

RESOLUTION NO. _____

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE
COUNTY OF YOLO APPROVING DOCUMENTS AND ACTIONS
RELATING TO THE FINANCING OF SOLID WASTE SYSTEM
IMPROVEMENTS FROM THE PROCEEDS OF AN INSTALLMENT
SALE AGREEMENT WITH THE YOLO COUNTY PUBLIC AGENCIES
FINANCING AUTHORITY**

WHEREAS, the County of Yolo (the "County") and the City of Davis have previously entered into a Joint Exercise of Powers Agreement dated May 3, 1994 (the "Joint Powers Agreement") creating and establishing the Yolo County Public Agencies Financing Authority (the "Authority"), a joint exercise of powers authority duly organized and operating pursuant to Article 1 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (hereinafter, the "Act");

WHEREAS, Article 4 of the Act authorizes and empowers the Authority to assist local agencies in financing projects and programs consisting of certain public capital improvements whenever a local agency determines there are significant public benefits from doing so;

WHEREAS, the County owns and operates an enterprise for the collection and disposal of municipal solid waste (the "Solid Waste System"), and the County wishes to finance the acquisition, construction and installation of certain improvements to the Solid Waste System, currently anticipated to consist generally of improvements to the Yolo County Central Landfill including the design and construction of a new landfill module and the design and reconstruction of an existing liquid waste pond and flood protection levee (collectively, the "Project");

WHEREAS, in order to provide funds to finance the Project, the Board of Supervisors of the County (the "Board") has requested the Authority to enter into an Installment Sale Agreement under which the Authority agrees to sell the Project to the County in return for semiannual installment payments (the "Installment Payments") to be made by the County as the purchase price of the Project;

WHEREAS, the Installment Payments will be payable from and secured by a pledge of and lien on the net revenues of the Solid Waste System, on a parity with the installment payments payable by the County under an Installment Sale Agreement dated as of November 1, 2019, between the Authority, as seller, and the County, as purchaser;

WHEREAS, in order to maximize benefits to the County, and to obtain the moneys required to finance the Project, the Authority will assign and transfer certain of its rights under the Installment Sale Agreement to First Foundation Public Finance (the "Assignee") under an Assignment Agreement among the Authority, the County, and the Assignee, including the right to receive and enforce payment of the Installment Payments;

WHEREAS, Section 6586.5 of the Act requires that a member of the Authority within whose boundaries the project being financed is located conduct a public hearing on the financing, and following such hearing make a finding of significant public benefit as to the financing;

WHEREAS, the County is currently a member of the Authority and the Project is located within the County;

WHEREAS, the County held a public hearing on the date hereof on the proposed financing, following publication of the notice of the public hearing at least five days prior thereto in a newspaper of general circulation in the County;

WHEREAS, pursuant to Government Code Section 5852.1, certain information relating to the Installment Sale Agreement is set forth in Appendix A attached to this Resolution, and such information is hereby disclosed and made public;

WHEREAS, the execution, delivery and assignment of the Installment Sale Agreement by the Authority will result in significant public benefits including demonstrable savings in effective interest rate and issuance costs; workflow efficiencies; and employment benefits from undertaking the Project in a timely fashion;

WHEREAS, it is in the public interest, convenience and welfare and for the common benefit of the inhabitants of the County that the County enter into this financing with the Authority to finance the Project;

WHEREAS, the Board wishes to take its action at this time approving the execution and delivery of the Installment Sale Agreement and Assignment Agreement, and the execution and delivery of related financing documents;

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of the County of Yolo as follows:

Section 1. Recitals and Findings. The Board hereby finds and determines that the foregoing recitals are true and correct. The Board hereby finds and determines that the execution of the Installment Sale Agreement will result in significant public benefits to the County.

Section 2. Approval of Financing Plan. The Board of Supervisors hereby approves the financing plan described above for the purpose of providing funds to finance the acquisition, construction and installation of the Project. The aggregate principal amount of the Installment Payments shall not exceed \$10,120,000, the final term of the Installment Sale Agreement shall be no later than December 1, 2041, and the interest component of the Installment Payments shall be a fixed rate not in excess of 2.77%, subject to increases following an event of default or event of taxability as set forth in the Installment Sale Agreement.

Section 3. Approval of Installment Sale Agreement. The Board of Supervisors hereby approves the Installment Sale Agreement in substantially the form thereof on file with the Clerk of the Board of Supervisors, together with any changes therein or additions thereto deemed advisable by the County Administrator, Assistant County Administrator or Chief Financial Officer (each, an "Authorized Officer"), the execution of which by an Authorized Officer shall be conclusive evidence of the approval of any such changes or additions. Each Authorized Officer is each hereby authorized and directed for and in the name and on behalf of the County to execute, and the Clerk of the Board is hereby authorized and directed to attest, the final form of the Installment Sale Agreement.

