

RESOLUTION NO. .

BOARD OF SUPERVISORS, COUNTY OF SAN MATEO, STATE OF CALIFORNIA

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RESOLUTION APPROVING THE TOWN OF ATHERTON'S WITHDRAWAL FROM THE SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY (SBWMA), PROVIDED IT LIQUIDATES ITS PROPORTIONATE SHARE OF DEBT, OBLIGATION, AND LIABILITY AS DETERMINED BY THE SBWMA BOARD ON AUGUST 20, 2020, AND THAT IT DO SO PRIOR TO DECEMBER 31, 2020

RESOLVED, by the Board of Supervisors of the County of San Mateo, State of California, that

WHEREAS, the SBWMA is a joint powers authority established through a Joint Exercise of Powers Agreement (Agreement) on December 9, 1999 by twelve San Mateo County entities (member agencies) to provide a regional approach to the collection and disposition of solid waste, recyclable materials, and organic materials; and

WHEREAS, the Agreement has been amended and restated several times over the years, the current governing document, dated June 19, 2013, is titled the "Second Amended and Restated Joint Exercise of Powers Agreement"; and

WHEREAS, the SBWMA is comprised of twelve member agencies, including the Town of Atherton, all of which are founding members of the SBWMA, and as such, Equity Members under the Agreement; and

WHEREAS, on June 29, 2020, Town of Atherton sent the SBWMA a Notice of Intent to Withdraw from the SBWMA, specifying December 31, 2020 as the date of withdrawal; and

WHEREAS, the SBWMA Agreement, Article 15, Withdrawal From SBWMA, states that a Member may not withdraw from the SBWMA unless and until that Member achieves the following:

- a. 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, including but not limited to the Revenue Bonds, as determined by the Board;
- b. The provision to the SBWMA of a written notice of intent to withdraw from the SBWMA at least six (6) months prior to the end of the current Rate Year, specifying the date on which the Member intends to withdraw;
- c. The approval of such withdrawal by a 4/5 affirmative vote of Equity Members; and

WHEREAS, the SBWMA issued bonds in 2000 to acquire and reconstruct the Shoreway Environmental Center Facility, to be operated by the Authority to meet the regulatory requirements for solid waste and recyclables for its member agencies; and

WHEREAS, the original bonds were defeased and new bonds issued in 2009; and

WHEREAS, in 2019, the SBWMA refunded the 2009 bonds, saving the Authority money and, at the same time, raising new funds for certain capital improvements (the 2019A and 2019B bonds); and

WHEREAS, pursuant to the SBWMA agreement, Article 15. Withdrawal from SBWMA, 15.1.a. , the Board of Directors of the SBWMA is required to determine the amount necessary for the Town of Atherton to achieve “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;” and

WHEREAS pursuant to Article 15.1.c. of the SBWMA Agreement, four-fifths (ten) of the Member Agencies are then required to approve the withdrawal in order for it to be effective; and

WHEREAS, on August 20, 2020, the SBWMA Board held a properly noticed hearing to determine the Town of Atherton’s liquidation obligation, and considered the staff report and all evidence, oral and documentary, presented to it at the hearing; and

WHEREAS, the SBWMA Board, having reviewed and considered the evidence presented, and based thereon, determined that in order to satisfy its requirement under Article 15.1.a., the Town of Atherton must fully defease its proportionate share of the 2019A and 2019B bonds which is 3.24 percent, based on the Town of Atherton’s share of the SBWMA’s overall franchise tonnage in 2019; and

WHEREAS, the cost to defease the Town of Atherton’s bond share is estimated to be \$2,203,016 (\$2,103,016 to defease + \$100,000 costs), with the actual amount subject to adjustment depending on market conditions at the time of defeasance; and

WHEREAS, the SBWMA Board further recommended to its Member Agencies that they review and approve the Town of Atherton’s withdrawal from the SBWMA, effective December 31, 2020, provided that on or before December 31, 2020, the Town

of Atherton satisfies its obligation to liquidate its proportionate share of debt, as determined by the SBWMA Board; and

WHEREAS, the County is an Equity Member of the SBWMA empowered by the Agreement to consent to the Town of Atherton's withdrawal; and

WHEREAS, as determined by the SBWMA, the approval of the Town of Atherton's withdrawal from the SBWMA is exempt from California Environmental Quality Act (CEQA) review because it is not a project within the meaning of CEQA Guideline 15378.

NOW, THEREFORE BE IT RESOLVED that this Board, having considered the Town of Atherton's request, now approves the Town of Atherton's withdrawal from the SBWMA, provided it satisfies its obligation to liquidate its proportional share of debt as determined by the SBWMA Board on August 20, 2020, and said liquidation to occur prior to December 31, 2020.

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