



## YOLO COUNTY PUBLIC AGENCIES FINANCING AUTHORITY



**TO:** Board of Directors

**FROM:** Tom Haynes, Chair

**DATE:** May 10, 2022

**SUBJECT:** Adopt resolution authorizing the execution and delivery of an installment sale agreement and assignment agreement to finance improvements to the County of Yolo Solid Waste System

### RECOMMENDED ACTION

Adopt a Resolution of the Governing Board of the Yolo County Public Agencies Financing Authority (*Attachment A*) authorizing the execution and delivery of an Installment Sale Agreement and Assignment Agreement to finance improvements to the County of Yolo Solid Waste System in the amount of \$10,120,000.

### REASON FOR RECOMMENDED ACTION

Yolo County's 2022-2026 Capital Improvement Plan, approved by the Board of Supervisors on October 26, 2021, includes several projects related to the County's Solid Waste System that required financing in order to complete. These projects include the design and construction of a new Landfill Waste Management Unit (WMU 6H) and design and reconstruction of an existing liquid waste pond (WMU G Leachate Pond).

On May 10, 2022 the Yolo County Board of Supervisors held a public hearing and adopted a County Resolution to approve documents and actions related to the financing of Solid Waste System improvements. The financing will be conducted through an Installment Sale Agreement between the County and the Authority, which will assign all of the County's installment payments to First Foundation Public Finance in return for the \$10.12 million financing amount. These payments will be made on a parity to the 2019 Solid Waste Revenue Bonds. Of the \$10.12 million par amount, approximately \$10 million will be deposited into the Project Fund for completion of the projects, while \$125k will be used for costs of issuance.

As a part of this financing, the County will pledge revenues of the Solid Waste System to make semiannual installment payments to First Foundation Public Finance. The financing will have a final maturity of no later than December 1, 2041 (20 years) and shall bear interest at a fixed rate of 2.77 percent annually. The rate is locked and not expected to change barring any delay in the closing schedule. With current market conditions projecting rapidly increasing interest rates, staff believe that the rate obtained is favorable. The projected annual debt service is approximately \$661,000.

### COLLABORATION WITH OTHER AGENCIES

The financing team for the 2022 Solid Waste Financing includes the Yolo County Department of Financial Services, County Administrator's Office, Department of Community Services, and County Counsel, with



support from KNN as the Municipal Financial Advisor, Jones Hall as Bond Counsel, and Brandis Tallman as Placement Agent.

The County Debt Committee, comprised of two members of the Board of Supervisors, the Interim County Administrator, the Interim Chief Financial Officer and the Director of Community Services, reviewed and approved the direct purchase method of sale on January 20, 2022. The Debt Committee subsequently approved the financing on May 6, 2022.

## ATTACHMENTS

Attachment A – Resolution of the Governing Board of the Yolo County Public Agencies Financing Authority.

Attachment B – Assignment Agreement (Draft)

Attachment C – Installment Sale Agreement (Draft)

Attachment D – 2022 Solid Waste Financing Presentation to the Board of Supervisors