

CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY
BOND FINANCING PROGRAM
Meeting Date: August 27, 2008
Request for Final Resolution and
Request for Tax-Exempt Bond Allocation Approval

Prepared by: *Ling Tse*

Applicant:	Burrtec Waste Group, Inc. and/or its Affiliates	Amount Requested:	\$25,500,000
Project	Various locations	Application No.:	00741
Location:	throughout Los Angeles, Riverside, San Bernardino, and Imperial Counties	Final Resolution No.:	00485
		Allocation Resolution No.:	08-0034-02
		Prior Actions:	IR 03-20 Approved 12/16/03 IR Amended 09/01/05 IR Amended 05/22/07 IR Amended 7/23/08 FR 423 Approved 03/30/04 FR 450 Approved 12/13/05

Summary of Request: Burrtec Waste Group, Inc. and/or its Affiliates (“the Company”) requests Final Resolution and a Volume Cap Allocation Resolution for an amount not to exceed \$25,500,000 to finance the design, permitting, acquisition, retrofit, construction, improvement, renovation, rehabilitation and/or installation of buildings, facilities, and related vehicles and equipment for the processing and disposal of solid waste. The Company provides refuse collection and disposal services for residential, commercial, and industrial customers in Los Angeles, Riverside, San Bernardino, and Imperial Counties. The Company anticipates that the project will provide air quality, water quality, energy efficiency, recycling, and ratepayer benefits.

Borrower: Burrtec Waste Group, Inc. was incorporated on ~~July 7, 1978~~ December 10, 1999 in California. The Company owns entities including Burrtec Waste Industries, Inc., Yucaipa Disposal, Inc., Empire Disposal LLC, Agua Mansa MRF, LLC, Rancho Disposal Services, Inc., Monte Vista Disposal, Inc., Victorville Disposal, Inc., Avco Disposal, Inc., West Valley Recycling & Transfer, Inc., dba Burrtec Recycling & Transfer Company, dba Agua Mansa Recycling & Transfer Company, ~~Tri-County Disposal, Inc. (d/b/a dba~~ Barstow Disposal, dba Desert Disposal, Tri-County Disposal, Inc. (also known as Tri-Co and ~~and~~ TRICO-Trico Disposal), ~~Coachella Valley Transfer Station,~~ Burr Group, Inc., Burrtec Waste Services, LLC., 50% of West Valley MRF, LLC. ~~(50% interest)~~, Jack’s Disposal, Inc., Currans Rubbish Disposal, Inc., and Mountain Disposal Services, Inc.

The principal stockholders of the Company are as follows:

Edward G. Burr Special Trust.....	31.55%
Sandra L. Burr Special Trust	31.55%
Cole & Tracy Burr Family Trust	36.90%
Total:	100.00%

Agenda Item 4.E.1.

Legal Questionnaire: The Staff has reviewed the Company’s 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.

TEFRA: The TEFRA hearing was held on July 24, 2008. There were no comments received in support of or in opposition to this Project.

SBAF Contribution: The Company is a large business and will contribute an estimated amount of \$122,700 to the Small Business Assistance Fund (SBAF).

Prior Financings of the Company and its Affiliates:

Description	Date of Bond Issue	Original Amount	Amount Outstanding as of June 30, 2008
Burrtec Waste and Recycling 2006A	06/02/2006	\$18,425,000	\$17,845,000
Desert Properties Project 2006A	06/02/2006	6,730,000	6,730,000
Burrtec Waste Group 2006A	01/26/2006	18,445,000	18,445,000
Burrtec Waste Group 2004A	07/28/2004	9,920,000	9,920,000
Burrtec Waste Industries 2002A	06/27/2002	9,900,000	9,900,000
Burrtec Waste Ind. 2000A	06/20/2000	8,240,000	5,155,000
West Valley MRF, LLC 2000A	05/16/2000	8,500,000	5,200,000
Burrtec Waste 1998A	05/20/1998	4,000,000	0
Burr Prop. 1998	05/20/1998	2,275,000	1,760,000
Burrtec Waste 1997B	07/02/1997	6,150,000	4,600,000
West Valley 1997A	06/25/1997	9,500,000	2,510,000
Burrtec 1995A	10/06/1995	8,000,000	0
TOTALS:		<u>\$110,085,000</u>	<u>\$82,065,000</u>

Project Description: The Company plans to construct and expand its solid waste facilities, improve a site, and purchase additional waste collection vehicles and equipment to accommodate the growing needs in Los Angeles, Riverside, San Bernardino, and Imperial Counties.

The estimated project and issuance costs are listed below:

Rehabilitation of the Existing Building(s)	\$1,000,000
Site Preparation and Improvements	2,500,000
New Equipment	21,375,000
Bond Issuance Expenses	341,300
Bond Issuance Fee	46,000
SBAF Contribution	122,700
Credit Enhancement Costs	77,632
Contingency	37,368
Total:	<u>\$25,500,000</u>

The following are proposed project details and estimated costs for each site.

