



Agenda Date: 9/18/2019

Agenda Placement: 7C

Napa Sanitation District Board Agenda Letter

TO: Honorable Board of Directors

FROM: Jeff Tucker - Director of Administrative Services/CFO
NS-Administration

REPORT BY: Jeff Tucker, Director of Administrative Services/CFO - 707-258-6000

SUBJECT: Approve Agreement to Appoint US Bank as Successor Trustee and Dissemination Agent for District Debt

RECOMMENDATION

Approve the appointment of U.S. Bank as trustee and continuing disclosure dissemination agent for the 2012A Certificates of Participation and 2017 Refunding Revenue Bonds. Approve the form of the attached Agreement and authorize the General Manager and/or Director of Administrative Services to execute the same with such changes thereto and deletions therefrom as are determined necessary by General Counsel and/or Bond Counsel.

EXECUTIVE SUMMARY

The Bank of New York Mellon Trust Company, N.A. ("BNYM"), currently serves as the trustee and continuing disclosure dissemination agent for the District's 2012 Certificates of Participation and 2017 Refunding Revenue Bonds (collectively, the "Bonds").

After staff experienced a number of problems with BNYM's service and staffing, the Director of Administrative Services authorized its Municipal Advisor, KKN Public Finance, to release a Request for Proposals (the "RFP") for trustee and continuing disclosure dissemination agent services in July 2019.

On August 2, 2019, NapaSan received responses to the RFP from U.S. Bank, N.A., MUFG Union Bank, N.A., and Zions Bank. After reviewing the responses to the RFP, staff, together with KNN Public Finance, identified U.S. Bank N.A. ("U.S. Bank") as the most qualified bidder at the lowest cost. Staff is therefore recommending that U.S. Bank be appointed as NapaSan's trustee and continuing disclosure dissemination agent for the Bonds.

As part of the process of transitioning the various accounts and agreements related to the Bonds from BNYM to U.S. Bank, an Agreement of Resignation, Appointment and Acceptance (the "Agreement") will need to be entered into by and among BNYM, U.S. Bank and NapaSan. The Agreement has been reviewed by counsel for all parties,

including NapaSan's General Counsel and Stradling Yocca Carlson & Rauth ("Bond Counsel").

FISCAL & STRATEGIC PLAN IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	Yes
Where is it budgeted?	Fees for trust and dissemination services are budgeted in the operating fund. There is minimal fiscal impact to NapaSan. The costs relating to U.S. Bank's services as successor trustee and continuing disclosure dissemination agent will be similar to the costs currently being paid to BNYM.
Is it Mandatory or Discretionary?	Mandatory
Is the general fund affected?	Yes
Future fiscal impact:	The trustee and dissemination fees are required through the term of each debt issuance.
Consequences if not approved:	If not approved, NapaSan will retain BNYM for trustee and dissemination services.
County Strategic Plan pillar addressed:	
Additional Information:	

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

SUPPORTING DOCUMENTS

A . Agreement of Resignation, Appointment and Acceptance

Napa Sanitation District: Approve

Reviewed By: Jeff Tucker