



COUNTY OF YOLO

2022 SOLID WASTE SYSTEM FINANCING

Tom Haynes – Interim Chief Financial Officer
Sou Xiong – Treasury & Revenues Manager
Department of Financial Services
May 10, 2022

FINANCING OVERVIEW

- 2022-26 Capital Improvement Plan included two critical Landfill projects that required financing to complete
 - Waste Management Unit 6H
 - Landfill Surface Impoundment Improvement

- Amount to be financed - \$10.12 million

- Structured as a direct purchase
 - Ability to lock in interest rates
 - Lower cost of issuance
 - Less stringent disclosure requirement
 - Shorter financing timeline

SOLID WASTE IMPROVEMENT PROJECTS

- Waste Management Unit (WMU) 6H
 - Design and construct a new waste module to allow adequate space for waste filling.
- Landfill Surface Impoundment Improvement
 - Design and reconstruction of an existing waste pond (WMU G) and flood protection levee.

Improvements	Estimated Commencement	Estimated Completion	Total Estimated Cost	Anticipated Funding Sources	
				Solid Waste Enterprise Fund	Debt Proceeds
Waste Management Unit 6H	May 2022	June 2023	5,747,618	247,618	5,500,000
Landfill Surface Impoundment Improvement	July 2022	June 2023	5,102,000	610,457	4,491,543
Total			10,849,618	858,075	9,991,543

FINANCING TEAM

- KNN Public Finance LLC – Municipal Advisor
 - Provides independent financial analysis and advice
- Brandis Tallman (Oppenheimer) – Placement Agent
 - Distribute RFP to financial institutions to obtain the maximum number of bids to achieve the lowest possible interest rate
- Jones Hall – Bond Counsel
 - Responsible for compiling legal documents necessary to execute the financing.
- County staff
 - Department of Financial Services
 - County Administrator's Office
 - Integrated Waste Management Division
 - County Counsel

PLAN OF FINANCE OVERVIEW

- Proceeds will be used to fund the WMU 6H and WMU G projects at the Landfill.
- Debt will be issued on parity with the 2019 Solid Waste Revenue Bonds.
- Debt issuance will be secured by a pledge of net revenues generated by the Yolo County Solid Waste System.
- Fixed rate at 2.77% (locked) on a 20-year term.
- Optional Prepayment.

Sources:	
Par Amount:	\$ 10,120,000
Total Sources	\$ 10,120,000
Uses:	
Project Fund	\$ 9,991,543
Cost of Issuance	125,025
Other Uses of Funds	3,432
Total Uses	\$ 10,120,000
True Interest Cost*	2.77%
Average Annual Payment	\$659,588

**Interest rate subject to increase following an event of taxability or an event of default.*

COST OF ISSUANCE

KNN Public Finance LLC	Municipal Advisor	57,500
Brandis Tallman	Placement Agent	17,500
Johnds Hall	Bond Counsel	36,000
Nixon Peabody	Bank Counsel	10,000
CA Debt and Investment Advisory Commission	Fee	2,525
Contingency		1,500
	Total	<u>\$ 125,025</u>

Professional services obtained to assist with the debt transaction was completed in accordance with the Procurement Policy.

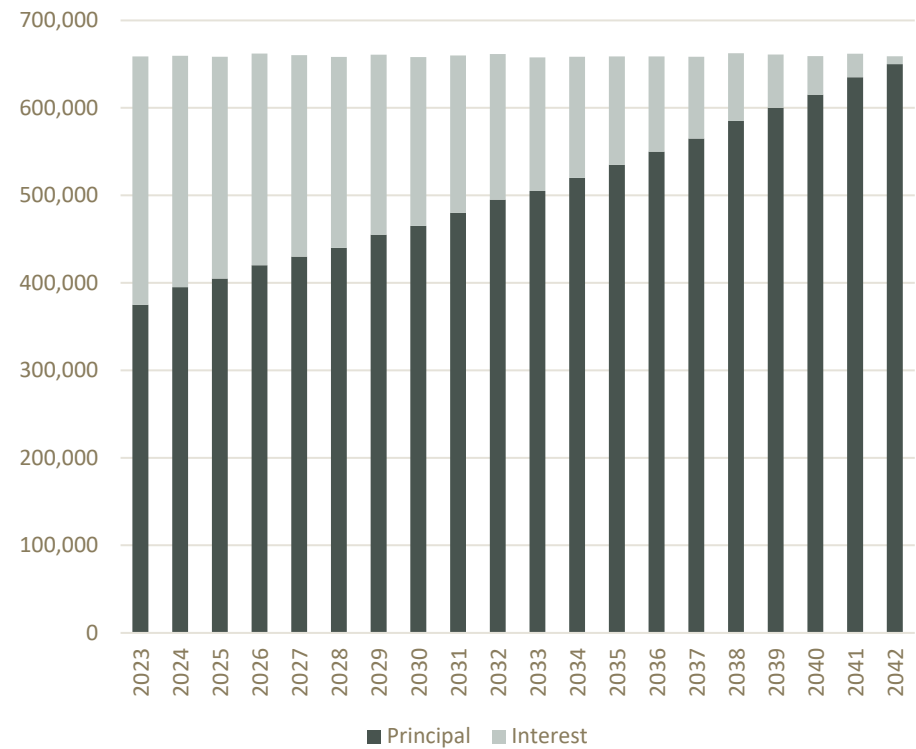
CDIAC fees paid to the State after closing.