(A) Palm Springs Material Recovery Facility (MRF)

The Company has acquired land and anticipates constructing a MRF/Transfer Station to accommodate a growing need in the Palm Springs area. Costs at this site include design and permitting of buildings.

Design and Permitting..... \$1,200,000

(B) System Wide

The Company plans to replace or retrofit collection vehicles and to acquire containers at its entire waste hauling operations in its service areas in Los Angeles, Riverside, San Bernardino, and Imperial Counties. The replacement or retrofitted vehicles will be alternative fuel powered and in compliance with California Air Resources Board’s (CARB’s) Collection Vehicle standards and requirements.

Collection Vehicles..... \$12,000,000
Collection Containers..... 4,500,000
Retrofits..... 1,900,000
Total:..... \$18,400,000

(C) Fontana Corporate Headquarters/Yard

A fueling station will be constructed.

Fueling Station..... \$925,000

(D) Victorville, Barstow, Mid Valley, Landers, Colton, and San Timoteo Landfills

Costs at these sites include acquisition or retrofitting of waste processing equipment such as “yellow iron” (cats) and Construction and Demolition (C&D) processing equipment including screens, excavators, loaders, rolloff boxes, and fencing.

Equipment and Retrofits \$1,600,000

(E) Agua Mansa MRF

The tipping floor and tunnel of this MRF are worn and must be replaced. Costs at this site include tipping floor replacement, tunnel upgrade, and road signalization.

Tipping Floor Replacement, Tunnel Upgrade, and Road
Signalization \$1,300,000

(F) Azusa Corporate Yard

A fueling station will be constructed.

Fueling Station..... \$450,000

(G) Salton City Landfill

It is anticipated that the Company will be managing and expanding a County owned landfill. Costs will include design and permitting for landfill expansion.

Design and Permitting..... \$1,000,000

Note: The Project costs reported in the Borrower's application and shown here in staff's report are estimated costs. At the time this financing closes, the estimated Project costs will be finalized and stated in the Tax Certificate. Variations from the costs shown in the application and in this report may occur prior to the closing due to increased costs of certain components of the Project from original estimates, and other reasons. In addition, such costs may vary after closing due also to increased costs, as well as common design and equipment modifications during construction, differences in equipment due to future changes in law or regulation or for other reasons. However, the Borrower confirms, through submission of a signed application and will confirm through covenants and representations in various bond documents, that all assets purchased with bond proceeds will qualify for tax exempt financing, that they will be used to complete the Project as described, and that the average life tests required by federal law and described in the Tax Certificate will continue to be met. Tax-exempt financing may be only one source out of multiple sources of financing for a given project.

Anticipated Timeline: Construction and renovation began in March 2007 and are scheduled to be completed in June 2010. Equipment purchases started in May 2006 and will be finished by December 2009.

Local Government Support: Kenneth Hunt, City Manager for the City of Fontana in San Bernardino County has submitted a letter of support (Attachment A).

Pollution Control and/or Environmental Benefits: The Company represents the Project will generate the pollution control and environmental benefits described below.

Air Quality. The Company represents that the proposed landfill and MFR facilities will be using comprehensive dust abatement programs to control any loose particles. The design of the facilities will negate any adverse effects to the air quality. The materials at most facilities are removed daily, so there will be no prolonged storage of materials on site that may cause an odor nuisance. Additionally, the collection vehicles will comply with South Coast Air Quality Management District Rule 1193. The collection vehicles to be purchased will be powered by liquefied or compressed natural gas, which will substantially reduce Nitrogen Oxide, Sulfur Oxide, and particulate matter compared to the current diesel vehicles.

Water Quality. The Company's proposed Agua Mansa MRF facility will be operating on concrete surfaces and will not operate on exposed ground areas. This will prevent any seepage of undesirable materials into the ground water. The facilities are removed from environmentally sensitive wetland and coastal areas that could be affected by pollution.

Energy Efficiency. New vehicles are more fuel efficient thereby reducing fossil fuel consumption. Natural gas vehicle use relieves dependency on foreign oil.

Recycling of Commodities. The equipment to be purchased and utilized at the landfill sites is designed to further a construction and demolition debris program. In addition, the projects will

minimize the amount of material landfilled and maximize recycling opportunities as mandated by the California Integrated Waste Management Act of 1989 (AB 939) and the United States Resource Conservation and Recovery Act.

Ratepayer Benefits. The availability of tax exempt financing has allowed the Company to minimize the rate increases that would otherwise have been necessary to pay for capital improvements required to meet AB 939 and provide for transfer operations.

