

**CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY
BOND PROGRAM**

Meeting Date: September 24, 2008

***Amendment to Small Business Assistance Fund (SBAF) Subsidy Policy
For the Bond Program***

Prepared by: *Ling Tse*

Summary. Staff proposes amendments to the Small Business Assistance Fund (SBAF) Subsidy Policy for the Bond Program (please see Attachment A for details). The current SBAF subsidy is based on a formula of \$130,000 plus 1.6% of the par amount, up to a maximum amount of \$250,000. The proposed formula is based on \$130,000 plus 1.6% of par for bonds less than \$5,000,000; a \$5,000,000 bond would receive the maximum \$210,000 subsidy. For bond issuances above \$5,000,000, the formula would be \$130,000 plus 1.6% of par less 4% of the bond amount. There would be no subsidy for bond issuances over \$13,750,000. Staff anticipates a cost savings of 50%, or approximately \$1,250,000 annually. If adopted, the proposed change will be effective January 1, 2009.

Issue. Staff proposes a new policy for the Authority's allocation of SBAF subsidies for small business bond issuances beginning January 1, 2009, to support the existence of the CPCFA Fund and the SBAF program.

Background. During the late 1970s and early 1980s, the U.S. Small Business Administration (SBA) administered a special pollution control loan guarantee program for small businesses. The program offered SBA guarantees for federally tax-exempt bonds. SBA discontinued the program in 1981 leaving small businesses inadequate resources for securing cost-effective tax-exempt bonds.

In 1985, SBAF was created to fill a void from the discontinuation of the SBA program and to assist small businesses with a portion of their costs of issuance (COI) and letter of credit (LOC) fees, associated with issuing tax-exempt bonds.

CPCFA SBAF Regulations permit the Authority to subsidize a range of fees, including bond counsel fees, underwriter or placement agent fees or discount and related expenses, printing fees, fees due to other state agencies, accounting fees, consultant's fees, and other expenses directly related to the issuance of bonds that are normally paid from the proceeds of a bond issue at the time of closing. The Authority's current policy only allows the SBAF subsidy for bond counsel, underwriter, underwriter counsel, trustee, trustee counsel, rating agency, printing, CPCFA Feasibility study, bank credit enhancement including first year Letter of Credit, STO Agent for Sale, financial advisor, borrowers counsel, CDLAC and CDIAC fees.

The SBAF subsidy has been a benefit to many small businesses, allowing them access to cheaper financing that had been available primarily to large businesses. By providing the SBAF subsidy, small businesses are able to compete on a more level playing field with their larger competitors. Some SBAF beneficiaries have been successful to the point where they no longer qualify as a small business under CPCFA regulations (500 employees or less) and now contribute to SBAF

and pay administrative fees. Between 2000 and 2008 SBAF subsidies assisted companies in 26 of California’s 58 counties (see Attachment B for details).

In the early years, SBAF Bond Issuance assistance operated as a policy and was not solidified until August 1997. Over years of administering SBAF, the Authority clarified the SBAF subsidy policy from time to time. After 1997, the Authority set the maximum amount of SBAF assistance at a rate of 7.5 percent of the face value of the bonds, limited eligible LOC fees from 5 years to first year costs plus closing fees, and restricted the subsidy to the first \$15 million of an eligible bond issue. In 2002, the subsidy policy had changed to \$130,000 plus 1.6% of the par amount, limited to \$250,000. In addition to direct subsidies, SBAF qualified businesses avoid payment of administrative and SBAF fees that larger businesses pay.

SBAF is funded by the revenues from Small Business Assistance Fees, which is currently 1% of the par amount of tax-exempt bonds or 0.3% of the par amount of taxable bonds issued by large businesses. In FY 2006-07, the Small Business Assistance Fees (inflow) were \$995,000 and SBAF subsidy (outflow) was \$1,963,000. In FY 2007-08, the Small Business Assistance Fees (inflow) were \$708,000 and SBAF subsidy (outflow) was \$2,259,000. According to staff’s projections, the Small Business Assistance Fees (inflow) will average \$1,131,000 and SBAF subsidy (outflow) will average \$2,500,000 in future years. Without adjustments to current SBAF subsidy policy, the SBAF will continue to be in deficit, which fundamentally affects the sustainability of the Authority and the SBAF program.

