



# South Bayside Waste Management Authority

## **Item 5A**

### **Authorizing the Issuance of Solid Waste Enterprise Revenue Bonds Series 2019**

Board of Directors Meeting

May 23, 2019



1300 Clay Street, Suite 1000, Oakland, CA 94612  
phone 510-839-8200 fax 510-208-8282

A Limited Liability Company

# Item 5A

---

## Resolution No. 2019-32

- Authorizing the issuance of Solid Waste Enterprise Revenue Bonds Series 2019 in an aggregate principal amount not to exceed \$64,000,000 and authorizing and directing the execution of an Indenture of Trust, Purchase Contract, Continuing Disclosure Certificate, and Escrow Agreement; approving an Official Statement for said Series 2019 Bonds; and authorizing certain other actions in connection with the financing, including the adoption of a Debt Policy.

# Financing Documentation

---

- **Indenture of Trust:** Agreement executed by the Authority and the Trustee that pledges SBWMA revenues as security for the repayment of the Series 2019 Bonds.
- **Purchase Contract:** Agreement between the Authority and the underwriter (Raymond James) under which agrees to purchase the Series 2019 Bonds and will be executed on the day of sale.
- **Continuing Disclosure Certificate:** Certificate of the Authority containing undertakings to provide annual reports and event notices to the bond market and investors pursuant to SEC Rule 15c2-12. The underwriter cannot comply with SEC regulations without this document.
- **Escrow Agreement:** Agreement between the Authority and the Trustee that provides for the establishment of an escrow fund and the application of bond proceeds to the payment of the refunded Series 2009A Bonds.
- **Preliminary Official Statement (POS)/ Official Statement (OS):** Document containing information about the Authority, the Series 2019 Bonds, and the sources of repayment of the bonds. Federal securities laws require that POS/OS must fully disclose all facts that would be of interest (i.e. material) to a potential buyer of bonds of the issue.
- **Debt Policy:** Written framework that guides the debt issuance practice of the Authority. Senate Bill 1029, effective January 1, 2017, requires governmental agencies that issue any form of debt have a debt policy in place if a debt issuance is anticipated.

# Market Rates Continue to Support a Refunding of the Series 2009A Bonds

	Revenue Bond Index*	10-Year U.S. Treasury
Maximum (10-Year Historical)	5.83%	3.91%
Minimum (10-Year Historical)	2.98%	1.40%
<b>2009A Issuance (8/20/2009)</b>	<b>5.62%</b>	<b>3.42%</b>
<b>January Board Meeting</b>	<b>4.70%</b>	<b>2.72%</b>
<b>March Board Meeting</b>	<b>4.26%</b>	<b>2.39%</b>
<b>April Board Meeting</b>	<b>4.27%</b>	<b>2.54%</b>



\*The Bond Buyer Revenue Bond Index consists of 25 various revenue bonds that mature in 30 years. The average rating is roughly equivalent to Moody's "A1" and S&P's "A+".

Source: Bond Buyer Index: Bond Buyer. 10-year Treasury Yield Curve: The Department of the Treasury.

# Series 2019 Bonds: Sources and Uses

<b>Sources<sup>1</sup></b>			
	<b>Series 2019A (Refunding)</b>	<b>Series 2019B (New Money)</b>	<b>Total</b>
Par Amount	\$35,245,000	\$18,575,000	\$53,820,000
Premium	6,988,201	2,969,037	9,957,238
Other Sources of Funds <sup>2</sup>	6,567,395	-	6,567,395
<b>Total Sources:</b>	<b>\$48,800,596</b>	<b>\$21,544,037</b>	<b>\$70,344,633</b>
<b>Uses<sup>1</sup></b>			
	<b>Series 2019A (Refunding)</b>	<b>Series 2019B (New Money)</b>	<b>Total</b>
Project Fund		\$20,000,000	\$20,000,000
Refunding Escrow	45,836,766		45,836,766
Debt Service Reserve Fund	2,632,373	1,387,327	4,019,700
Cost of Issuance	191,876	101,124	293,000
Underwriter's Discount	136,495	56,060	192,555
Rounding Amount	3,085	-474	2,611
<b>Total Uses:</b>	<b>\$48,800,596</b>	<b>\$21,544,037</b>	<b>\$70,344,633</b>