Permitting and Environmental Approvals: All required discretionary permits have been obtained and copies were provided with submission of the CPCFA application. The Company intends to comply with CARB's Collection Vehicle standards and requirements.

Financing Details: The Company anticipates issuance of negotiated tax-exempt, weekly reset, variable rate bonds with a term not to exceed 30 years for the qualifying portion of the project. The Company plans to secure the bonds with an irrevocable, direct pay Letter of Credit issued by Union Bank of California, N.A. or another bank (U.S. Bank National Association, First Bank, Comerica Bank, or Bank of the West) chosen by the Company that is rated at least "A-" by Fitch Rating Agency or equivalent. The target date for financing is October 2008.

Financing Team:

Underwriter: Westhoff, Cone & Holmstedt
Bond Counsel: Orrick, Herrington & Sutcliffe
Financial Advisor: Andrew S. Rose
Issuer's Counsel: Office of the Attorney General

Staff Recommendation: Staff recommends approval of Final Resolution No. 485 and Volume Cap Allocation Resolution No. 08-0034-02 for an amount not to exceed \$25,500,000 for Burrtec Waste Group, Inc. and/or its Affiliates.

Attachment A



City of Fontana
Public Works Department
16489 Orange Way
Fontana, CA 92335
(909)350-6760

July 7, 2008

Mr. Michael Papanian, Executive Director
California Pollution Control Financing Authority
915 Capitol Mall, Room 457
Sacramento, California 95814

RE: SUPPORT OF PROJECT SUBMITTED BY BURRTEC WASTE GROUP, INC.

Dear Mr. Papanian:

On behalf of the City of Fontana, I am asking for your support and approval of a proposed environmental project being submitted by Burrtec Waste Group, Inc. for consideration at the California Pollution Control Financing Authority ("CPCFA") meeting in August. The proposed project will enable Burrtec Waste Group, Inc. to purchase necessary alternative-fueled vehicles and equipment that would greatly benefit the community of Fontana. Replacing older diesel units with more energy efficient alternative fuel units will help improve air quality of the area and will enable the City and Burrtec Waste Group, Inc. to stay in compliance with AQMD Rule 1193. In addition, the new alternative-fuel vehicles will help the City reduce our green house gas generation in preparation of the California Global Warming Solutions Act of 2006.

The City understands that in order to receive approval for the issuance of tax exempt bonds, on whose lower interest rates the "project" economics have been based, the CPCFA must grant part of the State's allocation for "private activity" bonds as defined by the Federal Government to the project. It is further understood that the demand for such allocation is greater than ever. While I can imagine that your job in apportioning the available allocation among competing projects is a difficult one, let me assure you that the proposed project submitted by Burrtec Waste Group, Inc. is important to our community. It is a project which is critical to our overall plan of compliance with State Diversion and local air quality measures. I would therefore strongly urge you to approve Burrtec Waste Group, Inc. proposed project at your August meeting.

Sincerely,

A handwritten signature in black ink, appearing to read "Kenneth R. Hunt", is written over a horizontal line.

Kenneth R. Hunt
City Manager

FINAL BOND RESOLUTION OF THE
CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY
RELATING TO FINANCING OF SOLID WASTE DISPOSAL FACILITIES
FOR BURRTEC WASTE GROUP, INC., AND/OR ITS AFFILIATES

August 27, 2008

WHEREAS, the California Pollution Control Financing Authority (the “Authority”) has heretofore approved the application of Burrtec Waste Group, Inc., a California corporation (the “Borrower”), for financial assistance to finance design, permitting, acquisition, retrofit, construction, improvement, renovation, rehabilitation and/or installation of buildings, facilities and related vehicles and equipment for the processing and disposal of solid waste, all of which will be used to serve the Borrower’s customers and/or its Affiliates’ customers throughout their service territories in Los Angeles, San Bernardino, Riverside and Imperial Counties and all as more particularly described in the Term Sheet attached hereto as Exhibit A and incorporated herein (the “Term Sheet”) (collectively, the “Project”); and

WHEREAS, the Borrower has requested the Authority to issue its revenue bonds from time to time in an amount not to exceed \$25,500,000 to assist in the financing of the Project; and

WHEREAS, the proceeds of such revenue bonds will be loaned to the Borrower under a loan agreement with the Authority; and

WHEREAS, the Borrower has provided documentation to the Authority demonstrating that the Project has complied with Division 13 (commencing with Section 21000) of the Public Resources Code, or is not a project under that division; and

WHEREAS, final approval of the terms of such revenue bonds and certain documents relating to such revenue bonds is now sought; and

WHEREAS, in order to enhance the marketability of the bonds, the Borrower has arranged for a financial institution, as named in the Term Sheet, to secure the bonds through the issuance of its direct-pay irrevocable letter of credit, thereby guaranteeing their repayment;

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

Section 1. The Project constitutes a “project” and the Borrower and each Affiliate of the Borrower is a “participating party” within the meaning of the California Pollution Control Financing Authority Act (the “Act”).

