



A Public Agency

EXECUTIVE DIRECTOR'S REPORT

STAFF REPORT

To: SBWMA Board Members
From: Joe La Mariana, Executive Director
Date: February 27, 2020 Board of Directors Meeting
Subject: Executive Director's Report

Staff and Agency partners continue to be hard at work supporting numerous critical path projects, programs, and facility initiatives. Here are highlights:

1. Administration & Finance:

a. Calendar Year Financials

Staff will present a Work Plan to transition from Fiscal Year to Calendar Year Accounting Period beginning January 21, 2021 at the April BOD Meeting. The purpose of this transition is to align the Agency's Budget Year with major vendor contracts which are based on a calendar year. Those contracts include the collection contract (Recology), facility operations contract (SBR) and disposal and processing contracts.

b. Recology's 2021 Service Level Adjustment (SLA)

Staff is currently verifying Recology's source data for the 2021 Service Level Adjustment (SLA) Calculation. Recology's SLA for Commercial and Multi-Family compensation is based on the change in the number of container lifts on a three-year rolling average dating back to 2014 for the 2021 Compensation Year. Staff is verifying that the data provided by Recology is consistent with their system generated source reports.

2. Committee Updates:

a. Finance Committee Meeting (no meeting held)

b. Legislative/Regulatory Committee (February 4th -- Executive Committee Mtg)

Staff continues to work closely with Agency lobbyists, EEC, on Agency co-sponsored AB 1509 (Mullin) with co-sponsors, the State, and other key stakeholders including industry opposition on finding common ground on the scope of the bill to ensure passage of the bill at its next committee hearing in the State Senate.

Agenda item 9C provides details of legislative activities our legislative advocate, EEC, is currently working on for us.

c. Pub Ed/Outreach Subcommittee (no meeting held)

d. Technical Advisory Committee (no meeting held)

e. Zero Waste Committee (no meeting held)

3. Collection and Recycling Program Support and Compliance:

a. **Town of Atherton**

On February 19th, the Town of Atherton's town council (Atherton) reviewed the single response from their recent solid waste, recycling, and composting collection services RFP. Atherton recommended that town staff proceed with in-depth negotiations with Green Waste Recovery (San Jose) and report back on March 18th for further direction and a possible decision on whether to exit the SBWMA.

Note: SBWMA Executive Committee, SBWMA counsel, staff, bond counsel (Stradling), and financial consultants (KNN Municipal Finance) have been actively engaged in "what if" planning discussions for a number of months regarding this topic. KNN was retained in November 2019 to provide a "*Bond Allocation and Defeasance Analysis*" (**Attachment A**) of the recent debt service refunding transaction, and they recommended three options to calculate Atherton's exit costs a (from \$2M-\$2.1M) to satisfy their share of the SBWMA's bond obligation should an JPA exit occur. This KNN report was provided to Town Manager George Rodericks, on December 19th, 2019 with the intent to disclose Atherton's debt service financial obligations for their February 19th town council discussions. Other exit costs are also being identified at this time.

b. **Community Outreach and Environmental Education**

i. **Service Guide**

With Public Education and Outreach Committee input, Staff and Recology jointly produced a new [Single-Family Household Service Guide](#). This guide (which is also available online in Spanish and Chinese on both the Agency's and Recology's websites) has been printed and have begun being to single-family households. The staggered mailings will happen over the course of twelve weeks; the first week mailing occurred the week of February 10.

ii. **In-Schools Program Update**

In February, the Environmental Education Team wrapped up the final In-Schools Program roll-outs for the school year! Franklin Elementary in Burlingame, and White Oaks and Heather Elementary in San Carlos were fully equipped with 3-bin systems and provided student and staff waste reduction education. The Environmental Education Team trained all 1st and 3rd graders at White Oaks to monitor the bins at lunch and maintain positive sorting habits moving forward. To further engage students, the Environmental Education team developed new games and interactive activities that teach students about plastics pollution, sorting, and the importance of clear communication about waste reduction information. Attached is an In Schools Program rollout-to-date summary for your review (**Attachment B**).

iii. **Shoreway Tours: Weekend Edition**

The Agency will be hosting a weekend of six morning public tours on Saturday, April 4 and Sunday, April 5. This event is in lieu of our traditional Earth Day @ Shoreway due to the construction projects at Shoreway.

iv. **Trash-to-Art Contest: Now Open**

RethinkWaste is now accepting submissions for the annual Trash to Art contest. Please share with schools, educators, families, and individual students in your community and encourage them to participate in this fun project! Open to all 3rd-5th graders in the service area, all art pieces must be delivered to the Shoreway Environmental Education Center by Friday, March 27th at noon.

v. **San Mateo County's Disposable Foodware Ordinance Initiative**

The San Mateo County Board of Supervisors had its first reading of the Ordinance at its February 11 meeting where it was voted 4-0 to approve the introduction. I spoke at the meeting in strong support of the new San Mateo County Ordinance 4.107. The adoption of the Ordinance will take place at the February 25 meeting. SMC's Office of Sustainability (OOS) has been leading the charge in drafting this Ordinance that bans non-recyclable foodware at food establishments located in unincorporated areas in the County.