Section 4. Approval of Assignment Agreement. The Board of Supervisors hereby approves the Assignment Agreement in substantially the form thereof on file with the Clerk of the Board of Supervisors, together with any changes therein or additions thereto deemed advisable by an Authorized Officer, the execution of which by an Authorized Officer shall be conclusive evidence of the approval of any such changes or additions. Each Authorized Officer is each hereby authorized and directed for and in the name and on behalf of the County to execute, and the Clerk of the Board is hereby authorized and directed to attest, the final form of the Assignment Agreement.

Section 5. Assignment of Installment Sale Agreement. The Board of Supervisors hereby approves the assignment by the Authority of its rights under the Installment Sale Agreement to the Assignee.

Section 6. Professional Services. The appointment of KNN Public Finance, LLC, as municipal advisor, and Jones Hall, A Professional Law Corporation, as special counsel, are hereby ratified and confirmed. Any officer of the County is hereby authorized and directed to execute an agreement with each of such firms.

Section 7. Official Actions. Each Authorized Officer, the Clerk of the Board, County Counsel, and all other officers of the County are each authorized and directed in the name and on behalf of the County to execute any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, and other documents, which they or any of them deem necessary or appropriate in order to consummate any of the transactions contemplated by the agreements and documents approved under this Resolution, including without limitation tax certificates. Whenever in this resolution any officer of the County is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf if such officer is absent or unavailable. Any actions previously taken by any Authorized Officer, the Clerk of the Board and all other officers of the County in furtherance of this Resolution are hereby ratified and approved.

Section 8. Effective Date. This Resolution shall take effect immediately upon its passage and adoption.

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PASSED AND ADOPTED by the Board of Supervisors of the County of Yolo, State of California, on this 10th day of May, 2022, by the following vote:

AYES:

NOES:

ABSENT:


ABSTAIN:

Chair of the Board of Supervisors
County of Yolo

ATTEST:

Clerk of the Board of Supervisors
County of Yolo

APPROVED AS TO FORM:
Philip J. Pogledich, County Counsel



Kimberly Hood, Asst. County Counsel

APPENDIX A

REQUIRED DISCLOSURES PURSUANT TO GOVERNMENT CODE SECTION 5852.1

The good faith estimates set forth herein are provided with respect to the Installment Sale Agreement in accordance with California Government Code Section 5852.1. Such good faith estimates have been provided to the County by KNN Public Finance, LLC, the County's Municipal Advisor.

Principal Amount. The Municipal Advisor has informed the County that, based on the financing plan, its good faith estimate of the aggregate principal amount of the Installment Payments is \$10,120,000 (the "Estimated Principal Amount").

True Interest Cost. The Municipal Advisor has informed the County that, assuming the Estimated Principal Amount, its good faith estimate of the true interest cost with respect to the Installment Payments, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the proceeds received, is 2.769933%.

Finance Charge. The Municipal Advisor has informed the County that, assuming the Estimated Principal Amount, and based on the assumed interest rate with respect to the Installment Payments, its good faith estimate of the finance charge with respect to the Installment Sale Agreement, which means the sum of all fees and charges paid to third parties and other costs associated with the Installment Sale Agreement, is \$125,025.00. Such fees and charges include fees for special counsel, Assignee's counsel, municipal advisor, and publication costs.

Amount of Proceeds to be Received. The Municipal Advisor has informed the County that, assuming the Estimated Principal Amount, and based on the assumed interest rate with respect to the Installment Payments, its good faith estimate of the amount of proceeds expected to be received from the Installment Sale Agreement, less the finance charge estimated above, is \$9,994,975.00.

Total Payment Amount. The Municipal Advisor has informed the County that, assuming the Estimated Principal Amount, and based on the assumed interest rate with respect to the Installment Payments, its good faith estimate of the total payment amount, which means the sum total of all Installment Payments, plus the finance charge described above and not paid with the proceeds of the Installment Sale Agreement, calculated to the final term of the Installment Sale Agreement, is \$13,191,769.96.

The foregoing estimates constitute good faith estimates only. The actual principal amount of the Installment Payments, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to (a) the actual date of the execution and delivery of the Installment Sale Agreement being different than the date assumed for purposes of such estimates, (b) the actual principal amount of the Installment Payments being different from the Estimated Principal Amount, (c) the actual Installment Payments being different than the those assumed for purposes of such estimates, (d) the

actual interest rate with respect to the Installment Payments being different than the assumed interest rate with respect thereto, or (e) alterations in the financing plan, delays in the financing, or a combination of such factors. The actual date of execution and delivery of the Installment Sale Agreement and the actual principal amount of the Installment Payments will be determined by the County based on the timing of the need for proceeds and other factors. The actual interest rate borne by the Installment Payments may differ from those assumed.