ordinance) (collectively, the "Senior Obligations") as to the pledge of, and lien upon, the Pledged Revenues, which consist of the Net Operating Revenues (as such terms are defined in this Official Statement) of the County's water and sewer utility system (the "Utility") and (c) are on parity with certain Outstanding Parity Subordinate Obligations (as defined herein) and any future Additional Bonds, Completion Bonds, Refunding Bonds and any other borrowing or indebtedness of the County issued pursuant to the Subordinate Bonds Resolution and with any future Hedge Obligations (each as defined in the Subordinate Bonds Resolution) (collectively, the "Pari Passu Obligations") as to the pledge of, and lien upon, the Pledged Revenues. The Series 2021 Subordinate Bonds will not be secured by the Reserve Account or any subaccount therein.

The Series 2021 Subordinate Bonds are subject to optional redemption and mandatory sinking fund redemption prior to maturity under the terms and conditions as more fully described in this Official Statement.

THE SERIES 2021 SUBORDINATE BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE COUNTY PAYABLE SOLELY FROM AND SECURED SOLELY BY PLEDGED REVENUES, ON A SUBORDINATE BASIS TO THE OUTSTANDING SENIOR BONDS AND ANY FUTURE SENIOR OBLIGATIONS AND ON A PARITY BASIS WITH THE OUTSTANDING PARITY SUBORDINATE OBLIGATIONS AND ANY FUTURE PARI PASSU OBLIGATIONS. THE SERIES 2021 SUBORDINATE BONDS DO NOT CONSTITUTE AN INDEBTEDNESS, LIABILITY, GENERAL OR MORAL OBLIGATION, OR A PLEDGE OF THE FAITH, CREDIT OR POWER OF THE COUNTY, THE STATE OF FLORIDA (THE "STATE") OR ANY POLITICAL SUBDIVISION OF THE STATE, WITHIN THE MEANING OF ANY CONSTITUTIONAL, STATUTORY OR CHARTER PROVISION. NEITHER THE STATE NOR ANY POLITICAL SUBDIVISION OF THE STATE NOR THE COUNTY SHALL BE DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATED TO LEVY ANY AD VALOREM TAXES ON ANY PROPERTY TO PAY PRINCIPAL OF, OR THE INTEREST ON, THE SERIES 2021 SUBORDINATE BONDS OR OTHER RELATED COSTS, OR TO PAY THE SAME FROM ANY OTHER FUNDS OF THE COUNTY EXCEPT FROM THE PLEDGED REVENUES, IN THE MANNER AND TO THE EXTENT PROVIDED IN THE SUBORDINATE BONDS RESOLUTION. THE ACCEPTANCE OF THE SERIES 2021 SUBORDINATE BONDS BY THE REGISTERED OWNERS FROM TIME TO TIME OF THE SERIES 2021 SUBORDINATE BONDS SHALL BE DEEMED AN AGREEMENT BETWEEN THE COUNTY AND SUCH REGISTERED OWNERS THAT THE SERIES 2021 SUBORDINATE BONDS AND THE INDEBTEDNESS EVIDENCED BY THE SERIES 2021 SUBORDINATE BONDS SHALL NOT CONSTITUTE A LIEN UPON THE UTILITY, ANY PART OF THE UTILITY, OR ANY OTHER PROPERTY OF THE COUNTY, BUT SHALL CONSTITUTE A LIEN ONLY ON THE PLEDGED REVENUES IN THE MANNER AND TO THE EXTENT PROVIDED IN THE SUBORDINATE BONDS RESOLUTION.

See the inside cover page for maturities, principal amounts, interest rates, prices, yields and initial CUSIP numbers.

This cover page contains information for quick reference only. It is *not* a complete summary of the information in this Official Statement. Investors must read this entire Official Statement, including the Appendices, to obtain information essential in making an informed investment decision with respect to the purchase of the Series 2021 Subordinate Bonds.

The Series 2021 Subordinate Bonds are offered when, as and if issued by the County and accepted by the Underwriters, subject to the opinions on certain legal matters relating to their issuance of Squire Patton Boggs (US) LLP, Miami, Florida, and D. Seaton and Associates, P.A., Miami, Florida, Bond Counsel for the County. Certain legal matters will be passed upon for the County by the Office of the Miami-Dade County Attorney. Certain legal matters relating to disclosure will be passed upon for the County by Nabors, Giblin & Nickerson, P.A., Tampa, Florida, and Manuel Alonso-Poch, P.A., Miami, Florida, Disclosure Counsel. Certain legal matters will be passed upon for the Underwriters by their counsel, Bryant Miller Olive P.A., Miami, Florida. Public Resources Advisory Group, Inc., St. Petersburg, Florida, has served as Financial Advisor to the County in connection with the issuance of the Series 2021 Subordinate Bonds. It is expected that the Series 2021 Subordinate Bonds will be available for delivery through DTC in New York, New York, on or about July \_\_, 2021.

#### **RBC Capital Markets**

**Baird**

**Drexel Hamilton, LLC**

**Ramirez & Co., Inc.**

**Estrada Hinojosa**

**Barclays**

**J.P. Morgan**

**Raymond James**

Dated: June \_\_, 2021

\*Preliminary, subject to change.

\$ \_\_\_\_\_<sup>(1)</sup>  
**MIAMI-DADE COUNTY, FLORIDA**  
**SUBORDINATE WATER AND SEWER SYSTEM REVENUE BONDS,**  
**SERIES 2021**

**MATURITY DATES, PRINCIPAL AMOUNTS, INTEREST RATES,**  
**PRICES, YIELDS AND INITIAL CUSIP NUMBERS**

\$ \_\_\_\_\_<sup>(1)</sup> Series 2021 Subordinate Serial Bonds

<b>Maturity Date<sup>(1)</sup> (October 1)</b>	<b>Principal Amount<sup>(1)</sup></b>	<b>Interest Rate</b>	<b>Price</b>	<b>Yield</b>	<b>Initial CUSIP No.<sup>(2)</sup></b>
	\$	%		%	

\$ \_\_\_\_\_<sup>(1)</sup> .\_\_% Series 2021 Subordinate Term Bonds due October 1, 20\_\_<sup>(1)</sup> Price \_\_\_\_\_ Yield  
 \_\_.\_\_\_\_%, Initial CUSIP No. \_\_\_\_\_<sup>(2)</sup>

\$ \_\_\_\_\_<sup>(1)</sup> .\_\_% Series 2021 Subordinate Term Bonds due October 1, 20\_\_<sup>(1)</sup> Price \_\_\_\_\_ Yield  
 \_\_.\_\_\_\_%, Initial CUSIP No. \_\_\_\_\_<sup>(2)</sup>

---

<sup>(1)</sup> Preliminary, subject to change.

<sup>(2)</sup> CUSIP numbers have been assigned by an organization not affiliated with the County and are included solely for the convenience of the Bondholders only at the time of issuance of the Series 2021 Subordinate Bonds and neither the County nor the Underwriters make any representation with respect to such CUSIP numbers, nor undertake any responsibility for their accuracy now or at any time in the future. The CUSIP numbers are subject to being changed after the issuance of the Series 2021 Subordinate Bonds as a result of various subsequent actions, including, but not limited to, a refunding in part of the Series 2021 Subordinate Bonds.



**MIAMI-DADE COUNTY, FLORIDA**

Daniella Levine Cava, Mayor

**MEMBERS OF THE BOARD OF COUNTY COMMISSIONERS**

Jose "Pepe" Diaz, Chairman

Oliver G. Gilbert, III, Vice-Chairman

<b>Name</b>	<b>District</b>	<b>Name</b>	<b>District</b>
Oliver G. Gilbert, III	1	Danielle Cohen Higgins	8
Jean Monestime	2	Kionne L. McGhee	9
Keon Hardemon	3	Senator Javier D. Souto	10
Sally A. Heyman	4	Joe A. Martinez	11
Eileen Higgins	5	Jose "Pepe" Diaz	12
Rebeca Sosa	6	Senator René Garcia	13
Raquel A. Regalado	7		

**COUNTY CLERK**

Harvey Ruvín

**COUNTY ATTORNEY**

Geraldine Bonzon-Keenan, Esq.

**CHIEF FINANCIAL OFFICER/FINANCE DIRECTOR**

Edward Marquez

**WATER AND SEWER DEPARTMENT**

Roy Coley, Director

Josenrique Cueto, P.E., Interim Director

Hardeep Anand, P.E., Deputy Director - Capital Improvement Program

Antonio Cotarelo, P.E., Deputy Director - Operations

Carmen Viera-Baker, Deputy Director - Administration

Frances G. Morris, Deputy Director - Chief Financial Officer

**BOND COUNSEL**

Squire Patton Boggs (US) LLP  
Miami, Florida

D. Seaton and Associates, P.A.  
Miami, Florida

**DISCLOSURE COUNSEL**

Nabors, Giblin & Nickerson, P.A.  
Tampa, Florida

Manuel Alonso-Poch, P.A.  
Miami, Florida

**FINANCIAL ADVISOR**

Public Resources Advisory Group, Inc.  
St. Petersburg, Florida

**CONSULTING ENGINEER**

Arcadis U.S., Inc.  
Miami, Florida

Planning and Economics Group, Inc.  
Miami, Florida

**INDEPENDENT PUBLIC ACCOUNTANTS**

Marcum, LLP  
Miami, Florida

NO DEALER, BROKER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORIZED BY THE COUNTY, THE DEPARTMENT OR THE UNDERWRITERS TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS, OTHER THAN THOSE CONTAINED IN THIS OFFICIAL STATEMENT, AND IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COUNTY, THE DEPARTMENT OR THE UNDERWRITERS. THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THE SERIES 2021 SUBORDINATE BONDS BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH OFFER, SOLICITATION OR SALE.

THE ORDER AND PLACEMENT OF MATERIALS IN THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, ARE NOT TO BE DEEMED A DETERMINATION OF RELEVANCE, MATERIALITY OR IMPORTANCE, AND THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, MUST BE CONSIDERED IN ITS ENTIRETY. THE CAPTIONS AND HEADINGS IN THIS OFFICIAL STATEMENT ARE FOR CONVENIENCE ONLY AND IN NO WAY DEFINE, LIMIT OR DESCRIBE THE SCOPE OR INTENT, OR AFFECT THE MEANING OR CONSTRUCTION, OF ANY PROVISIONS OR SECTIONS IN THIS OFFICIAL STATEMENT. THE OFFERING OF THE SERIES 2021 SUBORDINATE BONDS IS MADE ONLY BY MEANS OF THIS ENTIRE OFFICIAL STATEMENT.

THIS OFFICIAL STATEMENT CONTAINS STATEMENTS WHICH, TO THE EXTENT THEY ARE NOT RECITATIONS OF HISTORICAL FACT, CONSTITUTE "FORWARD-LOOKING STATEMENTS." IN THIS RESPECT, THE WORDS "ESTIMATE," "PROJECT," "ANTICIPATE," "EXPECT," "INTEND," "BELIEF," AND SIMILAR EXPRESSIONS ARE INTENDED TO IDENTIFY FORWARD LOOKING STATEMENTS. SUCH STATEMENTS MAY BE SUBJECT TO RISKS AND UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE CONTEMPLATED IN SUCH FORWARD LOOKING STATEMENTS.

THE UNDERWRITERS HAVE PROVIDED THE FOLLOWING SENTENCE FOR INCLUSION IN THIS OFFICIAL STATEMENT. *THE UNDERWRITERS HAVE REVIEWED THE INFORMATION IN THIS OFFICIAL STATEMENT IN ACCORDANCE WITH, AND AS PART OF, THEIR RESPECTIVE RESPONSIBILITIES TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITERS DO NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.*

THIS OFFICIAL STATEMENT IS BEING PROVIDED TO PROSPECTIVE PURCHASERS EITHER IN BOUND PRINTED FORM ("ORIGINAL BOUND FORMAT") OR IN ELECTRONIC FORMAT ON THE FOLLOWING WEBSITES: WWW.MUNIOS.COM AND WWW.EMMA.MSRB.ORG. THIS OFFICIAL STATEMENT MAY BE RELIED UPON ONLY IF IT IS IN ITS ORIGINAL BOUND FORMAT OR IF IT IS PRINTED IN FULL DIRECTLY FROM SUCH WEBSITES.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2021 SUBORDINATE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITERS MAY OFFER AND SELL THE SERIES 2021 SUBORDINATE BONDS TO CERTAIN DEALERS AND OTHERS AT YIELDS HIGHER THAN THE YIELDS STATED ON THE INSIDE COVER PAGE OF THIS OFFICIAL STATEMENT, AND SUCH PUBLIC OFFERING YIELDS MAY BE CHANGED FROM TIME TO TIME, AFTER THE INITIAL OFFERING TO THE PUBLIC, BY THE UNDERWRITERS.

THE SERIES 2021 SUBORDINATE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAW, NOR HAS THE BOND ORDINANCE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE PLEDGED REVENUES AND THE TERMS OF THIS OFFERING, INCLUDING THE MERITS AND INVESTMENT RISKS INVOLVED. NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY OTHER FEDERAL, STATE OR

GOVERNMENTAL ENTITY OR AGENCY WILL HAVE PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT OR APPROVED OR RECOMMENDED THE SERIES 2021 SUBORDINATE BONDS FOR SALE. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

REFERENCES TO WEBSITE ADDRESSES PRESENTED HEREIN ARE FOR INFORMATIONAL PURPOSES ONLY AND MAY BE IN THE FORM OF A HYPERLINK SOLELY FOR THE READER'S CONVENIENCE. UNLESS SPECIFIED OTHERWISE, SUCH WEBSITES AND THE INFORMATION OR LINKS CONTAINED THEREIN ARE NOT INCORPORATED INTO, AND ARE NOT PART OF, THIS OFFICIAL STATEMENT FOR PURPOSES OF RULE 15c2-12 OF THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION, AS AMENDED, AND IN EFFECT ON THE DATE HEREOF.

THIS PRELIMINARY OFFICIAL STATEMENT IS IN A FORM DEEMED FINAL BY THE COUNTY FOR PURPOSES OF RULE 15c2-12 PROMULGATED UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, EXCEPT FOR CERTAIN INFORMATION PERMITTED TO BE OMITTED PURSUANT TO RULE 15c2-12(b)(1).

[Remainder of Page Intentionally Left Blank.]

**TABLE OF CONTENTS**

	<b><u>Page</u></b>
INTRODUCTION .....	1
PLAN OF FINANCE .....	3
DESCRIPTION OF THE SERIES 2021 SUBORDINATE BONDS .....	3
General .....	3
Redemption of Series 2021 Subordinate Bonds .....	4
SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2021 SUBORDINATE BONDS .....	5
Subordinate Lien Upon Pledged Revenues .....	5
Funds and Accounts .....	6
Flow of Funds.....	6
Limited Obligations.....	9
Rate Covenant .....	10
No Reserve Account.....	11
Additional Bonds.....	12
Refunding Bonds.....	13
Completion Bonds.....	14
Defeasance.....	14
Additional Covenants of the County .....	14
Remedies .....	14
Modifications or Supplements to Senior Obligations Bond Ordinance.....	14
PARI PASSU OBLIGATIONS .....	15
State Revolving Fund Loan Program .....	15
WIFIA Loan Program.....	15
Commercial Paper Program.....	16
INTEREST RATE SWAP AGREEMENTS .....	16
SERIES 2021 SUBORDINATE BONDS ESTIMATED SOURCES AND USES OF FUNDS.....	17
DEBT SERVICE REQUIREMENTS ON THE OUTSTANDING SENIOR BONDS, SERIES 2021 SUBORDINATE BONDS AND PARI PASSU OBLIGATIONS .....	18
THE DEPARTMENT .....	19
History .....	19
Organization and Administration .....	19
Management .....	19
WATER AND SEWER (WASTEWATER) SYSTEM.....	21
General .....	21
Service Area .....	21
Water System .....	21
Sewer (Wastewater) System.....	25
Impact of Hurricanes .....	27
Environmental Quality Management.....	27
Regulations.....	28
Everglades Remedial Program .....	28
Facilities Security .....	28
Insurance .....	29
WATER AND SEWER (WASTEWATER) CUSTOMERS AND REVENUES .....	29
Accounts .....	29
Rates .....	30
Rate Comparison .....	31
Billing and Collection.....	31
Historical Results of Operations and Debt Service Coverage .....	33
Management's Discussion .....	35
Multi-Year Capital Plan .....	36
REGULATORY MATTERS.....	38
Water System .....	38

Sewer (Wastewater) System.....	39
REPORT OF CONSULTING ENGINEER .....	41
INVESTMENT CONSIDERATIONS .....	43
Enforceability of Remedies .....	43
Climate Change .....	43
Cyber-Security.....	43
Coronavirus (COVID-19).....	44
LITIGATION .....	45
TAX MATTERS .....	45
DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS.....	48
CONTINUING DISCLOSURE.....	48
General Undertaking .....	48
Procedures and Past Performance.....	48
Limited Information; Limited Rights of Enforcement.....	49
EMMA .....	49
RATINGS.....	49
INDEPENDENT ACCOUNTANTS.....	49
PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS .....	49
FINANCIAL ADVISOR.....	50
UNDERWRITING .....	50
RELATIONSHIPS OF PARTIES .....	51
EXPERTS.....	51
LEGAL MATTERS .....	51
CERTIFICATE CONCERNING THE OFFICIAL STATEMENT .....	52
MISCELLANEOUS.....	52
APPENDIX A	Bond Feasibility Report
APPENDIX B	General Information Relative to Miami-Dade County, Florida
APPENDIX C	Audited Financial Report of the Miami-Dade Water and Sewer Department for Fiscal Year Ended September 30, 2020
APPENDIX D	The Senior Obligations Bond Ordinance
APPENDIX E	The Subordinate Bonds Resolution
APPENDIX F	Schedule of Water and Sewer Rates
APPENDIX G	Proposed Form of Opinion of Bond Counsel
APPENDIX H	Proposed Form of Opinion of Disclosure Counsel
APPENDIX I	Continuing Disclosure Undertaking
APPENDIX J	Book-Entry Only System

## OFFICIAL STATEMENT

relating to

\$ \_\_\_\_\_\*

### MIAMI-DADE COUNTY, FLORIDA SUBORDINATE WATER AND SEWER SYSTEM REVENUE BONDS, SERIES 2021

#### INTRODUCTION

The purpose of this Official Statement of Miami-Dade County, Florida (the "County"), which includes the inside cover page and Appendices, is to furnish certain information in connection with the issuance and sale by the County of \$ \_\_\_\_\_\* aggregate principal amount of Miami-Dade County, Florida Subordinate Water and Sewer System Revenue Bonds, Series 2021 (the "Series 2021 Subordinate Bonds"). The Series 2021 Subordinate Bonds are being issued pursuant to the authority of, and in compliance with, the Constitution and Laws of the State of Florida (the "State"), including without limitation, (i) Chapter 125 and Chapter 166, Florida Statutes, each as amended; (ii) the Home Rule Amendment and Charter of the County, as amended; (iii) the Code of the County, as amended; (iv) Ordinance No. 20-1 enacted by the Board of County Commissioners of the County (the "Board") on January 22, 2020 (the "Subordinate Obligations Ordinance") and (v) Resolution No. R-\_\_-21, adopted by the Board on [June 2,] 2021, as may be amended and supplemented from time to time (the "Subordinate Bonds Resolution"). The full text of the Senior Obligations Bond Ordinance (as defined in the Subordinate Bonds Resolution) is appended to this Official Statement as "APPENDIX D – THE SENIOR OBLIGATIONS BONDS ORDINANCE" and the full text of the Subordinate Bonds Resolution is appended to this Official Statement as "APPENDIX E – THE SUBORDINATE BONDS RESOLUTION."

The Series 2021 Subordinate Bonds are being issued for the purposes described under the heading "PLAN OF FINANCE."

The Series 2021 Subordinate Bonds: (a) constitute "Subordinate Obligations" as defined in the Senior Obligations Bond Ordinance and "Additional Subordinate Obligations" as defined in the Subordinate Obligations Ordinance, (b) are subordinate to the Outstanding Senior Bonds (as defined herein) and any future Additional Bonds, Completion Bonds and Refunding Bonds issued pursuant to the Senior Obligations Bond Ordinance and with any future Hedge Obligations (each as defined in the Senior Obligations Bond Ordinance) (collectively, the "Senior Obligations") as to the pledge of, and lien upon, the Pledged Revenues, which consist of the Net Operating Revenues (as such terms are defined herein) of the County's water and sewer utility system (the "Utility"), and (c) are on parity with certain Outstanding Parity Subordinate Obligations (as defined herein) and any future Additional Bonds, Completion Bonds and Refunding Bonds issued pursuant to the Subordinate Bonds Resolution and with any future Hedge Obligations (each as defined in the Subordinate Bonds Resolution) as to the pledge of, and lien upon, the Pledged Revenues. The Series 2021 Subordinate Bonds will not be secured by the Reserve Account or any subaccount therein. *See* "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2021 SUBORDINATE BONDS."

The Series 2021 Subordinate Bonds are being issued on a subordinate basis as to the pledge of and lien on the Pledged Revenues with the following bonds issued pursuant to the Senior Obligations Bond Ordinance:

(i) the \$68,300,000 original aggregate principal amount of Miami-Dade County, Florida Water and Sewer System Revenue Bonds, Series 2008A, currently outstanding in the principal amount of \$13,395,000 (the "Series 2008A Bonds");

(ii) the \$374,555,000 original aggregate principal amount of Miami-Dade County, Florida Water and Sewer System Revenue Refunding Bonds, Series 2008B, currently outstanding in the principal amount of \$97,745,000 (the "Series 2008B Bonds");

---

\* Preliminary, subject to change.

(iii) the \$481,175,000 original aggregate principal amount of Miami-Dade County, Florida Water and Sewer System Revenue Refunding Bonds, Series 2015, currently outstanding in the principal amount of \$421,150,000 (the "Series 2015 Bonds");

(iv) the \$381,355,000 original aggregate principal amount of Miami-Dade County, Florida Water and Sewer System Revenue Bonds, Series 2017A, all of which are currently outstanding (the "Series 2017A Bonds");

(v) the \$548,025,000 original aggregate principal amount of Miami-Dade County, Florida Water and Sewer System Revenue Refunding Bonds, Series 2017B, all of which are currently outstanding (the "Series 2017B Bonds");

(vi) the \$233,305,000 original aggregate principal amount of Miami-Dade County, Florida Water and Sewer System Revenue Bonds, Series 2019, all of which are currently outstanding (the "Series 2019 Bonds");

(vii) the \$663,860,000 original aggregate principal amount of Miami-Dade County, Florida Water and Sewer System Revenue Bonds, Series 2019B, all of which are currently outstanding (the "Series 2019B Bonds");

(viii) the \$548,090,000 original aggregate principal amount of Miami-Dade County, Florida Water and Sewer System Revenue Bonds, Series 2019C, all of which are currently outstanding (the "Series 2019C Bonds"); and

(ix) the \$605,600,000 original aggregate principal amount of Miami-Dade County, Florida Water and Sewer System Revenue Bonds, Series 2021, all of which are currently outstanding (the "Series 2021 Bonds," and collectively with the Series 2008A Bonds, the Series 2008B Bonds, the Series 2015 Bonds, the Series 2017A Bonds, the Series 2017B Bonds, the Series 2019 Bonds, the Series 2019B Bonds and the Series 2019C Bonds, the "Outstanding Senior Bonds"), and any future Additional Bonds, Completion Bonds and Refunding Bonds and with any future Hedge Obligations as set forth in the Senior Obligations Bond Ordinance (together with the Outstanding Senior Bonds, the "Senior Obligations"). Any bonds issued under the provisions of the Senior Obligations Bond Ordinance shall be referred to herein as the "Senior Bonds."

The Series 2021 Subordinate Bonds are being issued on a parity basis as to the pledge of and lien on the Pledged Revenues with the following obligations:

(i) certain loans incurred under the State Revolving Loan Program for which the Department has \$496,936,942 in total loan commitments, \$417,092,030 of which have been drawn and \$185,282,550 of such drawn amounts remain outstanding as of September 30, 2020 (the "SRF Loans");

(ii) certain loans incurred under the Water Infrastructure Finance and Innovation Act ("WIFIA") loan program in the aggregate principal amount of \$661.1 million (the "WIFIA Loans," and collectively with the SRF Loans, the "Outstanding Parity Subordinate Obligations") and any future loans incurred under the State Revolving Loan Program, the WIFIA loan program or the Commercial Paper Program and any Additional Bonds, Refunding Bonds, Completion Bonds and any other borrowing or indebtedness issued pursuant to the Subordinate Bonds Resolution and with any future Hedge Obligations as set forth in the Subordinate Bonds Resolution (together with the Outstanding Parity Subordinate Obligations, the "Pari Passu Obligations"). See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2021 SUBORDINATE BONDS – Flow of Funds" and " – Additional Bonds" and "PARI PASSU OBLIGATIONS."

Pursuant to Ordinance No. \_\_-\_\_, enacted by the Board on \_\_\_\_\_, 2019, the Board has authorized the issuance of no-to-exceed \$900 million of WIFIA Loans, including the outstanding WIFIA Loans. Additionally, pursuant to the Subordinate Obligations Ordinance, the Board has authorized the issuance of not-to-exceed \$1.5 billion of Additional Subordinate Obligations, inclusive of Bonds and additional loans incurred under the WIFIA loans program.

