



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
County Manager



Date: June 30, 2015

Board Meeting Date: July 7, 2015

Special Notice / Hearing: None

Vote Required: Majority

To: Honorable Board of Supervisors

From: John L. Maltbie, County Manager

Subject: Resolution Approving Execution and Delivery of Not To Exceed \$23,500,000 of Refunding Bonds for the Colma Creek Flood Control District and Associated Documents

RECOMMENDATION:

Acting as the Governing Board of the San Mateo County Flood Control District, adopt a Resolution authorizing:

- A) Execution and Delivery of Not To Exceed \$23,500,000 of Refunding Bonds; Approving Forms of and Execution of an Indenture, a Purchase Contract, an Escrow Agreement and a Continuing Disclosure Agreement; Approving Form of and Distribution of an Official Statement for Said Refunding Bonds; and Authorizing Taking of Necessary and Incidental Actions, Documents and Certificates.

BACKGROUND:

The San Mateo County Flood Control District (the "District") financed, acquired and constructed certain improvements to the flood control system in the Colma Creek Flood Control Zone of the District in 1997 and again in 2004. To finance the Projects, the District entered into Installment Payment Agreements with the San Mateo County Joint Powers Financing Authority (the "Authority"). The previous agreements in aggregate summed to \$15,780,000 for the 1997 Certificates of Participation and \$10,380,000 for the 2004 Certificates of Participation.

DISCUSSION:

The District has determined that it would be in its best interest to refinance its obligations under the prior agreements and thereby cause the prepayment of the prior Certificates of Participation for 1997 and 2004.

Pursuant to the San Mateo County Flood Control District Act, California Statutes 1959, Chapter 2108, as amended, and all laws amendatory thereof or supplemental thereto, including Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (together, the "Law"), the Governing Board is authorized to refinance its obligations under the Prior Agreements and thereby redeem all or a portion of the Prior Certificates (the refunded portion of the Prior Certificates the "Refunded Certificates").

The refinancing of obligations under the Prior Agreements requires the Governing Board's authorization to execute and deliver an Indenture, a Bond Purchase Contract, an Escrow Agreement, a Continuing Disclosure Agreement, and an Official Statement. The Governing Board must be presented forms of these documents for examination and approval.

County Counsel has reviewed and approved the Resolution and associated documents as to form.

The adoption of the resolution contributes to the Shared Vision 2025 outcome of a Collaborative Community by ensuring that the County's financial future remains strong.

FISCAL IMPACT:

These refunding bonds will maintain flat debt service payments for the District. Savings will be achieved by the accelerated retirement of debt, saving approximately four years or \$5.8 million of debt service payments from 2036 through 2039. Under the terms of the Resolution, the true interest cost of the 2015 Refunding Bonds will not exceed 4.5% and the underwriter's discount will not exceed 0.75%.