

ATTACHMENT F

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**BEFORE THE BOARD OF SUPERVISORS IN AND FOR
THE COUNTY OF MONTEREY, STATE OF CALIFORNIA**

RESOLUTION NO. _____

In the Matter of the Salinas)
Valley Solid Waste Authority)
Revenue Bonds, Series 2013,)
and the County's Notices of)
Intent to Withdraw from the)
Authority and the related Waste)
Delivery Agreement.)
)

RECITALS

A. Pursuant to that certain Joint Exercise of Powers Agreement dated as of January 1, 1997 (the "JPA Agreement") by and among the County of Monterey and the cities of Gonzalez, Salinas, Greenfield, King City and Soledad, the Salinas Valley Solid Waste Authority (the "Authority") has been created and the Authority owns, manages and operates a sanitary landfill system for the disposal of municipal solid waste generated by the City members and in the unincorporated area of the County within the Authority boundaries;

B. The Authority has previously issued its \$39,845,000 Salinas Valley Solid Waste Authority Revenue Bonds, Series 2002 (the "2002 Bonds") to finance and refinance certain expenditures of the Authority;

C. In connection with the issuance of certain prior bond indebtedness of the Authority in 1997 (the Series 1997 Revenue Bonds), the County of Monterey (the "County") and the Authority entered into that certain Waste Delivery Agreement as of September, 1997 (the "Waste Delivery Agreement") for the purpose of ensuring that all solid waste controlled by the County may be directed by the Authority to the disposal system of the Authority;

D. In connection with the 2002 Bonds, the County reaffirmed the validity and enforceability of the Waste Delivery Agreement.

E. The Authority has informed the County that the 2002 Bonds and the remaining sum on that certain Note of the Authority in favor of the City of Salinas (the "Salinas Note") related to certain property purchase obligations activity can be refinanced at significant savings to the Authority and its rate payers through the issuance of its refunding revenue bonds, to be issued in an amount sufficient to refinance all or a portion of the Salinas Note and the 2002 Bonds, fund necessary reserves in connection therewith and pay costs of issuance related thereto, including any cost of credit enhancement, if applicable (the "Refunding Bonds"), all pursuant to the Marks-Roos Local Bond Pooling Act of 1986 (the "Bond Law");

F. The County by letters dated July 13, 2012 and July 16, 2012 has previously given notice of its intent to withdraw from the Authority and the Waste Delivery Agreement pursuant to the terms of the JPA Agreement (collectively, the "Withdrawal Notice");

DRAFT

G. The Authority has asked the County to rescind the Withdrawal Notice for all purposes of the JPA Agreement and the Waste Delivery Agreement, to affirm its obligations under and pursuant to the Waste Delivery Agreement and the JPA Agreement and to furnish information and certify such information and to take such other action to facilitate the issuance of the Refunding Bonds as may be reasonably requested by the Authority in connection with the issuance of the Refunding Bonds, including without limitation execution of any facilitating amendments to the Waste Delivery Agreement as are set forth in that certain Amendment to Waste Delivery Agreement on file with the Clerk of the Board, (the "Amendment to Waste Delivery Agreement"), and attached hereto as Exhibit A, or as may otherwise be determined by the Chief Administrative Officer to be reasonably related to the issuance of the Refunding Bonds, the rating by any nationally recognized rating agency of the Refunding Bonds or the underwriter/initial purchaser of the Refunding Bonds or with respect to establishing and assuring the security for the Refunding Bonds represented by the JPA Agreement and the Waste Delivery Agreement, such actions being referred to herein as the "Member Refunding Bonds Actions;"

H. The Board of Supervisors wishes hereby to facilitate the issuance of the Refunding Bonds and allow the Authority to realize savings associated with such issuance, and to take such actions as may be necessary or appropriate to do so; however, the Board of Supervisors does not wish to rescind the Withdrawal Notice.