This Official Statement contains descriptions of, among other things, the Series 2021 Subordinate Bonds, the Senior Obligations Bond Ordinance, the Subordinate Bonds Resolution, the Miami-Dade Water and Sewer Department (the "Department") and the County. Such descriptions and information do not purport to be

comprehensive or definitive. Certain information in this Official Statement has been provided by The Depository Trust Company, New York, New York ("DTC"). The County and the Department have not provided information in this Official Statement with respect to DTC and do not certify as to the accuracy or sufficiency of the disclosure policies of or content provided by DTC and are not responsible for the information provided by DTC. All references in this Official Statement to the Senior Obligations Bond Ordinance, the Subordinate Bonds Resolution and related documents are qualified by reference to such documents, and references to the Series 2021 Subordinate Bonds are qualified in their entirety by reference to the form of such bonds included in the Subordinate Bonds Resolution. *All capitalized terms in this Official Statement shall have the meanings assigned to such terms in the Subordinate Bonds Resolution unless another meaning is ascribed to any of such terms in this Official Statement.*

## **PLAN OF FINANCE**

The proceeds of the Series 2021 Subordinate Bonds, together with certain other available funds of the Department, will be used to: (i) pay the costs of the Series 2021 Project (as defined herein) and (ii) pay the costs of issuance of the Series 2021 Subordinate Bonds. *See "SERIES 2021 SUBORDINATE BONDS ESTIMATED SOURCES AND USES OF FUNDS."*

The Series 2021 Subordinate Bonds are first of a series of Subordinate Water and Sewer Revenue Bond new money issues issued by the County in order to fund a portion of the costs of the Department's Multi-Year Capital Plan (the "MYCIP"), in order to meet the matching funds requirements of the WIFIA loan program. The Department's long-term MYCIP is approximately \$7.5 billion, of which approximately \$1.9 billion has been funded. The Department has identified approximately \$4.5 billion in capital needs to be funded over the next five Fiscal Years (the current MYCIP) which runs from Fiscal Year 2021 through 2026. An additional \$1.0 billion in capital needs is expected to be funded after 2026. The issuance of the Series 2021 Subordinate Bonds will result in a corresponding reduction in the need to issue Senior Bonds in the future, as contemplated in the current MYCIP. As the current MYCIP was adopted prior to the County's issuance of Subordinate Water and Sewer Revenue Bonds, including the Series 2021 Subordinate Bonds, the current MYCIP does not reflect the issuance of Subordinate Water and Sewer Revenue Bonds and the resulting reduction in the need to issue Senior Bonds in the future. *See "FINANCIAL OPERATIONS - Multi-Year Capital Plan" herein for a description of such capital needs and projected costs. The Series 2021 Project includes the improvements described below and in Exhibit A to the Subordinate Bonds Resolution. See "APPENDIX E – THE SUBORDINATE BONDS RESOLUTION." See also "SERIES 2021 SUBORDINATE BONDS ESTIMATED SOURCES AND USES OF FUNDS."*

The Series 2021 Project includes the following improvements: [TO COME]

## **DESCRIPTION OF THE SERIES 2021 SUBORDINATE BONDS**

### **General**

The Series 2021 Subordinate Bonds shall bear interest at such rates and will mature on the dates and in the principal amounts set forth on the inside cover page of this Official Statement. U.S. Bank National Association will act as Registrar and Paying Agent for the Series 2021 Subordinate Bonds (the "Paying Agent" or "Registrar").

The Series 2021 Subordinate Bonds will be issued initially as fully registered bonds in the name of Cede & Co., as nominee of DTC, which will act as initial securities depository for the Series 2021 Subordinate Bonds. Purchases of the Series 2021 Subordinate Bonds will be made through a book-entry only system maintained by DTC, in denominations of \$5,000 or any integral multiple of \$5,000, and purchasers of the Series 2021 Subordinate Bonds (the "Beneficial Owners") will not receive physical delivery of bond certificates. As long as DTC or its nominee is the registered owner of the Series 2021 Subordinate Bonds, the principal and interest payments will be made to DTC or its nominee, which will in turn remit such principal and interest payments to DTC's Participants (as defined in APPENDIX J) for subsequent disbursement to the Beneficial Owners. *See "APPENDIX J – BOOK-ENTRY ONLY SYSTEM."*



**Redemption of Series 2021 Subordinate Bonds**

Optional Redemption. The Series 2021 Bonds maturing on or before October 1, 20\_\_ shall not be subject to optional redemption prior to maturity. The Series 2021 Bonds maturing on and after October 1, 20\_\_ shall be subject to optional redemption prior to maturity, at the option of the County, in whole or in part at any time, on or after October 1, 20\_\_, and if in part, in maturities determined by the County and by lot within a maturity, at a redemption price equal to 100% of the principal amount of the Series 2021 Subordinate Bonds to be redeemed, plus accrued interest to the date of redemption and without premium.

Mandatory Redemption. The Series 2021 Subordinate Bonds maturing on October 1, 20\_\_, are subject to mandatory sinking fund redemption in part, prior to maturity, by lot, at a redemption price equal to the principal amount of the Series 2021 Subordinate Bonds to be redeemed, commencing on October 1, 20\_\_, and on each October 1 thereafter, in the years and principal amounts set forth below:

Year (October 1)	Amount
	\$

\*

---

\*Payment at maturity

The Series 2021 Subordinate Bonds maturing on October 1, 20\_\_, are subject to mandatory sinking fund redemption in part, prior to maturity, by lot, at a redemption price equal to the principal amount of the Series 2021 Subordinate Bonds to be redeemed, commencing on October 1, 20\_\_, and on each October 1 thereafter, in the years and principal amounts set forth below:

Year (October 1)	Amount
	\$

\*

---

\*Payment at maturity

Notice of Redemption. In the event any Series 2021 Subordinate Bonds are called for redemption, the Paying Agent shall give notice in the name of the County, of the redemption of such Series 2021 Subordinate Bonds, which notice shall (i) specify the Series 2021 Subordinate Bonds to be redeemed, the CUSIP numbers, certificate numbers, the date of issue, interest rate, maturity date of the Series 2021 Subordinate Bonds to be redeemed, the redemption date, the date of notice, the redemption price and the place or places where amounts due upon such redemption will be payable (which shall be the designated principal corporate trust office of the Paying Agent or of its agent) and, if less than all of the Series 2021 Subordinate Bonds are to be redeemed, the numbers of the Series 2021 Subordinate Bonds and the portion of Series 2021 Subordinate Bonds so to be redeemed and (ii) state that on the redemption date, the Series 2021 Subordinate Bonds to be redeemed shall cease to bear interest.

Notice of redemption shall be given by the Paying Agent in the name of the County by mailing a copy of the redemption notice to Cede & Co., as nominee of DTC, as registered owner of the Series 2021 Subordinate Bonds, or, if DTC is no longer the registered owner of the Series 2021 Subordinate Bonds, then to the then registered owners of the Series 2021 Subordinate Bonds at least thirty (30) days prior to the date fixed for redemption, by first class mail and postage prepaid at their addresses appearing on the bond registration books of the County maintained by the Registrar, and if applicable, to the securities depository.

Conditional Notice of Redemption. In the case of an optional redemption of any Series 2021 Subordinate Bonds, the notice of redemption may state that (1) it is conditioned upon the deposit of moneys with the Paying Agent or with an escrow agent under an escrow deposit agreement, in amounts necessary to effect the redemption, no later than the redemption date or (2) the County retains the right to rescind such notice on or prior to the scheduled redemption date (in either case, a "Conditional Redemption"), and such notice and optional redemption shall be of no effect if such moneys are not so deposited or if the notice is rescinded. Any such notice of Conditional Redemption shall be captioned "Conditional Notice of Redemption." Any Conditional Redemption may be rescinded at any time prior to the redemption date if the County delivers a written direction to the Paying Agent directing the Paying Agent to rescind the redemption notice. The Paying Agent shall give prompt notice of such rescission to the affected Bondholders. Any Series 2021 Subordinate Bonds subject to Conditional Redemption where redemption has been rescinded shall remain Outstanding, and neither the rescission nor the failure by the County to make such moneys available shall constitute an Event of Default under the Subordinate Bonds Resolution. The County shall give immediate notice to each MSIR (as hereinafter defined) and the affected Bondholders that the redemption did not occur and that the Series 2021 Subordinate Bonds called for redemption and not so paid remain Outstanding under the Subordinate Bonds Resolution.

Effect of Calling for Redemption. On the date so designated for redemption, notice having been mailed as provided in the Subordinate Bonds Resolution, the Series 2021 Subordinate Bonds so called for redemption shall become and be due and payable at the redemption price provided for redemption of such Series 2021 Subordinate Bonds on such date, together with accrued interest, if any, and moneys for payment of the redemption price, together with accrued interest, if any, being held in separate accounts by the Paying Agent in trust for the registered owners of the Series 2021 Subordinate Bonds to be redeemed, interest on the Series 2021 Subordinate Bonds so called for redemption shall cease to accrue, such Series 2021 Subordinate Bonds shall not be deemed to be Outstanding for purposes of the Subordinate Bonds Resolution, and shall cease to be entitled to any lien, benefit or security under the Subordinate Bonds Resolution, and the registered owners of such Series 2021 Subordinate Bonds shall have no rights in respect of the Series 2021 Subordinate Bonds except to receive payment of the redemption price of the Series 2021 Subordinate Bonds, together with accrued interest, if any, to such date.

## **SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2021 SUBORDINATE BONDS**

### **Subordinate Lien Upon Pledged Revenues**

The Series 2021 Subordinate Bonds: (a) constitute "Subordinate Obligations" under the Senior Obligations Bond Ordinance and "Additional Subordinate Obligations" under the Subordinate Obligations Ordinance, (b) are subordinate to the Outstanding Senior Bonds and any future Senior Obligations issued under the Senior Obligations Bond Ordinance as to the pledge of, and lien upon, the Pledged Revenues, which consist of the Net Operating Revenues of the Utility and (c) are on parity with the Outstanding Parity Subordinate Obligations and any future Pari Passu Obligations issued pursuant to the Subordinate Bonds Resolution. For a description of the application and use of the Pledged Revenues, see "Flow of Funds" below. The term "Net Operating Revenues" is defined in the Subordinate Bonds Resolution as Operating Revenues reduced by Operating Expenses. The term "Operating Revenues" is defined in the Subordinate Bonds Resolution as all operating income or earnings received or accrued by the County from the ownership, operation or use of the Utility, or any part of the Utility, including, but not limited to, user charges for the provision of water service and sewer service, meter installation fees, and the like, delinquent charges and investment earnings, but shall exclude any income from the investment of the Senior Obligations Construction Fund and the Construction Fund, proceeds from insurance (except business interruption insurance), condemnation or the disposition of property not in the ordinary course of business, Capital Facilities Charges, grants and proceeds from the sale of any obligations of the County (exclusive of short-term obligations for Utility working capital) and payments on special assessments for water and sewer improvements.

The term "Capital Facilities Charges" is defined in the Subordinate Bonds Resolution as all payments received by the County or the Department which are related to acquiring, constructing, expanding or equipping capacity and facilities of the Utility, for the purpose of reserving capacity in either the Water System or the Sewer System, connecting to either System, or paying or reimbursing any capital cost relating to such acquisition, construction, expansion or equipping of excess and unused capacity of either System or any expansion thereof, including connection charges and impact fees relative to the Utility, but shall not include (i) amounts received for the

acceptance, treatment or disposal of sewage, (ii) amounts received from the sale of water, (iii) meter installation fees and (iv) other revenues constituting Operating Revenues.

The term "Operating Expenses" is defined in the Subordinate Bonds Resolution as all current expenses, paid or accrued, and any Operating Expense reserve described in Section 503 of the Senior Obligations Bond Ordinance, for the operation, maintenance and ordinary current repairs of the Utility and its components, as calculated in accordance with generally accepted accounting principles for municipal utilities ("GAAP"), including, without limitation, insurance premiums (or comparable payments under a self-insurance or risk management program), labor, cost of materials and supplies used for current operation, charges for the accumulation of appropriate reserves for current expenses not annually recurrent but which are such as may reasonably be expected to be incurred in accordance with GAAP, Senior Obligations Credit Facility Charges, Credit Facility Charges, administrative expenses and professional fees and expenses, before depreciation, amortization and interest expense determined in accordance with GAAP, provided, however, there will not be taken into account:

- (a) any gain or loss resulting from either the extinguishment or refinancing of indebtedness;
- (b) loss from the sale, exchange or other disposition of capital assets not made in the ordinary course of business; and
- (c) any capital expenditures for renewal, replacement, expansion or acquisition of capital assets of the Utility (including any deposit to reserves therefor).

The Subordinate Bonds Resolution permits the County to acquire a water and/or sewer system and specifically designate such system to be a "Separate System" for purposes of the Subordinate Bonds Resolution. Any Separate System so designated would not constitute a part of the Utility, and revenues generated by such Separate System would not constitute Operating Revenues subject to the lien of the Subordinate Bonds Resolution and costs allocable thereto would not be taken into account for purposes of determining Operating Expenses and Net Operating Revenues. There are currently no Separate Systems.

### **Funds and Accounts**

Section 502 of the Subordinate Bonds Resolution creates the Debt Service Fund, and therein a Bond Service Account, a Redemption Account and a Reserve Account (all of which are to be held by the County) for the security of the Series 2021 Subordinate Bonds, and any future Bonds issued pursuant to the Subordinate Bonds Resolution.

In addition, the Subordinate Bonds Resolution creates the "Series 2021 Bond Service Subaccount" and the "Series 2021 Redemption Subaccount" in the Debt Service Fund.

### **Flow of Funds**

*Flow of Funds Pursuant to Subordinate Bonds Resolution.* Section 503 of the Subordinate Bonds Resolution requires that, subject to the prior application of Revenues under Sections 503(2)(i), (ii) and (iii) of the Senior Obligations Bond Ordinance (as described below), the County shall apply Pledged Revenues, on a pro rata basis with all other Pari Passu Obligations, to the credit of the following accounts in the order of priority described below:

- (i) to the credit of the Bond Service Account, an amount equal to one-sixth (1/6<sup>th</sup>) of the amount of the interest payable on the Bonds of each Series on the interest payment date next succeeding (less any amount received as capitalized or accrued interest from the proceeds of any Bonds which is available for such interest payment) and an amount equal to one-twelfth (1/12<sup>th</sup>) of the next maturing installment of principal (or Accreted Value, as applicable) on all Serial Bonds then outstanding; provided, however, that:

- (1) in each month intervening between the date of delivery of a Series of Bonds, and the next succeeding interest payment date and the next succeeding principal payment date, respectively, the amount specified in this subparagraph (i) shall be that amount which when multiplied by the number of deposits to the credit of the Bond Service Account required to be made

during such respective periods will equal the amounts required (in addition to any amounts received as accrued interest or capitalized interest from the proceeds of such Bonds) for such next succeeding interest payment and next maturing installment of principal, respectively;

(2) the amount specified in subparagraph (i) shall be reduced to take into account Hedge Receipts to be received on or before the succeeding interest payment date and shall be increased to provide for the payment of any Hedge Obligations to be paid on or before the succeeding interest payment date; and

(3) with respect to any Bonds (or any Hedge Agreement) bearing interest at a Variable Rate and/or payable other than semiannually, the amount specified in subparagraph (i) for the payment of interest (or Hedge Obligation) shall be that amount necessary to provide substantially equal monthly payments for the payment of such interest (or Hedge Obligation) on the payment dates therefor;

(ii) to the credit of the Redemption Account, an amount equal to one-twelfth (1/12<sup>th</sup>) of the principal amount (or Accreted Value, as applicable) of Term Bonds of each Series then Outstanding required to be retired in satisfaction of the Amortization Requirements for such Bond Year, plus the redemption premiums, if any, which would be payable in such Bond Year if such Term Bonds were to be redeemed prior to their respective maturities from moneys held for the credit for the Debt Service Fund;

(iii) to the credit of the Reserve Account, the Reserve Account deposit requirement established by the Subordinate Bonds Resolution for such month; provided, however, no deposit shall be required in any month in which the amount on deposit in the Reserve Account is at least equal to the Reserve Account Requirement. If a Reserve Account Credit Facility is utilized and the Provider of the Reserve Account Credit Facility is required to advance any sums to meet Pari Passu Obligations Debt Service with respect to the Outstanding Bonds or other sums required to be funded from the Reserve Account, the County shall reimburse the Provider within 12 months from the date the County receives written notice of such advance by the Provider. *See* " - No Reserve Account" below.

If the amount deposited in any month to the credit of any of the Accounts shall be less than the amount required to be deposited under the provisions of the Subordinate Bonds Resolution, the requirement therefor shall nevertheless be cumulative and the amount of any deficiency in any month shall be added to the amount otherwise required to be deposited in each month thereafter until such time as all deficiencies have been made up.

Pursuant to subparagraph (i) above, Hedge Obligations are payable on parity as to source and security with Bonds issued and Outstanding under the Subordinate Bonds Resolution. The term "Hedge Obligations" is defined in the Subordinate Bonds Resolution as net payments required to be made by the County under a Hedge Agreement entered into with respect to Bonds issued under the Subordinate Bonds Resolution from time to time as a result of fluctuation in hedged interest rates or in the value of any index of payment and, under certain conditions set forth in the Subordinate Bonds Resolution, termination charges with respect to a Hedge Agreement. A "Hedge Agreement" with respect to the Bonds includes, but is not limited to, an Interest Swap Agreement meeting the criteria set forth in the Subordinate Bonds Resolution and entered into by the County as a hedging device with respect to its obligation to pay debt service on the Bonds. *See* "INTEREST RATE SWAP AGREEMENTS" herein.

***Flow of Funds Pursuant to Senior Obligations Bond Ordinance.* The following flow of funds describes the application of Operating Revenues both prior and subsequent to application for payment of the Series 2021 Subordinate Bonds, which constitute Subordinate Obligations under the Senior Obligations Bond Ordinance as described in subparagraph (2)(iv) below. Capitalized terms used under this subheading that are not otherwise defined in this Official Statement shall have the meanings ascribed thereto in the Senior Obligations Bond Ordinance.**

Section 503 of the Senior Obligations Bond Ordinance requires that the County deposit all Operating Revenues of the Utility in the Revenue Fund as received, and that all moneys in the Revenue Fund be applied in the order of priority described below:

(1) The County must make withdrawals from the Revenue Fund in amounts necessary to pay Operating Expenses and to establish an Operating Expense reserve in an amount determined by the County (which may not exceed 1/6<sup>th</sup> of the budgeted Operating Expenses for the then-current Fiscal Year).

(2) Subject only to the payments and set asides described in (1) above, the remaining moneys in the Revenue Fund are required to be applied on or before the 20<sup>th</sup> day of each month in the following order:

(i) to the credit of the Bond Service Account, an amount equal to one-sixth (1/6<sup>th</sup>) of the amount of the interest payable on the Senior Bonds of each Series on the interest payment date next succeeding (less any amount received as capitalized or accrued interest from the proceeds of any Senior Bonds which is available for such interest payment) and an amount equal to one-twelfth (1/12<sup>th</sup>) of the next maturing installment of principal (or Accreted Value, as applicable) on all Serial Senior Bonds then outstanding; provided, however, that:

(A) in each month intervening between the date of delivery of a Series of Senior Bonds, and the next succeeding interest payment date and the next succeeding principal payment date, respectively, the amount specified in this subparagraph (i) shall be that amount which when multiplied by the number of deposits to the credit of the Bond Service Account (created by the Senior Obligations Bond Ordinance) required to be made during such respective periods will equal the amounts required (in addition to any amounts received as accrued interest or capitalized interest from the proceeds of such Senior Bonds) for such next succeeding interest payment and next maturing installment of principal, respectively;

(B) the amount specified in this subparagraph (i) shall be reduced to take into account Hedge Receipts (as defined in the Senior Obligations Bond Ordinance) to be received on or before the succeeding interest payment date and shall be increased to provide for the payment of any Hedge Obligations (as defined in the Senior Obligations Bond Ordinance) to be paid on or before the succeeding interest payment date; and

(C) with respect to any Senior Bonds (or any Hedge Agreement entered into pursuant to the Senior Obligations Bond Ordinance) bearing interest at a Variable Rate and/or payable other than semiannually, the amount specified in this subparagraph (i) for the payment of interest (or Hedge Obligation) shall be that amount necessary to provide substantially equal monthly payments for the payment of such interest (or Hedge Obligation) on the payment dates therefor;

(ii) to the credit of the Redemption Account (created by the Senior Obligations Bond Ordinance), an amount equal to one-twelfth (1/12<sup>th</sup>) of the principal amount (or Accreted Value, as applicable) of Senior Term Bonds of each Series then Outstanding required to be retired in satisfaction of the Amortization Requirements (as defined in the Senior Obligations Bond Ordinance) for such Bond Year, plus the redemption premiums, if any, which would be payable in such Bond Year if such Senior Term Bonds were to be redeemed prior to their respective maturities from moneys held for the credit for the Debt Service Fund established by the Senior Obligations Bond Ordinance;

(iii) to the credit of the Reserve Account, the Reserve Account deposit requirement established by the Senior Obligations Bond Ordinance for such month; provided, however, no deposit shall be required in any month in which the amount on deposit in the Reserve Account is at least equal to the Reserve Account Requirement. If a Reserve Account Credit Facility is utilized and the Provider of the Reserve Account Credit Facility is required to advance any sums to meet Principal and Interest Requirements or other sums required to be funded from the Reserve Account, the County shall reimburse the Provider within 12 months from the date the County receives written notice of such advance by the Provider;

(iv) **to the payment of principal (including amortization installment, if any) of, and premiums and interest on, and other required payments with respect to Subordinate Obligations (such as the Series 2021 Subordinate Bonds);**

(v) to the credit of the Renewal and Replacement Fund, an amount equal to one-twelfth (1/12<sup>th</sup>) of the amount to be deposited from Revenues, if any, recommended by the Consultant pursuant to the provisions of Section 607 of the Senior Obligations Bond Ordinance, to be deposited to the credit of said fund during such Fiscal Year;

(vi) in the discretion of the County, to the credit of the Rate Stabilization Fund in such sums as are determined by the County; and

(vii) to the credit of the General Reserve Fund, the balance, if any, remaining thereafter. At the election of the County, amounts credited to the General Reserve Fund may be applied to any other lawful purpose of the Utility and, to the extent legally permitted, to make contributions to other funds of the County in the amounts determined by the Board; provided, however that in the event of any deficiencies in any Accounts or Funds created by the Senior Obligations Bond Ordinance, the moneys in the General Reserve Fund shall be applied to make up all such deficiencies prior to applying any moneys in the Reserve Account or the Renewal and Replacement Fund for such purpose.

If the amount deposited in any month to the credit of any of the Accounts or Funds shall be less than the amount required to be deposited under the provisions of the Senior Obligations Bond Ordinance, the requirement therefor shall nevertheless be cumulative and the amount of any deficiency in any month shall be added to the amount otherwise required to be deposited in each month thereafter until such time as all deficiencies have been made up.

Pursuant to subparagraph (2) above, Hedge Obligations with respect to Senior Bonds are payable on parity as to source and security with Senior Bonds issued and Outstanding under the Senior Obligations Bond Ordinance and prior to the Series 2021 Subordinate Bonds. The term "Hedge Obligations" is defined in the Senior Obligations Bond Ordinance as net payments required to be made by the County under a Hedge Agreement from time to time as a result of fluctuation in hedged interest rates or in the value of any index of payment and, under certain conditions set forth in the Senior Obligations Bond Ordinance, termination charges with respect to a Hedge Agreement. A "Hedge Agreement" with respect to Senior Bonds includes, but is not limited to, an interest rate swap agreement meeting the criteria set forth in the Senior Obligations Bond Ordinance and entered into by the County as a hedging device with respect to its obligation to pay debt service on the Senior Bonds. See "INTEREST RATE SWAP AGREEMENTS" herein.

### **Limited Obligations**

THE SERIES 2021 SUBORDINATE BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE COUNTY PAYABLE SOLELY FROM AND SECURED SOLELY BY PLEDGED REVENUES, ON A SUBORDINATE BASIS TO THE SENIOR OBLIGATIONS AND ON A PARITY BASIS WITH THE OUTSTANDING PARITY SUBORDINATE OBLIGATIONS AND ANY FUTURE PARI PASSU OBLIGATIONS. THE SERIES 2021 SUBORDINATE BONDS DO NOT CONSTITUTE AN INDEBTEDNESS, LIABILITY, GENERAL OR MORAL OBLIGATION, OR A PLEDGE OF THE FAITH, CREDIT OR POWER OF THE COUNTY, THE STATE OR ANY POLITICAL SUBDIVISION OF THE STATE, WITHIN THE MEANING OF ANY CONSTITUTIONAL, STATUTORY OR CHARTER PROVISION. NEITHER THE STATE NOR ANY POLITICAL SUBDIVISION OF THE STATE NOR THE COUNTY SHALL BE DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATED TO LEVY ANY AD VALOREM TAXES ON ANY PROPERTY TO PAY PRINCIPAL OF, OR THE INTEREST ON, THE SERIES 2021 SUBORDINATE BONDS OR OTHER RELATED COSTS, OR TO PAY THE SAME FROM ANY OTHER FUNDS OF THE COUNTY EXCEPT FROM THE PLEDGED REVENUES IN THE MANNER AND TO THE EXTENT PROVIDED IN THE SUBORDINATE BONDS RESOLUTION. THE ACCEPTANCE OF THE SERIES 2021 SUBORDINATE BONDS BY THE REGISTERED OWNERS FROM TIME TO TIME OF THE SERIES 2021 SUBORDINATE BONDS SHALL BE DEEMED AN AGREEMENT BETWEEN THE COUNTY AND SUCH REGISTERED OWNERS THAT THE SERIES 2021 SUBORDINATE BONDS AND THE INDEBTEDNESS EVIDENCED BY THE SERIES 2021

SUBORDINATE BONDS SHALL NOT CONSTITUTE A LIEN UPON THE UTILITY, ANY PART OF THE UTILITY, OR ANY OTHER PROPERTY OF THE COUNTY, BUT SHALL CONSTITUTE A LIEN ONLY ON THE PLEDGED REVENUES IN THE MANNER AND TO THE EXTENT PROVIDED IN THE SUBORDINATE BONDS RESOLUTION.