4. **Shoreway Operations and Contract Management**

a. **SBR Compensations Adjustment Request**

b. **Organics-to-Energy Project Update**

All Anergia equipment has been installed as of February 14th, 2020 and system checks have begun. Staff is working to complete two final steps before beginning full (pilot) operations. They are:

1. Executing Memos of Understanding (MOUs) between the SBWMA and five targeted local Wastewater Treatment Plants (WWTP). Staff is pleased to present agenda item 7C today for Board consideration with the Central Marin Sanitation Agency and East Bay MUD. Once approved, we can begin a soft start to our pilot program (with the completion of item 2 (below). Three other MOUs are in the works and will be presented for consideration during the next few Board meetings.
2. The installation of a new fire suppression system to be positioned over the new O2E equipment. This is the final building permit punch list item which, when completed, will release all permit requirements. The Board approved this expenditure at the January 31, 2020 meeting and work is expected to be completed in early March.

c. **MRF Upgrades – Phase I**

This project was recently defined as a retrofit of existing equipment rather than a brand new project. This important distinction means that the requirement for additional engineering design (and related expenses) has been released. Based on this incredibly good news, Staff released a formal Notice-to-Proceed letter to the equipment manufacturer--Bulk Handling Systems (BHS) based in Eugene, Oregon—to immediately begin production. Staff currently projects the complete installation of MRF Upgrades Phase I this fall (September/October).

Preliminary planning has begun on the larger-scale MRF-Phase II project.

d. **Recology Fleet transition: Evaluation of Alternative fuels in new fleet**

SBWMA's Technical staff continues to work with Recology on the evaluation of current and future fueling options for the new Recology fleet which is scheduled for 100% replacement by 2025. This project has broad sweeping implications to the SBWMA regarding cost, Shoreway facility site planning, fueling stations and other important considerations. It is currently envisioned that the future Recology fleet of 145 vehicles will be fueled with a mix of renewable diesel, bio-gas, and electric. Within the past few weeks, Recology has begun testing a 1st generation electric rear-loader (one of five in North America) and a compressed natural gas (CNG) fueled vehicle.

Matt Southworth is the SBWMA technical lead for this project, with input by Hilary Gans, Grant Ligon, and John Mangini. Recology is represented by Mike Kelly (General Manager) and Tim Hester (Operations Manager) With my concurrence and authorization, Recology began using renewable diesel to power their entire San Mateo division fleet in November 2019. While not viewed as a long-term alternative fuel, renewable diesel does burn cleaner than traditional diesel, has no apparent cost differential when compared to traditional diesel, and all reports are that truck performance is unaffected.

These are exciting times at the SBWMA!

Respectfully submitted,



Joe La Mariana
Executive Director

Attachments:

Attachment A: KNN Public Finance: Bond Allocation and Defeasance Analysis (November 4, 2019)

Attachment B: SBWMA In-Schools Program Rollout-to-Date Summary

Date: November 4, 2019

To: **South Bayside Waste Management Authority**
Joe La Mariana, Executive Director
John Mangini, Finance Director

From: **KNN Public Finance**
David Brodsky and Melissa Shick

Re: **Bond Allocation and Defeasance Analysis**

A Member Agency of the South Bayside Waste Management Authority (SBWMA) has not signed the SBWMA Restated and Amended Franchise Agreement. Specifically, the Town of Atherton has publicly indicated it may consider withdrawing from the SBWMA, depending on the results of a solid waste collection contractor procurement process currently underway. If the Town of Atherton proceeds with exiting the SBWMA, the Joint Powers Authority Agreement (*Section 15.1*) states that, upon exit, a Member Agency is responsible for the “liquidation in full of its proportion of any and all existing debts, obligations, and liabilities incurred, earned, or expected to be earned by the date of withdrawal, but not limited to the Revenue Bonds, as determined by the Board.” The particular method of calculating (and liquidating) a Member Agency’s proportional share of any such outstanding obligation, however, is not specified under the Joint Powers Authority Agreement.

In considering the proportional attribution of the SBWMA’s outstanding bond obligations to the potentially exiting Member Agency, the Town of Atherton, this memo presents what we consider to be a reasonable approach to calculate the proportion of SBWMA’s outstanding bond obligations attributable to the Town of Atherton and describes a method for retiring its proportional share of the bond obligations through a legal defeasance.

Bond Allocation Methodology

SBWMA’s outstanding bond obligations consist of two series – \$31,860,000 Solid Waste Enterprise Refunding Revenue Bonds, Series 2019A (Non-AMT) and \$16,915,000 Solid Waste Enterprise Revenue Bonds, Series 2019B (AMT) – together, totaling \$48,775,000 in outstanding par amount (the Series 2019 Bonds).