Section 2. Pursuant to the Act, revenue obligations of the Authority, designated as the “California Pollution Control Financing Authority Variable Rate Demand Solid Waste Disposal Revenue Bonds (Burrtec Waste Group, Inc. Project), Series 2008A” (the “Bonds”) in an aggregate principal amount not to exceed \$25,500,000, are hereby authorized to be issued. The Bonds may be issued at one time, or from time to time, in one or more series separately or differently identified, and may be issued in a tax-exempt or taxable mode, all in accordance with the Indenture (as hereinafter defined) as finally executed. The proceeds of the Bonds shall be used to finance the Project (including reimbursement of certain costs incurred prior to the issuance of the Bonds) and to pay costs of issuance of the Bonds.

Section 3. The Treasurer of the State of California (the “Treasurer”) is hereby authorized to sell the Bonds, at one time or from time to time before December 31, 2008, by negotiated sale, at such price, at such interest rate or rates and in such mode (taxable or tax-exempt) as he may determine.

Section 4. The proposed form of Loan Agreement relating to the Bonds (the “Loan Agreement”), between the Authority and the Borrower, as filed with the Authority prior to this meeting or as provided in Section 8, is hereby approved. The Chairman or any Deputy to the Chairman, together with the Executive Director of the Authority (collectively the “Authorized Signatories,” and each, individually, an “Authorized Signatory”) are hereby authorized and directed,

Agenda Item 4.E.1.

for and on behalf and in the name of the Authority, to execute, acknowledge and deliver to the Borrower the Loan Agreement in substantially the form filed with or approved by the Authority, with such insertions, deletions or changes therein (including, without limitation, insertions, deletions or changes therein appropriate to reflect the form of credit enhancement for the Bonds) as the officer executing the same, with the advice of the Attorney General of the State of California (the “Attorney General”), may require or approve, and with particular information inserted therein in substantial conformance with the Term Sheet, such approval to be conclusively evidenced by execution and delivery thereof. The Authority understands and agrees that pursuant to the terms of the Loan Agreement, the obligations of the Borrower may, under some circumstances, be carried out or assumed by a successor or assignee entity, or by an Affiliate of the Borrower. For purposes of this Resolution, an “Affiliate” of the Borrower 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 Borrower, 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 5. The proposed form of Indenture relating to the Bonds (the “Indenture”), between the Authority and a trustee named in the Term Sheet (the “Trustee”), as filed with the Authority prior to this meeting or as provided in Section 8, is hereby approved. The Authorized Signatories are hereby authorized and directed, for and on behalf and in the name of the Authority, to execute, acknowledge and deliver to the Trustee, the Indenture in substantially the form filed with or approved by the Authority, with such insertions, deletions or changes therein (including, without limitation, insertions, deletions or changes therein appropriate to reflect the form of credit enhancement for the Bonds) as the officer executing the same, with the advice of the Attorney General, may require or approve, and with particular information inserted therein in substantial conformance with the Term Sheet, such approval to be conclusively evidenced by the execution and delivery thereof. The dates, maturity dates, interest rate or rates, interest payment dates,

denominations, forms, registration privileges, place or places of payment, terms of redemption and other terms of the Bonds shall be as provided in the Indenture, as finally executed.

Section 6. The proposed form of Bond Purchase Contract (the “Purchase Contract”) among the underwriter or underwriters named in the Term Sheet (the “Underwriters”), the Treasurer and the Authority and approved by the Borrower, as filed with the Authority prior to this meeting or as provided in Section 8, is hereby approved. The Executive Director of the Authority, acting alone, is hereby authorized and directed, for and on behalf and in the name of the Authority, to execute, acknowledge and deliver to the Underwriters, the Purchase Contract in substantially the form filed with or approved by the Authority, in substantially the form filed with or approved by the Authority, with such insertions, deletions or changes therein as the Executive Director of the Authority, with the advice of the Attorney General, may require or approve, and with particular information inserted therein in substantial conformance with the Term Sheet, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 7. The proposed form of Official Statement (the “Official Statement”) as filed with the Authority prior to this meeting or as provided in Section 8, is hereby approved. Each of the Authorized Signatories, acting alone, is hereby authorized, for and on behalf and in the name of the Authority, to execute and deliver the Official Statement in substantially the form filed with or approved by the Authority, with such insertions, deletions or changes therein as such officer, with the advice of the Attorney General, may approve or require, and with particular information inserted therein in substantial conformance with the Term Sheet, such approval to be conclusively evidenced by the execution and delivery thereof. The Underwriters are hereby authorized to distribute and deliver copies of the Official Statement to purchasers of the Bonds, with such changes therein as may be approved or required by the Attorney General. The distribution of copies of the Official Statement in preliminary form is hereby authorized and approved. Each of the Authorized Signatories, acting alone, is hereby authorized and directed to execute and deliver any amendments or supplements to the Official Statement which include, without limitation, amendments or supplements to the Authority’s disclosure set forth in the form of Official Statement filed with or

approved by the Authority, which they may deem necessary or advisable in order to consummate the issuance, sale, delivery or remarketing of the Bonds.