### **Rate Covenant**

The County has covenanted in Section 602 of the Subordinate Bonds Resolution to fix, charge and collect rates and charges for the use of the services and facilities furnished by the Utility and, from time to time and as often as it shall be necessary, to adjust such rates and charges by increasing or decreasing the same or any selected categories of such rates and charges so as to provide Net Operating Revenues in each Fiscal Year no less than (a) a Senior Obligations Debt Service Coverage Ratio at least equal to 1.25 in each Calculation Period plus 100% of all deposits to be made into the Senior Obligations Reserve Account (less any portion of such deposits to be deposited from the proceeds of the Senior Obligations) together with Senior Obligations Reserve Account Credit Facility costs payable during the applicable Fiscal Year; and (b) a Total Obligations Debt Service Coverage Ratio at least equal to 1.10 in each such Fiscal Year, plus 100% of all deposits required to be made into any Pari Passu Obligations Reserve Account (less any portion of such deposits to be deposited from the proceeds of the Pari Passu Obligations) together with Pari Passu Obligations Reserve Account Credit Facility costs payable during the applicable Fiscal Year.

In calculating Senior Obligations Debt Service and Pari Passu Obligations Debt Service projections, the principles set forth in the definition of Variable Rate in the Subordinate Bonds Resolution will apply (as if applied to Senior Obligations and Pari Passu Obligations in the same manner), and County obligations to pay a Variable Rate will be projected forward using as the applicable Variable Rate, the Assumed Interest Rate (*see* APPENDIX E for this definition). With respect to Hedge Agreements, except as otherwise permitted in the definition of Variable Rate, the County will assume Senior Obligations Debt Service and Pari Passu Obligations Debt Service as the fixed rate or Variable Rate (using as the Variable Rate, the Assumed Interest Rate), as applicable, that the County is obligated to pay under the applicable Hedge Agreement. The term Hedge Agreement includes (i) with respect to Senior Bonds, Hedge Agreements as defined in the Senior Obligations Bond Ordinance and (ii) with respect to Bonds, any Hedge Agreement issued pursuant to the Subordinate Bonds Resolution. Maturing principal of commercial paper Obligations, lines of credit and bond anticipation notes, and obligations of the County to purchase tendered indebtedness of the County that are not secured by a Credit Facility, will be disregarded.

"Calculation Period" is defined in the Subordinate Bonds Resolution to mean the County's Fiscal Year.

"Pari Passu Obligations Debt Service" is defined in the Subordinate Bonds Resolution to mean, with respect to the Pari Passu Obligations, for any period, as of any date of calculation, an amount equal to the sum of all interest and principal of Pari Passu Obligations accruing and payable in respect of such period. In determining the principal amount of Pari Passu Obligations due in such period (unless a different subsection of the definition applies for purposes of determining principal maturities or amortization), payment shall be assumed to be made in accordance with any amortization schedule established for such Pari Passu Obligations, including any scheduled redemption of Pari Passu Obligations on the basis of accreted value or appreciated value, as applicable, or mandatory sinking fund redemptions (as each of such terms is used in the applicable Obligation documents), and for such purpose the redemption payment shall be deemed a principal payment. In determining Pari Passu Obligations Debt Service with respect to Outstanding Bonds, Pari Passu Obligations Debt Service shall mean the respective amounts which are required in each Fiscal Year to pay (a) principal and interest on all Bonds then Outstanding; and (b) the Amortization Requirements, if any, for all Term Bonds then Outstanding for such Fiscal Year, provided, however, at the option of the County, one or more of the adjustments set forth in the definition of Pari Passu Obligations Debt Service in the Subordinate Bonds Resolution shall apply. *See* "APPENDIX E - THE SUBORDINATE BONDS RESOLUTION."

"Pari Passu Obligations Debt Service Reserve Account" is defined in the Subordinate Bonds Resolution to mean, with respect to Bonds, the Reserve Account, and with respect to other Pari Passu Obligations, a reserve account, if any, established to secure payment of Pari Passu Obligations Debt Service.

"Pari Passu Obligations Reserve Account Credit Facility" is defined in the Subordinate Bonds Resolution to mean, with respect to Bonds, a Reserve Account Credit Facility, and with respect to other Pari Passu Obligations, a

surety bond, a policy of insurance, a letter of credit, or other financial product which provides for the payment of Pari Passu Obligations Debt Service.

"Principal and Interest Requirements" is defined in the Senior Obligations Bond Ordinance as the respective amounts which are required in each Fiscal Year to pay (a) principal and interest on all Senior Bonds then Outstanding and (b) the Amortization Requirements, if any, for all Senior Term Bonds then Outstanding for such Fiscal Year; provided, however, that the amount of such Principal and Interest Requirements for any Fiscal Year may be reduced by the amount of any capitalized interest to be used to pay interest in such Fiscal Year and by the anticipated earnings on money in the applicable Bond Service Account created pursuant to the Senior Obligations Bond Ordinance, and such earnings will be deposited to the credit of the applicable Bond Service Account. "Maximum Principal and Interest Requirements" is defined in the Senior Obligations Bond Ordinance, as of any particular date of calculation, as the greatest amount of Principal and Interest Requirements for the then current or any future Fiscal Year.

"Reserve Account Credit Facility" as it relates to Senior Bonds is defined in the Senior Obligations Bond Ordinance as a surety bond, a policy of insurance, a letter of credit or other financial product obtained by the County with respect to any Senior Bonds, from an entity meeting the criteria set forth in the Senior Obligations Bond Ordinance, which provides for payment of Principal and Interest (as such terms are defined in the Senior Obligations Bond Ordinance) on such Senior Bonds in amounts not greater than the Reserve Account Requirement for such Senior Bonds in the event of an insufficiency of available moneys to pay when due principal of, premium, if any, and interest on such Senior Bonds.

"Senior Obligations Debt Service" is defined in the Subordinate Bonds Resolution to mean, in any Fiscal Year, the Principal and Interest Requirements (as such term is defined in the Senior Obligations Bond Ordinance) with respect to Senior Obligations, provided, however, that the Principal and Interest Requirements for any Senior Obligations bearing interest at a Variable Rate shall be determined as provided in the definition of Variable Rate in the Subordinate Bonds Resolution.

"Senior Obligations Debt Service Coverage Ratio" is defined in the Subordinate Bonds Resolution to mean, for any Calculation Period, the ratio of Net Operating Revenues for such Calculation Period to Senior Obligations Debt Service for such Calculation Period.

"Senior Obligations Debt Service Reserve Account" is defined in the Subordinate Bonds Resolution to mean the reserve account established pursuant to Section 502 of the Senior Obligations Bond Ordinance to secure payment of Senior Obligations Debt Service.

"Senior Obligations Debt Service Reserve Account Credit Facility Provider" is defined in the Subordinate Bonds Resolution to mean the provider of a Reserve Account Credit Facility as such term is defined in the Senior Obligations Bond Ordinance.

"Total Obligations Debt Service Coverage Ratio" is defined in the Subordinate Bonds Resolution to mean, for any Calculation Period, the ratio of Net Operating Revenues for such Calculation Period to the sum of Senior Obligations Debt Service and Pari Passu Obligations Debt Service for such Calculation Period.

For additional rate coverage considerations applicable to the Utility in connection with certain subordinate obligations, *see* "APPENDIX A – BOND FEASIBILITY REPORT" hereto. For more information regarding the County's participation in the State Revolving Fund Loan Program and the WIFIA (as defined herein) loan program, *see* "PARI PASSU OBLIGATIONS" herein.

#### **No Reserve Account**

The Series 2021 Subordinate Bonds are not secured by the Reserve Account or any subaccount therein.

The Subordinate Bonds Resolution provides for the creation of a Reserve Account and provides, except with respect to the Series 2021 Subordinate Bonds and as may set forth in a Series Resolution with respect to any other Series of Bonds, upon the issuance of each Series of Bonds, the County shall deposit or provide for the deposit to the



Reserve Account, an amount, which together with amounts on deposit therein, shall equal the Reserve Account Requirement. The "Reserve Account Requirement" is defined in the Subordinate Bonds Resolution as the Maximum Pari Passu Obligations Debt Service in the then current or any subsequent Fiscal Year on all Outstanding Bonds or such lesser amount which is the greatest allowable under the Internal Revenue Code of 1986, as amended (the "Code"). The Subordinate Bonds Resolution provides that any Series of Bonds secured by a separate subaccount of the Reserve Account shall not be deemed to be Outstanding for purposes of calculating the Reserve Account Requirement with respect to all Outstanding Bonds secured by the Reserve Account.

In lieu of depositing cash to the Reserve Account in an amount equal to the Reserve Account Requirement, the County may elect to provide a Reserve Account Credit Facility. A "Reserve Account Credit Facility" is defined in the Subordinate Bonds Resolution as a surety bond, a policy of insurance, a letter of credit or other financial product obtained by the County with respect to any Bonds, from an entity that is rated on the date of deposit in the Reserve Account in one of the two highest ratings categories (without regard to gradation) by one or more Rating Agencies (as defined in the Subordinate Bonds Resolution) or their respective successors and which financial product provides for payment of Principal and Interest on such Bonds in amounts not greater than the Reserve Account Requirement for such Bonds in the event of an insufficiency of available moneys to pay when due principal of, premium, if any, and interest on, such Bonds.

Moneys held for the credit of the Reserve Account shall first be used for the purpose of paying the interest on and the principal of the Bonds secured by the Reserve Account whenever and to the extent that the available moneys held for such purpose for the credit of the Bond Service Account shall be insufficient for such purpose, and thereafter for the purpose of making deposits to the credit of the Redemption Account of the Debt Service Fund with respect to Bonds secured by the Reserve Account pursuant to the requirements of the Subordinate Bonds Resolution whenever and to the extent that amounts in the Debt Service Fund are insufficient for such purpose, and shall next be used to pay Payment Obligations with respect to the applicable Reserve Account Credit Facility, if any. Amounts withdrawn from the Reserve Account for the purpose of payment of debt service on any Bonds secured by the Reserve Account shall be replenished by substantially equal monthly deposits into the Reserve Account over a period not to exceed 60 months. If at any time the moneys held for the credit of any subaccount in the Reserve Account shall exceed the Reserve Account Requirement for those Bonds that are secured by such subaccounts, such excess shall be withdrawn by the County Mayor and deposited to the credit of the Revenue Fund.

The County may create subaccounts in the Reserve Account for any Series of Bonds. In such event, moneys in such subaccount shall be held specifically for the benefit of the respective Series of Bonds for which such subaccounts were created. In this regard, the remaining amounts on deposit would be available for payment of debt service of all Bonds, including such Series of Bonds for which a separate subaccount has been created. No such separate subaccount is currently in existence and the County is not creating a separate subaccount for the benefit of the Series 2021 Subordinate Bonds.

### **Additional Bonds**

Additional Bonds of the County and any other obligations that are Pari Passu Obligations, which for the purposes of the Subordinate Bonds Resolution are deemed Additional Bonds (other than Completion Bonds and Refunding Bonds), may be issued under and secured by the Subordinate Bonds Resolution, subject to the conditions described below, from time to time, (i) for the purpose of paying all or any part of the cost of constructing or acquiring any Improvements, (ii) to refund any obligations of the County which financed or refinanced any Improvements, (iii) to finance termination payments relating to Hedge Agreements or (iv) for any other lawful purpose of the County related to the System.

Prior to the delivery of each Series of Additional Bonds, there will be filed with the County Mayor the following:

(a) a copy, certified by the Clerk, of the Series Resolution described in Section 210 of the Subordinate Bonds Resolution;

(b) to the extent not provided for under the Series Resolution authorizing the issuance of such Additional Bonds, a copy, certified by the Clerk, of the Resolution adopted by the Board awarding such Additional

Bonds and directing the delivery of such Additional Bonds to or upon the order of the purchasers therein named upon payment of the purchase price therein set forth, or if such Additional Bonds are sold by competitive bid, authorizing the receipt of bids and acceptance of the best qualifying bid received;

(c) a certificate, signed by the County Mayor:

(i) setting forth the amount of the Net Operating Revenues for any four consecutive quarters (the "Computation Period") in the six quarters immediately preceding the date of such issuance (such quarters relating to the County's Fiscal Year). For purposes of the previous sentence, the Subordinate Bonds Resolution provides that the Net Operating Revenues, at the election of the County, may be adjusted as set forth in Section 208(c) of the Senior Obligations Bond Ordinance;

(ii) setting forth Maximum Annual Debt Service; and stating that the adjusted Net Operating Revenues (as described in subparagraph (i) above) for the Computation Period will equal or exceed one hundred ten percent (110%) of Maximum Annual Debt Service as of the date of such issuance.

(d) an opinion of the County Attorney stating that the issuance of such Additional Bonds has been duly authorized.

"Maximum Annual Debt Service" means the maximum of the sum of Senior Obligations Debt Service and Pari Passu Obligations Debt Service in any Fiscal Year.

In calculating Senior Obligations Debt Service and Pari Passu Obligations Debt Service projections for purposes of issuing Additional Bonds under Section 210(c) of the Subordinate Bonds Resolution, the principles set forth in the definition of Variable Rate will apply (as if applied to Senior Obligations and Pari Passu Obligations in the same manner), and the County obligations to pay a Variable Rate will be projected forward using as the applicable Variable Rate, the Assumed Interest Rate. With respect to Hedge Agreements, except as otherwise permitted in the definition of Variable Rate, the County will assume Senior Obligations Debt Service and Pari Passu Obligations Debt Service as the fixed rate or Variable Rate (using as the Variable Rate, the Assumed Interest Rate), as applicable, that the County is obligated to pay under the applicable Hedge Agreement. The term Hedge Agreement includes (i) with respect to Senior Bonds, Hedge Agreements as defined in the Senior Obligations Bond Ordinance and (ii) with respect to Bonds, any Hedge Agreement issued pursuant to the Subordinate Bonds Resolution Maturing principal of commercial paper Obligations, lines of credit and bond anticipation notes, and obligations of the County to purchase tendered indebtedness of the County that are not secured by a Credit Facility, will be disregarded.

### **Refunding Bonds**

The Subordinate Bonds Resolution provides for the issuance of "Refunding Bonds" for the purpose of providing funds for paying principal of, redemption premium and interest on all or any part of the outstanding Bonds at maturity or prior redemption date. Refunding Bonds so issued will be secured and payable from Pledged Revenues on a parity with all Bonds issued and Outstanding under the Subordinate Bonds Resolution. The coverage tests applicable to Additional Bonds (*see* "Additional Bonds" above) do not apply to Refunding Bonds provided that the County Mayor certifies that either (i) the Pari Passu Obligations Debt Service for each Fiscal Year thereafter (except for years subsequent to the final maturity of all then Outstanding Bonds) on account of all Bonds to be Outstanding after issuance of such Refunding Bonds and the payment and redemption of the Bonds to be paid and redeemed shall not exceed the Pari Passu Obligations Debt Service with respect to Outstanding Bonds for each such Fiscal Year on account of all Bonds Outstanding immediately prior to the issuance of such Refunding Bonds (for purposes of the foregoing calculation, Pari Passu Obligations Debt Service relating to the Commercial Paper Program will be disregarded) or (ii) stating that the aggregate Pari Passu Obligations Debt Service in all Fiscal Years thereafter with respect to all Bonds to be Outstanding after the issuance of such Refunding Bonds shall not exceed the aggregate Pari Passu Obligations Debt Service in all Fiscal Years with respect to all Bonds Outstanding immediately prior to the issuance of such Refunding Bonds. However, Refunding Bonds may also be issued by meeting the historical coverage test for Additional Bonds – *see* "Additional Bonds."

## **Completion Bonds**

The Subordinate Bonds Resolution provides for the issuance of "Completion Bonds" for the purpose of providing funds for paying the cost of completion of any Project for which one or more Series of Bonds have theretofore been issued, in a principal amount not greater than ten percent (10%) of the estimated cost of such Project. Completion Bonds so issued will be secured and payable from Pledged Revenues on parity with all Bonds issued under the Subordinate Bonds Resolution. The coverage tests applicable to Additional Bonds (and described above) are not applicable to Completion Bonds.

*See "APPENDIX E – THE SUBORDINATE BONDS RESOLUTION"* for a more complete discussion on the issuance of Additional Bonds, Refunding Bonds and Completion Bonds.

## **Defeasance**

The Subordinate Bonds Resolution provides that in the event Bonds are defeased in the manner described in the Subordinate Bonds Resolution, the right, title and interest of the Holders of such Bonds in the Bond Ordinance will cease, determine and become void. *See "APPENDIX E – THE SUBORDINATE BONDS RESOLUTION."*

## **Additional Covenants of the County**

The County has covenanted in the Subordinate Bonds Resolution that it will neither furnish free service nor provide service otherwise than in accordance with the established rate schedule for the Utility. The County has also agreed to certain restrictions on the sale or disposal of assets comprising the Utility. The County has covenanted to cause the Department to adopt an annual operating budget which may be amended from time to time, to operate the Utility in an efficient and economic manner, to maintain the Utility in good repair, and to timely pay all principal and interest payments, when due, on the Bonds, that it will diligently enforce and collect payment of all fees and charges for the use of the Utility, and to the extent permitted by law, but subject in all respects to any declarations of a state of emergency, that it will shut off connections for non-payments which are delinquent for more than 90 days.

The County has further covenanted in the Subordinate Bonds Resolution to maintain a practical insurance program for the Utility, to maintain separate records and accounts for the Utility, to keep accurate accounts of revenues, costs and expenditures, to issue annual audited financial reports of the Utility, to require, to the extent permitted by law, all lands, buildings and structures within the service area of the Utility fronting or abutting on the distribution lines to connect with and/or use the Utility, and to retain qualified Consultants and Accountants as required by the Subordinate Bonds Resolution. *See "APPENDIX E – THE SUBORDINATE BONDS RESOLUTION."*

## **Remedies**

**Upon an Event of Default as described in Section 701 of the Subordinate Bonds Resolution, the Series 2021 Subordinate Bonds will not be subject to acceleration.** Rather, a trustee or Bondholder acting for the Holders of all Bonds may by suit, action, mandamus or other judicial proceedings, protect and enforce any and all rights, including the right to the appointment of a receiver, existing under and to the extent permitted by the laws of the State, or granted and contained in the Subordinate Bonds Resolution, and may enforce and compel the performance of all duties required in the Subordinate Bonds Resolution or by any applicable statutes to be performed by the County or by any officer thereof. However, nothing in the Subordinate Bonds Resolution shall be construed to grant to any Bondholder any lien on any property of or within the corporate boundaries of the County, and no Bondholder shall have any right to affect, disturb or prejudice the security of the Subordinate Bonds Resolution. *See "PARI PASSU OBLIGATIONS" and "ENFORCEABILITY OF REMEDIES."*

## **Modifications or Supplements to Senior Obligations Bond Ordinance**

The Subordinate Bonds Resolution can be supplemented as set forth in Section 801 of the Subordinate Bonds Resolution, which relates to supplemental resolutions without consent of the Holders, and Section 802 of the Subordinate Bonds Resolution, which relates to supplemental resolutions with consent of the Holders. *See "APPENDIX E – THE SUBORDINATE BONDS RESOLUTION."*

## PARI PASSU OBLIGATIONS

The County has incurred, or expects to incur, as applicable, the Pari Passu Obligations described below which are secured on a parity with the Series 2021 Subordinate Bonds as to the pledge of and lien on Pledged Revenues.

### State Revolving Fund Loan Program

Under the State Revolving Fund Loan Program, the Department has received various loan commitments in the aggregate amount of \$359,605,447 for the construction of wastewater treatment facilities. Draws against wastewater treatment loan commitments totaled \$341,787,595. As of September 30, 2020, the outstanding principal balance related to drawn commitments was \$137,331,495. The remaining \$17,817,852 of the wastewater loan commitments remain undrawn. The Department has also received loan commitments in the aggregate amount of \$108,014,191 for drinking water construction projects. Draws against drinking water loan commitments totaled \$75,305,041. As of September 30, 2020, the outstanding principal balance related to drawn commitments was \$47,951,055. The remaining \$32,709,150 of the water loan commitments remain undrawn. **Default in payment of principal and interest on any of the loans described above or any future loans could cause an acceleration of the entire amount of such loans.**

### WIFIA Loan Program

In 2017, the United States Environmental Protection Agency ("EPA") selected the Department to be one of 12 entities invited to apply for funding through the inaugural Water Infrastructure Finance and Innovation Act ("WIFIA") loan program. On March 22, 2019, the Department closed on \$99.7 million in WIFIA funding at an interest rate of 2.89% with a final maturity of April 1, 2058 for its Ocean Outfall Reduction and Resiliency Enhancement Project. WIFIA will fund up to 49% of the project's estimated cost on a reimbursement basis, or \$99.7 million of this project's costs, the remainder of which is being funded through the State Revolving Fund Loan Program and Department cash on hand. In addition to the \$99.7 million project cost, the WIFIA loan will fund capitalized interest. Payments due from the Department on the WIFIA loan are not due until the earlier of (i) five years after substantial completion of the project or (ii) April 1, 2028. This initial WIFIA loan will fund a portion of the projects to meet compliance with the Ocean Outfall Legislation.

The Department also received funding as part of the second round of the WIFIA loan program. On May 28, 2020, the Department closed on \$326.2 million in WIFIA funding at an interest rate of 1.38% with a final maturity of April 1, 2059 for the design and construction of five new electrical distribution buildings at three wastewater treatment plants. The funding will provide 49% of the project's estimated cost, or \$326.2 million. It is anticipated that the remainder of this project will be funded through Department cash on hand and proceeds of the Series 2021 Subordinate Bonds. In addition to the \$326.2 million project cost, this WIFIA loan will fund capitalized interest. Payments due from the Department on this WIFIA loan are not due until the earlier of (i) five years after substantial completion of the project or (ii) October 1, 2028.

The Department also received additional funding as part of the third round of the WIFIA loan program. On July 15, 2020, the Department closed on \$235.2 million in WIFIA funding at an interest rate of 1.27% with a final maturity of April 1, 2059 for upgrades to the South District Wastewater Treatment Plant. The funding will provide 49% of the project's estimated cost, or \$235.2 million. It is anticipated that the remainder of this project will be funded through Department cash on hand and proceeds of the Series 2021 Subordinate Bonds. In addition to the \$235.2 million project cost, this WIFIA loan will fund capitalized interest. Payments due from the Department on this WIFIA loan are not due until the earlier of (i) five years after substantial completion of the project or (ii) October 1, 2028.

In January 2021, in response to the Department's letter of interest, the EPA selected the Department to be one of the entities invited to apply for a fourth round of funding through the WIFIA loan program for the Ocean Outfall Reduction and Resiliency Enhancement Project in the amount of approximately \$385.0\* million. [The County has submitted its application for this round of funding and expects to close on this fourth WIFIA loan in July 2021.] The incurrence of this fourth WIFIA loan would result in a corresponding reduction in the need to issue Senior Bonds in

---

\* Preliminary, subject to change.

the future to fund such project, as contemplated in the current MYCIP. As the current MYCIP was adopted prior to the County's selection for this fourth WIFIA loan, the current MYCIP does not reflect the expected issuance of the fourth WIFIA loan and the resulting reduction in the issuance of Senior Bonds to fund such project. *See* "FINANCIAL OPERATIONS - Multi-Year Capital Plan."

Except for the loans under the State Revolving Fund Loan Program, the Department has not granted acceleration rights to any other party. A such, default in payment of principal and interest on any of the WIFIA loans will not cause acceleration of the entire amount of such loans.

### **Commercial Paper Program**

The County's commercial paper program expired in May 2021. However, the County may institute a new commercial paper program in the future. Payment of interest on any commercial paper obligations may be made from Pledged Revenues. Such application of Pledged Revenues would be on a parity with the pledge of Pledged Revenues to the payment of principal and interest on the Bonds, including the Series 2021 Subordinate Bonds, and other *Pari Passu* Obligations issued under the Subordinate Bonds Resolution.

### **INTEREST RATE SWAP AGREEMENTS**

The County is currently not a party to any interest rate swaps. The County may enter into additional interest rate swaps or other synthetic financial instruments in the future for the purpose of hedging risk or otherwise managing the interest cost of its Utility debt. Such interest rate swaps and other synthetic financial instruments involve risks that could result in an economic loss to the County.

To the extent such interest rate swaps or other synthetic financial instruments are a "Hedge Agreement" under the Senior Obligations Bond Ordinance, the County's obligations to make periodic net payments as a result of a fluctuation in hedged interest rates or a fluctuation in the value of any interest rate index (i.e., hedge obligations) are payable from Pledged Revenues on a parity with the Senior Bonds and prior to the Series 2021 Subordinate Bonds. Any termination payments or Hedge Charges that may be due from the County under the Senior Obligations Bond Ordinance are payable from Pledged Revenues on a subordinate basis to the Senior Bonds and the Series 2021 Subordinate Bonds; provided, however, that termination payments may be considered as Hedge Obligations under the Senior Obligations Bond Ordinance and, therefore, be payable from Pledged Revenues on a parity with the Senior Bonds and prior to the Series 2021 Subordinate Bonds if on or before the date of entering into the related agreement, the County has obtained written evidence from each Rating Agency that such agreement will not, in and of itself, result in the withdrawal or reduction of the ratings then applicable to the Senior Bonds.

To the extent such interest rate swaps or other synthetic financial instruments are a "Hedge Agreement" with respect to Bonds issued under the Subordinate Bonds Resolution, the County's obligations to make periodic net payments as a result of a fluctuation in hedged interest rates or a fluctuation in the value of any interest rate index (i.e. hedge obligations) are payable from Pledged Revenues on a parity with the Subordinate Series 2021 Bonds and any other *Pari Passu* Obligations. Any termination payments or Hedge Charges under the Subordinate Bonds Resolution that may be due from the County are payable under the Subordinate Bonds Resolution from Pledged Revenues on a subordinate basis to the Bonds; provided, however, that termination payments may be considered as Hedge Obligations and, therefore, be payable from Pledged Revenues on a parity with the Bonds if on or before the date of entering into the related agreement, the County has obtained written evidence from each Rating Agency that such agreement will not, in and of itself, result in the withdrawal or reduction of the ratings then applicable to the Bonds. The County may elect to finance such termination payments or Hedge Charges through the issuance of Additional Bonds under Section 210 of the Subordinate Bonds Resolution. *See* "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2021 BONDS – Flow of Funds" and " – Additional Bonds."

