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July 23, 2019

Board of Supervisors
County of Ventura
800 South Victoria Avenue
Ventura, CA 93009

SUBJECT: Hold a Public Hearing Under the Tax Equity and Fiscal Responsibility Act to Adopt a Resolution Approving Tax-Exempt Bond Financing for the Benefit of Waste Management, Inc.

RECOMMENDATIONS:

- 1) Conduct the public hearing under the requirements of the Tax Equity and Fiscal Responsibility Act (TEFRA) and the Internal Revenue Code of 1986, as amended;
- 2) Adopt the resolution (Exhibit 1) approving the issuance of tax-exempt bonds by the California Municipal Finance Authority (CMFA) for the benefit of Waste Management, Inc. to provide for the financing of improvements to existing landfill facilities, solely for the purpose of satisfying the requirements of TEFRA, the Internal Revenue Code and California Government Code Section 6500 et seq.

FISCAL / MANDATES IMPACTS:

The Board of Directors of the California Foundation for Stronger Communities, a California non-profit public benefit corporation (the "Foundation"), acts as the Board of Directors for the CMFA. Through its conduit issuance activities, the CMFA shares a portion of the issuance fees it receives with its member communities and donates a portion of these issuance fees to the Foundation for the support of local charities. With respect to the County of Ventura, it is expected that 25% of the issuance fee attributable to the County will be paid to the County as reimbursement for the County's expense in reviewing this matter and holding the TEFRA hearing. A similar amount will be provided by the CMFA to one or more non-profit organizations in the County. The bonds issued by CMFA are not an obligation of the County. Neither the credit, nor taxing power of the County is pledged to the repayment of the bonds.

BACKGROUND:

Waste Management, Inc. (WMI) has requested that the CMFA serve as the municipal issuer of tax-exempt bonds in an aggregate principal amount not to exceed \$300,000,000 ("Bonds"). Proceeds from the issuance of the Bonds will be applied

toward the financing of certain costs consisting of, but not limited to, improvements to existing permitted landfill facilities and collection facilities owned by WMI statewide. The Bonds will be part of a plan of finance, which may occur over a period of multiple years. The request for bond financing has been submitted to the California Debt Limit Allocation Committee for its consideration and approval at its meeting on September 18, 2019. To be eligible, evidence of a TEFRA hearing must be submitted on or before August 20, 2019.

A portion of such Bond proceeds, in an amount not expected to exceed \$90,000,000, is intended to finance the following project (collectively, the "Project") in the County: improvements to existing, permitted solid waste landfill facilities, including but not limited to (i) construction of new disposal cells and liners within currently permitted acreage, (ii) additions and improvements to the leachate collection and treatment system, including leachate trenching, (iii) additions and improvements to the methane gas systems, (iv) installation of new liners for intermittent and final closure of completed sections of the landfill facilities, (v) site and/or land improvements, including construction of building facilities, (vi) acquisition of equipment to be used at the landfill facilities, and (vii) acquisition of other equipment and assets necessary to support the foregoing additions and improvements and to place them into service.

DISCUSSION:

The County has assisted in several of these bond activities since the late 1980s. The County has been a member of the California Municipal Finance Authority since 2007.

In order for all or a portion of the Bonds to qualify as tax-exempt, the County must conduct a public hearing (the "TEFRA hearing") providing the members of the community an opportunity to speak in favor of or against the use of tax-exempt bonds for the proposed financing. Notice of the time, place, and purpose of today's hearing was published in the Ventura County Star on or before July 16, 2019 in compliance with minimum noticing requirements.

The proposed tax-exempt financing for the Project can proceed only if, following the close of the TEFRA hearing, an "applicable elected representative" of the governmental unit having jurisdiction over the area in which the Project is located provides its approval of the issuance of the Bonds for the financing. The Board of Supervisors is the only "applicable elected representative" that can hold the TEFRA hearing and approve the proposed financing for the Project.

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This item has been reviewed by the offices of the Auditor Controller and County Counsel.
If you have any questions, please call Christy Madden at (805) 654-2679.

Sincerely,


Christy Madden
Deputy Executive Officer


Michael Powers
County Executive Officer

m.p.

Exhibit 1 – TEFRA Resolution