

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**  
**January 23, 2008**  
**Staff Report**  
**REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR AN**  
**EXEMPT FACILITY PROJECT**

*Prepared by Walter Akiyama.*

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**Applicant:** California Pollution Control Financing Authority

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**Allocation Amount Requested:** \$5,630,000

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**Project Name:** Amador Valley Industries, LLC / Pleasanton Garbage Services, Inc.  
**Project Address, City, County, Zip Code:**

Site A. – 3000 Busch Road, Pleasanton, Alameda, 94566

Site B. – 3110 Busch Road, Pleasanton, Alameda, 94566

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**Project Sponsor Information:**

**Name:** Amador Valley Industries, LLC / Pleasanton Garbage Services, Inc.  
**Address:** 3110 Busch Road  
Pleasanton, CA 94566  
**Principals:** Robert Molinaro, Robert Molinaro 1992 Trust, Macchiano 1994 Trust, Gina Cardera, Walt Lupeika, John Repetto and Mike Lupeika  
**Contact:** William J. Dobert  
**Phone:** (925) 846.2042

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**Project User Information:**

**Name:** Same as Project Sponsor  
**Address:** Same as Project Sponsor  
**Contact:** Same as Project Sponsor  
**Phone:** Same as Project Sponsor

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**Project Financing Information:**

**Bond Counsel:** Law Offices of Leslie M. Lava  
**Underwriter:** Westhoff, Cone & Holmstedt  
**Credit Enhancement Provider:** Wells Fargo Bank  
**Private Placement Purchaser:** Not applicable  
**TEFRA Hearing:** December 19, 2007

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**Project Sponsor's principal activity:** According to the application, the Project Sponsor's principal activity is the collection, recycling, transportation and disposal of solid waste.

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**First Tier Business (Yes/No):** Yes

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**Regulatory Mandate (Yes/No):** Yes, California Integrated Waste Management Act (AB 939)

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**Sources of Funds:**

Tax-Exempt Bond Proceeds	\$5,630,000
Other Sources	<u>\$ 220,080</u>
Total Sources	\$5,850,080

**Uses of Funds:**

New Equipment Purchase & Installation	\$5,500,000
Cost of Issuance (including discount)	\$ 297,171
Letter of Credit or Bond Insurance Fee	\$ 49,623
Other	<u>\$ 3,286</u>
Total Sources	\$5,850,080

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**Description of Proposed Project:** According to the application, the Project Sponsor will purchase new vehicles. In addition, Pleasanton (Site B) will add a new sort screen and renovate its sort line; and Amador (Site A) will acquire new drop boxes, bins and carts.

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**Environmental impact:**

- 1) Air Quality: According to the application, the majority of the proposed project involves the purchase of CNG-fueled waste collection trucks. The use of CNG as a fuel will eliminate 90% of conventional pollution sources as compared to the operation of a diesel vehicle.
- 2) Water Quality: According to the application, the use of CNG as a fuel will minimize the particulate matter generated and eliminate the diesel residues associated with the operation of a diesel vehicle and consequently will minimize surface water contamination that generally finds its way into the San Francisco Bay and area ground water.
- 3) Energy Efficiency: According to the application, the use of CNG vehicles helps reduce dependence upon fossil fuels.
- 4) Recycling of Commodities: According to the application, adding a new screen on the Pleasanton (Site B) sort line may increase the diversion of waste from the landfill.
- 5) Safety and Compliance: According to the application, the Project Sponsor has always been in compliance with all state and federal regulations.
- 6) Consumer Costs Savings and Efficiencies: According to the application, consumers in the area will receive the benefit of better air quality through the elimination of diesel air pollutants. Tax-exempt financing of the proposed project will reduce the added cost of the purchase of the CNG vehicles.

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**Local government support:** Letters of support have been received from Nelson Fialho, City Manager, of the City of Pleasanton.

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**Legal Questionnaire:** No information was disclosed that raised any question regarding the financial viability or legal integrity of the applicant.

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**Recommendation:** Staff recommends that the Committee approve \$5,630,000 in tax-exempt bond allocation.