**SERIES 2021 SUBORDINATE BONDS ESTIMATED SOURCES AND USES OF FUNDS**

The following table sets forth the estimated sources and uses of the proceeds of the Series 2021 Subordinate Bonds:

<b>Sources of Funds</b>	
Par Amount	\$
Plus: Net Original Issue Premium	
Total Sources	<u>\$</u>
<b>Uses of Funds</b>	
Deposit to Series 2021 Construction Account	\$
Underwriters' Discount	
Costs of Issuance <sup>(1)</sup>	
Total Uses	<u><u>\$</u></u>

<sup>(1)</sup> Includes legal fees, financial advisory fees, printing costs and other costs associated with the Series 2021 Subordinate Bonds.

[Remainder of Page Intentionally Left Blank.]

**DEBT SERVICE REQUIREMENTS ON THE OUTSTANDING SENIOR BONDS, SERIES 2021 SUBORDINATE BONDS AND PARI PASSU OBLIGATIONS**

The following table sets forth the debt service requirements, *on a cash basis*, on all Outstanding Senior Bonds, the Series 2021 Subordinate Bonds and all Pari Passu Obligations, as of September 30, 2020.

Fiscal Year Ending Sept. 30	Series 2021 Subordinate Bonds				Total <sup>(3)</sup>	Debt Service on Pari Passu Obligations <sup>(2)(3)</sup>	Total Debt Service <sup>(3)</sup>
	Debt Service on Outstanding Senior Bonds <sup>(1)</sup>	Principal	Interest	Total <sup>(3)</sup>			
2021	\$ 202,028,521				\$ 16,909,541		
2022	223,846,495				16,366,482		
2023	225,056,665				13,261,136		
2024	223,449,477				14,044,765		
2025	223,267,602				14,705,736		
2026	223,338,852				14,705,736		
2027	222,239,852				14,705,736		
2028	194,196,049				14,705,736		
2029	193,962,542				29,830,288		
2030	193,754,302				44,954,840		
2031	195,592,831				44,938,571		
2032	195,587,331				44,935,294		
2033	195,592,898				44,935,290		
2034	195,588,312				40,957,282		
2035	195,587,853				36,979,269		
2036	195,582,937				36,979,269		
2037	195,589,663				36,445,063		
2038	195,589,094				35,231,494		
2039	195,593,223				34,540,141		
2040	195,594,204				32,383,338		
2041	195,594,799				32,383,338		
2042	195,603,737				32,383,338		
2043	195,612,130				32,383,338		
2044	195,564,494				31,316,221		
2045	195,566,794				30,249,104		
2046	195,561,288				30,249,104		
2047	195,565,519				30,249,104		
2048	195,571,466				30,249,104		
2049	175,624,200				30,249,104		
2050	148,847,325				30,249,104		
2051	40,464,025				30,249,104		
2052	40,466,550				30,249,104		
2053	--				30,249,104		
2054	--				30,249,104		
2055	--				30,249,104		
2056	--				30,249,104		
2057	--				30,249,104		
2058	--				30,249,104		
2059	--				30,249,104		
Total <sup>(3)</sup>	\$6,051,081,030			\$	\$ 1,164,717,803	\$	

<sup>(1)</sup> Inclusive of all Outstanding Senior Bonds. The interest on the Outstanding Senior Bonds has been calculated at their respective fixed rate of interest.

<sup>(2)</sup> Includes estimated debt service payments on the first three WIFIA loans, assuming all draws are made in accordance with the currently anticipated draw schedule. Does not include debt service on the fourth WIFIA loan expected to be incurred later in 2021. For a more complete description of such Pari Passu Obligations, see "PARI PASSU OBLIGATIONS," "APPENDIX B - BOND FEASIBILITY REPORT" and "APPENDIX C - AUDITED FINANCIAL REPORT OF THE MIAMI-DADE WATER AND SEWER DEPARTMENT FOR FISCAL YEAR ENDED SEPTEMBER 30, 2020."

<sup>(3)</sup> Totals may not add up due to rounding.

## THE DEPARTMENT

### History

On October 3, 1972, the electorate of the County approved the formation of a new County-wide water and sewer agency by expanding the then-existing Department of Water and Sewer of the City of Miami (the "City"). Subsequently, the Board established the Miami-Dade Water and Sewer Authority (the "Authority") which began operating on April 1, 1973. On March 13, 1975, the City, the County and the Authority agreed to the transfer of all water and sewer properties, facilities and funds of the Department of Water and Sewer of the City to the Authority with the condition that certain property donated by the City would be returned to the City in the future if such property was not needed for water or sewer utility purposes.

On October 4, 1983, the Board enacted Ordinance No. 83-92, which abolished the Authority effective November 1, 1983 and established the Miami-Dade Water and Sewer Authority Department as a department within the County government. On October 19, 1993, the Department changed its name to the Miami-Dade Water and Sewer Department.

### Organization and Administration

The Department is responsible for the everyday operation and maintenance of the Utility. The Utility is administered by the Board under the supervision of the County Mayor. Mr. Roy Coley has been the Director of the Department (the "Director") since May 17, 2021. Prior to Mr. Coley's appointment as Director, Mr. Josenrique Cueto, P.E. served as Interim Director of the Department since December 23, 2020, and continues to serve in such capacity for a transition period in order to assist Mr. Coley as he begins his tenure with the Department.

The Department is divided into two major groups under the supervision of three Deputy Directors, and an Deputy Director - Chief Financial Officer, with seven Assistant Directors each responsible for a number of specific divisions. The Department is currently being led by an Interim Director, while a national search to fill the position on a permanent basis is conducted. Additionally, a currently vacant Water and Sewer Senior Advisor - Capital Projects and Compliance position is being eliminated and the responsibilities under such position will be transferred to the Deputy Director of Capital Improvements and Regulatory Compliance, with the exception of general maintenance which will be transferred to the Deputy Director of Administration.

### Management

The following are brief resumes of the Director, the Interim Director, the three Deputy Directors and the Chief Financial Officer:

*Roy Coley, Director*, was appointed Director of the Department on May 17, 2021. He has responsibility for the overall direction and management of the Department. He is responsible for overseeing the Department's operational, capital, and other programs along with the Utility's more than 2,800 staff members. [Prior to becoming Director of the Utility, Mr. Coley served as Director of the Public Works Department of the City of Miami Beach since 2015. In that role he managed the team responsible for all the design, permitting, construction, operation and maintenance of the City's drinking water, wastewater, and stormwater systems and led climate change adaptation and resilience efforts within the department. Prior to joining the City of Miami Beach, Mr. Coley served for a decade as the Manager of Operations for the Florida Keys Aqueduct Authority, leading the team that executed septic tank to sewer conversion and pioneering a new drinking water quality management technique. Mr. Coley came to South Florida from Falkville, Alabama where he served as Town Superintendent (the town manager), and hold his Bachelor of Arts from St. Thomas University and MBA from Saint Leo University.]

*Josenrique Cueto, P.E., Interim Director*, was appointed Interim Director of the Department on December 23, 2020 and continues to serve in such capacity for a transition period in order to assist the newly appointed Director in his transition to the Department. Prior to becoming Interim Director, Mr. Cueto served as Assistant Director for Planning and Regulatory Compliance. In his role, Mr. Cueto was responsible for planning efforts associated with the Utility's long term multi-billion-dollar capital improvement program with the objective of



positioning the Department as a Utility of the Future. Mr. Cueto is a registered professional engineer in the State and holds a Bachelor's degree in Civil Engineering from the University of Miami along with a Master's degree in Environmental Engineering from the University of Florida. Mr. Cueto also serves on the board of directors of several professional associations, including the Miami-Dade Branch of the American Society of Civil Engineers, Region VII of the Florida Section of the American Water Works Association, and the Cuban-American Association of Civil Engineers (which he is currently serving as President).

*Hardeep Anand, P.E., Deputy Director of Capital Improvements and Regulatory Compliance*, oversees the implementation of the Capital Improvement Program for the Department. He has previously served as a division director at the Miami-Dade County Department of Environmental Resources Management, as Public Works Director with the City of Fort Lauderdale, and as an engineering consultant over a variety of utility, stormwater, environmental, solid waste and information technology projects.

Mr. Anand is a registered professional engineer in the State and holds a Bachelor's Degree in Civil Engineering as well as a Master's degree in Civil Engineering and Management of Information Systems. He has over 25 years of professional engineering experience along with a combination of program management and leadership experience in the public and private sectors.

*Antonio Cotarelo, P.E., Deputy Director of Operations*, oversees all operations and maintenance of water and wastewater systems of the Utility. He previously served as Water Management division director at the County Department of Environmental Resources Management, as Deputy Director of Engineering Services for Public Works and Waste Management Department and as the County Engineer administering projects of major importance encompassing engineering, bridge capital improvement and infrastructure maintenance, roadway project capacity improvements, resurfacing and striping, water management and drainage retrofit projects, street lighting, intersection improvements, sidewalks and pedestrian ramps.

Mr. Cotarelo is a registered professional civil engineer in the State and holds a Bachelor's degree in Civil Engineering from the University of South Florida. He has over 31 years of professional civil engineering and management experience within the County.

*Carmen Viera Baker, Deputy Director of Administration*, acts as the liaison between the Director's Office, County executive staff, customers, and governmental agencies. Ms. Baker's oversight furthers the goals and mission of the Department's commitment to deliver exceptional service to the customers and residents of the County. She works with senior staff to ensure that the Department's activities and projects are completed efficiently and within service target levels. She is also responsible for furthering the Department's commitment to cultivate a culture of excellence within the organization with an emphasis on responsiveness, customer service, innovation, accountability, and transparency.

Ms. Baker is a graduate of Barry University with additional credentials in strategic planning, performance measurement, and executive leadership from Florida International University Institute of Government Academy for Strategic Management. Ms. Baker brings over 25 years of professional experience in managing large-scale organizational initiatives. She served as the Chief Executive Officer of a consulting firm responsible for redefining workflow processes and making comprehensive recommendations for increased organizational efficiencies in government and other institutions similar in scale to the Department.

*Frances G. Morris, Deputy Director - Chief Financial Officer*, directs all financial strategies of the Department including internal and external financial reporting, coordination of implementation of water and sewer rates, debt financing and administration, cash flow management, investments, and budget strategies. As the financial steward of the Department, Ms. Morris also contributes to the development and implementation of the Utility's alignment with the County's Strategic Plan.

Ms. Morris received her Bachelor's degree in Business Administration with an emphasis in Accounting from Barry University in 1992. She was hired by the County in 1994 and spent four years at the County's Department of Solid Waste Management and eight years at the County's Seaport Department. She was hired as the Department's

Assistant Controller in 2006, became the Assistant Director of Finance in 2010, the CFO in 2015 and Deputy Director - Chief Financial Officer in 2021.

## **WATER AND SEWER (WASTEWATER) SYSTEM**

### **General**

The Utility is divided into the Water System and the Sewer System. The Sewer System is also referred to as the "Wastewater System." The Department administers each system on a unified basis for purposes of billing but separates the two for rates, capital improvements and accounting. However, the Utility is combined for financial statement purposes. *See* "Note 1 – Summary of Significant Accounting Policies" in "APPENDIX C – AUDITED FINANCIAL REPORT OF THE MIAMI-DADE WATER AND SEWER DEPARTMENT FOR FISCAL YEAR ENDED SEPTEMBER 30, 2020." Water System and Sewer System funds can be used interchangeably when there is a shortfall or surplus in either system. *See also*, "APPENDIX A - BOND FEASIBILITY REPORT."

### **Service Area**

The Utility currently provides water and wastewater treatment to substantially all of the County either directly to retail customers or indirectly through wholesale contracts between the Department and various municipalities. The County is the largest county in the southeastern United States in terms of population. In 2020, the population of the County was estimated at approximately 2,832,794. *See* "APPENDIX B – GENERAL INFORMATION RELATIVE TO MIAMI-DADE COUNTY, FLORIDA."

The Department's long-term objective of expansion to County-wide operation has been achieved by the acquisition of all privately-owned utilities in the County. Since 1973, the Department has acquired 26 independent systems.

The Department supplies treated water on a wholesale basis to 15 municipally-owned water utilities in the County and to approximately 451,509 retail water customers. The only municipalities in the County that operate water treatment facilities for customers located primarily within their municipal boundaries are the City of Homestead, Florida City, the City of North Miami Beach and the City of North Miami. In addition, the Department provides wastewater transmission treatment and disposal service on a wholesale basis to 12 municipally owned wastewater utilities, Homestead Air Reserve Base, and approximately 367,618 retail wastewater customers. The City of Homestead is the only municipality in the County that owns and operates its own wastewater treatment plant. *See* "WATER AND SEWER SYSTEM – Sewer (Wastewater) System" below.

With the exception of four retail customers, the Department's wholesale customers are also its largest water and wastewater customers by revenues. The four exceptions are the County's Aviation Department, Florida Power & Light Company, Florida Department of Corrections and Jackson Memorial Hospital. The Aviation Department, which operates Miami International Airport and four general aviation airports, is the Department's fourth largest water customer and sixth largest wastewater customer. Florida Power & Light Company, which operates a large electric power plant in the County, is the Department's fifth largest water customer. The Florida Department of Corrections is the Department's sixth largest water customer and tenth largest wastewater customer, and Jackson Memorial Hospital is the Department's tenth largest water customer.

The Department has entered into long-term agreements with its wholesale customers. The majority of the wholesale water agreements expire between 2027 and 2030. The Department's wholesale wastewater agreements have terms expiring between 2029 and 2041.

### **Water System**

General. The principal components of the Water System include 15 wellfields, with a total of 95 active permitted production wells in the Biscayne Aquifer and five installed aquifer storage and recovery wells in the Floridan Aquifer, three major water treatment plants, five smaller water treatment plants, two lime recalcining plants, and an

extensive transmission and distribution system composed of storage reservoirs, pump stations and an interconnected network of transmission and distribution mains.

Sources. The Department draws its raw water primarily from the surficial Biscayne Aquifer, a non-artesian (or near surface) aquifer which underlies an area of about 3,200 square miles in Miami-Dade, Broward and Palm Beach counties. The Upper Floridan Aquifer underlies most of the State. In Southeast Florida, it ranges from a subsurface depth of 950 feet to 1,250 feet, and it is an artesian water source. However, because water from the Upper Floridan Aquifer has a higher content of salt, its water is much more expensive to process. Therefore, the Upper Floridan Aquifer is a less desirable water source.

The South Florida Water Management District (the "District") governs the use of the State's water resources in Southeast Florida through the water use permitting process. On November 15, 2007, the District issued a consolidated 20-year Water Use Permit (the "Water Use Permit"), which sets limits on the use of the Biscayne Aquifer and Floridan Aquifer. In addition, the Water Use Permit includes a schedule for the construction of the alternative water supply projects needed to meet demands, which have been incorporated into the Department's MYCIP. The Water Use Permit has been amended three times, in 2010, 2012 and 2015, to reflect declines in consumption resulting from an effective water conservation program, lower than expected population growth, and the economic recession. Alternative water supply projects in the original plan have been delayed or eliminated, thereby reducing capital needs in the near term.

The C-51 Reservoir Phase 1 Project (the "C-51 Reservoir") is a regional alternative water supply project and multi-stakeholder public-private partnership that will provide utilities with sustainable water supplies in South Florida. It involves the construction of a 14,000 acre-foot in-ground reservoir in central Palm Beach County immediately adjacent to the existing District L-8 Flow Equalization Basin that will provide 35 mgd in alternative water supply benefits to utilities through rights to additional Biscayne Aquifer allocation in respective water use permits. Other than the cost of the permit for increased water rights described below, the County is not contributing to the costs of construction of the C-51 Reservoir. The project has environmental benefits including aquifer recharge and reduction of tidal discharges. The in-ground reservoir will store and route water supplies through primary and secondary canal systems to individual utility wellfields to provide direct aquifer recharge to offset withdrawals from the Biscayne Aquifer. Broward County Water and Wastewater Services, the City of Sunrise, the City of Lauderhill, and the City of Dania Beach have submitted Letters of Intent to utilize water made available via the C-51 Reservoir and entered into allocation agreements. Participating water utilities will be able to expand use of the Biscayne Aquifer in full accordance with the Regional Water Availability Rule, while also taking advantage of existing wellfields and treatment facilities.

For the Department this means obtaining 15 mgd of additional Biscayne Aquifer withdrawal rights. Unlike other sources, this water can be withdrawn from the Department's existing well fields and treated at the Utility's existing Water Treatment Plants with no additional capital investment. The operating expense associated with the C-51 Reservoir project is minimal. The District will serve as the project operator with reimbursement for operational expenses by the project partners.

Below is a summary of each of the primary components of the C-51 Reservoir project/partnership.

**C-51 Reservoir Allocation:**

- 15 mgd allocation – this allocation will be through the Department's 20-Year Water Use Permit, and the C-51 Reservoir, Inc. a Florida Not-for-Profit ("C-51 NFP") Consumptive Use Permit (which expires 12/27/65).
- Once the Department completes the C-51 Reservoir allocation agreement and payment for its increased withdrawal rights, the Department becomes part of the C-51 NFP. With a 15 mgd agreement, the County would have 15 of 35 voting rights per the C-51 NFP By Laws. The Department estimates the cost for its increased withdrawal right to be approximately \$70 million.

**Water Use Permits:**

- Once an allocation has been permitted by the District, the applicant can renew the permit at any time, and as long as the applicant can demonstrate compliance with the District's three prong approval process, the permitted allocation is extended to the updated expiration date of the permit.
  - Example: the Department's initial 20-year Water Use Permit expires in 2027, with a base of 347 mgd. The Department has submitted several permit modifications since then, most recently in 2015, so the permit now expires in 2035 with an allocation of 350.
  - For the C-51 NFP Consumptive Use Permit, the C-51 NFP can modify that permit to extend it periodically into the future as long as the C-51 Reservoir is operational, meaning that 15 mgd allocation can be extended for as long as the life of the C-51 Reservoir.
  - Once Palm Beach Aggregates ("PBA") transfers the C-51 Reservoir over to the C-51 NFP, they are no longer involved in the Consumptive Use Permit. PBA will transfer ownership of the C-51 Reservoir to C-51 NFP on or about the thirtieth (30th) day after the date on which commercial operation of the C-51 Reservoir is achieved.
    - No further payments to PBA after the initial payment, even if that 15 MGD allocation gets extended to 2100 for example.

Pumping and Production. The Department pumps its raw water from 15 existing wellfields which use the Biscayne Aquifer as the source water supply. In order to process and prepare raw water for consumption, the Department operates three major water treatment plants, five smaller water treatment plants, two lime recalcining plants and an extensive transmission and distribution system composed of storage reservoirs, pump stations and a network of transmission and distribution water mains. The five smaller treatment plants, which have a combined treatment capacity of 14.2 million gallons per day ("mgd"), serve the extreme southern part of the County.

Water Treatment Plants. The following table reflects the permitted treatment capacities and actual flows for the County's water treatment plants.<sup>(1)</sup>

Component	Hialeah/Preston	Orr	South Dade Water System <sup>(2)</sup>	Hialeah RO <sup>(3)</sup>
Permitted Plant Rated Capacity	225.0 mgd <sup>(4)</sup>	214.7 mgd <sup>(5)</sup>	14.2 mgd	10.0 mgd <sup>(5)</sup>
<u>Actual Flows:</u>				
Average Daily	126.6 mgd	183.8 mgd	7.1 mgd	6.9 mgd
Peak Day	141.4 mgd	216.2 mgd	8.4 mgd	9.8 mgd

<sup>(1)</sup> Water supply allocations are currently granted for source and well fields, and not specifically to plants.

<sup>(2)</sup> Represents five smaller water treatment plants in southern County.

<sup>(3)</sup> Hialeah Floridan Aquifer Reverse Osmosis (RO) (Joint Participation – the County and City of Hialeah).

<sup>(4)</sup> Hialeah Plant permit capacity is 60 mgd and Preston Plant is 165 mgd for a total of 225 mgd.

<sup>(5)</sup> Orr Plant facility capacity is 248 mgd but permitted capacity is only 214.74 mgd.

Source: The Department

The City of Hialeah ("Hialeah") reverse osmosis water treatment plant (the "Plant") is jointly owned by Hialeah and the Department, but operated by the contractor which designed and built the Plant. The County and Hialeah share equally in the operations and maintenance costs and benefit equally from the water produced at the Plant. The Plant first opened in 2015 and currently has a treatment capacity of 10.0 mgd.

Transmission. High service pumping facilities located at each of the three major water treatment plants and a low pressure system deliver water directly to the Department's four high service pump stations. From there, the water is distributed through 8,574 miles of water mains, ranging in size from 2 to 72 inches in diameter, to the ultimate users.

Salt Water Front Monitoring. The County has developed with the US Geological Survey ("USGS") an advanced salt water front monitoring network, and it maintains a robust program of monitoring wells as well as data collection and analysis. These data and analyses are available to all stakeholders through the USGS. The goal of this collaborative effort is to develop a sustainable and resilient water supply for the County's projected population.

Water Conservation. To ensure a sustainable water supply for future use and to ensure the most efficient use of existing water supplies, the Department has implemented a variety of water use efficiency measures. These measures include comprehensive public education outreach campaigns, a tiered rate structure, an aggressive water loss reduction program, water conservation rebate incentives, legislative requirements for water conservation, and system operational measures. Reduced per capita water consumption County-wide has contributed to the extension of the County's Water Use Permit, reconsideration of planned alternative water supply projects, and deferral of several other expensive infrastructure water supply projects, which include significant infrastructure and treatment costs. As of September 30, 2020, the Department's water audit from Fiscal Year 2018 indicated that unaccounted for water losses were estimated at 10.11% of the total water produced purchased and distributed, which is slightly more than the Department's goal of 10%. This includes water losses (water produced but not sold to customers due to flushing, fire hydrants, etc.) of approximately 22.3 million gallons of water.

The Department's ongoing water conservation/water use efficiency programs include:

- Water loss reduction including leak detection and repair and System-wide pressure management;
- Recycling of water used to backwash filters at treatment plants;
- Use of reclaimed water at the wastewater treatment plants for process water, cleanup and landscape irrigation;
- Ordinances establishing water-efficiency fixtures standards for new construction;
- Ordinance establishing landscape standards;
- Ordinances establishing permanent landscape irrigation restrictions limiting irrigation to two days a week;
- Aquifer storage and recovery;
- Implementation of a tiered water rate structure which includes a surcharge for high water use to encourage water conservation;
- Public information and education efforts, including:
  - o direct customer outreach at events and workshops
  - o advertising via radio, television, print, transit bus benches, internet and movie theatres
  - o educational publications
  - o Children's Water Conservation Campaign including the annual Every Drop Counts Children's Poster Contest
  - o Water Conservation Webpage providing information on water conservation and efficiency rebates
  - o Water, Energy and Learning and Behavior (WE-LAB) Workshops
  - o Coordinating with other County departments on water conservation efforts (i.e. Office of Resilience's BE305 initiative)
- Water Conservation Incentives including:
  - o Landscape Irrigation Rebates Program including free evaluations
  - o Residential High Efficiency Fixture Rebate Program including toilets, showerheads and Faucets
  - o Senior High Efficiency Toilet Rebate Program
  - o Residential Showerhead Exchange Program
  - o Multi-family Showerhead Distribution Program
  - o Lodging High Efficiency Toilet Rebates Program

- o Lodging Showerhead Distribution Program
- o Institutional, Commercial & Industrial High Efficiency Toilet Rebate Program

Energy Efficiency. The Department established an energy program to build on successful energy management initiatives and formalize a path to an increasingly more energy efficient utility. The Department's energy segments include wastewater treatment, water production, wastewater pump stations, and buildings which consume approximately 370 million kilowatts per hour ("kWh") of electricity and 46 million kWh from biogas, natural gas, diesel and propane per year. Combined, this is the amount of energy it takes to power approximately 31,000 homes for one year.

The energy program is tasked with identifying and facilitating ways to reduce energy consumption and shift to renewable energy sources. In 2019, the Department concluded the U.S. Department of Energy ("USDOE") Better Buildings Sustainable Wastewater Infrastructure of the Future (SWIFt) Accelerator 3-year program which resulted in the development of a Utility-wide Energy Management Plan for Wastewater Treatment. The plan provides a roadmap with near term and longer-term actions aimed at achieving thirty percent energy intensity savings by 2030. The Department will continue its partnership with USDOE as a member of the Better Buildings Better Plants Program to maximize successful energy initiatives, such as using heat and gases produced from its operations as a source of energy to power its operations. These efforts, in addition to increasing the use of renewable energy sources and cost-effective investments in energy-efficient equipment and innovative technologies, enhanced data collection and analysis, are main focuses. Another key focus of the program is to raise awareness and understanding of energy issues and solutions to encourage department-wide energy saving behaviors. Together these efforts enhance the Department's ability to provide continuity of service in the face of extreme weather events and periodic electricity disruptions.

Water Quality. The Safe Drinking Water Act (the "Water Act") and the related drinking water standards in the Florida Administrative Code have established quality standards designed to reduce the allowable concentration of a variety of substances. The Water Act also requires local water utilities to issue "consumer confidence reports" describing the source and quality of the water they provide. The Department's "Water Quality Report" provides the required information, verifying the Department's continuing compliance with water quality standards.

The County is currently testing lead and copper in the Water System on an annual basis. Results are available upon request, or in the County's consumer confidence report, published annually and available on the County's website.

*See "REGULATORY MATTERS"* for a detailed description of certain regulatory matters with respect to the Water System.

### **Sewer (Wastewater) System**

General. The Department's Sewer (Wastewater) System consists of collection sewers, manholes, lift stations, force mains, interceptors, pump stations and three regional wastewater treatment plants: the North District Wastewater Treatment Plant at Interama (the "North District Plant"), the Central District Wastewater Treatment Plant at Virginia Key (the "Central District Plant") and the South District Wastewater Treatment Plant at Blackpoint (the "South District Plant"). The treated effluent is primarily disposed of by deep well injection and ocean outfalls.

Collection. There has been steady growth in the wastewater service provided by the Department due to an increase in total population in the County, the acquisition of small utilities and the extension of sewers to areas previously served by septic tank systems. The amount of wastewater treated annually, however, may vary significantly depending upon the amount of annual rainfall.