- The Series 2019A Bonds were issued to refund in full the SBWMA’s Solid Waste Enterprise Revenue Bonds (Shoreway Environmental Center), Series 2009A, which originally financed the construction of a new scale house, a new materials recovery facility (MRF) to be used for the processing of recyclables, the expansion and renovation of the transfer station, and the acquisition of equipment to be utilized in the MRF.
- The Series 2019B Bonds were issued to finance certain costs in connection with the construction of various improvements and acquisition and installation of certain associated equipment, including MRF equipment improvements, organics-to-energy pilot projects, and other capital improvements at Shoreway Environmental Center.

Because proceeds from the SBWMA's outstanding bond obligations have been or are expected to be directly invested in capital and equipment improvements at the Shoreway Environmental Center, a reasonable means to allocate such obligations is a Member Agency's historical use of the facility – measured by tonnage. Below is a summary of SBWMA total franchise tonnage by Member Agency over the last three calendar years. The Town of Atherton's tonnage as percentage of SBWMA's total franchise tonnage has remained consistent over the last three calendar years – ranging from 3.25% to 3.29%.

SBWMA Total Franchise Tonnage by Member Agency (Last Three Calendar Years)						
Member Agency	2016		2017		2018	
	Total Tons	% of Total	Total Tons	% of Total	Total Tons	% of Total
Town of Atherton	11,892	3.29%	12,089	3.28%	11,964	3.25%
City of Belmont	17,236	4.76%	17,624	4.78%	17,189	4.67%
City of Burlingame	41,111	11.36%	42,194	11.43%	41,870	11.36%
County Unincorporated	11,103	3.07%	11,356	3.08%	11,200	3.04%
North Fair Oaks	10,651	2.94%	10,605	2.87%	10,638	2.89%
City of East Palo Alto	19,208	5.31%	19,207	5.21%	19,030	5.17%
City of Foster City	20,287	5.61%	20,837	5.65%	20,843	5.66%
Town of Hillsborough	9,837	2.72%	10,165	2.75%	10,025	2.72%
City of Menlo Park	39,515	10.92%	42,360	11.48%	44,251	12.01%
Redwood City	70,562	19.50%	71,057	19.26%	70,558	19.15%
City of San Carlos	27,189	7.51%	27,731	7.52%	27,092	7.35%
City of San Mateo	77,841	21.51%	78,265	21.21%	78,320	21.26%
West Bay Sanitary	5,421	1.50%	5,510	1.49%	5,432	1.47%
SBWMA Total	361,854	100.0%	369,000	100.0%	368,413	100.0%

Source: South Bay Waste Management Authority.

Each Member Agency's percentage of total franchise tonnage can be used as a proxy for their proportional share of SBWMA obligations under the Joint Powers Agreement. Because existing debts, obligations, and liabilities of the SBWMA are shared only among the Member Agencies we have focused on franchise tonnage to calculate a Member Agency's proportional share and do not include non-franchise and general public tonnage as part of the percentage calculus.

Town of Atherton Bond Allocation and Defeasance Analysis

SBWMA can legally retire the Town of Atherton's allocable percentage of the Series 2019 Bonds by executing a bond defeasance. We discuss this approach below.

Defeasance Description

The term "defeasance" relates to a method in which an outstanding bond issue can be discharged, both legally and financially and in whole or in part, prior to the time in which the bonds can be prepaid or "called." Although a defeasance is generally utilized as part of a refunding transaction (when the refunded bonds cannot be redeemed on the date of issuance of refunding bonds), a defeasance can also be accomplished with available cash rather than the proceeds of the issuance of refunding bonds. Specifically, cash can be used to purchase government securities that will pay debt

service on the outstanding bonds and then redeem the bonds by paying outstanding principal at the first optional call date.

Under the Authority's bond documents, a defeasance of the bonds in the amount allocated to Atherton would result in those bonds being deemed "paid" (even though they would not be actually redeemed until the first available redemption date on September 1, 2029). Once the government securities are deposited in escrow on the date of the defeasance, the defeased bonds would no longer be payable from the revenues of the Solid Waste System. In order for a bond issue to be legally defeased, the types of investment securities selected and the terms of how and where the securities are held must meet the requirements set forth in the documents that authorized the outstanding bonds. If the defeasance is consistent with generally accepted accounting principles and complies with the outstanding bond document requirements, the bonds will no longer be treated as debt for accounting purposes, and will not be considered debt for purposes of setting your rates .

