
CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY
BOND FINANCING PROGRAM
Meeting Date: December 3, 2007
Executive Summary
Request for Initial Resolution

Prepared by: Doreen Carle

<table>
<thead>
<tr>
<th>Applicant</th>
<th align="right">Amount Requested: $5,630,000</th>
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<tbody>
<tr>
<td>Amador Valley Industries, LLC and Pleasanton Garbage Service, Inc.</td>
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<td>dba Amador Valley Industries, LLC as “co-borrowers”</td>
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<td>Project Location: Dublin and Pleasanton (Alameda County)</td>
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**Application No.:** 00805(SB)  
**Initial Resolution No.:** 07-13

**Type of Business:** Amador Valley Industries, LLC and Pleasanton Garbage Service, Inc., dba Amador Valley Industries, LLC (the “Companies”) provide refuse collection and disposal services in the communities of Dublin and Pleasanton, respectively.

**Project Description:** The Project primarily involves the acquisition of CNG collection vehicles for use by Amador Valley Industries (AVI) and Pleasanton Garbage Service (PGS). Additionally, a portion of the funds will be used by PGS to renovate an existing sort-line. AVI will acquire drop boxes, bins, and carts.

**Pollution Control and/or Waste Diversion:** The Companies represent that the Project will generate the following pollution control benefits.

**Waste Diversion.** The Project is not specifically designed to increase waste diversion, although the addition of a new screen on the Pleasanton sort-line may provide for a small increase in diversion.

**Environmental Benefits:** The Companies represent that the Project is designed to generate the environmental benefits described below.

**Air Quality.** The use of new CNG collection vehicles will reduce emissions of non-methane hydrocarbons, carbon monoxide, nitrogen oxides and other particulate matter into the air compared to the use of diesel-fuel vehicles.

**Water Quality.** Particulate matter from diesel emissions in the ground water run-off will be reduced.

**Energy Efficiency.** The use of new CNG collection vehicles will reduce the use of oil-based fuel. Additionally, the new automated vehicles will reduce truck travel time.

**Permits:** This is an equipment only project, and does not require permits.

**Financing Details:** The Companies anticipate a negotiated tax-exempt, weekly reset, variable rate bond issue with a term not to exceed 30 years for the qualifying portion of the project. The Companies plan to secure the bonds with an irrevocable, direct pay Letter of Credit from Wells

Fargo Bank that is rated at least “AA-/F1+” by Fitch Ratings or equivalent. The target date for financing is February 2008.

**Financing Team:**
- **Underwriter:** Westhoff, Cone & Holmstedt
- **Bond Counsel:** Law Offices of Leslie M. Lava
- **Financial Advisor:** Andrew S. Rose
- **Issuer’s Counsel:** Office of the Attorney General

**Legal Questionnaire:** Staff has reviewed the Companies’ responses to the questions contained in the Legal Status portion of the Application. No information was disclosed that raises questions concerning the financial viability or legal integrity of this applicant.

**Staff Recommendation:** Staff recommends approval of Initial Resolution No. 07-13 for an amount not to exceed $5,630,000 for Amador Valley Industries, LLC and Pleasanton Garbage Service dba Amador Valley Industries, LLC.

*Note: An Initial Resolution approval is not a commitment that the Board will approve a Final Resolution and bond financing of the proposed Project.*
AMADOR VALLEY INDUSTRIES, LLC AND PLEASANTON GARBAGE SERVICE, INC. dba AMADOR VALLEY INDUSTRIES, LLC
Bond Amount: $5,630,000
Dublin and Pleasanton (Alameda County)
Application No. 00805 (SB)
December 3, 2007

STAFF SUMMARY – CPCFA
Prepared by: Doreen Carle

ISSUE:
Amador Valley Industries, LLC, and Pleasanton Garbage Service, Inc. dba Amador Valley Industries, LLC and/or its Affiliates, as co-borrowers (the “Companies”), request approval of Initial Resolution number 07-13 for an amount not to exceed $5,630,000 to finance the purchase of land, buildings, and equipment.


BORROWER:
Co-borrower Amador Valley Industries is doing business as a Limited Liability Company that was organized in California in 2004, and Pleasanton Garbage Service was incorporated in California in 1969.

The principal stockholders of the two entities are as follows:

<table>
<thead>
<tr>
<th>Amador Valley Industries</th>
<th>Pleasanton Garbage Service</th>
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<tbody>
<tr>
<td>Robert Molinaro 1992 Trust</td>
<td>50%</td>
</tr>
<tr>
<td>Macchiano 1994 Trust</td>
<td>50%</td>
</tr>
<tr>
<td>Gina Cardera</td>
<td></td>
</tr>
<tr>
<td>Walt Lupeika</td>
<td>15%</td>
</tr>
<tr>
<td>John Repetto</td>
<td>15%</td>
</tr>
<tr>
<td>Mike Lupeika</td>
<td>5%</td>
</tr>
<tr>
<td>TOTALS:</td>
<td>100%</td>
</tr>
</tbody>
</table>

Mr. Molinaro and Mr. Macchiano are minority shareholders or members of Alameda County Industries, Mission Trail, Santa Clara Valley Industries, and Bay Counties/Specialty.