Wastewater is brought to the Department's treatment facilities through 6,422 miles of local collection facilities which include gravity sewers, manholes, lift stations and force mains. The Department has divided the County into three districts in which wastewater is collected and transmitted to a wastewater treatment plant located in each of the three districts. The districts are interconnected to allow for limited redirection of flows.

The maintenance and improvement of the Utility's 1,049 sewage pump stations owned (1,030) and operated (19) by the Department was one of the requirements of the terms of the prior consent decrees. See "REGULATORY MATTERS." The Department's program to upgrade its sewage pump stations is continuing. A typical station upgrade includes improvements to the electric service, controls and alarm systems, the replacement of motors, the addition of pumps or a complete replacement pump station.

Groundwater, stormwater or other water not requiring treatment introduced into the Sewer System overloads pump stations and treatment plants. The cost of pumping and providing treatment for this excess water is substantial. Consequently, the Department has established an Infiltration/Inflow Reduction Program to conduct sewer system evaluations and to rehabilitate the system by repairing pipes where feasible, replacing pipes damaged beyond repair, installing leakproof manhole covers and repairing manholes. Many of the program activities are continuously funded and required to maintain the Sewer System's integrity and to continually reduce infiltration and inflow amounts. The Department is not responsible for any separate stormwater systems or their associated operating and capital costs.

The Department has an on-going program of inspection and correction to address the corrosive effects of hydrogen sulfide (a by-product of raw sewage) on its concrete force mains. The Department periodically inspects mains and implements corrective action with respect to any affected main.

Wastewater Treatment Plants. The Department operates three regional wastewater treatment plants located in various sections of the County as described above. The three plants have a combined treatment capacity of 375.5 mgd. The following table summarizes the treatment permit parameters and the actual flows of each of the County's wastewater treatment plants.

	<b>North District</b>	<b>Central District</b>	<b>South District</b>	<b>Total</b>
<u>Installed Treatment Capacity</u>	120.0	143.0	112.5	375.5
<u>Permit Parameters</u>				
Annual Average Daily Flow, mgd	120.0	143.0	112.5	375.5
Effluent CBOD <sub>5</sub> , mg/L <sup>(1)</sup>	25/20 <sup>(2)</sup>	25/20 <sup>(2)</sup>	20	-
Effluent Suspended Solids, mg/L	30/20 <sup>(3)</sup>	30/20 <sup>(3)</sup>	5 <sup>(4)</sup>	-
<u>Actual Flows 12-Month Average for Fiscal Year 2020<sup>(5)</sup></u>				
Annual Average Daily Flow, mgd <sup>(6)</sup>	101.68	112.92	98.14	312.74
Effluent CBOD <sub>5</sub> , mg/L <sup>(6)</sup>	11.09	11.03	3.01	-
Effluent Total Suspended Solids, mg/L <sup>(6)</sup>	23.64	14.86	1.98	-

<sup>(1)</sup> "CBOD<sub>5</sub>" means 5 Day Chemical Biological Oxygen Demand; "mg/L" means milligrams per liter.

<sup>(2)</sup> 25mg/L in secondary effluent going to the outfall; 20mg/L in effluent going to the wells.

<sup>(3)</sup> 30mg/L in secondary effluent going to the outfall; 20mg/L in effluent going to the wells.

<sup>(4)</sup> 5mg/L for the High Level Disinfection secondary effluent going to the wells.

<sup>(5)</sup> Influent flows for the 12 months ending September 30, 2020.

<sup>(6)</sup> These levels are below those allowed by permit.

Source: The Department

Disposal of Sludge and Treated Wastewater. The disposal of the by-products of the treatment process (sludge and effluent or treated wastewater) is an important part of the Department's plans to improve and expand its Sewer System. Steps taken by the Department in accordance with this plan are discussed in the following paragraphs.

Sludge is stabilized in anaerobic digesters at the Central District and South District Plants, with sludge from the North District Plant being transmitted via pipeline to the Central District Plant for treatment. After stabilization, sludge is dewatered in centrifuges to form a cake, a material that is dry enough to be loaded and hauled in a dump truck. Stabilized sludge cake can be disposed of in Class I Solid Waste Landfills. The stabilized cake can also be used as an agricultural soil supplement because it meets the requirements for Class B material, but only with State approved permits which require a substantial amount of documentation, monitoring and record keeping. After dewatering, the sludge cake can be further dried on paved drying beds and then composted to produce Class AA residuals, which can be sold as a soil supplement with relatively few restrictions. At the South District Plant, sludge cake is further dried

on paved beds and a portion is composted to Class AA standards and sold as a soil supplement. The Department has discontinued the use of the sludge drying beds and composting facilities at the Central District Plant in order to reduce odors, which had caused complaints at a neighboring residential community. To this end, the Department has negotiated agreements to dispose of sludge cake; in accordance with these agreements, the sludge cake is disposed of by hauling and placing it in landfills or utilized as Class B agricultural soil supplement.

Disposal of treated wastewater at the North District Plant, which currently has a permitted treatment capacity of 120.0 mgd, is accomplished by discharge into the Atlantic Ocean and deep injection wells. The Central District Plant also disposes of effluent by discharge into the Atlantic Ocean. Since March 2020 effluent has also been discharged with wastewater from the sludge dewatering centrifuges, digester wastewater, and leachate from a groundwater recovery system at the former Virginia Key Landfill into two non-hazardous injection wells. As noted below, state law now requires the Department to design and construct an alternative to the use of ocean outfalls by the end of 2025. *See* "REGULATORY MATTERS."

The South District Plant disposes of its effluent through 17 deep injection wells to the Lower Floridan Aquifer, a saline aquifer at a depth below 2,400 feet. The South District Plant has a permitted treatment capacity of 112.5 mgd. On December 1, 2020, the Department received operating permits for all injection wells from the Florida Department of Environmental Protection ("FDEP").

The Department continues to explore different ways to reuse effluent. The practicality of reuse is affected by the cost of the added treatment, the cost of transmission and distribution systems, the possibility of contaminating the drinking water system through inadvertent cross connections, public attitudes about using treated wastewater and the quality of the water available for reuse. In April 2007, the Department completed an updated Reuse Feasibility Study. Some of the projects recommended in the Study were incorporated in the 20-year Water Use Permit and into the MYCIP (as described below); however, as a result of water demand reductions through the Water Conservation Program, reuse is no longer required by the Water Use Permit. In 2018, the Department completed its Reuse Feasibility Study to address the reuse requirements in the Ocean Outfall Legislation (as defined herein). The most feasible future reuse opportunities are related to industrial reuse in partnership with a major user, such as Florida Power and Light, or other arrangements with multiple stakeholders that would make large-scale reuse projects viable. *See* "REGULATORY MATTERS."

### **Impact of Hurricanes**

Hurricane Irma struck the County in September 2017 as a strong tropical storm. Although the storm caused widespread tree damage and disruption, it did not materially damage the Utility's infrastructure or adversely impact Pledged Revenues. The Department and the Federal Emergency Management Agency ("FEMA") have been engaged in a rigorous review process of all Hurricane Irma projects and actual costs incurred by the Department. The final expected reimbursement amount is \$11,500,000.

### **Environmental Quality Management**

The public's concern for environmental quality is reflected in many of the Department's activities, from meeting the effluent discharge quality limits and the changing water quality standards to providing facilities that are unobtrusive and have minimal adverse impact on the environment. Federal, State and local regulations regarding preservation of wetlands impact nearly all land development activities in South Florida, including those of the Department and private developers. The necessity of protecting wetlands has required revisions to the Department's construction plans in the past, and will continue to do so with such requirements possibly increasing the cost of future Department projects. If a project is essential for the welfare of the community, and damage to valuable ecologic systems is unavoidable, the permits may be issued with provisions for mitigating the losses by constructing or upgrading wetlands, planting mangroves or some similar program at a different location.

Since few sites remain for future plant locations which are not wetlands or near existing residential neighborhoods, it is anticipated that future water and sewage treatment plant expansions will require special design features such as multistory construction to minimize land requirements, special architectural and acoustical treatments, and odor control systems to make them unobtrusive.



The Department has implemented various climate change and resiliency measures and adheres to the requirement that all County infrastructure projects consider sea level rise and its potential impacts through the planning and delivery of its MYCIP. During design upgrades, the Department employs a systematic approach that applies the Southeast Florida Regional Climate Change Compact's sea level rise projections to determine the best design for the life of each asset to reduce risk from future storms. The Department is implementing \$30 Million in FEMA Hazard Mitigation Grant projects to harden critical wastewater infrastructure against impacts from flood and wind and to improve electrical reliability. *See* "INVESTMENT CONSIDERATIONS - Climate Change."

## **Regulations**

Other than the matters described in "REGULATORY MATTERS," the Department is in compliance with all other material federal, State and local rules and regulations. *See also*, "APPENDIX A - BOND FEASIBILITY REPORT."

## **Everglades Remedial Program**

The federal Water Resources Development Act of 2000 approved the Comprehensive Everglades Restoration Plan ("CERP"), which was developed by a multi-agency study team led by the U.S. Army Corps of Engineers. The CERP provides a framework and guide to restore, protect and preserve the water resources of central and southern Florida, including the Everglades. The CERP includes more than 60 projects and will take more than 30 years to construct.

Pursuant to conditions of the Water Use Permit, the Department has investigated the feasibility of utilizing reclaimed water to rehydrate the coastal wetlands in proximity to the South District Wastewater Treatment Plant. No final determination has been made at this time with respect to a CERP project to rehydrate the coastal wetlands, and the Department has no formal obligations to sponsor such a project.

## **Facilities Security**

Security at the Department's facilities has remained high since the September 11, 2001 attacks, and in 2002 the Board enacted Ordinance 02-68 addressing long-term security at the Department's facilities, including wellfields and treatment plants. Ordinance 02-68 specifically authorized the Department's Director to take any actions deemed necessary in an emergency to secure the Department's facilities. The Director has determined that a need exists to maintain increased security at the Department's facilities. The Department has established an identification badging office in order to comply with Ordinance 02-68. As part of the process for issuing identification badges, criminal background checks are conducted on employees, contractors and visitors requiring access to sensitive plant areas.

The Department has implemented a number of proactive measures to enhance the security of its water facilities as well as its response capabilities. Ten staff members have been licensed in the Risk Assessment Methodology for Water for conducting vulnerability assessments. The vulnerability assessment of the Water System was completed in March 2003 and submitted to the EPA as mandated. Since November 2013, the Federal Department of Homeland Security and the US Army Corp of Engineers have conducted several Site Assessments Visits in accordance with the National Infrastructure Protection Plan. The Department has prepared its Emergency Response Plan in accordance with the EPA regulations. This was submitted to the EPA prior to September 30, 2003, updated in June 2014 and updated again in November 2020. The Emergency Response Plan has been completed for all three water plants. In accordance with federal requirements, the Department continues to assess, identify and implement feasible opportunities to minimize the vulnerability of the Department's facilities. This program is anticipated to cost in excess of \$12 million when fully implemented.

The EPA has not yet mandated performing vulnerability assessments of wastewater systems. The Department has performed a vulnerability assessment of its Wastewater System, which encompasses an assessment of its Wastewater Treatment Plants, the collection system, and the pumping and transmission system. The Department in conjunction with the Miami-Dade Police Homeland Security Bureau has implemented a security program consisting of security audits, physical security assessments, vulnerability assessments and security force integrity checks.

The Department has also expanded security by adding additional security supervisors to manage and coordinate all security operations at the Department's plants and facilities. Currently the Department is addressing hardening of all facilities by installing a state of the art closed-circuit television surveillance system, access control, and improving and streamlining the command and control of security operations via the newly established security operations center.

In 2020, the Department undertook a comprehensive Risk and Resilience Assessment as required by the America's Water Infrastructure Act. This assessment considered all threat categories, including cybersecurity, and has facilitated the Department's understanding of vulnerabilities and the development of corresponding mitigative measures. Additionally, in 2019, the Department partnered with the Department of Homeland Security to undertake a cybersecurity assessment of the Utility. *See "INVESTMENT CONSIDERATIONS - Cybersecurity."*

**Insurance**

The Department is insured against loss to facilities through a blanket property insurance program covering real and personal property, including coverage for boiler and machinery, flood and terrorism perils. Scheduled properties include various wastewater treatment plants, regional water treatment plants, pump stations, water storage facilities, maintenance facilities, ocean outfalls, headquarters building, and leased properties. The current schedule of values is approximately \$1.8 billion.

The current program has a limit of \$200 million with a deductible of \$1 million per occurrence for most perils, including terrorism. Terrorism coverage is provided for both certified and non-certified acts. The program has a named windstorm deductible of \$35 million per occurrence and a boiler and machinery deductible of \$500,000 per accident. The Department also purchases individual National Flood Insurance Program ("NFIP") policies for buildings located in Special Flood Hazard Areas. The flood insurance program includes an additional \$10 million in coverage over the amount available under the NFIP and five percent of total insured values for each item in a flood loss not eligible for coverage under the NFIP, in each case subject to a \$1 million per occurrence minimum.

The Department is covered under the County's self-insurance program administered by the Risk Management Division of the General Services Department in accordance with Section 768.28, Florida Statutes, as amended. F.S. §768.28 provides that tort claims against municipal governments are limited to \$200,000 per claim and \$300,000 in the aggregate for any event or occurrence without a specific act of the Florida Legislature. This limitation applies to most of the liability claims that arise against the County or any local government in Florida, although certain liability claims such as claims under civil rights statutes, are not subject to these limitations.

**WATER AND SEWER (WASTEWATER) CUSTOMERS AND REVENUES**

**Accounts**

The Department receives revenues for the sale of its water and wastewater services from retail as well as wholesale customers. The numbers of retail customers for the past five Fiscal Years are as follows:

**Active Retail Customers  
For Fiscal Year Ended September 30,**

	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Water	441,059	443,615	447,209	449,985	451,509
Wastewater	357,882	361,055	363,444	366,069	367,618
Percent Ratio Wastewater Customers to Water Customers	81.1%	81.4%	81.3%	81.4%	81.4%

*Source:* The Department

The ten largest customers for the Utility for Fiscal Year ended September 30, 2020, were:

**Water System**

<b>Name</b>	<b>Dollar Amount (in thousands)</b>	<b>Percent of Water Utility Gross Revenues</b>
City of Miami Beach	\$12,163	3.6%
City of Hialeah	10,389	3.0
Miami-Dade County Aviation Department	7,664	2.2
City of North Miami	3,918	1.1
Florida Department of Corrections	2,457	0.7
Florida Power & Light Company - Turkey Point	2,017	0.6
City of Opa-locka	1,455	0.4
City of Hialeah Gardens	1,294	0.4
University of Miami	1,169	0.3
Jackson Memorial Hospital	1,005	0.3

Source: The Department

**Wastewater System**

<b>Name</b>	<b>Dollar Amount (in thousands)</b>	<b>Percent of Wastewater Utility Gross Revenues</b>
City of Hialeah	\$34,212	8.0%
City of Miami Beach	24,577	5.7
City of North Miami	11,585	2.7
City of Coral Gables	4,649	1.1
City of North Miami Beach	3,988	0.9
City of Homestead	3,947	0.9
City of Opa-locka	2,797	0.7
Miami-Dade County Aviation Department	2,707	0.6
City of Hialeah Gardens	2,270	0.5
Florida Department of Corrections	2,100	0.5

Source: The Department

**Rates**

The Department's water and wastewater rates are set annually as part of the County's budgeting process. For Fiscal Year 2020, the County adopted water and wastewater rates and tier structure adjustments, effective October 1, 2019. The Schedule of Rates included a water and wastewater meter charge plus 3 ccf (2,244 gallons) of water and wastewater in the first tier (\$3.92 and \$6.83, respectively, per month for a 5/8 meter). These amounts are charged whether or not the water is used, resembling a readiness to serve fee. The other tiers (Tiers 2, 3, and 4) were adjusted based on the average consumption of 59 gallons per person per day, or 1,770 gallons per month, and a household occupancy rate. The water rate for wholesale customers decreased \$0.0724 per thousand gallons to \$1.6904 from \$1.7628. The wholesale wastewater rates increased from \$3,0937 to \$3.1954.

For Fiscal Year 2021, the County adopted an increase to water and wastewater rates and additional tier structure adjustments. This continues a phase-in water and wastewater rate restructuring to all retail customers that aims at reflecting actual usage. Rates for all tiers of residential, multi-family, mixed-use and non-residential customers were increased. Residential customers will see a slight increase in the meter size rate, a reduction in the rate per 1,000 gallons for dwellings with consumption between 2,245 and 12,716 gallons, and a substantial increase in those dwellings with consumption over 12,716 gallons per month. The water rate for wholesale customers will increase

\$0.1043 per thousand gallons to \$1.7947 from \$1.6904. The wholesale wastewater rates will increase from \$3.1954 to \$3.2971. The Department's current schedule of water and wastewater rates is attached as APPENDIX F hereto.

**Rate Comparison**

The combined residential water and wastewater bills of the Department are generally lower than those of comparable water and wastewater utilities in other parts of the U.S. as shown in the following table:

**COMPARISON OF COMBINED WATER AND SEWER CHARGES  
(5,236 Gallons of Residential Water and Wastewater Use)\***

<u>City/County</u>	<u>Monthly Charge</u>
San Francisco, California	\$176.77
Honolulu, Hawaii	130.45
Atlanta, Georgia	128.87
St. Petersburg, Florida	95.79
Boston, Massachusetts	91.61
Philadelphia, Pennsylvania	90.14
Hollywood, Florida	88.97
Broward County, Florida	71.34
Houston, Texas	68.67
Jacksonville, Florida	61.31
Palm Beach County, Florida	55.38
Orange County, Florida	53.79
Tampa, Florida	53.70
Dallas, Texas	50.55
Miami-Dade County, Florida	50.50

\* Bills calculated using rates in effect on September 30, 2020; provided, however, Miami-Dade County reflects rates adopted October 1, 2020.

*Source:* The Department

**Billing and Collection**

The Department is responsible for all billing and collections. Of its approximately 451,000 customers, 435,000 are billed quarterly and 16,000 are billed monthly. Whether a customer is billed monthly or quarterly depends upon consumption. Once a customer's average monthly usage, established over a one-year period, exceeds 100,000 gallons, then the customer is billed monthly. All system-produced bills are normally mailed 2 to 3 days after meter readings are obtained. The past due date on all bills is 21 days after the billing date. A 10% late charge is assessed on any portion of the water and/or wastewater charge which remains unpaid after the past due date and a delinquent bill is mailed. Forty-two days after billed, unpaid accounts with a balance greater than \$100 are included on a potential disconnect list. Accounts from this list are processed for disconnection of service. If an account remains unpaid 10 days after service has been discontinued, the customer is sent a final bill. A special assessment lien is filed against any owner-occupied real property which has received services and has charges that are more than 60 days past due and unpaid. The Department may proceed against lessees to collect delinquent water and wastewater charges. In the event a variance or discrepancy in a customer's usage is discovered, the Department will investigate to determine the cause. Supplemental bills will be sent to the customer with adjustments and such bills are subject to the same deadlines and penalties as regularly prepared bills. The Department issues adjusted and corrected bills for various reasons such as leaks, misreadings, coding errors, administrative rulings, back billings and stopped or inaccurate meters.

Annually, the Department analyzes and records a bad debt reserve for accounts that may be written off. Additionally, the Department performs an annual write-off of retail and non-retail accounts that are more than two years old, have been referred to a collection agency for at least one year, and determined by the Department to be uncollectible. The write-off is for accounting purposes only. The Department continues to legally pursue payment from the delinquent customer.

In response to the COVID-19 pandemic, on March 11, 2020, the County Mayor issued an Executive Order declaring a local state of emergency in an effort to protect the public's health, safety and welfare. Subsequently, the Board adopted Resolution No. R-322-20 directing the County Mayor to suspend disconnection of water and wastewater service for nonpayment for 60-days after the date the local state of emergency is terminated. It is not currently known when the local state of emergency may be lifted. Resolution No. R-322-20 provides that the temporary stay from disconnections is not a waiver, release or amnesty from payment for such services and does not affect the Department's other procedures for collection of customer payments, including payment plans and placement of liens. Total account receivables increased by approximately \$30 million for the Department in Fiscal Year 2020 with approximately \$20 million in unpaid bills outstanding for more than 90 days. In response, the Department has begun a "pay what you can" campaign in order to encourage customers to limit future payment obligations. The Department is also considering extending payment plans to facilitate the collection of unpaid balances. To be eligible for payment plans, the customer would have to pay the current bill, and a portion of the unpaid balance.

In Fiscal Year 2020, the Department deposited in the bad debt allowance account \$17 million, in contrast with \$2 million in previous years. At the end of Fiscal Year 2020 the Department's allowance for doubtful accounts was just over \$33 million. The Department performs an annual write-off of retail and non-retail accounts that are more than two years old, have been referred to a collection agency for at least one year, and/or have been determined to be uncollectable. This process is for accounting purposes only, and the Department continues to legally pursue payment from the delinquent customers. See "INVESTMENT CONSIDERATIONS - COVID-19."

The State established a financial emergency board (the "State Board") to oversee the activities of the City of Opa-locka ("Opa-locka") while it was in a state of financial emergency. The appointed members of the State Board are authorized to monitor the finances of Opa-locka. The State Board requested the County's assistance with the management of Opa-locka's utility billings, among other things. The County and Opa-locka have entered into an agreement for the billing of water, sanitary sewage and stormwater utility services for an initial ten-year period with two five-year renewal options. The agreement includes provisions for the repayment of certain outstanding charges, and expenses incurred by the County to replace Opa-locka's meters, to be repaid over 60 monthly payments, with interest. The County commenced billing on behalf of Opa-locka in August of 2018 and Opa-locka is current with its financial obligations to the County.

The following table sets forth the Department's collection rates for Fiscal Years 2009 through 2017, which are the Fiscal Years for which the most recent write-offs have been recorded:

Year	Retail Billing	Total Annual Aggregate of Write-Offs to date		Collection Rate in %
		Amount	% of Annual Billings	
2009	\$ 372,265,000	\$ 12,454.23	0.003%	100.00%
2010	393,420,000	679,356.36	0.17	99.83
2011	428,832,000	1,602,347.53	0.37	99.63
2012	429,003,000	1,580,280.83	0.37	99.63
2013	437,778,000	1,776,800.59	0.41	99.59
2014	465,057,000	1,961,842.87	0.42	99.58
2015	486,201,000	1,624,047.86	0.33	99.67
2016	520,146,000	999,189.97	0.19	99.81
2017	554,545,000	1,926,514.50	0.35	99.65
<b>Total</b>	<b>\$4,087,247,000</b>	<b>\$12,162,834.74</b>	<b>0.30%</b>	<b>99.70%</b>

<b>Other (Non-Retail)</b>		<b>Total Annual Aggregate of Write-Offs to date</b>		
<b>Year</b>	<b>Billed</b>	<b>Amount</b>	<b>% of Annual Billings</b>	<b>Collection Rate in %</b>
2009	\$ 38,293,000	\$ 11,237.55	0.03%	99.97%
2010	40,486,000	16,482.41	0.04	99.96
2011	26,157,000	83,108.75	0.32	99.68
2012	24,589,000	36,310.47	0.15	99.85
2013	21,876,000	103,133.18	0.47	99.53
2014	28,022,000	107,913.32	0.39	99.61
2015	28,305,000	22,431.35	0.08	99.92
2016	28,685,000	39,090.11	0.14	99.86
2017	28,932,000	799,988.65	2.77	97.23
<b>Total</b>	<b>\$265,345,000</b>	<b>\$1,219,695.79</b>	<b>0.46%</b>	<b>99.54%</b>

<b>Other (Connection Charges)</b>		<b>Total Annual Aggregate of Write-Offs to date</b>		
<b>Year</b>	<b>Billed</b>	<b>Amount</b>	<b>% of Annual Billings</b>	<b>Collection Rate in %</b>
2009	\$ 30,573,496	-	0.0%	100.00%
2010	15,978,088	-	0.00	100.00
2011	13,933,000	-	0.00	100.00
2012	20,509,000	-	0.00	100.00
2013	25,447,000	\$1,293.00	0.01	99.99
2014	31,161,000	-	0.00	100.00
2015	30,582,807	-	0.00	100.00
2016	26,453,386	-	0.00	100.00
2017	21,539,696	-	0.00	100.00
<b>Total</b>	<b>\$216,177,473</b>	<b>\$1,293.00</b>	<b>0.00%</b>	<b>100.00%</b>

### FINANCIAL OPERATIONS

Utility Revenues, Operation and Maintenance Expenses, as well as certain assumptions and opinions pertaining to such financial data are described in the Audited Financial Report of the Department for Fiscal Year Ended September 30, 2020. See "APPENDIX C – AUDITED FINANCIAL REPORT OF THE MIAMI-DADE WATER AND SEWER DEPARTMENT FOR FISCAL YEAR ENDED SEPTEMBER 30, 2020."

#### Historical Results of Operations and Debt Service Coverage

The following table summarizes historical operating results for the Utility for Fiscal Years ended September 30, 2016 through 2020. The historical results have been prepared based on information provided in the Department's audited financial statements for Fiscal Years 2016 through 2020. The table also reflects the historical debt service coverage based on historical Pledged Revenues and debt service requirements.

[Remainder of Page Intentionally Left Blank.]