Mechanics of Defeasance

In a defeasance, the issuer purchases government securities for deposit in an escrow account. The escrow account is held by a bank or trust company that serves as escrow agent (this can be your existing Series 2019 Bond trustee). Under the terms of an escrow agreement, the government securities are irrevocably pledged to the payment of the outstanding bonds. The specific government securities are selected so that the principal maturities and interest earned are sufficient to retire the principal of and interest on the outstanding bonds as they come due. It is common to purchase a specific type of federal security that was designed specifically for this purpose, called State and Local Government Series (or "SLGS"), as they allow for tailoring the maturity of the investments to the specific needs of the defeasance escrow.

Defeasance Analysis for the Town of Atherton Obligation

The cost of defeasance for the Town of Atherton's proportional share of the outstanding Series 2019 Bonds will be driven by the calculation of their share of the debt and the specific cost of the escrow requirement necessary to retire their percentage of outstanding principal and interest on the Series 2019 Bonds as they come due. However, the execution of the defeasance will also involve third-party costs (similar to cost of issuance on a bond offering) that should also be considered in the overall cost of the defeasance transaction.

Escrow Cost. The total par amount of the outstanding Series 2019 Bonds is \$48,775,000. Of this total, bond maturities from 2020 – 2029, representing \$14.575 million in outstanding par amount, are non-callable, and bond maturities from 2030 – 2042, representing \$34.200 million in par amount, are callable and subject to optional redemption on September 1, 2029. Inclusive of principal and interest, total debt service through the first call date of September 1, 2029 equates to \$36,410,513.89 and total debt service through the September 1, 2042 maturity equates to \$83,739,013.89.

Because Series 2019 Bonds maturing after 2029 are callable and can be optionally redeemed by SBWMA, a defeasance escrow would therefore be structured to the first call date of date of September 1, 2029. The escrow sufficiency would be the amount necessary to pay principal and interest on the non-callable maturities through their respective maturity dates plus the total amount of callable

principal to be redeemed on the September 1, 2029 call date. (See **Attachment A** for a schedule of outstanding maturities of the Series 2019 Bonds.)

Assuming an escrow invested in SLGS bearing interest rates as of October 31, 2019 and an escrow period from November 4, 2019 to September 1, 2029, a defeasance of all outstanding Series 2019 Bonds would require an escrow that costs \$62,341,198.37. The table below calculates the Town of Atherton's proportional defeasance cost based on varying approaches to the application of their allocable percentage of total outstanding bond obligations.

Town of Atherton Defeasance Analysis (Preliminary - Market Conditions as of October 31)	
Total Cost of Defeasance - Series 2019 Bonds	\$62,341,198.37
Scenario 1: Most Recent Calendar Year 2018 Tonnage Allocable Percentage = 3.25%	\$ 2,026,088.95
Scenario 2: Average Tonnage Percentage - Last Three Years Allocable Percentage = 3.27%	\$ 2,038,557.19
Scenario 3: Historical Tonnage Rounded Allocable Percentage = 3.30%	\$ 2,057,259.55

We note that the above calculations of the cost of a defeasance escrow are driven by a number of assumptions based on today's market conditions. Depending on market conditions at the time a defeasance may be executed, the results will vary. For example, the portfolio of securities that comprises the defeasance escrow may yield more or less in the future than from what is assumed today – SLGS investment yielding an average of 1.730472% – based on market conditions and/or the package of securities utilized. If the escrow yield is higher, the cost to the Town of Atherton will be lower and, conversely, if the escrow yield is lower, the cost to the Town of Atherton will be higher.

Another factor contributing to the escrow cost is its duration. The current analysis assumes an escrow purchase date of November 4, 2019 and an escrow maturity of September 1, 2029 – a modified duration of 7.186 years. Given the Town of Atherton is still conducting their procurement process and related financial analysis, it is likely that *if* a defeasance were to be executed that this wouldn't occur until next year – shortening the length of the defeasance escrow and lowering the total cost.

Execution Cost. Similar to a bond issuance and related cost of issuance, there are several parties that would be required to formally execute a defeasance transaction – summarized as follows:

- *Bond Counsel:* Bond Counsel drafts the escrow agreement and renders an opinion that the outstanding bonds have been legally defeased.
- *Verification Agent:* The Indenture of Trust for the outstanding bonds requires an independent certified public accountant to provide an opinion that the escrow account is sufficient to retire the outstanding bonds.

- *Escrow Agent:* The bank or trust company that holds the government securities and makes payments to the paying agent for the outstanding bonds is referred to as the escrow agent. The bond trustee on the SBWMA Series 2019 Bonds would serve this function.
- *Municipal Advisor:* An advisor typically assists with the financing plan. The advisor assists in identifying the government securities to be placed in the escrow account, assists in the arrangements for the acquisition of the government securities, reviews the terms of the escrow agreement, and assists the issuer in the transfer of funds to the escrow agent.

In addition to payments to outside consultants there may be other ancillary costs of the defeasance transaction (i.e. subscriptions for new CUSIP numbers, which identify bonds for the market). We recommend that SBWMA estimate approximately \$75,000 - \$100,000 for the additional cost of execution when communicating the total cost to the Town of Atherton to liquidate is proportional share of the Series 2019 Bonds. We have assumed \$100,000 in such costs in our analysis.