Legal Questionnaire. Staff has reviewed the Companies’ responses to the questions contained in the Legal Status portion of the Application. No information was disclosed that raises questions concerning the financial viability or legal integrity of this applicant.
Prior Actions and Financings. Prior actions and financings are detailed below.

<table>
<thead>
<tr>
<th>Description</th>
<th>Date of Bond Issue</th>
<th>Original Amount</th>
<th>Amount Outstanding As of 11/03/07</th>
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<tbody>
<tr>
<td>Amador Valley Industries Series 2005A</td>
<td>06/14/05</td>
<td>6,900,000</td>
<td>5,920,000</td>
</tr>
<tr>
<td><strong>TOTALS:</strong></td>
<td></td>
<td><strong>$6,900,000</strong></td>
<td><strong>$5,920,000</strong></td>
</tr>
</tbody>
</table>

**PROJECT INFORMATION:**

The Project primarily involves the acquisition of CNG collection vehicles for use by Amador Valley Industries (AVI) and Pleasanton Garbage Service (PGS). Additionally, a portion of the funds will be used by PGS to renovate an existing sort-line. AVI will acquire drop boxes, bins and carts.

The anticipated Project costs for AVI are listed below:

- CNG Collection Vehicles and Support Vehicles: $1,200,000
- Drop boxes, bins and carts: $300,000
- **Subtotal:** $1,500,000

The anticipated Project costs for PGS are listed below:

- CNG Collection Vehicles: $3,500,000
- Sort-line screen: $500,000
- **Subtotal:** $4,000,000

Bond Issuance Expenses: $130,000

**TOTAL:** $5,630,000

**POLLUTION CONTROL AND/OR WASTE DIVERSION:**

The Company represents that the Project will generate the following pollution control benefits.

**Waste Diversion.** The Project is not specifically designed to increase waste diversion, although the addition of a new screen on the Pleasanton sort-line may provide for a small increase in diversion.

**ENVIRONMENTAL BENEFITS:**

The Companies represent that the Project is designed to generate the environmental benefits described below.

**Air Quality.** The use of new CNG collection vehicles will reduce emissions of non-methane hydrocarbons, carbon monoxide, nitrogen oxides and other particulate matter into the air compared to the use of diesel-fuel vehicles.

**Water Quality.** Particulate matter from diesel emissions in the ground water run-off will be reduced.
Energy Efficiency. The use of new CNG collection vehicles will reduce the use of oil-based fuel. Additionally, the new automated vehicles will reduce truck travel time.

PERMITTING & ENVIRONMENTAL APPROVALS:
This is an equipment only project, and does not require permits.

ANTICIPATED TIMELINE:
The Companies anticipate commencing equipment purchases in December 2007 with a scheduled completion date of December 2009.

FINANCING DETAILS:
The Companies anticipate a negotiated tax-exempt, weekly reset, variable rate bond issue with a term not to exceed 30 years for the qualifying portion of the project. The Companies plan to secure the bonds with an irrevocable, direct pay Letter of Credit from Wells Fargo Bank that is rated at least “AA-/F1+” by Fitch Ratings or equivalent. The target date for financing is February 2008.

FINANCING TEAM:
Underwriter: Westhoff, Cone & Holmstedt
Bond Counsel: Law Offices of Leslie M. Lava
Financial Advisor: Andrew S. Rose
Issuer’s Counsel: Office of the Attorney General

RECOMMENDATION:
Staff recommends approval of Initial Resolution No. 07-13 for an amount not to exceed $5,630,000 for Amador Valley Industries, LLC and Pleasanton Garbage Service dba Amador Valley Industries, LLC.
RESOLUTION OF OFFICIAL INTENT TO ISSUE BONDS TO 
FINANCE SOLID WASTE DISPOSAL/RECYCLING FACILITIES FOR 
AMADOR VALLEY INDUSTRIES, LLC, PLEASANTON GARBAGE SERVICE, INC. 
AND/OR THEIR RESPECTIVE AFFILIATES

December 3, 2007

WHEREAS, the California Pollution Control Financing Authority (“Authority”), a public 
instrumentality, is authorized and empowered by the provisions of the California Pollution 
Control Financing Authority Act (“Act”) to issue bonds for the purpose of defraying the cost of 
facilities for the disposal of solid and liquid waste products, including resource recovery and 
energy conversion facilities; and 