**HISTORICAL OPERATING RESULTS AND DEBT SERVICE COVERAGE**  
**(\$ in thousands)**  
**(Fiscal Year Ended September 30)**

	2016	2017	2018	2019	2020
<i>OPERATING REVENUES:</i>					
Retail	\$520,146	\$554,546	\$563,839	\$586,158	\$627,340
Wholesale	110,951	123,854	117,735	118,260	118,383
Other	28,685	28,932	30,275	30,033	23,758
Total operating revenues	\$659,782	\$707,332	\$711,849	\$734,451	\$769,481
<i>OPERATING AND MAINTENANCE EXPENSES:</i>					
Source of supply	\$ 14,284	\$ 14,193	\$ 9,578	\$ 13,966	\$14,179
Collection system	26,866	33,457	34,049	32,481	33,169
Pumping	41,532	44,519	45,426	50,162	52,228
Treatment	160,186	152,734	163,435	169,240	165,021
Transmission and distribution	30,554	31,228	35,783	39,058	40,328
Customer accounting and service	30,239	34,160	34,787	33,422	49,731
General and administrative	84,827	88,239	100,250	103,896	124,023
Total operating and maintenance expenses	\$388,488	\$398,530	\$423,308	\$442,225	\$478,679
Operating income before depreciation	271,294	308,802	288,541	292,226	290,803
<i>SENIOR OBLIGATIONS DEBT SERVICE COVERAGE:</i>					
Net Operating Revenues	\$271,294	\$308,802	\$288,541	\$292,226	\$290,803
Investment Earnings <sup>(1)</sup>	1,823	3,144	9,566	15,355	10,413
Net Transfers from (to) Rate Stabilization Fund	-	-	-	-	-
Net revenues available for debt service	\$273,116	\$311,946	\$298,107	\$307,581	\$301,216
Debt service requirements <sup>(2)</sup>	157,036	161,194	164,449	173,198	188,003
Actual coverage	1.74x	1.94x	1.81x	1.78x	1.60x
Required coverage	1.25x	1.25x	1.25x	1.25x	1.25x
<i>SUBORDINATE OBLIGATIONS DEBT SERVICE COVERAGE:</i>					
Net revenues available for debt service	\$273,116	\$311,946	\$298,107	\$307,581	\$301,216
Less: Maximum principal and interest <sup>(3)</sup>	161,195	161,195	171,345	182,569	202,029
Adjusted net revenues	\$111,921	\$150,751	\$126,762	\$125,012	\$99,187
Debt service and reserve requirements <sup>(4)</sup>	16,819	15,973	15,822	15,589	16,934
Actual coverage	6.65x	9.44x	8.01x	8.01x	5.86x
Required coverage	1.00x	1.00x	1.00x	1.00x	1.00x
<i>STATE REVOLVING FUND LOANS DEBT SERVICE:</i>					
Net revenues available for debt service	\$273,116	\$311,946	\$298,107	\$307,581	\$301,216
Less: revenue required for primary debt service coverage <sup>(5)</sup>	196,295	201,493	205,561	216,498	235,004
Adjusted net revenues	\$ 76,821	\$110,453	\$ 92,546	\$ 91,083	\$ 66,212
Debt service requirements <sup>(6)</sup>	16,819	15,973	15,822	15,589	16,934
Actual coverage	4.57x	6.92x	5.85x	5.84x	3.91x
Required coverage	1.15x	1.15x	1.15x	1.15x	1.15x

<sup>(1)</sup> Excludes interest income from Construction Fund.

<sup>(2)</sup> Represents debt service requirements on Outstanding Senior Bonds for such Fiscal Year.

<sup>(3)</sup> Maximum Principal and Interest Requirements on the Senior Bonds for such Fiscal Year.

<sup>(4)</sup> Debt service payments on the WIFIA loans are not expected to commence until 2028. See "PARI PASSU OBLIGATIONS – WIFIA Loan Program" for more information.

<sup>(5)</sup> Represents 125% of primary debt service requirements.

<sup>(6)</sup> Represents debt service requirements on outstanding State Revolving Fund Loans for such Fiscal Year.

Source: Water and Sewer Department's Comprehensive Annual Financial Report for The Fiscal Year Ended September 30, 2020.

## Management's Discussion

During Fiscal Years 2014 through 2018 the Board implemented several rate increases to address the operating and maintenance cost increases that occur as a normal part of business each year. These retail rate increases take into account the U.S. Department of Labor, Bureau of Labor Statistics, Consumer Price Index for All Urban Consumers Water and Sewerage Maintenance – U.S. City Average and are commonly referred to as "maintenance index" adjustments and Capital Program requirements. The Board's actions have resulted in a 30% increase in revenues, from \$548 million to \$712 million in five years. The Board of County Commissioners adopted rate increases of 8% effective October 1, 2013, 6% effective October 1, 2014, 6% effective October 1, 2015 and 8% effective October 1, 2016. The Department implemented a tier restructuring effective October 1, 2017. The main driver of revenue growth has been rate increases. Consumption levels for both water and wastewater were stable during this period. In addition, the Fiscal Year 2019 Adopted Budget included a retail sewer base facility charge increase of \$1.80 per 5/8-inch meter, and a retail water and wastewater tier restructure and rate adjustment for Fiscal Years 2020 and 2021. These increases should continue to strengthen revenues as it is an increase in a fixed charge rather than an increase in a charge based on consumption, and an adjustment to usage tiers.

A consent decree agreement (the "2014 Consent Decree") was negotiated among the County, the U.S. Department of Justice, the State and FDEP that addresses regulatory violations resulting from failing infrastructure. The 2014 Consent Decree was presented to and adopted by the Board on May 21, 2013, lodged with the U.S. District Court for the Southern District of Florida by the U.S. Department of Justice on June 6, 2013, effective on December 6, 2013, and approved by the Court on April 9, 2014. *See* "REGULATORY MATTERS – Sewer (Wastewater) System – Consent Decree."

In Fiscal Year 2013, Senate Bill 444 Modifying the State Ocean Outfall Statute was signed into law by then Governor Rick Scott, providing additional flexibility for the affected utilities to manage peak flows and to fulfill the wastewater reuse requirements in the statute.

The Department maintains both a General Reserve Fund and a Rate Stabilization Fund to provide for contingencies and to mitigate rate increases. As of the end of Fiscal Year 2020 the Department's General Reserve Fund and Rate Stabilization Fund totaled over \$110.2 million. The Department is also required to maintain an operations and maintenance reserve equal to two months of budgeted operations and maintenance expenses. The Department is holding \$80.1 million in the operations and maintenance reserve for Fiscal Year 2020.

The Renewal and Replacement Fund is funded from budgeted revenues and expended typically in the same fiscal year for system maintenance and repair. As of September 30, 2020, the balance in the Renewal and Replacement Fund was approximately \$146.0 million. The Department also maintains a Plant Expansion Fund which is funded by connection fees and is restricted by law to funding projects that expand system capacity. The Department uses funds in the Plant Expansion Fund for qualifying expansion projects or qualifying expansion components of larger projects. As of September 30, 2020, the balance in the Plant Expansion Fund was approximately \$110.6 million.

The chart below provides the balances in the various Department funds as of September 30, 2020. As discussed above, certain funds are restricted to specific uses.

<b>Fund Balances</b> <sup>(1)(2)</sup>	<b>(in thousands)</b>
Revenue Fund	\$ 80,060
General Reserve	79,708
Rate Stabilization Fund	30,534
Renewal and Replacement Fund	145,999
Plant Expansion Fund	110,584

<sup>(1)</sup> As of September 30, 2020.

<sup>(2)</sup> Does not include Debt Service Fund.



## Multi-Year Capital Plan

The Department has for many years used a formal capital program and budgeting process. Under this process, capital programs are projected forward over a six-year period and beyond and a detailed budget is adopted and appropriated for the first year of each multi-year period. Both program and budget commitments are reviewed each year and modified as necessary.

The Department continually refines its processes on cost estimation, identifying project interdependency, and reevaluates project scopes to refine the capital plan. Using this approach, the Department has deferred projects beyond the horizon of the MYCIP, reducing previous 15-year plans from \$13.3 billion for Fiscal Year 2018 to \$11.4 billion for Fiscal Year 2019. In addition to project deferrals, in order to focus on near-term projects, the Department changed the period of the MYCIP to ten years for Fiscal Year 2020. The Department also reduced the Fiscal Year 2020 MYCIP to \$7.5 billion due largely to revised flow projections which defer the need for certain new water and wastewater treatment plants and associated conveyance from 2025 to 2035 or beyond. The Fiscal Year 2021 MYCIP remains at \$7.5 billion.

Set forth in the following table is a summary of the MYCIP for Fiscal Year 2021. The funding of the MYCIP includes proceeds of the Outstanding Senior Bonds, Additional Senior Bonds, Subordinate Obligations (including WIFIA loans, State revolving fund loans, commercial paper notes and Subordinate Bonds), and certain annual revenue sources of the Department. These MYCIP capital expenditures consist of the design, construction, construction management and program management expenses associated with capital improvements related to wastewater treatment, collection facilities, and pumping stations, expansion of improvements to the water treatment plants and water main rehabilitation, and other similar projects. These projects are consistent with the improvements identified in the Water and Wastewater Facilities Master Plans, the 2014 Consent Decree and the Interim Peak Flow Management Plan. The capital improvement projects are necessary to: (i) provide additional capacity to serve additional customers; (ii) meet the requirements of the regulatory actions imposed by FDEP and the EPA; (iii) provide back-up reserve capacity in the water and wastewater transmission systems; (iv) comply with level service requirements contained in the Comprehensive Development Master Plan; and (v) improve operating efficiencies of the Utility.

[Remainder of Page Intentionally Left Blank.]

**ADOPTED FISCAL YEAR 2021 MULTI-YEAR CAPITAL PLAN<sup>(1)</sup>**  
**(\$ in thousands)**

<b>WATER</b>	<b>Fund Description</b>	<b>Prior<sup>(2)</sup></b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>Future<sup>(3)</sup></b>	<b>Total</b>
	Water Renewal & Replacement Fund	\$211,535	\$ 59,108	\$ 59,155	\$ 45,000	\$ 45,000	\$ 45,000	\$ 45,000	\$ 45,000	\$ 554,798
	Plant Expansion Fund – Water	36,303	791	0	24,000	0	0	0	0	61,093
	State Revolving Loans – Water	44,181	1,000	307	1,735	0	0	0	0	47,223
	Fire Hydrant Fund	3,676	2,500	2,500	2,500	2,500	2,500	2,500	2,500	21,176
	Water Special Construction Fund	11,334	1,000	1,000	1,000	1,000	1,000	1,500	0	17,834
	Future Water and Sewer Department Revenue Bonds <sup>(4)</sup>	0	72,122	90,521	87,544	71,706	69,345	30,471	211,434	633,143
	Miami Springs Construction Fund	13,311	600	0	0	0	0	0	0	13,911
	Water Construction Fund – Series 2013 Bonds	10,335	0	0	0	0	0	0	0	10,335
	Department Water Commercial Paper – 2015	126,847	0	0	0	0	0	0	0	126,847
	Department Water Construction - Series 2019 Bonds	110,696	7,479	0	45,000	0	0	0	0	163,175
	<b>Total Water</b>	<b>\$568,218</b>	<b>\$144,600</b>	<b>\$153,483</b>	<b>\$206,779</b>	<b>\$120,206</b>	<b>\$117,845</b>	<b>\$79,471</b>	<b>\$258,934</b>	<b>\$1,649,536</b>

<b>WASTEWATER</b>	<b>Fund Description</b>	<b>Prior<sup>(2)</sup></b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>Future<sup>(3)</sup></b>	<b>Total</b>
	Wastewater Renewal & Replacement Fund	\$ 175,898	\$ 68,868	\$ 70,755	\$ 55,000	\$ 55,000	\$ 55,000	\$ 50,000	\$ 50,000	\$ 580,521
	Plant Expansion Fund – Wastewater	69,907	27,315	52,185	43,612	23,477	21,478	7,000	0	244,974
	General Obligation Bonds	17,228	16,793	32,344	33,931	17,752	6,640	2,150	0	126,838
	Wastewater Special Construction Fund	5,158	500	1,500	4,500	4,500	1,174	500	0	17,832
	Future Department Revenue Bonds <sup>(4)</sup>	0	311,628	355,864	402,951	469,691	492,293	381,759	754,428	3,168,615
	State Revolving Loans – Wastewater	20,000	20,000	0	0	0	0	0	0	40,000
	Construction - 2013 Bonds	48,968	0	0	0	0	0	0	0	48,968
	Department Wastewater Commercial Paper	747,631	0	0	0	0	0	0	0	747,631
	WIFIA Loan	30,041	45,878	105,505	124,327	134,418	109,226	56,046	23,144	628,585
	Department Wastewater Construction - 2019 Bonds	241,066	25,009	0	0	0	0	0	0	266,075
	<b>Total Wastewater</b>	<b>\$1,355,897</b>	<b>\$515,991</b>	<b>\$618,153</b>	<b>\$664,321</b>	<b>\$704,838</b>	<b>\$685,811</b>	<b>\$497,456</b>	<b>\$827,572</b>	<b>\$5,870,039</b>
	<b>Combined Water And Wastewater</b>	<b>\$1,924,115</b>	<b>\$660,591</b>	<b>\$771,636</b>	<b>\$871,100</b>	<b>\$825,045</b>	<b>\$803,656</b>	<b>\$576,927</b>	<b>\$1,086,506</b>	<b>\$7,519,575</b>

<sup>(1)</sup> This Table sets forth expenditures by funding sources for the adopted Fiscal Year 2021 MYCIP.

<sup>(2)</sup> Prior represents expenditures before Fiscal Year 2021 for active MYCIP projects.

<sup>(3)</sup> Future is defined as Fiscal Years 2027 through 2029.

<sup>(4)</sup> Includes Outstanding Senior Bonds and Additional Senior Bonds. Does not include the expected fourth WIFIA Loan and the Series 2021 Subordinate Bonds. The expected incurrence of the fourth WIFIA loan and issuance of the Subordinate Water and Sewer Revenue Bonds would result in a corresponding reduction in future Water and Sewer Department Revenue Bonds (i.e., Senior Bonds) shown above. See "SUBORDINATE OBLIGATIONS."

Source: The Department

## REGULATORY MATTERS

### Water System

Ground Water Under Direct Influence of Surface Water. On January 5, 2006, the EPA published the Final Long Term Enhanced Surface Water Rule (the "Surface Water Rule"), which does not apply to the Department because the Department does not use surface water and the groundwater used by the Department has not been determined to be under the direct influence of surface water. However, the Northwest Wellfield is located in an area designated by the Florida Legislature as the Miami-Dade County Lake Belt Area. In order to maximize the efficient recovery of limestone in such area, the Florida Legislature approved a plan that will allow rock mining in the vicinity of the Northwest Wellfield. As excavations get closer to the Northwest Wellfield, there is limited risk of the wells coming under the influence of surface water, which may result in the Surface Water Rule applying to such wells.

In January 2006, the Florida Legislature recognized the risk to the Northwest Wellfield and imposed a "water treatment plant upgrade fee" equal to \$0.15 per ton of limerock and sand sold within the Miami-Dade County Lake Belt Area. The fee became effective January 1, 2007, and was supposed to remain in effect until the total proceeds collected reach the actual amount necessary to design and construct the necessary water treatment plant upgrades. Such amount is to be determined in an open, public solicitation. The water treatment plant upgrade will consist of upgrading the filtration and disinfection processes to meet the requirements of the Surface Water Rule. In 2011, the Florida Legislature authorized the temporary diversion of the water treatment plant upgrade fee to be used to pay for seepage mitigation projects, including groundwater or surface water management structures designed to improve wetland habitat. This diversion will continue until a total of \$20 million has been diverted or until the State makes an actual determination of groundwater being under the direct influence of surface water ("GWUDI"), at which point the funds will be re-directed to the Department to advance the surface water treatment project. The Florida Legislature passed legislation in 2015 that reduced the fee to \$0.06 per ton until July 2018; after which time the fee was discontinued. The Department has evaluated the potential of reclassification of the Northwest Wellfield to GWUDI and has made preparations to address any risk through monitoring and preventative actions. At this time, upgrades to existing facilities are not anticipated.

Stage 1 and Stage 2 DBP Rules. The Disinfectants and Disinfection Byproducts Rule (the "Stage 1 DBPR") effective January 2004, regulates disinfection byproducts ("DBPs"), which are formed when chlorine reacts with naturally occurring organic constituents in drinking water. The Department is in compliance with the Stage 1 DBPR having both modified its John E. Preston Water Treatment Plant and used alternate pretreatment approaches there to assure compliance.

The Disinfectants and Disinfection Byproducts Rule (the "Stage 2 DBPR") effective January 2006, builds on Stage 1 and includes the following requirements:

- Initial distribution system evaluations ("IDSE") to identify compliance monitoring locations with the high disinfection DBPs. The purpose of the IDSE is to determine locations of high total trihalomethanes and haloacetic acids. The results are used in conjunction with the Stage 1 DBPR compliance monitoring to identify and select Stage 2 DBPR compliance monitoring locations.
- Compliance is based on Locational Running Annual Averages, which averages the sample analytical results for water samples taken at a particular monitoring location during the previous calendar quarters.
- Requirements are specified for consecutive systems, which will apply to the Department's wholesale customers.

The Department is substantially in compliance with the Stage 2 DBPR.

Ground Water Rule. The Ground Water Rule ("GWR") provides for increased protection against microbial pathogens in public water systems that use ground water sources. In 2009, the Florida Department of Health determined that all of the Department's water treatment plants meet the 4-log virus treatment requirements of the GWR and approved the associated monitoring plans implemented by the Department to comply with the GWR.

Revised Total Coliform Rule. The Revised Total Coliform Rule became effective April 1, 2016 and establishes a maximum contaminant level for *E. coli* and uses *E. coli* and total coliforms to initiate a "find and fix" approach to address fecal contamination that could enter into the distribution system. It requires public water systems to perform assessments to identify sanitary defects and subsequently take action to correct them. The Department is substantially in compliance with this rule.

Lead and Copper Rule. The Lead and Copper Rule was promulgated in 1991 to address the control of copper and lead that may leach from home plumbing systems. The Department is substantially in compliance with this rule.

## **Sewer (Wastewater) System**

North District Wastewater Treatment Plant. On February 20, 2017, the FDEP issued an operating permit under the National Pollutant Discharge Elimination System (the "NPDES Permit"), along with an Administrative Order (the "AO"). The AO includes schedules for compliance with the Ocean Outfall Legislation, a Surface Water Quality Monitoring Plan, toxicity study, and effluent monitoring and sampling requirements, as well as a schedule for 2014 Consent Decree projects. The Department is substantially in compliance with the NPDES Permit and the AO.

Central District Wastewater Treatment Plant. On January 13, 2016, the FDEP issued an operating permit and an Amendment to Administrative Order (the "AOA") based on the point of discharge being within State waters. The Department is substantially in compliance with the NPDES Permit, the AO and the AOA. The FDEP issued a Notice of Draft Operating Permit with Draft Administrative Order for the Central District Wastewater Treatment Plant on December 21, 2020. The current operating permit and AOA is administratively continued until this new permit and administrative order is finalized and effective.

South District Wastewater Treatment Plant. On December 6, 2005, the EPA promulgated revisions to the Federal Underground Injection Control ("UIC") Requirements for Class I Municipal Disposal Wells in Florida. The UIC rule provides a regulatory alternative for the operators of Class I municipal disposal wells in specific areas of Florida that have caused or may cause movement of fluid into underground sources of drinking water. The County's upgraded High Level Disinfection facility at the plant enables the Department to fully comply with these requirements.

South District Wastewater Treatment Plant Operating Permit. On September 19, 2017, the FDEP issued a new operating permit for the South District Wastewater Treatment Plant, with an effective date of December 10, 2017, which includes a schedule for completing some improvements at the plant. The Department is substantially in compliance with the operating permit.

Sewer System Consent Decree. On May 21, 2013, the Board authorized the execution of the 2014 Consent Decree between the County, the U.S. Department of Justice, the State and FDEP, for improvements to the County's wastewater collection and treatment system. On June 6, 2013, the Department of Justice lodged the proposed 2014 Consent Decree with the U.S. District Court for the Southern District of Florida in the lawsuit entitled United States, State of Florida and State of Florida Department of Environmental Protection v. Miami-Dade County, *Case No. 1:12-cv-24400-FAM*. On June 12, 2013 (the "Date of Lodging"), the Notice of Lodging was published in the Federal Register. The publication opened a 30-day public comment period on the proposed 2014 Consent Decree. The effective date for the 2014 Consent Decree was December 6, 2013, six months after the Date of Lodging. On April 9, 2014, the Court issued three Orders: (i) Granting Motion to enter 2014 Consent Decree; (ii) Modifying Section X of the 2014 Consent Decree (doubling the proposed stipulated penalties); and (iii) Requiring Status Reports.

The schedule for construction projects identified in the 2014 Consent Decree began on the Date of Lodging. The schedules for the remaining deliverables dealing with assessments and reports began on the date of entry of the 2014 Consent Decree. Penalty provisions became effective on the date of entry of the 2014 Consent Decree. The prior consent decrees were terminated upon entry of the 2014 Consent Decree and the 2014 Consent Decree supersedes the prior consent decrees.

The 2014 Consent Decree requires system improvements at the treatment plants and throughout the collection system originally valued at \$1.6 billion over a period of 15 years; continuation of the capacity maintenance program, including enforcement of the 10 hour criterion at pump stations; expansion of the pump station remote monitoring

program (Supervisory Control and Data Acquisition – SCADA – system); maintenance and application of the wastewater collection and transmission system model; a spare parts program; application of these requirements to wholesale customers through the Volume Sewer Customer Ordinance administered by the Department of Regulatory and Economic Resources; expansion of the Fats, Oils, and Grease control program; implementation of a sewer overflow response plan; enhancement of the information management system and the wastewater system asset management program; assessment of force mains; assessment of gravity sewers; enhancement of the pump station maintenance and operations program; enhancement of the wastewater treatment plant operations and maintenance program; and implementation of a financial analysis program to support the completion of all 2014 Consent Decree deliverables on schedule. The Department has retained a firm to provide program and construction management services for the 2014 Consent Decree program, two firms to provide design services for the wastewater treatment plants and the wastewater collection and transmission system, and a fourth firm to provide the capacity, management, operations and maintenance requirements. As a result, the updated estimate at completion is \$1.9 billion. The increase in cost is associated with project cost updates for the development and execution of the 2014 Consent Decree program. Specifically, with modifications that were made during the validation and design phase, which was performed in 2016. The updated construction program included additional consideration for sea level rise, the application of new technologies, and the decision to replace certain assets as opposed to rehabilitating them. The validated program had a direct effect on construction cost as well as the level of effort required to manage the various components of the program. In addition, during the course of program execution, the original 81 2014 Consent Decree projects were further split into 173 individual projects as a result of: (1) multiple project components being performed by different entities (i.e. in-house vs. external contractors), (2) multiple components located far from each other, such as in the case of the smaller pump stations and CD Capital Improvement Project 4.9 Asbestos Containing pipelines, (3) multiple components required to be performed either in phases or during separate dry seasons due to operational concerns. Therefore, in December 2017, the County submitted a request to EPA and FDEP to extend the schedule of 43 projects. The request for schedule extensions was approved by EPA in April 2018. The Department has assigned dedicated internal staff to manage these projects. The Department is substantially in compliance with the 2014 Consent Decree.

Wastewater System Overflow Violations. Any unpermitted discharge from wastewater collection and treatment systems constitutes a violation of the Clean Water Act and can be subject to both federal and state enforcement action. Overflows may occur as the result of inadequate capacity, line blockages, construction and vandalism, pipeline failures due to age or corrosion, and equipment failures at pump stations and treatment plants. The 2014 Consent Decree includes a civil penalty to account for overflows not previously included in the FDEP penalty program. During the five years between 2007 and 2011, the Department experienced annual overflow events ranging from 126 to 223 overflows resulting from line blockages. During the same period, the total estimated volume of overflows ranged from 1.8 million gallons in 2007 to 24.9 million gallons in 2010 (which included a single 72 inch force main failure that accounted for 20 million gallons of wastewater). Pipeline failures have accounted for the largest volume of wastewater system overflows, confirming the need for infrastructure replacement.

In April 2014, the County paid \$978,100 as a civil penalty for violations of the Clean Water Act and State environmental laws covering overflows documented during the five-year period from November 2007 through November 2012. The 2014 Consent Decree provides for stipulated penalties ranging from \$1,000 to \$20,000 for sewage overflows depending on overflow volumes, when the overflows occur during the duration of the 2014 Consent Decree and whether the overflows reach the waters of the United States.

During the period from 2015 through 2017, the EPA assessed stipulated penalties pursuant to Section X, Paragraph 42.(a) of the 2014 Consent Decree and the Order Modifying Section X of the 2014 Consent Decree, and FDEP assessed penalties for overflows that did not reach surface waters. The penalties assessed were not significant.

Elimination of the Use of Ocean Outfalls. Florida law was amended in 2008 to prohibit the construction of new ocean outfalls and the use of existing ones for disposal of average flows by 2025. The law was amended in 2013 (collectively, the "Ocean Outfall Legislation") to provide additional flexibility for the affected utilities to manage peak flows and to fulfill the mandated wastewater reuse requirements. The Ocean Outfall Legislation requires the Department to (i) submit a plan by July 1, 2013 to meet the requirements of the legislation (see below description of the Department's submitted plan); and (ii) meet the provisions of the advanced wastewater treatment and management requirements by December 31, 2018, either by (a) provision of advanced wastewater treatment to all ocean outfall flows, or (b) a reduction in outfall baseline loadings of total nitrogen and total phosphorus which is equivalent to that which would be achieved by advanced wastewater treatment requirements, or (c) a reduction in cumulative outfall

loadings of total nitrogen and total phosphorus occurring between December 31, 2008 and December 31, 2025, which is equivalent to that which would be achieved if the advanced waste treatment requirements were fully implemented beginning December 31, 2018 and continued through December 31, 2025. After 2025, the outfalls can be used for peak flow discharges not to exceed 5% of annual flows. By December 31, 2025, a fully functioning reuse system must be installed using a minimum of 60% of the ocean outfall flows for irrigation, groundwater replenishment, industrial cooling or other acceptable uses of reclaimed water. The Ocean Outfall Legislation limits the required reuse to projects that are "technically and economically" feasible.

The Department submitted the Ocean Outfall Legislation Compliance Plan (the "Compliance Plan") to the Secretary of FDEP on June 28, 2013. This was a comprehensive plan which also included the wastewater facilities upgrades needed to meet future demands through the year 2035. Since 2013 when the Compliance Plan was presented to FDEP, wastewater flows have been reassessed with more current data. The data shows lower future demands than originally anticipated. An updated Compliance Plan (the "2019 Compliance Plan") was transmitted to FDEP in December 2019. The 2019 Compliance Plan focused on the required upgrades to the two existing wastewater treatment plants with ocean outfalls, Central District and North District Wastewater Treatment Plants, to comply with the legislation requirements.