Section 8. The forms of Loan Agreement, Indenture, Bond Purchase Contract and Official Statement referred to in Sections 4, 5, 6, and 7 above shall, if not submitted to the Authority prior to the date of this Resolution, be substantially the same as the respective documents finally delivered for the Authority's Variable Rate Demand Solid Waste Disposal Revenue Bonds (Yulupa Investments, LLC Project) Series 2008A, with such modifications as are necessary to conform with the Term Sheet attached hereto, and to reflect the differences between a small business financing (Yulupa) and the financing for this Borrower, which is not a small business, and with any other modifications deemed necessary and appropriate by the officers signing such documents, with the approval of the Attorney General's Office.

Section 9. The Chairman of the Authority is hereby authorized and directed to execute, by manual or facsimile signature, in the name and on behalf of the Authority and under its seal, the Bonds, in one or more series, in an aggregate principal amount not to exceed \$25,500,000, in accordance with the fully executed and delivered Indenture and the form of bond set forth therein.

Section 10. The Bonds, when so executed, shall be delivered to the Trustee under the Indenture for authentication by the Trustee. The Trustee is hereby requested and directed to authenticate the Bonds by executing the Trustee's certificate of authentication appearing thereon. The Trustee is hereby requested and directed to deliver the Bonds, when duly executed and authenticated, to The Depository Trust Company, New York, New York, on behalf of the Underwriters in accordance with written instructions executed on behalf of the Authority by the an Authorized Signatory, acting alone, which instructions said officer is hereby authorized and directed, for and on behalf and in the name of the Authority, to execute and to deliver to the Trustee. Such instructions shall provide for the delivery of the Bonds to The Depository Trust Company, on behalf of the Underwriters thereof, upon payment of the purchase price thereof.

Section 11. The Authority hereby dedicates and confirms its allocation to the Bonds issued in a tax-exempt mode (the “Tax-Exempt Bonds”) of a portion of its private activity bond limit, as previously received, carried forward or to be received from the California Debt Limit Allocation Committee, in an amount up to the applicable principal amount of Tax-Exempt Bonds issued and delivered to finance certain costs of the Project, so as to satisfy the requirements of Section 146(e) of the Internal Revenue Code of 1986, with respect to the Tax-Exempt Bonds.

Section 12. As requested by the Borrower, the Authority hereby waives the requirement for an in-furtherance certificate relating to the solid waste disposal facilities portion of the Project pursuant to Section 44533(a) of the Act.

Section 13. Each of the Authorized Signatories, acting alone, is hereby authorized and directed to do any and all ministerial acts, including (without limitation) the execution and delivery of any and all documents and certificates, including the tax certificate, they may deem necessary or advisable in order to consummate the issuance, sale, delivery or remarketing of the Bonds, and otherwise to effectuate the purpose of this resolution. The Treasurer is hereby requested and authorized to take any and all acts within his or her authority as agent for sale that he or she may deem necessary or advisable in order to consummate the issuance, sale, delivery or remarketing of the Bonds, and otherwise effectuate the purposes of this resolution.

Section 14. This resolution shall take effect immediately upon its passage. The adoption by the Authority of this final resolution for the Borrower shall not be referred to in any application before any government agency as evidence of the feasibility, practicality or suitability of the Project or in any application for any required permission or authority to construct or operate the Project.

EXHIBIT A

TERM SHEET

Name of Issue:	California Pollution Control Financing Authority Variable Rate Demand Solid Waste Disposal Revenue Bonds (Burrtec Waste Group, Inc. Project), Series 2008A (the “Bonds”)
Maximum Amount of Issue:	\$25,500,000 (tax-exempt)
Issuer:	California Pollution Control Financing Authority (the “Authority”), Sacramento, CA
Borrower:	Burrtec Waste Group, Inc.
Affiliates (to initially own or operate elements of the Project)	Burrtec Waste Industries, Inc., Yucaipa Disposal, Inc., Empire Disposal LLC, Agua Mansa MRF, LLC, Rancho Disposal Services, Inc., Monte Vista Disposal, Inc., Victorville Disposal, Inc., Avco Disposal, Inc., West Valley Recycling & Transfer, Inc. , dba Burrtec Recycling & Transfer Company, dba Agua Mansa Recycling & Transfer Company, Tri-County Disposal, Inc. (d/b/adba Barstow Disposal, dba Desert Disposal and TRICO Disposal), Coachella Valley Transfer Station, Tri-County Disposal Inc. (also known as Tri-Co and Trico Disposal) , Burr Group, Inc., Burrtec Waste Services, LLC., 50% of West Valley MRF, LLC. (50% interest) , Jack’s Disposal, Inc., Currans Rubbish Disposal, Inc., and Mountain Disposal Services, Inc.
Trustee:	The Bank of New York Trust Company, N.A.
Senior Underwriter or Placement Agent:	Westhoff, Cone & Holmstedt
Bond Counsel:	Orrick, Herrington & Sutcliffe LLP, San Francisco, CA
Remarketing Agent:	Westhoff, Cone & Holmstedt
Project:	See Attachment A