In **Attachment B** we provide illustrative cash flows of a partial defeasance of the Series 2019 Bonds for the Town of Atherton utilizing a 3.25% allocable percentage of total SBWMA obligations to the Town of Atherton.

We understand that SBWMA management, its Board committees, and their legal counsel are beginning the process and dialogue around this topic. As the Town of Atherton's plans become more definitive, we are available for further discussion and analysis around the defeasance analysis and execution. In the interim, however, should you have any questions or desire further information, please do not hesitate to contact David (510-208-8205) or Melissa (510-208-8226).

Attachment A: Series 2019 Bonds

Bond Pricing
South Bayside Waste Management Authority
Solid Waste Enterprise Revenue Bonds
(Shoreway Environmental Center)
Series 2019A and Series 2019B

Maturity Date	Amount	Rate	Yield	Call Date	
Non Callable Maturities					
9/1/2020	850,000	5.000%	1.500%	NC	Escrow pays non-callable bond principal and interest through September 1, 2029
9/1/2021	1,245,000	5.000%	1.520%	NC	
9/1/2022	1,305,000	5.000%	1.530%	NC	
9/1/2023	1,370,000	5.000%	1.540%	NC	
9/1/2024	1,440,000	5.000%	1.570%	NC	
9/1/2025	1,515,000	5.000%	1.620%	NC	
9/1/2026	1,590,000	5.000%	1.680%	NC	
9/1/2027	1,670,000	5.000%	1.810%	NC	
9/1/2028	1,750,000	5.000%	1.900%	NC	
9/1/2029	1,840,000	5.000%	2.020%	NC	
14,575,000					
Callable Maturities					
9/1/2030	1,930,000	5.000%	2.140%	9/1/2029	Escrow redeems callable principal on September 1, 2029
9/1/2031	410,000	5.000%	2.270%	9/1/2029	
9/1/2031	1,620,000	5.000%	1.820%	9/1/2029	
9/1/2032	2,130,000	5.000%	1.940%	9/1/2029	
9/1/2033	2,235,000	5.000%	2.010%	9/1/2029	
9/1/2034	2,345,000	5.000%	2.080%	9/1/2029	
9/1/2035	2,465,000	5.000%	2.160%	9/1/2029	
9/1/2036	2,590,000	5.000%	2.210%	9/1/2029	
9/1/2037	2,715,000	5.000%	2.280%	9/1/2029	
9/1/2038	2,855,000	5.000%	2.320%	9/1/2029	
9/1/2039	2,995,000	5.000%	2.360%	9/1/2029	
9/1/2040	3,145,000	5.000%	2.390%	9/1/2029	
9/1/2041	3,300,000	5.000%	2.460%	9/1/2029	
9/1/2042	3,465,000	5.000%	2.460%	9/1/2029	
34,200,000					

Attachment B: Cash Flows of Partial Defeasance of the Series 2019 Bonds

1300 Clay Street, Suite 1000 | Oakland, CA 94612 | Main 510-839-8200 | Fax 510-208-8282
1451 Quail Street, Suite 200 | Newport Beach, CA 92660 | Main 949-346-4900 | Fax 510-208-8282
5757 W. Century Boulevard, Suite 700 | Los Angeles, CA 90045 | Main 310-348-2901 | Fax 510-208-8282

A Limited Liability Company

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Proposed Cash Defesance
City of Atherton's Portion of the 2019 Solid Waste Revenue Bonds
Reflects Market Conditions as of October 31, 2019
Preliminary, Subject to Change with Market Conditions**

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SOURCES AND USES OF FUNDS

**South Bayside Waste Management
Proposed Cash Defesance
City of Atherton's Portion of the 2019 Solid Waste Revenue Bonds
Reflects Market Conditions as of October 31, 2019
Preliminary, Subject to Change with Market Conditions**

Dated Date 11/04/2019
Delivery Date 11/04/2019

Sources:

Other Sources of Funds:	
Cash Defesance	2,025,218.55
Cost of Issuance	100,000.00
	<hr/>
	2,125,218.55

Uses:

Refunding Escrow Deposits:	
Cash Deposit	0.55
SLGS Purchases	<hr/> 2,025,218.00
	2,025,218.55
Delivery Date Expenses:	
Cost of Issuance	100,000.00
	<hr/>
	2,125,218.55

SUMMARY OF BONDS REFUNDED

**South Bayside Waste Management
Proposed Cash Defesance
City of Atherton's Portion of the 2019 Solid Waste Revenue Bonds
Reflects Market Conditions as of October 31, 2019
Preliminary, Subject to Change with Market Conditions**