Regarding the advanced wastewater treatment and management requirement, the Department selected the equivalent nutrient diversion method to meet this requirement, and while there have been project delays and unexpected work to bring the system to its rated capacity, the nutrient diversions goal is on target for compliance. Moreover, the Department has achieved substantial progress to date in its Injection Well Program to advance the nutrient diversion objectives set forth by the legislation. Below is the status and anticipated completion dates of on-going project activities.

- Construction is complete for two Class I industrial injection wells, and one dual-zone monitoring well and the industrial injection well pump station at the Central District Wastewater Treatment Plant. The system is now in operation.
- Industrial well pump station at Central District Wastewater Treatment Plant was substantially completed on July 11, 2019.

The Department is working towards complying with the legislation by December 31, 2025. To this end, design activities are on-going for upgrades at the North and Central District Wastewater Treatment Plants. Additionally, seven Class I injection wells are currently under construction at the Central District Wastewater Treatment Plant.

*See "APPENDIX A - BOND FEASIBILITY REPORT"* for additional information regarding federal and State regulations applicable to the Utility.

### **REPORT OF CONSULTING ENGINEER**

The County has retained Arcadis U.S., Inc. ("Arcadis"), Miami, Florida, as its consulting engineer to develop reports relating to the Utility, the MYCIP and certain financial matters. Planning and Economics Group, Inc., Miami, Florida, serves as a sub-consultant to Arcadis (together with Planning and Economics Group, Inc, collectively, the "Consulting Engineer"). The Consulting Engineer has prepared the Bond Feasibility Report dated March 26, 2021, included as APPENDIX A to this Official Statement, which is included in this Official Statement in reliance upon the authority of such firms as experts in engineering and related financial matters. The Bond Feasibility Report should be read in its entirety for a complete discussion of asset conditions, operating revenues, expenses of operation and maintenance, and the assumptions and rationale underlying its forecast. To the extent that actual conditions differ from those assumed in preparing such forecasted amounts, the actual results will vary from those shown therein.

The Consulting Engineer has formed certain opinions and reached certain conclusions as a result of the analyses performed and described in the Bond Feasibility Report. These conclusions and opinions, include, but are not limited to, the following:

- Based on actual and estimated future annual financial operations of the Department, with the implementations of rate increases noted in the Consulting Engineer's report, the Department is expected to generate projected Pledged Revenues sufficient in the next five years to meet the payment or deposit requirements to:
  - fund all expenses of the Department related to operation, maintenance, repair and replacement;
  - fund all reserve funds required to be established out of such Pledged Revenues;
  - fund the principal and interest on all Outstanding Bonds and Subordinate Obligations issued under or pursuant to the Master Ordinance, including the Series 2021 Bonds, for which such Pledged Revenues are pledged, as the same become due and payable;
  - meet the covenants set forth in Sections 208 and 602 of the Master Ordinance, which requires the Department to meet specific debt service coverages;
  - meet the WIFIA loans debt service coverage requirements set forth in the WIFIA loan agreements;
  - meet the expenditure and funding obligations of the MYCIP through Fiscal Year 2026, the review period; and
  - fund costs of issuance.
- Based upon onsite physical inspections and investigations of major system facilities, and discussions with key Department staff, the water and wastewater systems are in Fair condition and meet industry level of service requirements for the Department's customers. Condition is assessed on a Good-Fair-Poor scale with Fair condition defined by the Consulting Engineer as assets observed to have provided "long term service without notable measures of degradation; in the useful portion of its useful life." Steps are being taken to address the Department's renewal and replacement needs. The projects contained in the Department's proposed five-year MYCIP for Fiscal Years 2021 through 2026 are part of an overall program to provide for the water and wastewater systems continued operations and level of service expectations as well as meet 2014 Consent Decree and other regulatory requirements.
- The existing water and wastewater infrastructure, together with planned system improvements, will provide the Department with adequate water and wastewater capacity to meet demands in the service area through Fiscal Year 2026, the review period.
- The Department continues to be under the negotiated 2014 Consent Decree with EPA and FDEP, which was lodged with the US District Court on June 6, 2013, and entered on April 9, 2014. This 2014 Consent Decree closed the Department's previous First Partial Consent Decree and the Second and Final Partial Consent Decree with EPA. The 2014 Consent Decree focuses primarily on system improvements at the treatment plants, the collection system, and the continuation of the capacity maintenance program, including enforcement of the 10-hour criterion at pump stations and the pump station remote monitoring program. The 2014 Consent Decree identified project costs of \$1.9 billion of which \$1.8 billion is related to capital projects that are reflected in the Department's Five-Year Capital Improvement Program. The Department has assigned staff to manage the 2014 Consent Decree projects and is currently in compliance with the 2014 Consent Decree.
- The Department is subject to the State Senate Bill 1302 (Chapter 2008-232) Laws of Florida, Section 403.086(9)) as amended in 2013 by Florida Senate Bill 444, that requires the six ocean outfalls along the southeast coast of Florida that are being used for treated wastewater disposal be eliminated as a primary means of domestic wastewater discharge by 2025. The nutrient reduction requirement stated in the legislation could have been met either by installation of an advance wastewater treatment option in 2018, or by an equivalent nutrient load reduction level that would need to be achieved by 2025. The Department has elected to achieve a reduction in cumulative outfall loadings of total nitrogen and total phosphorus by 2025. The Department is on target to meet this compliance requirement by 2025. An updated Ocean Outfall Legislation Compliance Plan was transmitted to FDEP in December 2020.

## INVESTMENT CONSIDERATIONS

### Enforceability of Remedies

The remedies available to the owners of the Series 2021 Subordinate Bonds upon an Event of Default under the Subordinate Bonds Resolution are in many respects dependent upon regulatory and judicial actions that are often subject to discretion and delay. Under existing laws and judicial decisions, the remedies provided for under the Subordinate Bonds Resolution may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2021 Subordinate Bonds will be qualified to the extent that the enforceability of certain legal rights related to the Series 2021 Subordinate Bonds is subject to various limitations including those imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the enforcement of creditors' rights generally and by equitable remedies and proceedings generally.

### Climate Change

The State is naturally susceptible to the effects of extreme weather events and natural disasters including floods, droughts, and hurricanes, which could result in negative economic impacts on coastal communities like the County. Such effects can be exacerbated by a longer-term shifts in the climate, including increasing temperatures and rising sea levels driven by global greenhouse gas emissions.

The County is addressing the threat of climate change in the following ways: (1) incorporating climate change goals into the Comprehensive Development Master Plan; (2) conducting regular community-wide greenhouse gas emissions inventories (<https://www.miamidade.gov/global/economy/resilience/greenhouse-gas-inventories.page>); (3) assessing the vulnerability of key public infrastructure and implementing a countywide Sea Level Rise Strategy (<https://www.miamidade.gov/global/economy/resilience/sea-level-rise-strategy.page>) that details key actions and capital projects that reduce risk to current and future flooding while providing a vision for the community to gracefully and equitably adapt to rising sea levels; and (4) implementing policies and initiatives to conserve water, energy, and fuel and protect natural spaces, including Biscayne Bay, that reduce greenhouse gas emissions and negative impacts on the environment.

The County's climate change strategy is outlined in GreenPrint (<http://www.miamidade.gov/GreenPrint/>), the collaborative Resilient305 Strategy (<https://resilient305.com/>), and the Southeast Florida Regional Climate Change Compact's (the "Compact") Regional Climate Action Plan (<http://www.southeastfloridaclimatecompact.org/wp-content/uploads/2018/04/RCAP-2.0-Abridged-Version.pdf>). For planning purposes the County relies upon the Compact's Unified Sea Level Rise Projection for Southeast Florida, last updated in 2019 (<https://southeastfloridaclimatecompact.org/unified-sea-level-rise-projections/>).

### Cyber-Security

Computer networks and systems used for data transmission and collection are vital to the efficient operations of the County. County systems provide support to departmental operations and constituent services, collecting and storing sensitive data, including intellectual property, security information, proprietary business process information, information applying to suppliers and business partners, and personally identifiable information of customers, constituents and employees. The secure processing, maintenance, storage and transmission of this information is critical to departmental operations and delivery of citizen services. Increasingly, governmental entities are being targeted by cyber-attacks seeking to obtain confidential data or disrupt critical services. A rapidly changing cyber risk landscape may introduce new vulnerabilities which attackers/hackers attempt to exploit to obtain sensitive information or cause service disruptions. Employee error and/or malfeasance may also contribute to data loss or other system disruptions. Any such event could compromise networks and the confidentiality, integrity and availability of systems and associated stored information. The potential disruption, unauthorized access, modification, disclosure or destruction of data could result in interruption of the efficiency of County commerce, initiation of legal claims or proceedings, liability under laws that protect the privacy of personal information, regulatory penalties, or disrupt operations and citizen services. These potential disruptions in service could negatively impact processing of payments or financial transactions negatively impacting County revenues. The County has established a dedicated Enterprise Security Office tasked with the protection of County digital assets through a multi-layered defense approach to risk



and vulnerability mitigation, implementation of policy and compliance standards and cyber incident response capabilities.

### **Coronavirus (COVID-19)**

The Novel Coronavirus 2019 ("COVID-19") pandemic, along with various governmental measures taken to protect public health in light of the pandemic, has had an adverse impact on global financial markets and economies, including financial markets and economic conditions in the United States. The impact of the COVID-19 pandemic on the U.S. economy has been broad based and negatively impacted national, state and local economies. In response to such expectations, then-President Trump on March 13, 2020, declared a "national emergency," which, among other effects, allowed the executive branch to disburse disaster relief funds to address the COVID-19 pandemic and related economic dislocation. In addition, the U.S., the State and the County have all imposed certain health and public safety restrictions in response to COVID-19. The County cannot predict the duration of these restrictions or whether additional or new actions may be taken by government authorities including the State and/or County, to contain or otherwise address the impact of the COVID-19 or similar outbreak. For information on the County's COVID-19 response, please see the County's website at <http://www.miamidade.gov/global/initiatives/coronavirus/home.page>.

The County's finances, in the short term, are likely to be adversely affected by the continued spread of COVID-19, the various governmental actions in response thereto and changes in the behavior of businesses and people. The impact of COVID-19 is expected to result in significant decreases in state and local sales tax revenues as a result of decreased tourism and commercial activity throughout the State, including within the County. Due to the evolving nature of the outbreak and federal, State and local responses thereto, the long-term impacts of the COVID-19 crisis are unknown and dependent on factors such as the length of any shutdown and the impact on the economy as a whole and particularly within the County. The County anticipates that there will be increased costs associated with this pandemic but also anticipates that the federal government will provide some funding to assist the County with the financial impact of its response to the COVID-19 pandemic. Through June 30, 2020, the County received approximately \$474.1 million in a federal Coronavirus relief fund grant, \$207.2 million in CARES Act airport grants and \$10.7 million in an emergency solutions grant COVID-19 round 2 response. In total, the County has received approximately \$941.7 million in federal grants through June 30, 2020, approximately 72% of which are related to the COVID-19 pandemic.

In response to the COVID-19 pandemic, on March 11, 2020, the County Mayor issued an Executive Order declaring a local state of emergency in an effort to protect the public's health, safety and welfare. Subsequently, the Board adopted Resolution No. R-322-20 directing the County Mayor to suspend disconnection of water and wastewater service for nonpayment for 60-days after the date the local state of emergency is terminated. It is not currently known when the local state of emergency may be lifted. Resolution No. R-322-20 provides that the temporary stay from disconnections is not a waiver, release or amnesty from payment for such services and does not affect the Department's other procedures for collection of customer payments, including payment plans and placement of liens. Total account receivables increased by approximately \$30 million for the Department in Fiscal Year 2020 with approximately \$20 million in unpaid bills outstanding for more than 90 days. In response, the Department has begun a "pay what you can" campaign in order to encourage customers to limit future payment obligations. The Department is also considering extending payment plans to facilitate the collection of unpaid balances. To be eligible for payment plans, the customer would have to pay the current bill, and a portion of the unpaid balance.

Year-end pre-audit Revenues for Fiscal Year 2020 are slightly higher than the adopted budget for Fiscal Year 2020 indicating that the COVID-19 pandemic did not negatively affect consumption or water sales. There was a slight increase in overall retail consumption, with a decrease in consumption by non-residential customers and an increase for residential customers.

Total account receivables increased by approximately \$30 million for the Department in Fiscal Year 2020 with approximately \$20 million in unpaid bills outstanding for more than 90 days. To address this problem, the Department has begun a campaign of "pay what you can when you can" in order to encourage customers to limit future payment obligations. It is also considering extending payment plans to facilitate the collection of unpaid balances. To be eligible for payment plans a customer would need to pay the current bill, and a portion of the unpaid balance.

The Department analyzes and records a bad debt reserve for accounts that may be written off. In Fiscal Year 2020 the Department deposited in the Bad Debt Allowance Account \$17 million, in contrast with \$2 million in previous years. At the end of Fiscal Year 2020 the Department's allowance for doubtful accounts was just over \$33 million. The Department performs an annual write-off of retail and non-retail accounts that are more than two years old, have been referred to a collection agency for at least one year, and/or have been determined to be uncollectable. This process is for accounting purposes only, and the Department continues to legally pursue payment from the delinquent customers.

Fiscal Year 2020 expenses relating to COVID-19 have been funded solely by the Department. CARES Act funds received by the County are not being provided to fund any additional Department expenses resulting from the pandemic. The County also expects to receive additional federal stimulus funds through The American Rescue Plan Act of 2021 recently signed into law by President Biden, including funds earmarked for water and wastewater infrastructure projects.

The County cannot predict with certainty whether there will be a reduction in Pledged Revenues as a result of the COVID-19 pandemic. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2021 SUBORDINATE BONDS" herein.

## LITIGATION

The County is a defendant from time to time in various lawsuits. No litigation questioning the corporate existence of the County or the right of its officials to their respective offices, or questioning or affecting the validity of the Series 2021 Subordinate Bonds or the Subordinate Bonds Resolution is pending. Furthermore, to the knowledge of the Office of the County Attorney, no litigation that would materially or adversely affect the ability of the County to consummate its obligations under the Subordinate Bonds Resolution, including its payment obligations thereunder, is threatened.

## TAX MATTERS

### General

In the opinion of Squire Patton Boggs (US) LLP and D. Seaton and Associates, P.A., Bond Counsel, under existing law (i) interest on the Series 2021 Subordinate Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is not an item of tax preference for purposes of the federal alternative minimum tax, and (ii) the Series 2021 Subordinate Bonds and the income thereon are exempt from taxation under the laws of the State, except estate taxes imposed by Chapter 198, Florida Statutes, as amended, and net income and franchise taxes imposed by Chapter 220, Florida Statutes, as amended. Bond Counsel expresses no opinion as to any other tax consequences regarding the Series 2021 Subordinate Bonds.

The opinion on federal tax matters will be based on and will assume the accuracy of certain representations and certifications, and continuing compliance with certain covenants, of the County contained in the transcript of proceedings and that are intended to evidence and assure the foregoing, including that the Series 2021 Subordinate Bonds are and will remain obligations the interest on which is excluded from gross income for federal income tax purposes. Bond Counsel will not independently verify the accuracy of the County's representations and certifications or the continuing compliance with the County's covenants.

The opinion of Bond Counsel is based on current legal authority and covers certain matters not directly addressed by such authority. It represents Bond Counsel's legal judgment as to exclusion of interest on the Series 2021 Subordinate Bonds from gross income for federal income tax purposes but is not a guaranty of that conclusion. The opinion is not binding on the Internal Revenue Service (the "IRS") or any court. Bond Counsel expresses no opinion about (i) the effect of future changes in the Code and the applicable regulations under the Code or (ii) the interpretation and the enforcement of the Code or those regulations by the IRS.

The Code prescribes a number of qualifications and conditions for the interest on state and local government obligations to be and to remain excluded from gross income for federal income tax purposes, some of which require future or continued compliance after issuance of the obligations. Noncompliance with these requirements by the County may cause loss of such status and result in the interest on the Series 2021 Subordinate Bonds being included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2021 Subordinate Bonds. The County has covenanted to take the actions required of it for the interest on the Series 2021 Subordinate Bonds to be and to remain excluded from gross income for federal income tax purposes, and not to take any actions that would adversely affect that exclusion. After the date of issuance of the Series 2021 Subordinate Bonds, Bond Counsel will not undertake to determine (or to so inform any person) whether any actions taken or not taken, or any events occurring or not occurring, or any other matters coming to Bond Counsel's attention, may adversely affect the exclusion from gross income for federal income tax purposes of interest on the Series 2021 Subordinate Bonds or the market value of the Series 2021 Subordinate Bonds.

Interest on the Series 2021 Subordinate Bonds may be subject to a federal branch profits tax imposed on certain foreign corporations doing business in the United States and to a federal tax imposed on excess net passive income of certain S corporations. Under the Code, the exclusion of interest from gross income for federal income tax purposes may have certain adverse federal income tax consequences on items of income, deduction or credit for certain taxpayers, including financial institutions, certain insurance companies, recipients of Social Security and Railroad Retirement benefits, those that are deemed to incur or continue indebtedness to acquire or carry tax-exempt obligations, and individuals otherwise eligible for the earned income tax credit. The applicability and extent of these and other tax consequences will depend upon the particular tax status or other tax items of the owner of the Series 2021 Subordinate Bonds. Bond Counsel will express no opinion regarding those consequences.

Payments of interest on tax-exempt obligations, including the Series 2021 Subordinate Bonds, are generally subject to IRS Form 1099-INT information reporting requirements. If a Series 2021 Subordinate Bond owner is subject to backup withholding under those requirements, then payments of interest will also be subject to backup withholding. Those requirements do not affect the exclusion of such interest from gross income for federal income tax purposes.

Bond Counsel's engagement with respect to the Series 2021 Subordinate Bonds ends with the issuance of the Series 2021 Subordinate Bonds and, unless separately engaged, Bond Counsel is not obligated to defend the County or the owners of the Series 2021 Subordinate Bonds regarding the tax status of interest thereon in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the Series 2021 Subordinate Bonds, under current IRS procedures, the IRS will treat the County as the taxpayer and the beneficial owners of the Series 2021 Subordinate Bonds will have only limited rights, if any, to obtain and participate in judicial review of such audit. Any action of the IRS, including but not limited to selection of the Series 2021 Subordinate Bonds for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the market value of the Series 2021 Subordinate Bonds.

Prospective purchasers of the Series 2021 Subordinate Bonds upon their original issuance at prices other than the respective prices indicated on the inside cover of this Official Statement, and prospective purchasers of the Series 2021 Subordinate Bonds at other than their original issuance, should consult their own tax advisors regarding other tax considerations such as the consequences of market discount, as to all of which Bond Counsel expresses no opinion.

#### Risk of Future Legislative Changes and/or Court Decisions

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the State legislature. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Series 2021 Subordinate Bonds. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Series 2021 Subordinate Bonds will not have an adverse effect on the tax status of interest or other income on the Series 2021 Subordinate Bonds or the market value or marketability of the Series 2021 Subordinate Bonds. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction in the benefit) of the exclusion of interest on the Series 2021 Subordinate Bonds from gross income for federal or state income tax purposes for all or certain taxpayers.

For example, federal tax legislation that was enacted on December 22, 2017 reduced corporate tax rates, modified individual tax rates, eliminated many deductions, repealed the corporate alternative minimum tax, and eliminated the tax-exempt advance refunding of tax-exempt bonds and tax-advantaged bonds, among other things. Additionally, investors in the Series 2021 Subordinate Bonds should be aware that future legislative actions might increase, reduce or otherwise change (including retroactively) the financial benefits and the treatment of all or a portion of the interest on the Series 2021 Subordinate Bonds for federal income tax purposes for all or certain taxpayers. In all such events, the market value of the Series 2021 Subordinate Bonds may be affected and the ability of holders to sell their Series 2021 Subordinate Bonds in the secondary market may be reduced.

Investors should consult their own financial and tax advisors to analyze the importance of these risks.

#### Series 2021 Subordinate Bonds Original Issue Discount and Original Issue Premium

Certain of the Series 2021 Subordinate Bonds ("Discount Series 2021 Subordinate Bonds") may be offered and sold to the public at an original issue discount ("OID"). OID is the excess of the stated redemption price at maturity (the principal amount) over the "issue price" of a Discount Series 2021 Subordinate Bond. The issue price of a Discount Series 2021 Subordinate Bond is the initial offering price to the public (other than to bond houses, brokers or similar persons acting in the capacity of underwriters or wholesalers) at which a substantial amount of the Discount Series 2021 Subordinate Bonds of the same maturity is sold pursuant to that offering. For federal income tax purposes, OID accrues to the owner of a Discount Series 2021 Subordinate Bond over the period to maturity based on the constant yield method, compounded semiannually (or over a shorter permitted compounding interval selected by the owner). The portion of OID that accrues during the period of ownership of a Discount Series 2021 Subordinate Bond (i) is interest excluded from the owner's gross income for federal income tax purposes to the same extent, and subject to the same considerations discussed above, as other interest on the Bonds, and (ii) is added to the owner's tax basis for purposes of determining gain or loss on the maturity, redemption, prior sale or other disposition of that Discount Series 2021 Subordinate Bond. A purchaser of a Discount Series 2021 Subordinate Bond in the initial public offering at the issue price (described above) for that Discount Series 2021 Subordinate Bond who holds that Discount Series 2021 Subordinate Bond to maturity will realize no gain or loss upon the retirement of that Discount Series 2021 Subordinate Bond.

Certain of the Series 2021 Subordinate Bonds ("Premium Series 2021 Subordinate Bonds") may be offered and sold to the public at a price in excess of their stated redemption price at maturity (the principal amount). That excess constitutes bond premium. For federal income tax purposes, bond premium is amortized over the period to maturity of a Premium Series 2021 Subordinate Bond, based on the yield to maturity of that Premium Series 2021 Subordinate Bond (or, in the case of a Premium Series 2021 Subordinate Bond callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on that Premium Series 2021 Subordinate Bond), compounded semiannually. No portion of that bond premium is deductible by the owner of a Premium Series 2021 Subordinate Bond. For purposes of determining the owner's gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Premium Series 2021 Subordinate Bond, the owner's tax basis in the Premium Series 2021 Subordinate Bond is reduced by the amount of bond premium that is amortized during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Premium Series 2021 Subordinate Bond for an amount equal to or less than the amount paid by the owner for that Premium Series 2021 Subordinate Bond. A purchaser of a Premium Series 2021 Subordinate Bond in the initial public offering who holds that Premium Series 2021 Subordinate Bond to maturity (or, in the case of a callable Premium Series 2021 Subordinate Bond, to its earlier call date that results in the lowest yield on that Premium Series 2021 Subordinate Bond) will realize no gain or loss upon the retirement of that Premium Series 2021 Subordinate Bond.

***Owners of Discount Series 2021 Subordinate Bonds and Premium Series 2021 Subordinate Bonds should consult their own tax advisors as to the determination for federal income tax purposes of the existence of OID or bond premium, the determination for federal income tax purposes of the amount of OID or bond premium properly accruable or amortizable in any period with respect to the Discount Series 2021 Subordinate Bonds or Premium Series 2021 Subordinate Bonds, other federal tax consequences in respect of OID and bond premium, and the treatment of OID and bond premium for purposes of state and local taxes on, or based on, income.***

## **DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS**

Florida law requires the County to make a full and fair disclosure of any bonds or other debt obligations which it has issued or guaranteed and which are or have been in default as to principal or interest at any time after December 31, 1975 (including bonds or other debt obligations for which it has served as a conduit issuer). Florida law further provides, however, that if the County in good faith believes that such disclosures would not be considered material by a reasonable investor, such disclosures may be omitted. The County is not and has not been in default as to principal and interest on bonds or other debt obligations which it has issued as the principal obligor or guarantor.

There are several special purpose governmental authorities of the County that serve as conduit issuers of private activity bonds for purposes such as housing, industrial development and health care. Defaults have occurred in connection with some of those private activity bonds; however, such defaults affect only the defaulted issues and have no effect on the payment of the Series 2021 Subordinate Bonds. The County has no obligation to pay such bonds and the conduit issuers had only a limited obligation to pay such bonds from the payments made by the underlying obligors with respect to such issues. Therefore, the County in good faith believes that defaults relating to conduit issuers are not material with regard to the Series 2021 Subordinate Bonds and any disclosure concerning any defaults of conduit financings is not necessary.

## **CONTINUING DISCLOSURE**

### **General Undertaking**

The County has covenanted in the Subordinate Bonds Resolution, in accordance with the provisions of, and to the degree necessary to comply with, the secondary disclosure requirements of Rule 15c2-12 (the "Rule") of the Securities and Exchange Commission (the "SEC"), to provide or cause to be provided for the benefit of the beneficial owners of the Series 2021 Subordinate Bonds to the Municipal Securities Rulemaking Board (the "MSRB") via its Electronic Municipal Market Access system ("EMMA") and in an electronic format prescribed by the MSRB and such other municipal securities information repository as may be required by law or applicable regulation, from time to time (each such information repository, a "MSIR"), the information set forth in the Subordinate Bonds Resolution, commencing with the Fiscal Year ending September 30, 2021. *See* "APPENDIX I – CONTINUING DISCLOSURE UNDERTAKING."

The County has selected Digital Assurance Certification, L.L.C. ("DAC") to serve as the County's disclosure dissemination agent for purposes of filing the information as required by the Rule with the MSRB in an electronic format prescribed by the MSRB. During any period that DAC or any other party is acting as disclosure dissemination agent for the County with respect to the County's continuing disclosure obligations, the County will comply with the provisions of any agreement by and between the County and any such disclosure dissemination agent.

The County has reserved the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the County; provided that the County has agreed that any modification will be done in a manner consistent with the Rule.