WHEREAS, Amador Valley Industries, LLC, a California limited liability company, and 
Pleasanton Garbage Service, Inc., a California corporation (collectively, “Applicant”), have 
requested that the Authority assist in financing solid waste disposal/recycling facilities to be 
owned and operated by the Applicant and/or their respective Affiliates (as hereinafter defined) 
(collectively, “Company”), which are expected to be comprised of the acquisition of solid waste, 
processing, transporting and recycling related vehicles and equipment and other equipment 
functionally related thereto, including without limitation drop boxes, bins and carts, and the 
renovation of a sort line (collectively, “Facilities”), and have presented an estimate of the 
maximum cost of such Facilities as shown in Exhibit “A” attached hereto; and 

WHEREAS, the Authority desires to encourage the Company to provide solid waste 
disposal/recycling facilities which will serve the public of the State; and 

WHEREAS, the Authority deems it necessary and advisable to further the purposes of the 
Act that the Facilities be acquired at the earliest practicable date, but the Company requires 
satisfactory assurances from the Authority that the proceeds of the sale of bonds of the Authority 
will be made available to finance such Facilities; and 

WHEREAS, the Company expects to incur or pay from its own funds certain 
expenditures in connection with the Facilities prior to the issuance of indebtedness for the 
purpose of financing costs associated with the Facilities on a long-term basis; and 

WHEREAS, subject to meeting all the conditions set forth in this resolution the Authority 
reasonably expects that debt obligations in an amount not expected to exceed $5,630,000 will be 
issued and that certain of the proceeds of such debt obligations will be used to reimburse the 
Company for its prior expenditures for the Facilities; and
WHEREAS, Section 1.103-8(a)(5) and Section 1.150-2 of the Treasury Regulations require the Authority to declare its reasonable official intent to reimburse prior expenditures for the Facilities with proceeds of a subsequent borrowing;

NOW, THEREFORE, BE IT RESOLVED by the California Pollution Control Financing Authority as follows:

Section 1. The Authority finds and determines that the foregoing recitals are true and correct. For purposes of this Resolution, an “Affiliate” of the Applicant means any person or entity which meets the definition of “participating party” in the Act and controls, is controlled by, or is under common control with, the Applicant, as shown by the possession, directly or indirectly, of the power to direct or cause the direction of its management or policies, whether through majority equity ownership, contract or otherwise.

Section 2. The Authority declares its official intent to issue, at one time or from time to time, an aggregate of up to $5,630,000 principal amount of bonds of the Authority for the Facilities; including for the purpose of reimbursing to the Company costs incurred for the Facilities prior to the issuance of the bonds.

Section 3. The bonds will be payable solely from the revenues to be received by the Authority pursuant to a loan agreement or other agreements to be entered into between the Authority and the Company in connection with the Facilities. Each bond shall contain a statement to the following effect:

“Neither the faith and credit nor the taxing power of the State of California or any political subdivision thereof or any local agency is pledged to the payment of the principal of, premium, if any, or any interest on this bond.”

Section 4. The bonds shall be issued subject to the conditions that (i) the Authority and the Company shall have first agreed to mutually acceptable terms for the bonds and of the sale and delivery thereof, and mutually acceptable terms and conditions of the loan of the proceeds thereof to the Company; (ii) all requisite governmental approvals shall have first been obtained; (iii) a Final Resolution shall have been received from the Authority; and (iv) an allocation shall have been received from the California Debt Limit Allocation Committee.

Section 5. The Executive Director of the Authority is hereby directed to indicate the willingness of the Authority to proceed with and effect such financing in order to assist the Company by defraying the cost of the Facilities, subject to due compliance with all requirements of the law and the obtaining of all necessary consents and approvals and meeting all other requirements of the Authority.

Section 6. It is intended that this Resolution shall constitute “some other similar official action” towards the issuance of bonds within the meaning of Section 1.103-8(a)(5) of the Treasury Regulations and “official intent” within the meaning of Section 1.150-2 of the Treasury Regulations, each as applicable under Section 103 of the Internal Revenue Code of 1986, as amended.
Section 7. This Resolution shall take effect immediately upon its passage and remain in full force and effect thereafter; provided that, this Resolution shall cease to be effective on December 3, 2010 unless prior thereto the Authority specifically adopts a further resolution extending the effective date of this Initial Resolution, which it will do only after receiving a specific request for such action from the Company, accompanied by an explanation of the reason why the project has not proceeded prior to the date of the letter.
### EXHIBIT A

<table>
<thead>
<tr>
<th>NUMBER:</th>
<th>07-13</th>
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| LOCATIONS:  | 3000 and 3110 Busch Road  
Pleasanton, CA  94566 |
| TYPE:       | Solid Waste Disposal/Resource Recovery |
| AMOUNT:     | Up to $5,630,000 |