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
2019 Solid Waste Enterprise Revenue Bonds, 19ATH:					
ATH	09/01/2020	5.000%	30,000.00		
	09/01/2021	5.000%	40,000.00		
	09/01/2022	5.000%	40,000.00		
	09/01/2023	5.000%	45,000.00		
	09/01/2024	5.000%	50,000.00		
	09/01/2025	5.000%	50,000.00		
	09/01/2026	5.000%	50,000.00		
	09/01/2027	5.000%	55,000.00		
	09/01/2028	5.000%	60,000.00		
	09/01/2029	5.000%	60,000.00		
	09/01/2030	5.000%	60,000.00	09/01/2029	100.000
	09/01/2031	5.000%	65,000.00	09/01/2029	100.000
	09/01/2032	5.000%	70,000.00	09/01/2029	100.000
	09/01/2033	5.000%	70,000.00	09/01/2029	100.000
	09/01/2034	5.000%	75,000.00	09/01/2029	100.000
	09/01/2035	5.000%	80,000.00	09/01/2029	100.000
	09/01/2036	5.000%	85,000.00	09/01/2029	100.000
	09/01/2037	5.000%	90,000.00	09/01/2029	100.000
	09/01/2038	5.000%	90,000.00	09/01/2029	100.000
	09/01/2039	5.000%	100,000.00	09/01/2029	100.000
	09/01/2040	5.000%	100,000.00	09/01/2029	100.000
	09/01/2041	5.000%	110,000.00	09/01/2029	100.000
	09/01/2042	5.000%	110,000.00	09/01/2029	100.000
			1,585,000.00		

PRIOR BOND DEBT SERVICE

**South Bayside Waste Management
Proposed Cash Defesance
City of Atherton's Portion of the 2019 Solid Waste Revenue Bonds
Reflects Market Conditions as of October 31, 2019
Preliminary, Subject to Change with Market Conditions**

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
03/01/2020			51,072.22	51,072.22	
09/01/2020	30,000	5.000%	39,625.00	69,625.00	120,697.22
03/01/2021			38,875.00	38,875.00	
09/01/2021	40,000	5.000%	38,875.00	78,875.00	117,750.00
03/01/2022			37,875.00	37,875.00	
09/01/2022	40,000	5.000%	37,875.00	77,875.00	115,750.00
03/01/2023			36,875.00	36,875.00	
09/01/2023	45,000	5.000%	36,875.00	81,875.00	118,750.00
03/01/2024			35,750.00	35,750.00	
09/01/2024	50,000	5.000%	35,750.00	85,750.00	121,500.00
03/01/2025			34,500.00	34,500.00	
09/01/2025	50,000	5.000%	34,500.00	84,500.00	119,000.00
03/01/2026			33,250.00	33,250.00	
09/01/2026	50,000	5.000%	33,250.00	83,250.00	116,500.00
03/01/2027			32,000.00	32,000.00	
09/01/2027	55,000	5.000%	32,000.00	87,000.00	119,000.00
03/01/2028			30,625.00	30,625.00	
09/01/2028	60,000	5.000%	30,625.00	90,625.00	121,250.00
03/01/2029			29,125.00	29,125.00	
09/01/2029	60,000	5.000%	29,125.00	89,125.00	118,250.00
03/01/2030			27,625.00	27,625.00	
09/01/2030	60,000	5.000%	27,625.00	87,625.00	115,250.00
03/01/2031			26,125.00	26,125.00	
09/01/2031	65,000	5.000%	26,125.00	91,125.00	117,250.00
03/01/2032			24,500.00	24,500.00	
09/01/2032	70,000	5.000%	24,500.00	94,500.00	119,000.00
03/01/2033			22,750.00	22,750.00	
09/01/2033	70,000	5.000%	22,750.00	92,750.00	115,500.00
03/01/2034			21,000.00	21,000.00	
09/01/2034	75,000	5.000%	21,000.00	96,000.00	117,000.00
03/01/2035			19,125.00	19,125.00	
09/01/2035	80,000	5.000%	19,125.00	99,125.00	118,250.00
03/01/2036			17,125.00	17,125.00	
09/01/2036	85,000	5.000%	17,125.00	102,125.00	119,250.00
03/01/2037			15,000.00	15,000.00	
09/01/2037	90,000	5.000%	15,000.00	105,000.00	120,000.00
03/01/2038			12,750.00	12,750.00	
09/01/2038	90,000	5.000%	12,750.00	102,750.00	115,500.00
03/01/2039			10,500.00	10,500.00	
09/01/2039	100,000	5.000%	10,500.00	110,500.00	121,000.00
03/01/2040			8,000.00	8,000.00	
09/01/2040	100,000	5.000%	8,000.00	108,000.00	116,000.00
03/01/2041			5,500.00	5,500.00	
09/01/2041	110,000	5.000%	5,500.00	115,500.00	121,000.00
03/01/2042			2,750.00	2,750.00	
09/01/2042	110,000	5.000%	2,750.00	112,750.00	115,500.00
	1,585,000		1,133,947.22	2,718,947.22	2,718,947.22