### **Procedures and Past Performance**

The County has procedures in place with respect to its continuing disclosure undertakings and, as noted above, utilizes DAC to assist it in its compliance. The following information describes the instances of non-compliance with such undertakings, known to the County, in the past five years.

It has come to the County's attention that, although an executed copy of the Escrow Deposit Agreement relating to certain defeased bonds, which included as an exhibit the notices of defeasance, was filed on EMMA within ten days of the defeasance, due to an administrative oversight the County did not timely file separate defeasance notices relating to such bonds. The County filed these defeasance notices on June 25, 2019. With respect to such defeased bonds that have been subsequently called for redemption, the County has timely filed notices of optional redemption.

## **Limited Information; Limited Rights of Enforcement**

The County's obligation under its continuing disclosure undertaking with respect to the Series 2021 Subordinate Bonds is limited to supplying limited information at specified times and may not provide all information necessary to determine the value of the Series 2021 Subordinate Bonds at any particular time.

The County has agreed that its continuing disclosure undertaking is intended to be for the benefit of the Beneficial Owners of the Series 2021 Subordinate Bonds and shall be enforceable by such Beneficial Owners if the County fails to cure a breach within a reasonable time after receipt of written notice from a Beneficial Owner that a breach exists; provided, however, that any Beneficial Owner's right to enforce the provisions of the undertaking shall be on behalf of all Beneficial Owners and shall be limited to a right to obtain specific performance of the County's obligations with respect to continuing disclosure under the Subordinate Bonds Resolution in a federal or state court located within the County, and any failure by the County to comply with the provisions of the undertaking shall not be a default with respect to the Series 2021 Subordinate Bonds.

## **EMMA**

Under existing law, County filings of continuing disclosure under the County's continuing disclosure undertaking must be made through EMMA. Investors can access EMMA at [www.emma.msrb.org](http://www.emma.msrb.org) and follow the instructions provided on such website to locate filings by the County with respect to the Series 2021 Subordinate Bonds. While all filings under the Rule must be made through EMMA, filings made by the County prior to July 1, 2009, with respect to its continuing disclosure obligations relating to the Outstanding Bonds cannot be found through EMMA and must be located through the pre-existing MSIRs.

## **RATINGS**

S&P and Moody's (each as defined below) have assigned ratings of "\_\_\_" (\_\_\_ outlook) and "\_\_\_" (\_\_\_ outlook), respectively, to the Series 2021 Subordinate Bonds. Such ratings, including any related outlook with respect to potential changes in such rating, reflect only the views of such organizations and are not a recommendation to buy, sell or hold the Series 2021 Subordinate Bonds. An explanation of the procedures and methodology used by each rating agency and the significance of such ratings should be obtained from the rating agency furnishing the same, at the following addresses: S&P Global Ratings ("S&P"), 55 Water Street, New York, New York 10041 and Moody's Investors Service, Inc. ("Moody's"), 7 World Trade Center, 250 Greenwich Street, New York, New York 10007. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that any such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the rating agencies concerned, if in the judgment of such rating agencies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Series 2021 Subordinate Bonds.

## **INDEPENDENT ACCOUNTANTS**

The financial statements of the Department for the Fiscal Year ended September 30, 2020, included in APPENDIX C were audited by Marcum, LLP, independent certified public accountants. Marcum, LLP (1) has not been engaged to perform, and has not performed since the date of its report on such financial statements, any procedures with respect to such financial statements and (2) has not performed any procedures relating to this Official Statement. The consent of Marcum, LLP for the use of the financial statements herein has not been sought. *See* "APPENDIX C – AUDITED FINANCIAL REPORT OF THE MIAMI-DADE WATER AND SEWER DEPARTMENT FOR FISCAL YEAR ENDED SEPTEMBER 30, 2020."

## **PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

The Department, as an agency of the County, participates in and contributes to the Florida Retirement System. *See* "Note 9 – Pension Plan" in "APPENDIX C – AUDITED FINANCIAL REPORT OF THE MIAMI-DADE WATER AND SEWER DEPARTMENT FOR FISCAL YEAR ENDED SEPTEMBER 30, 2020." The County also provides health care and non-pension benefits to retired employees eligible to participate in the County's

postemployment benefit plan as described in "Note 14 – Postemployment Benefits Other Than Pensions" included in APPENDIX C.

### **FINANCIAL ADVISOR**

Public Resources Advisory Group, Inc., St. Petersburg, Florida, is the Financial Advisor to the County with respect to the issuance and sale of the Series 2021 Subordinate Bonds. The Financial Advisor has assisted the County in the preparation of this Official Statement and has advised the County as to other matters relating to the planning, structuring and issuance of the Series 2021 Subordinate Bonds. The Financial Advisor is not obligated to undertake and has not undertaken to make an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement, and is not obligated to review or ensure compliance with the undertaking by the County to provide continuing secondary market disclosure.

Public Resources Advisory Group, Inc. is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal or other public securities.

### **UNDERWRITING**

RBC Capital Markets, LLC, as representative, and the other underwriters listed on the cover page (collectively, the "Underwriters"), have agreed pursuant to a bond purchase agreement between the County and the Underwriters with respect to the Series 2021 Subordinate Bonds (the "BPA"), subject to certain conditions, to purchase the Series 2021 Subordinate Bonds from the County at a purchase price of \$\_\_\_\_\_ (representing the par amount of the Series 2021 Subordinate Bonds, plus/less net original issue premium/discount of \$\_\_\_\_\_, less an underwriters' discount of \$\_\_\_\_\_ (\_\_\_\_\_% of the principal amount of the Series 2021 Subordinate Bonds)). The initial public offering prices and yields set forth on the inside cover of this Official Statement may be changed by the Underwriters and the Series 2021 Subordinate Bonds may be offered and sold to certain dealers (including dealers depositing such Series 2021 Subordinate Bonds into investment trusts) and others at the prices lower than or yields higher than such public offering yields. The Underwriters reserve the right to over allot or effect transactions that stabilize or maintain the market prices of the Series 2021 Subordinate Bonds at levels above that which might otherwise prevail in the open market and to discontinue such stabilizing, if commenced, at any time.

The Underwriters will be compensated by a fee and/or an underwriting discount that will be set forth in the BPA to be negotiated and entered into in connection with the issuance of the Series 2021 Subordinate Bonds. Payment or receipt of the underwriting fee or discount will be contingent on the closing of the transaction and the amount of the fee or discount may be based, in whole or in part, on a percentage of the principal amount of the Series 2021 Subordinate Bonds. While this form of compensation is customary in the municipal securities market, it presents a conflict of interest since the Underwriters may have an incentive to recommend to the County a transaction that is unnecessary or to recommend that the size of the transaction be larger than is necessary unless a larger deal size is deemed by the issuer to be financially beneficial.

Certain of the Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Certain of the Underwriters and their respective affiliates have provided, and may in the future provide, a variety of these services to the County and to persons and entities with relationships with the County, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, certain of the Underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the County (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the County. Certain of the Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time

hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments. Such investment and securities activities may involve securities and instruments of the County.

In addition, certain of the Underwriters have entered into distribution agreements with affiliates or other broker-dealers (that have not been designated by the County as Underwriters) for the distribution of the Series 2021 Subordinate Bonds at the original issue prices. Such agreements generally provide that the relevant Underwriter will share a portion of its underwriting compensation or selling concession with such broker-dealers.

### **RELATIONSHIPS OF PARTIES**

A number of the firms serving as Bond Counsel, Disclosure Counsel or Underwriters' counsel (1) have represented and may continue to represent one or more of the Underwriters in connection with other transactions in jurisdictions other than the County and (2) represent the County on certain other matters and represent certain other clients in matters adverse to the County.

### **EXPERTS**

The report of the Consulting Engineer to the Department included in APPENDIX A to this Official Statement was prepared by Arcadis, Miami, Florida, and Planning and Economics Group, Inc., Miami, Florida.

### **LEGAL MATTERS**

Certain legal matters incident to the issuance of the Series 2021 Subordinate Bonds are subject to the legal opinions of Squire Patton Boggs (US) LLP, Miami, Florida, and D. Seaton and Associates, P.A., Miami, Florida, Bond Counsel to the County, copies of whose legal opinions will be delivered with the Series 2021 Subordinate Bonds. Certain other legal matters will be passed upon for the County by the Office of the Miami-Dade County Attorney. Certain legal matters relating to disclosure will be passed upon for the County by Nabors, Giblin & Nickerson, P.A., Tampa, Florida, and Manual Alonso-Poch, P.A., Miami, Florida, Disclosure Counsel. Moskowitz, Mandell, Salim & Simowitz, P.A., Fort Lauderdale, Florida, is acting as counsel to the Underwriters solely for the purposes of preparing the bond purchase agreement and any agreements among the Underwriters; they have not been asked to and are not passing on the accuracy or completeness of this Official Statement.

The proposed text of the legal opinions of Bond Counsel is set forth as APPENDIX G to this Official Statement. The proposed text of the legal opinions to be delivered to the County by Disclosure Counsel is set forth as APPENDIX H to this Official Statement. The actual legal opinions to be delivered may vary from the text of APPENDIX G or APPENDIX H, as the case may be, if necessary, to reflect facts and law on the date of delivery of the Series 2021 Subordinate Bonds.

While Bond Counsel has participated in the preparation of certain portions of this Official Statement, it has not been engaged by the County to confirm or verify, and except as may be set forth in the opinions of Bond Counsel delivered to the Underwriters, expresses and will express no opinion as to the accuracy, completeness or fairness of any statements in this Official Statement, or in any other reports, financial information, offering or disclosure documents or other information pertaining to the County or the Series 2021 Subordinate Bonds that may be prepared or made available by the County, the Underwriters or others to the Holders of the Series 2021 Subordinate Bonds or other parties.

The legal opinions of Bond Counsel, Disclosure Counsel and the Office of the Miami-Dade County Attorney are based on existing law, which is subject to change. Such legal opinions are further based on factual representations made to Bond Counsel, Disclosure Counsel and the Office of the Miami-Dade County Attorney as of the date thereof. Bond Counsel, Disclosure Counsel and the Office of the Miami-Dade County Attorney assume no duty to update or supplement their respective opinions to reflect any facts or circumstances, including changes in law, that may thereafter occur or become effective.

The legal opinions to be delivered concurrently with the delivery of the Series 2021 Subordinate Bonds express the professional judgment of the attorneys rendering the opinions regarding the legal issues expressly



addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of the result indicated by that expression of professional judgment, of the transaction on which the opinion is rendered, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

### **CERTIFICATE CONCERNING THE OFFICIAL STATEMENT**

Concurrently with the delivery of the Series 2021 Subordinate Bonds, the County will furnish its certificate, executed by the County's Finance Director and the Department's Interim Director to the effect that, to the best of their knowledge, this Official Statement, as of its date and as of the date of delivery of the Series 2021 Subordinate Bonds, does not contain any untrue statement of material fact and does not omit any material fact that should be included herein for the purpose for which the Official Statement is to be used, or which is necessary to make the statements contained herein, in light of the circumstances under which they were made, not misleading.

### **MISCELLANEOUS**

References to the Bond Ordinance and certain other contracts, agreements and other materials not purporting to be quoted in full are brief outlines of certain provisions and do not purport to summarize or describe all the provisions of such documents. Reference is hereby made to such documents and other materials for the complete provisions, copies of which will be furnished by the County upon written request.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. Statements in this Official Statement, while not guaranteed, are based upon information which the County believes to be reliable.

The delivery of this Official Statement by the County has been duly authorized by the Board.

[Remainder of Page Intentionally Left Blank.]

**APPENDIX A**  
**BOND FEASIBILITY REPORT**

## APPENDIX B

### GENERAL INFORMATION RELATIVE TO MIAMI-DADE COUNTY, FLORIDA

*The financial and operating data contained in this APPENDIX B are as of the dates and for the periods indicated, which were prior to the COVID-19 outbreak. Such financial and operating data have not been updated to reflect any potential impacts of the COVID-19 outbreak on the County's economic and financial condition. Due to COVID-19, comparisons to historical information may be less significant. See "INVESTMENT CONSIDERATIONS - Coronavirus (COVID-19)" in this Official Statement.*

**APPENDIX C**

**AUDITED FINANCIAL REPORT OF THE MIAMI-DADE  
WATER AND SEWER DEPARTMENT FOR  
FISCAL YEAR ENDED SEPTEMBER 30, 2020**

*The financial and operating data contained in this APPENDIX C are as of the dates and for the periods indicated, which encompass dates and periods both prior to, and during, the COVID-19 outbreak. Due to COVID-19, comparisons to historical information may be less significant. See "INVESTMENT CONSIDERATIONS - Coronavirus (COVID-19)" in this Official Statement.*

**APPENDIX D**

**THE BOND ORDINANCE**

**APPENDIX E**  
**THE SUBORDINATE BONDS RESOLUTION**

**APPENDIX F**  
**SCHEDULE OF WATER AND SEWER RATES**

**APPENDIX G**

**PROPOSED FORM OF OPINION OF BOND COUNSEL**



**APPENDIX H**

**PROPOSED FORM OF OPINION OF DISCLOSURE COUNSEL**

## APPENDIX I

### CONTINUING DISCLOSURE UNDERTAKING

(a) The County agrees, in accordance with the provisions of, and to the degree necessary to comply with, the continuing disclosure requirements of the Rule to provide or cause to be provided for the benefit of the beneficial owners of the Series 2021 Subordinate Bonds (the "Beneficial Owners") to the Municipal Securities Rulemaking Board ("MSRB") in an electronic format prescribed by the MSRB and such other municipal securities information repository as may be required by law or applicable legislation, from time to time (each such information repository, a "MSIR"), the following annual financial information (the "Annual Information"), commencing with the Fiscal Year ending after the issuance of the Series 2021 Subordinate Bonds:

(i) Operating Revenues and Pledged Revenues in a form which is generally consistent with the presentation of such information in the Official Statement; and

(ii) The Department's Comprehensive Annual Financial Report utilizing generally accepted accounting principles applicable to local governments.

The information in clauses (i) and (ii) above is expected to be available on or before June 1 of each year for the preceding Fiscal Year. The Department's Comprehensive Annual Financial Report referred to in clause (ii) above is expected to be available separately from the information in clause (i) above and shall be provided by the County as soon as practical after acceptance of the audited financial statements from the auditors by the Department. If not available within eight (8) months from the end of the Fiscal Year, unaudited information will be provided in accordance with the time frame set forth above and audited financial statements will be provided as soon after such time as they become available.

(b) The County agrees to provide or cause to be provided to each MSIR in the appropriate format required by law or applicable regulation, in a timely manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of any of the following events with respect to the Series 2021 Subordinate Bonds:

(i) principal and interest payment delinquencies;

(ii) non-payment related defaults, if material;

(iii) unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) unscheduled draws on credit enhancements reflecting financial difficulties;

(v) substitution of credit or liquidity providers, or their failure to perform;

(vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Series 2021 Subordinate Bonds, or other material events affecting the tax status of the Series 2021 Subordinate Bonds;

(vii) modifications to rights of holders of the Series 2021 Subordinate Bonds, if material;

(viii) bond calls, if material, and tender offers;

(ix) defeasances;

(x) release, substitution, or sale of any property securing repayment of the Series 2021 Subordinate Bonds, if material;

(xi) rating changes;

(xii) bankruptcy, insolvency, receivership or similar event of the County (which is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the County in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the County, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the County);

(xiii) the consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of the assets of the County, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(xiv) the appointment of a successor or additional trustee or the change of name of a trustee, if material;

(xv) incurrence of a financial obligation of the County, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the County, any of which affect security holders, if material; and

(xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the County, any of which reflect financial difficulties.

For purposes of clauses (xv) and (xvi) above, "financial obligation" shall have the meaning set forth in the

Rule.

(c) The County agrees to provide or cause to be provided, in a timely manner, to each MSIR, in the appropriate format required by law or applicable regulation, notice of its failure to provide the Annual Information with respect to itself on or prior to June 1 following the end of the preceding Fiscal Year.

(d) The obligations of the County under this section of the Series 2021 Resolution shall remain in effect only so long as the Series 2021 Subordinate Bonds are Outstanding. The County reserves the right to terminate its obligations to provide the Annual Information and notices of the occurrence of the events specified in subsection (b) above if and when the County no longer remains an "obligated person" with respect to the Series 2021 Subordinate Bonds within the meaning of the Rule.

(e) The County agrees that its undertaking pursuant to the Rule set forth in the Subordinate Bonds Resolution is intended to be for the benefit of the Beneficial Owners of the Series 2021 Subordinate Bonds and shall be enforceable by the Beneficial Owners if the County fails to cure a breach within a reasonable time after receipt of written notice from a Beneficial Owner that a breach exists; provided, however, that any Beneficial Owner's right to enforce the provisions of this undertaking shall be on behalf of all Beneficial Owners and shall be limited to a right to obtain specific performance of the County's obligations under this section of the Subordinate Bonds Resolution in a federal or state court located within the County and any failure by the County to comply with the provisions of this undertaking shall not be a default with respect to the Series 2021 Subordinate Bonds.

(f) Notwithstanding the foregoing, each MSIR to which information shall be provided shall include each MSIR approved by the Securities and Exchange Commission prior to the issuance of the Series 2021 Subordinate Bonds. In the event that the Securities and Exchange Commission approves any additional MSIRs after the date of issuance of the Series 2021 Subordinate Bonds, the County shall, if the County is notified of such additional MSIRs, provide such information to the additional MSIRs. Failure to provide information to any new MSIR whose status as a MSIR is unknown to the County shall not constitute a breach of this covenant.

(g) The requirements of subsection (a) above do not necessitate the preparation of any separate annual report addressing only the Series 2021 Subordinate Bonds. The requirements of subsection (a) may be met by the filing of an annual information statement or the County's Comprehensive Annual Financial Report, provided such report includes all of the required Annual Information and is available by June 1 of each year for the preceding Fiscal Year. Additionally, the County may incorporate any information in any prior filing with each MSIR or included in any final official statement of the County, provided such final official statement is filed with the MSRB.

(h) The County reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the County, provided that the County agrees that any such modification will be done in a manner consistent with the Rule.

(i) Except to cure any ambiguity, inconsistency or formal defect or omission in the provisions of this section of the Subordinate Bonds Resolution, the County's covenants as to continuing disclosure (the "Covenants") may only be amended if:

(i) the amendment is made in connection with a change in circumstances that arises from a change in legal requirements, a change in law or a change in the identity, nature or status of the County or type of business conducted; the Covenants, as amended, would have complied with the requirements of the Rule at the time of award of the Series 2021 Subordinate Bonds, after taking into account any amendments or change in circumstances; and the amendment does not materially impair the interests of the Beneficial Owners, as determined by Disclosure Counsel or other independent counsel knowledgeable in the area of federal securities laws and regulations; or

(ii) all or any part of the Rule, as interpreted by the staff of the Securities and Exchange Commission at the date of adoption of the Series 2021 Resolution, ceases to be in effect for any reason, and the County elects that the Covenants shall be deemed amended accordingly.

(j) Any assertion of beneficial ownership must be filed with the County, along with full documentary support as part of the written request described above.

(k) The Board further authorizes and directs the County Mayor to cause all other agreements to be made or action to be taken as required in connection with meeting the County's obligations as to the Covenants. The County Mayor shall further be authorized to make such additions, deletions and modifications to the Covenants as she shall deem necessary or desirable in consultation with the County Attorney, Bond Counsel and Disclosure Counsel.

## APPENDIX J

### BOOK-ENTRY ONLY SYSTEM

The following description of the procedures and record keeping with respect to beneficial ownership interests in the Series 2021 Subordinate Bonds, payment of interest and principal on the Series 2021 Subordinate Bonds to Participants or Beneficial Owners of the Series 2021 Subordinate Bonds, confirmation and transfer of beneficial ownership interest in the Series 2021 Subordinate Bonds and other related transactions by and between DTC, the Participants and the Beneficial Owners of the Series 2021 Subordinate Bonds is based solely on information furnished by DTC on its website. Accordingly, the County can make no representations concerning these matters or take any responsibility for the accuracy or completeness of such information.

DTC will act as securities depository for the Series 2021 Subordinate Bonds. The Series 2021 Subordinate Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond will be issued for each maturity of the Series 2021 Subordinate Bonds, each in the aggregate principal amount of such maturity to be issued, as set forth on the inside cover page of this Official Statement, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has an S&P Global Ratings, a division of S&P Global Inc., rating of AA+. The DTC Rules applicable to its Direct and Indirect Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

Purchases of Series 2021 Subordinate Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2021 Subordinate Bonds on DTC's records. The ownership interest of each Beneficial Owner is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2021 Subordinate Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive bond certificates representing their ownership interests in the Series 2021 Subordinate Bonds, except in the event that use of the book-entry system for the Series 2021 Subordinate Bonds is discontinued.

To facilitate subsequent transfers, all Series 2021 Subordinate Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2021 Subordinate Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2021 Subordinate Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2021 Subordinate Bonds are credited, which

may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2021 Subordinate Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2021 Subordinate Bonds, such as redemptions, defaults, and proposed amendments to the Subordinate Bonds Resolution. For example, Beneficial Owners of the Series 2021 Subordinate Bonds may wish to ascertain that the nominee holding the Series 2021 Subordinate Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and Paying Agent and request that copies of notices be provided directly to them.

Redemption notices shall be sent by the Registrar and Paying Agent to DTC. If less than all of the Series 2021 Subordinate Bonds within a particular maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2021 Subordinate Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2021 Subordinate Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, redemption premium, if any, and interest payments on the Series 2021 Subordinate Bonds will be made to Cede & Co., or to such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the County or the Registrar and Paying Agent on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Direct Participants or Indirect Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, nor its nominee, the Registrar and Paying Agent, or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, redemption premium and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County or the Registrar and Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

**NEITHER THE COUNTY NOR THE REGISTRAR AND PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO ANY DIRECT OR INDIRECT PARTICIPANT OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE SERIES 2021 SUBORDINATE BONDS IN RESPECT OF THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT OR INDIRECT PARTICIPANT, THE PAYMENT BY DTC OR ANY DIRECT OR INDIRECT PARTICIPANT OF ANY AMOUNT IN RESPECT OF THE PRINCIPAL OR INTEREST ON THE SERIES 2021 SUBORDINATE BONDS, ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO BONDHOLDERS UNDER THE SUBORDINATE BONDS RESOLUTION OR ANY CONSENT GIVEN OR ACTION TAKEN BY DTC, AS BONDHOLDER. SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF SUCH SERIES 2021 SUBORDINATE BONDS, AS NOMINEE OF DTC, THE BENEFICIAL OWNERS WILL NOT RECEIVE PHYSICAL CERTIFICATES REPRESENTING THEIR INTERESTS IN THE SERIES 2021 SUBORDINATE BONDS, AND REFERENCES HEREIN TO BONDHOLDERS OR REGISTERED HOLDERS OF SUCH SERIES 2021 SUBORDINATE BONDS SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF SUCH SERIES 2021 SUBORDINATE BONDS.**

### **Discontinuance of Book-Entry Only System**

In the event the County determines that it is in the best interest of the Beneficial Owners to obtain Series 2021 Subordinate Bond certificates, the County may notify DTC and the Registrar and Paying Agent, whereupon DTC will notify the DTC Participants, of the availability through DTC of Series 2021 Subordinate Bond certificates. In such event, the County shall prepare and execute, and the Registrar and Paying Agent shall authenticate, transfer and exchange, Series 2021 Subordinate Bond certificates as requested by DTC in appropriate amounts and within the guidelines set forth in the Bond Ordinance. DTC may also determine to discontinue providing its services with respect to the Series 2021 Subordinate Bonds at any time by giving written notice to the County and the Registrar and Paying Agent and discharging its responsibilities with respect thereto under applicable law. Under such circumstances (if there is no successor securities depository), the County and the Registrar and Paying Agent shall be obligated to deliver Series 2021 Subordinate Bond certificates as described herein. In the event Series 2021 Subordinate Bond certificates are issued, the provisions of the Bond Ordinance shall apply to, among other things, the transfer and exchange of such certificate and the method of payment of principal of and interest on such certificates. Whenever DTC requests the County and the Registrar and Paying Agent to do so, the County will direct the Registrar and Paying Agent to cooperate with DTC in taking appropriate action after reasonable notice (i) to make available one or more separate certificates evidencing the Series 2021 Subordinate Bonds to any DTC Participant having Series 2021 Subordinate Bonds credited to its DTC account; or (ii) to arrange for another securities depository to maintain custody of certificates evidencing the Series 2021 Subordinate Bonds.

### **Registration, Transfer and Exchange**

In the event of discontinuance of the book-entry only system, the Series 2021 Subordinate Bonds will be subject to transfer and exchange as described below. The County shall cause the Registrar and Paying Agent to be kept at the designated corporate trust office of the Registrar and Paying Agent. Upon surrender for transfer of any Series 2021 Subordinate Bonds at the designated corporate trust office of the Registrar and Paying Agent, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Registrar and Paying Agent and duly executed by, the registered owner or the attorney of such owner duly authorized in writing with signature guaranteed by a member firm of STAMP, SEMP or MSP signature guaranty medallion program, the County shall execute and the Registrar and Paying Agent shall authenticate, date and deliver in the name of the transferees a new Series 2021 Subordinate Bond or Series 2021 Subordinate Bonds of the same maturity, and authorized denominations, for the same aggregate principal amount and of like tenor. Any Series 2021 Subordinate Bond may be exchanged at the office of the Registrar and Paying Agent for the same aggregate principal amount of such Series 2021 Subordinate Bonds and of like tenor. The execution by the County of any Series 2021 Subordinate Bonds shall constitute full and due authorization of such Series 2021 Subordinate Bonds and the Registrar and Paying Agent shall thereby be authorized to authenticate, deliver and date such Series 2021 Subordinate Bonds.

The County and the Registrar and Paying Agent shall deem and treat the registered owner of any Series 2021 Subordinate Bond as the absolute owner of such Series 2021 Subordinate Bond for the purpose of receiving payment of or on account of principal of such Series 2021 Subordinate Bond and premium, if any, thereon and interest due thereon and for all other purposes.

EXHIBIT E

WIFIA LOAN AGREEMENT

On file with the Clerk's office