Agenda Item 4.E.1.

Maximum Bond Term:	Not to exceed 30 years
Type of Sale:	Negotiated sale
Description of Minimum Denominations:	\$100,000 or any integral multiple of \$5,000 in excess thereof while in variable rate mode
Financing Structure:	Variable rate demand bonds; convertible to fixed rate pursuant to the Indenture
Maximum Interest Rate:	12%
Letter of Credit:	Provided by Union Bank of California, N.A. or another bank (U.S. Bank National Association, First Bank, Comerica Bank, or Bank of the West) chosen by the Borrower that is rated at least "A-." The Letter of Credit must meet Indenture and Loan Agreement requirements.
Other Credit Enhancement:	Not applicable
Anticipated Bond Rating:	Minimum "A-"
Type of Financing:	Solid waste disposal revenue bonds
Prepared by:	Robert Martz (925) 472-8746

Attachment A

A portion of such Bond proceeds is intended to finance the following projects in the County of Imperial:

(1) Design and permitting costs associated with the construction, improvement, renovation, rehabilitation and/or installation of solid waste disposal or processing facilities, buildings and related equipment at the Salton City Landfill, 935 West Highway 86, Salton City, CA 92275; (2) Acquisition of trucks and other solid waste vehicles and equipment, which may be located from time to time at the locations listed in item (1); and (3) Acquisition of solid waste carts, bins and containers.

A portion of such Bond proceeds is intended to finance the following projects in the County of Los Angeles:

(1) Construction, improvement, renovation, rehabilitation and/or installation of a fueling station, together with related facilities, buildings and equipment at the Azusa Corporate Yard, 1017 West Gladstone Street, Azusa, CA 91702.; (2) Acquisition of trucks and other solid waste vehicles and equipment, which may be located from time to time at the locations listed in item (1) above and (a) Azusa (BWS) Hauling Division, 1017 West Gladstone, Azusa, CA 91702; (b) Pomona Hauling Division, 1250 East Holt Blvd., Pomona, CA 91767; (c) Santa Clarita Hauling Division, 26000 Springbrook Avenue, Suite 101, Saugus, CA 91350; and (d) Santa Clarita MRF Transfer Station, 25120 Sierra Highway, Santa Clarita, CA 91321; and (3) Acquisition of solid waste carts, bins and containers.

A portion of such Bond proceeds is intended to finance the following projects in the County of Riverside:

(1) Design and permitting costs associated with the construction, improvement, renovation, rehabilitation and/or installation of solid waste disposal or processing facilities, buildings and related equipment at 19th Avenue and McLane Street, Palm Springs, CA 92262; (2) Construction, improvement, renovation, rehabilitation and/or installation of a tipping floor, tunnel upgrades, road signalization and related solid waste disposal or processing facilities, buildings and equipment at the Agua Mansa Transfer Station, 1830 Agua Mansa Road, Riverside, CA 92509; (3) Acquisition of trucks and other solid waste vehicles and equipment, which may be located from time to time at the locations listed in item (1) and (2) above and (a) Riverside Hauling Division, 1850 Agua Mansa Road, Riverside, CA 92509; (b) Coachella Valley Transfer Station, 87-011A Landfill Road, Coachella, CA 92236; (c) Proposed Corporate Yard, Parcel 5 of Parcel Map 24088-1, in the County of Riverside, State of California, as shown by map recorded in Book 177, pages 26 through 31, inclusive of maps, in the office of the County Recorder of said County; and (4) Acquisition of solid waste carts, bins and containers.