I. The Authority proposes to issue the Refunding Bonds in the aggregate principal amount not to exceed \$38,000,000, the proceeds of which will be used to: (i) refinance the Authority's \$39,845,000 original principal amount Revenue Bonds Series 2002 (the "Prior Bonds") which in turn financed and/or refinanced the acquisition, installation and construction of a south county transfer station; wells, erosion mitigation improvements, leachate storage system, sediment basin, power pole relocation and flare for the Authority's Lewis Road Landfill; two new lined cells, water monitoring systems and pumps, leachate handling system improvements, paving, permitting and administration at the Authority's Johnson Canyon Road Landfill; leachate system improvements, erosion control, groundwater system and monitoring system, liquids handling system, LFG system expansion and flare, burn dump remediation, scalehouse area liner and construction engineering at the Crazy Horse Landfill; gas flare, gas perimeter probes, groundwater monitoring improvements, sediment basin drainage overhaul and access road improvements at Jolon Road Landfill; planning, engineering and permitting for expansion of the Johnson Canyon Road Landfill and certain other capital improvements (the "Project"), refund the Authority's 1997 Revenue Bonds, prepay a part of the Installment Purchase Agreement dated as of September 1, 1997, by and between the Authority and the City of Salinas which in turn financed the purchase by the Authority of the Crazy Horse Landfill, (ii) prepay the remaining balance of Installment Purchase Agreement dated as of September 1, 1997, by and between the Authority and the City of Salinas, (iii) fund a reserve account for the Bonds to be held by the Trustee, and (iv) pay certain expenses related to the issuance of the Bonds; and

J. Notice of a public hearing concerning the Bonds and the nature and location of the facilities to be financed was published in two newspapers of general circulation in the County of Monterey.

K. The Board of Supervisors of the County of Monterey (the "Board") has conducted a public hearing whereby interested parties were given a reasonable opportunity to state their

DRAFT

views concerning the issuance of the Bonds and the nature and location of the facilities to be refinanced with a portion of the proceeds thereof.

L. Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), requires, as a condition of the exclusion from income of the holders thereof of interest on the Bonds, that before the Bonds are issued, the Bonds be approved by the Board after a public hearing following reasonable public notice.

M. Pursuant to the Bond Law, and in particular Section 6586 and Section 6586.5 of the California Government Code, the Authority is not entitled to authorize the issuance of Bonds unless a local agency within whose boundaries the Projects are to be located approves the financing and makes a finding of significant public benefit in accordance with the Bond Law.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS IN AND FOR THE COUNTY OF MONTEREY, AS FOLLOWS:

SECTION 1 The County hereby approves the issuance not to exceed \$38,000,000 aggregate principal amount of Salinas Valley Solid Waste Authority Refunding Revenue Bonds, Series 2013 (the "Bonds"), pursuant to Section 147(f)(2) of the Code.

SECTION 2 Pursuant to the Bond Law, the County hereby finds and determines that "significant public benefits" will be experienced by the County and its residents from the issuance of the Bonds and the financing of the Project, including without limitation demonstrable savings in effective interest rate and other bond related costs associated with the delivery of waste disposal services to residential and commercial development within the County's boundaries.

SECTION 3 The Bonds, if any are issued by the Salinas Valley Solid Waste Authority, will be special revenue obligations only of the Authority and will be secured by revenues pledge to repayment thereof by the Authority, and certain other assets of the Authority, but shall not be general obligations of the Authority, the County or the State of California (the "State") for which is pledged the taxing power or the full faith and credit of the Authority, the County or the State. The County, the State and the other members of the Authority will not be obligated to pay, or otherwise be liable for, the payments due on the Bonds.

SECTION 4 The Board of Supervisors hereby directs the Chief Administrative Officer or his/her written designee, the Chair or Vice-Chair, the Clerk of the Board or any Deputy Clerk of the Board, County Counsel and/or any other authorized officer thereof ("Authorized Officer") to execute and deliver such documents, certificates, agreements, opinion letters (in the case of County Counsel) or other instruments (the "Other Instruments") as may be reasonably requested by the Authority to facilitate the issuance of the Refunding Bonds; however, the Board of Supervisors expressly declines to rescind the Withdrawal Notice. Furthermore, such authority and direction is granted solely and exclusively if, in the opinion of the Chief Administrative Officer and County Counsel, such Other Instruments do not modify or eliminate material rights of the County.

SECTION 5 Staff is hereby directed to return before the Board of Supervisors at a meeting in December of 2013, with a report identifying a date certain for withdrawal from the Authority and

DRAFT

the Waste Delivery Agreement, and identifying such other documents or actions as may be necessary to implement such withdrawals. Staff is further authorized and directed to begin discussions with any person or entity for which an agreement may be necessary to implement the withdrawals.

SECTION 6 This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED on this ____ day of _____, 2013, upon motion of Supervisor _____, seconded by Supervisor _____, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTENTION:

I, Gail T. Borkowski, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book ____ for the meeting on _____.

Dated:

Gail T. Borkowski, Clerk of the Board of Supervisors
County of Monterey, State of California

By _____, Deputy