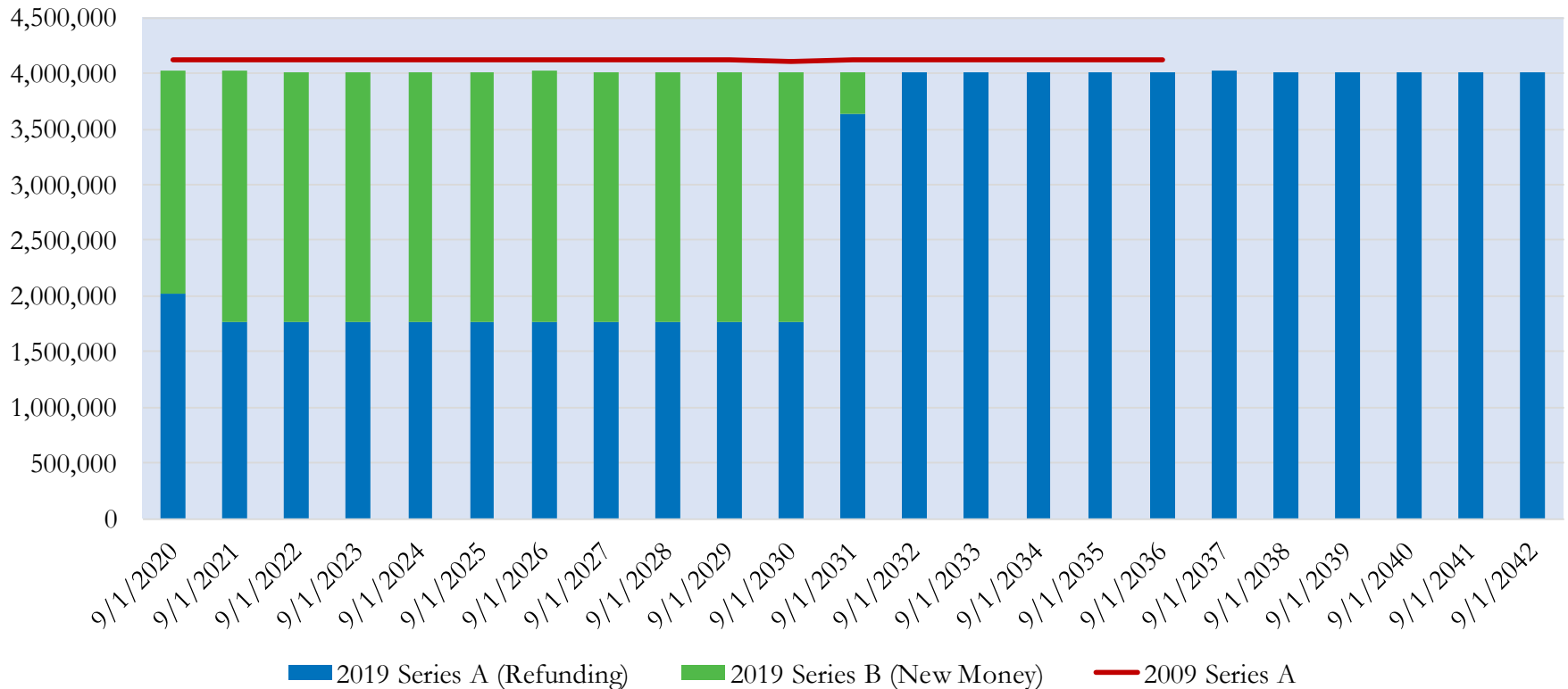
<sup>1</sup>Preliminary, subject to change with market conditions.

<sup>2</sup>Existing 2009A DSRF and debt service funds on hand.

# Series 2019 Bonds Debt Service Structure

- Structure maintains \$4.1M annual debt payments through capacity created by:
  - savings from refunding 2009A Bonds
  - extending 2009A Bond debt maturity six years (from 9/1/2036 to 9/1/2042)

Series 2019 Enterprise Revenue Bonds Annual Debt Service<sup>1</sup>



<sup>1</sup>Preliminary, subject to change with market conditions.

# Detailed Debt Service Schedule

South Bayside Waste Management Solid Waste Enterprise Bonds <sup>1</sup> Debt Service								
	<u>2009A Bonds</u> Debt Service	<u>2019 Series A Bonds (Refunding)</u>			<u>2019 Series B Bonds (New Money)</u>			<u>Aggregate 2019</u> Debt Service
		Principal	Interest	Debt Service	Principal	Interest	Debt Service	
9/1/2020	\$4,124,500		\$2,016,797	\$2,016,797	\$940,000	\$1,062,903	\$2,002,903	\$4,019,700
9/1/2021	4,124,750		1,762,250	1,762,250	1,375,000	881,750	2,256,750	4,019,000
9/1/2022	4,122,325		1,762,250	1,762,250	1,440,000	813,000	2,253,000	4,015,250
9/1/2023	4,120,700		1,762,250	1,762,250	1,515,000	741,000	2,256,000	4,018,250
9/1/2024	4,124,613		1,762,250	1,762,250	1,590,000	665,250	2,255,250	4,017,500
9/1/2025	4,123,538		1,762,250	1,762,250	1,670,000	585,750	2,255,750	4,018,000
9/1/2026	4,122,475		1,762,250	1,762,250	1,755,000	502,250	2,257,250	4,019,500
9/1/2027	4,120,913		1,762,250	1,762,250	1,840,000	414,500	2,254,500	4,016,750
9/1/2028	4,121,538		1,762,250	1,762,250	1,930,000	322,500	2,252,500	4,014,750
9/1/2029	4,123,725		1,762,250	1,762,250	2,030,000	226,000	2,256,000	4,018,250
9/1/2030	4,121,850		1,762,250	1,762,250	2,130,000	124,500	2,254,500	4,016,750
9/1/2031	4,120,600	1,875,000	1,762,250	3,637,250	360,000	18,000	378,000	4,015,250
9/1/2032	4,121,200	2,350,000	1,668,500	4,018,500				4,018,500
9/1/2033	4,121,900	2,465,000	1,551,000	4,016,000				4,016,000
9/1/2034	4,122,100	2,590,000	1,427,750	4,017,750				4,017,750
9/1/2035	4,121,200	2,720,000	1,298,250	4,018,250				4,018,250
9/1/2036	4,123,600	2,855,000	1,162,250	4,017,250				4,017,250
9/1/2037	4,123,400	3,000,000	1,019,500	4,019,500				4,019,500
9/1/2038		3,145,000	869,500	4,014,500				4,014,500
9/1/2039		3,305,000	712,250	4,017,250				4,017,250
9/1/2040		3,470,000	547,000	4,017,000				4,017,000
9/1/2041		3,645,000	373,500	4,018,500				4,018,500
9/1/2042		3,825,000	191,250	4,016,250				4,016,250
Totals:	\$74,204,925	\$35,245,000	\$32,222,297	\$67,467,297	\$18,575,000	\$6,357,403	\$24,932,403	\$92,399,700

<sup>1</sup>Preliminary, subject to change with market conditions.