ESCROW COST

**South Bayside Waste Management
Proposed Cash Defesance
City of Atherton's Portion of the 2019 Solid Waste Revenue Bonds
Reflects Market Conditions as of October 31, 2019
Preliminary, Subject to Change with Market Conditions**

Type of Security	Maturity Date	Par Amount	Rate	Total Cost
SLGS	03/01/2020	40,316	1.580%	40,316.00
SLGS	09/01/2020	52,679	1.550%	52,679.00
SLGS	03/01/2021	22,602	1.550%	22,602.00
SLGS	09/01/2021	62,777	1.570%	62,777.00
SLGS	03/01/2022	22,270	1.570%	22,270.00
SLGS	09/01/2022	62,445	1.570%	62,445.00
SLGS	03/01/2023	21,935	1.570%	21,935.00
SLGS	09/01/2023	67,108	1.570%	67,108.00
SLGS	03/01/2024	21,509	1.570%	21,509.00
SLGS	09/01/2024	71,678	1.570%	71,678.00
SLGS	03/01/2025	20,990	1.580%	20,990.00
SLGS	09/01/2025	71,157	1.590%	71,157.00
SLGS	03/01/2026	20,472	1.620%	20,472.00
SLGS	09/01/2026	70,638	1.640%	70,638.00
SLGS	03/01/2027	19,967	1.660%	19,967.00
SLGS	09/01/2027	75,133	1.670%	75,133.00
SLGS	03/01/2028	19,386	1.680%	19,386.00
SLGS	09/01/2028	79,548	1.700%	79,548.00
SLGS	03/01/2029	18,724	1.710%	18,724.00
SLGS	09/01/2029	1,183,884	1.730%	1,183,884.00
		2,025,218		2,025,218.00

Purchase Date	Cost of Securities	Cash Deposit	Total Escrow Cost	Yield
11/04/2019	2,025,218	0.55	2,025,218.55	1.703472%
	2,025,218	0.55	2,025,218.55	

ESCROW CASH FLOW

**South Bayside Waste Management
Proposed Cash Defesance
City of Atherton's Portion of the 2019 Solid Waste Revenue Bonds
Reflects Market Conditions as of October 31, 2019
Preliminary, Subject to Change with Market Conditions**

Date	Principal	Interest	Net Escrow Receipts	Present Value to 11/04/2019 @ 1.7034721%
03/01/2020	40,316.00	10,755.89	51,071.89	50,791.11
09/01/2020	52,679.00	16,946.58	69,625.58	68,658.02
03/01/2021	22,602.00	16,272.84	38,874.84	38,010.86
09/01/2021	62,777.00	16,097.67	78,874.67	76,470.38
03/01/2022	22,270.00	15,604.87	37,874.87	36,410.23
09/01/2022	62,445.00	15,430.05	77,875.05	74,231.33
03/01/2023	21,935.00	14,939.86	36,874.86	34,852.66
09/01/2023	67,108.00	14,767.67	81,875.67	76,732.09
03/01/2024	21,509.00	14,240.87	35,749.87	33,221.04
09/01/2024	71,678.00	14,072.02	85,750.02	79,011.38
03/01/2025	20,990.00	13,509.35	34,499.35	31,519.76
09/01/2025	71,157.00	13,343.53	84,500.53	76,550.51
03/01/2026	20,472.00	12,777.83	33,249.83	29,867.21
09/01/2026	70,638.00	12,612.01	83,250.01	74,149.15
03/01/2027	19,967.00	12,032.78	31,999.78	28,260.87
09/01/2027	75,133.00	11,867.05	87,000.05	76,185.90
03/01/2028	19,386.00	11,239.69	30,625.69	26,592.41
09/01/2028	79,548.00	11,076.85	90,624.85	78,025.34
03/01/2029	18,724.00	10,400.69	29,124.69	24,863.73
09/01/2029	1,183,884.00	10,240.60	1,194,124.60	1,010,814.03
	2,025,218.00	268,228.70	2,293,446.70	2,025,218.00

Escrow Cost Summary

Purchase date	11/04/2019
Purchase cost of securities	2,025,218.00
Target for yield calculation	2,025,218.00

BOND DEBT SERVICE AFTER DEFEASANCE

**South Bayside Waste Management
Proposed Cash Defesance
City of Atherton's Portion of the 2019 Solid Waste Revenue Bonds
Reflects Market Conditions as of October 31, 2019
Preliminary, Subject to Change with Market Conditions**