A portion of such Bond proceeds is intended to finance the following projects in the County of San Bernardino:

(1) Acquisition, retrofit and/or installation of solid waste disposal or processing facilities and equipment, including screens, excavators, loaders, rolloff boxes, fencing and related equipment at one or more of the following sites: (a) Barstow Landfill, 32553 Barstow Road, Barstow, CA 92311; (b) Colton Landfill, 850 Tropica Rancho Road, Colton, CA 92324; (c) Landers Landfill, 59200 Winters Road, Landers, CA 92285; (d) Mid-Valley Landfill, 2390 Alder Avenue, Rialto, CA 92376; (d) San Timoteo Landfill, 31 Refuse Road, Redlands, CA 92373; and (e) Victorville Landfill, 18600 Stoddard Wells Road, Victorville, CA 92392; (2) Construction, improvement, renovation, rehabilitation and/or installation of a fueling station, together with related facilities, buildings and equipment at the Fontana/Rancho Hauling Division, 9820 Cherry Avenue, Fontana, CA 92335; (3) Acquisition of trucks and other solid waste vehicles and equipment, which may be located from time to time at the locations listed in item (1) and (2) above and (a) Barstow Hauling Division, 2340 West Main Street, Barstow, CA

Agenda Item 4.E.1.

92311; (b) Empire Hauling Division, 5455 Industrial Parkway, San Bernardino, CA 92407; (c) Fontana/Rancho Hauling Division, 9820 Cherry Avenue, Fontana, CA 92335; (d) Mountain Hauling Division, 988 Waterman Canyon, Crestline, CA 92325; (e) Victorville Hauling Division, 17080 Stoddard Wells Road, Victorville, CA 92394; (f) Victor Valley MRF, 17000 Abbey Lane, Victorville, CA 92394; (g) West Valley Recycling & Transfer, 13373 Napa Street, Fontana, CA 92335; (h) 29 Palms Transfer Station, 7501 Pinto Mountain, Twenty-Nine Palms, CA 92278; (i) Apple Valley LVTO, 13401 Laguna Seca Drive, Apple Valley, CA 92307; (k) Baker LVTO, 72799 Sodabaker Road, Baker, CA 92309; (j) Big Bear Transfer Station, 38550 Holcomb Valley Road, Big Bear, CA 92314; (k) Camp Rock Transfer Station – Lucerne Valley, 27805 Squaw Bush Road, Lucerne Valley, CA 92356; (l) Heaps Peak Transfer Station, 29898 State Highway 18, Running Springs, CA 92382; (m) Hesperia LVTO, 5500 Hesperia Dump Road, Hesperia, CA 92345; (n) Newberry Springs Transfer Station, 30550 Poniente Drive, Newberry Springs, CA 92365; (o) Sheep Creek Transfer Station, 10130 Buckwheat Road, Phelan, CA 92371; (p) Silver Valley LVTO, Hidden Springs Road, Daggett, CA 92327; (q) Trails End Transfer Station – Morongo Valley, 10780 Malibu Trail, Morongo, CA 92256; (r) Trona-Argus Transfer Station, 83000 1st Street, Trona-Argus, CA 93562; (s) Yermo LVTO, 40950 Minneola Road, Yermo, CA 92398; and (t) Proposed Corporate Yard, Lots 2 through 5, inclusive, 7 and 11 through 16, inclusive of Block 10, Tract No. 1847, in the County of San Bernardino, State of California, as per plat recorded in Book 27 of maps, page(s) 38 and 39, records of said County; and (4) Acquisition of solid waste carts, bins and containers.

All financed assets will be owned and/or operated by Burrtec Waste Group, Inc. and/or an affiliate thereof (the “Company”). The vehicles and containers will be used to service the Company’s customers throughout the Company’s service territories in San Bernardino, Los Angeles, Riverside and Imperial County, California, and the containers will be located at the addresses of the Company’s customers.

CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY

RESOLUTION NO. 08-0034-02

**A RESOLUTION DEDICATING FOR USE OF A PORTION OF THE 2008 STATE
CEILING ON QUALIFIED PRIVATE ACTIVITY BONDS FOR AN
EXEMPT FACILITY PROJECT**

WHEREAS, the California Pollution Control Financing Authority (“CPCFA”) has received an application (“Application”) from **Burrtec Waste Group, Inc. and/or its Affiliates** (“Project Sponsor”) for approval of the issuance of revenue bonds; and

WHEREAS, on **August 27, 2008**, CPCFA approved Final Resolution No. **485** (“Final Resolution”) authorizing the issuance of up to **\$25,500,000** of its solid waste disposal revenue bonds (Burrtec Waste Group, Inc. and/or its Affiliates Project) Series 2008 (“Bonds”); and

WHEREAS, in seeking CPCFA approval of the Final Resolution, the Project Sponsor represented certain facts and information concerning the project to CPCFA which were relied upon by CPCFA in approving the Final Resolution; and

WHEREAS, the California Debt Limit Allocation Committee (“CDLAC”) has previously transferred to CPCFA a portion of the 2008 State Ceiling on Qualified Private Activity Bonds pursuant to Section 146 of the Internal Revenue Code of 1986, as amended, for use by CPCFA to issue bonds or other obligations in a manner consistent with CDLAC’s policies and procedures. Accordingly, capitalized terms not otherwise defined shall have the meanings ascribed to them in the “Procedures of the California Debt Limit Allocation Committee Implementing the Allocation of State Ceiling on Private Activity Bonds” (“CDLAC Procedures”); and