OPTIONAL PREPAYMENT

Prepayment Date	Premium
June 1, 2022, through December 1, 2023	3%
June 1, 2024, through December 1, 2025	2%
June 1, 2026, through December 1, 2027	1%
June 1, 2028 and Beyond	0%

2022 INSTALLMENT SALE FINANCING STRUCTURE

	Fiscal Yr. Ending	Principal	Interest	Total
1	2023	375,000	283,696	658,696
2	2024	395,000	264,466	659,466
3	2025	405,000	253,386	658,386
4	2026	420,000	241,960	661,960
5	2027	430,000	230,187	660,187
6	2028	440,000	218,138	658,138
7	2029	455,000	205,742	660,742
8	2030	465,000	193,000	658,000
9	2031	480,000	179,912	659,912
10	2032	495,000	166,408	661,408
11	2033	505,000	152,558	657,558
12	2034	520,000	138,362	658,362
13	2035	535,000	123,750	658,750
14	2036	550,000	108,723	658,723
15	2037	565,000	93,280	658,280
16	2038	585,000	77,352	662,352
17	2039	600,000	60,940	660,940
18	2040	615,000	44,112	659,112
19	2041	635,000	26,800	661,800
20	2042	650,000	9,003	659,003
		\$10,120,000	\$3,071,770	\$13,191,770



ANNUAL DEBT SERVICE

Debt service for all outstanding IWM debt:

Fiscal Yr. Ending	2019 Solid Waste Revenue Bonds			2022 Installment Sale			Total Annual Debt Service
	Principal	Interest	Total	Principal	Interest	Total	
2022	430,000	470,000	900,000	0	0	0	900,000
2023	445,000	452,500	897,500	375,000	283,696	658,696	1,556,196
2024	465,000	434,300	899,300	395,000	264,466	659,466	1,558,766
2025	485,000	415,300	900,300	405,000	253,386	658,386	1,558,686
2026	505,000	395,500	900,500	420,000	241,960	661,960	1,562,460
2027	525,000	374,900	899,900	430,000	230,187	660,187	1,560,087
2028	545,000	353,500	898,500	440,000	218,138	658,138	1,556,638
2029	570,000	331,200	901,200	455,000	205,742	660,742	1,561,942
2030	590,000	308,000	898,000	465,000	193,000	658,000	1,556,000
2031	615,000	283,900	898,900	480,000	179,912	659,912	1,558,812
2032	640,000	258,800	898,800	495,000	166,408	661,408	1,560,208
2033	665,000	232,700	897,700	505,000	152,558	657,558	1,555,258
2034	695,000	205,500	900,500	520,000	138,362	658,362	1,558,862
2035	720,000	177,200	897,200	535,000	123,750	658,750	1,555,950
2036	750,000	147,800	897,800	550,000	108,723	658,723	1,556,523
2037	780,000	117,200	897,200	565,000	93,280	658,280	1,555,480
2038	815,000	85,300	900,300	585,000	77,352	662,352	1,562,652
2039	845,000	52,100	897,100	600,000	60,940	660,940	1,558,040
2040	880,000	17,600	897,600	615,000	44,112	659,112	1,556,712
2041	0	0	0	635,000	26,800	661,800	661,800
2042	0	0	0	650,000	9,003	659,003	659,003
	\$ 11,965,000	\$ 5,113,300	\$ 17,078,300	\$ 10,120,000	\$ 3,071,770	\$ 13,191,770	\$ 30,270,070

LEGAL PROVISIONS

- Debt will be issued in parity with the 2019 Solid Waste Revenue Bonds; therefore, similar provisions will apply in order to secure the revenue pledge.

Covenant	Provision
Rate Covenant	Net Revenues during the fiscal year equal to 1.50x the Debt Service.
Insurance	Maintain insurance amounts and deductibles based on industry standards.
Issuance of Parity Debt	Allowed based on 1.50x coverage based on maximum annual debt service on all outstanding and proposed debt.

NEXT STEPS

Date	Activity
Tuesday, May 10 th	Board of Supervisors considers financing. Public Agencies Financing Authority considers financing.
Tuesday, May 10 th – Friday, May 13 th	Finalize documents in preparation for closing.
Friday, May 20 th	Closing.