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
03/01/2020			1,520,566.67	1,520,566.67	
09/01/2020	820,000	5.000%	1,179,750.00	1,999,750.00	3,520,316.67
03/01/2021			1,159,250.00	1,159,250.00	
09/01/2021	1,205,000	5.000%	1,159,250.00	2,364,250.00	3,523,500.00
03/01/2022			1,129,125.00	1,129,125.00	
09/01/2022	1,265,000	5.000%	1,129,125.00	2,394,125.00	3,523,250.00
03/01/2023			1,097,500.00	1,097,500.00	
09/01/2023	1,325,000	5.000%	1,097,500.00	2,422,500.00	3,520,000.00
03/01/2024			1,064,375.00	1,064,375.00	
09/01/2024	1,390,000	5.000%	1,064,375.00	2,454,375.00	3,518,750.00
03/01/2025			1,029,625.00	1,029,625.00	
09/01/2025	1,465,000	5.000%	1,029,625.00	2,494,625.00	3,524,250.00
03/01/2026			993,000.00	993,000.00	
09/01/2026	1,540,000	5.000%	993,000.00	2,533,000.00	3,526,000.00
03/01/2027			954,500.00	954,500.00	
09/01/2027	1,615,000	5.000%	954,500.00	2,569,500.00	3,524,000.00
03/01/2028			914,125.00	914,125.00	
09/01/2028	1,690,000	5.000%	914,125.00	2,604,125.00	3,518,250.00
03/01/2029			871,875.00	871,875.00	
09/01/2029	1,780,000	5.000%	871,875.00	2,651,875.00	3,523,750.00
03/01/2030			827,375.00	827,375.00	
09/01/2030	1,870,000	5.000%	827,375.00	2,697,375.00	3,524,750.00
03/01/2031			780,625.00	780,625.00	
09/01/2031	1,965,000	5.000%	780,625.00	2,745,625.00	3,526,250.00
03/01/2032			731,500.00	731,500.00	
09/01/2032	2,060,000	5.000%	731,500.00	2,791,500.00	3,523,000.00
03/01/2033			680,000.00	680,000.00	
09/01/2033	2,165,000	5.000%	680,000.00	2,845,000.00	3,525,000.00
03/01/2034			625,875.00	625,875.00	
09/01/2034	2,270,000	5.000%	625,875.00	2,895,875.00	3,521,750.00
03/01/2035			569,125.00	569,125.00	
09/01/2035	2,385,000	5.000%	569,125.00	2,954,125.00	3,523,250.00
03/01/2036			509,500.00	509,500.00	
09/01/2036	2,505,000	5.000%	509,500.00	3,014,500.00	3,524,000.00
03/01/2037			446,875.00	446,875.00	
09/01/2037	2,625,000	5.000%	446,875.00	3,071,875.00	3,518,750.00
03/01/2038			381,250.00	381,250.00	
09/01/2038	2,765,000	5.000%	381,250.00	3,146,250.00	3,527,500.00
03/01/2039			312,125.00	312,125.00	
09/01/2039	2,895,000	5.000%	312,125.00	3,207,125.00	3,519,250.00
03/01/2040			239,750.00	239,750.00	
09/01/2040	3,045,000	5.000%	239,750.00	3,284,750.00	3,524,500.00
03/01/2041			163,625.00	163,625.00	
09/01/2041	3,190,000	5.000%	163,625.00	3,353,625.00	3,517,250.00
03/01/2042			83,875.00	83,875.00	
09/01/2042	3,355,000	5.000%	83,875.00	3,438,875.00	3,522,750.00
	47,190,000		33,830,066.67	81,020,066.67	81,020,066.67

Attachment B

SBWMA In-Schools Program Rollout-To-Date Summary

Member Agency	School Name	Roll Out Date
Redwood City	Our Lady of Mount Carmel	September 17, 2018
Redwood City	Redeemer Lutheran	October 29, 2018
Redwood City	Hoover Community School	January 14, 2019
Redwood City	Fair Oaks Community School*	January 28, 2019
Redwood City	Connect Community Charter	January 28, 2019
Redwood City	McKinley Institute of Technology	February 4, 2019
Redwood City	North Star Academy	February 11, 2019
Redwood City	KIPP Excelencia	March 17, 2019
Redwood City	Redwood Shores Elementary School	April 8, 2019
San Mateo	Baywood Elementary School	October 21, 2019
Foster City	Foster City Elementary	November 4, 2019
San Carlos	Arundel Elementary School	November 14, 2019
Burlingame	McKinley Elementary School	November 18, 2019
San Carlos	Brittan Acres Elementary School	December 2, 2019
San Carlos	Arroyo Elementary School	December 5, 2019
Burlingame	Washington Elementary School	January 6, 2020
San Mateo	San Mateo Park School	January 13, 2020
Burlingame	Roosevelt Elementary School	January 21, 2020
Burlingame	Franklin Elementary School	February 3, 2020
San Carlos	Heather Elementary School	February 11, 2020
San Carlos	White Oaks Elementary School	February 11, 2020

*Fair Oaks Community School closed at the end of the 2018-19 school year