WHEREAS, it is appropriate for CPCFA to confirm the use of a portion of the 2008 State Ceiling on Qualified Private Activity Bonds allocated to CPCFA (“CPCFA Allocation”) to the issuance of the Bonds as set forth in the Final Resolution;

NOW, THEREFORE, CPCFA resolves as follows:

Section 1. CPCFA Allocation in the amount of \$25,500,000 is hereby dedicated to the issuance of the Bonds. The dedicated CPCFA Allocation may be used only by the Project Sponsor and only for the issuance of Bonds for the Project, as specifically described in Exhibit A, and consistent with the terms of the Final Resolution. All of the terms and conditions of Exhibit A, and the Final Resolution are incorporated herein as though set forth in full (this resolution, the Final Resolution and Exhibit A, collectively “Resolution”).

Section 2. The terms and conditions of this Resolution shall be incorporated in appropriate documents relating to the Bonds, and the Project Sponsor and all its respective successors and assignees, will be bound by such terms and conditions.

Section 3. Any modification to the Project made prior to the issuance of the Bonds must be reported to the Executive Director and shall require reconsideration by the CPCFA before the Allocation may be used for the Project.

Section 4. The CPCFA Allocation dedicated by this Resolution shall automatically revert to CPCFA unless the Bonds for the Project have been issued by CPCFA by the close of business on **November 25, 2008**. In a case of extreme hardship, the Executive Director may extend this date by up to five (5) business days.

Section 5. Within twenty-four (24) hours of issuing the Bonds, CPCFA shall notify CDLAC by facsimile communication to the fax number listed in Section 24 of the CDLAC Procedures that the Bonds have been issued. This facsimile notice shall identify the Project Sponsor, the project or program, the date and amount of the Bonds issued.

Section 6. Within fifteen (15) calendar days of the Bond closing, CPCFA or its counsel shall formally transmit to CDLAC information regarding the issuance of the Bonds by submitting a completed Report of Action Taken in a form prescribed by and made available by CDLAC.

Section 7. Any differences between the amount of Bonds issued and the amount of the CPCFA Allocation dedicated in Section 1 of this Resolution shall automatically revert to CPCFA. If at any time prior to the expiration date set forth in Section 7 hereof the Project Sponsor determines that part or all of the CPCFA Allocation dedicated in Section 1 of this Resolution will not be required by the Project by that date, the Project Sponsor shall promptly give notice to CPCFA.

Section 8. In consideration of the CPCFA Allocation dedicated in Section 1 of this resolution, the Project Sponsor shall comply with all of the terms and conditions contained in this Resolution and ensure that these terms and conditions are included in the documents related to the Bonds. Further, the Project Sponsor expressly agrees that the terms and conditions of this Resolution may be enforced by CDLAC or CPCFA through an action for specific performance or any other available remedy, provided however, that CDLAC and CPCFA agree not to take such action or enforce any such remedy that would be materially adverse to the interests of Bondholders. In addition, CPCFA shall ensure that the Bond documents, as appropriate, expressly provide that CDLAC is a third party beneficiary of the terms and conditions set forth in this Resolution.

Section 9. The Project Sponsor or its successor-in-interest shall provide certifications of compliance with the terms and conditions set forth in this Resolution when reasonably requested by CDLAC or CPCFA.

Section 10. This Resolution shall take effect immediately upon its adoption.

RESOLUTION NO. 08-0034-02
(AN EXEMPT FACILITY PROJECT)
EXHIBIT A

1. Project Sponsor: Burrtec Waste Group, Inc. and/or its Affiliates
2. Application #: 741
3. Project User: Burrtec Waste Group, Inc. and/or its Affiliates
4. Project Name: Burrtec Waste Group, Inc. and/or its Affiliates
5. Location: Los Angeles, Riverside, San Bernardino, and Imperial Counties as set forth in the Final Resolution
6. Credit Enhancement or Private Placement Purchaser: Provided by Union Bank of California, N.A. or another bank (U.S. Bank National Association, First Bank, Comerica Bank, or Bank of the West) chosen by the Borrower that is rated at least "A-." The Letter of Credit must meet Indenture and Loan Agreement requirements.
7. The Credit Enhancement Provider/Private Placement Purchaser at the time of issuance will be Union Bank of California, N.A. or another bank (U.S. Bank National Association, First Bank, Comerica Bank, or Bank of the West) chosen by the Borrower that is rated at least "A-." The Letter of Credit must meet Indenture and Loan Agreement requirements.
8. Amount of Allocation: \$25,500,000