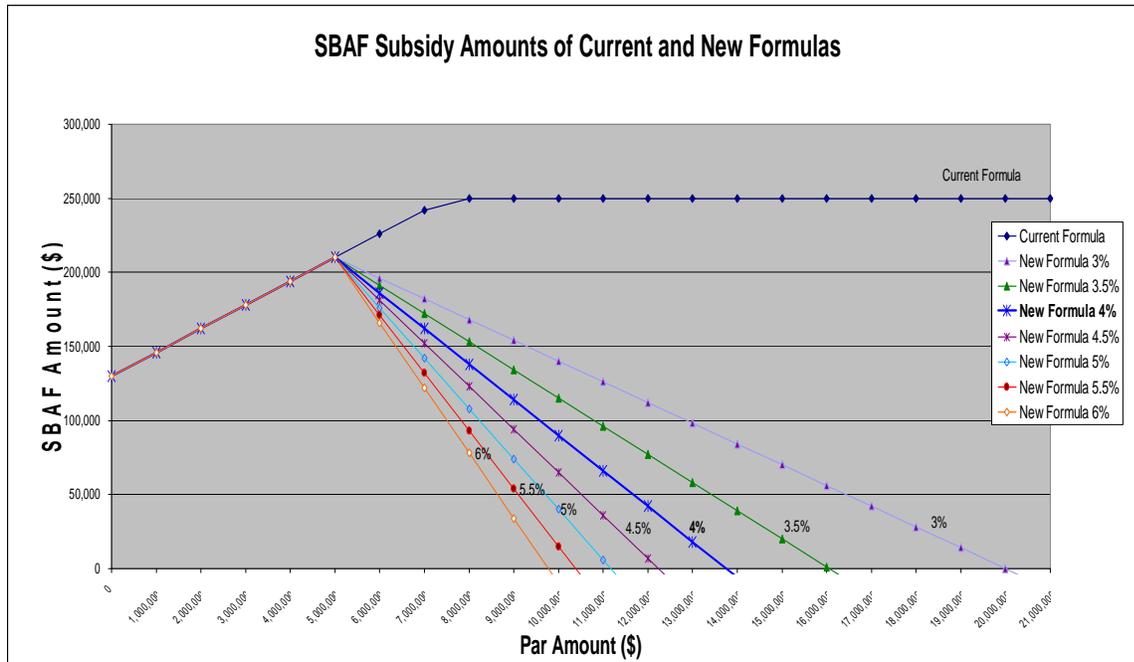
According to staff’s analysis of the Authority’s financial situation, the CPCFA fund is facing financial difficulties as expenditures surpass revenues. Without substantial changes, funds could run out within a few years. The Authority has already taken a series of steps with the CalCAP, CALReUSE, and Sustainable Communities Grant and Loan Programs to help balance outflow and income and thus sustain the Authority without general fund support. Even with the changes to other programs, changes to SBAF for the Bond Program will be necessary to help balance the CPCFA budget. Staff has developed a recommendation that is expected to cut the cost of SBAF for the Bond Program in half.

Proposed Change. The current formula is \$130,000 plus 1.6% of the par amount, limited to \$250,000.

| <u>Par Amount</u> | <u>Maximum SBAF Subsidy</u> |
|-------------------|-----------------------------|
| ≤ \$7.5m | \$130,000 + 1.6% of Par |
| > \$7.5m | \$250,000 |

Staff proposes a SBAF subsidy formula of \$130,000 plus 1.6% of the par amount, and for par amounts over \$5 million, subtracting 4% of the par amount over \$5 million.

| <u>Par Amount</u> | <u>Maximum SBAF Subsidy</u> |
|------------------------|--|
| ≤ \$5 million | \$130,000 + 1.6% of Par |
| \$5 to \$13.75 million | \$130,000 + 1.6% of Par – [(Par-\$5,000,000) x 4%] |
| > \$13.75 million | \$0 |



The proposed formula continuously provides a base award of \$130,000 to cover standard COI such as bond counsel, financial advisor, underwriter, and underwriter counsel fees. The subsidy progressively increases for bond sizes up to \$5 million, to the maximum amount of \$210,000. The subsidy then declines for bond sizes up to \$13.75 million. COI does not tend to vary greatly with bond size; therefore smaller bond deals pay a greater percentage of COI. Also, larger borrowers generally have greater internal resources to manage bond costs. Thus, applicants of smaller bonds have the greatest need for SBAF assistance.

By implementing the proposed formula, the Authority anticipates saving 50% or approximately \$1,250,000 annually of the SBAF subsidy, which significantly minimizes the deficit amount. Thus, the Authority and the SBAF program will be more sustainable.

Avoided Fee. In addition to receiving subsidies when issuing smaller-sized bonds, small business companies benefit from the avoidance of administrative fee payments (0.2% of the par amount of bonds issued). Although small businesses issuing larger-sized bonds (\$13.75 million and above) will not receive SBAF, they will still benefit from the avoidance of administrative fee payments.

| <u>Par Amount (\$ Million)</u> | <u>Avoided Fee (Administrative Fee)</u> |
|--------------------------------|---|
| \$5 | \$10,000 |
| 10 | 20,000 |
| 15 | 30,000 |
| 20 | 40,000 |

Good Faith Effort. The proposed subsidy formula is generated based on staff's discussions with the Authority's stake holders including bond counsels, financial advisors, and underwriters. Therefore, staff expects the new SBAF policy will be exercised in good faith. Staff considered that a company might try to return multiple times for smaller bond issuances to take advantage of SBAF assistance each time with the proposed subsidy policy. For example, under the current policy a \$20 million bond issuance could now receive the \$250,000 SBAF subsidy; however, under the proposed policy this company would not receive any SBAF subsidy for the bond issuance. The company could seek to circumvent the new formula by proposing the issuance of four \$5 million deals to maximize a total amount of \$840,000 SBAF subsidy. For further details please see Attachment D. Staff will evaluate and report to the Board the progress of the new SBAF policy periodically. If staff finds the new policy is not working as intended, staff will revisit the SBAF policy and may request additional changes.

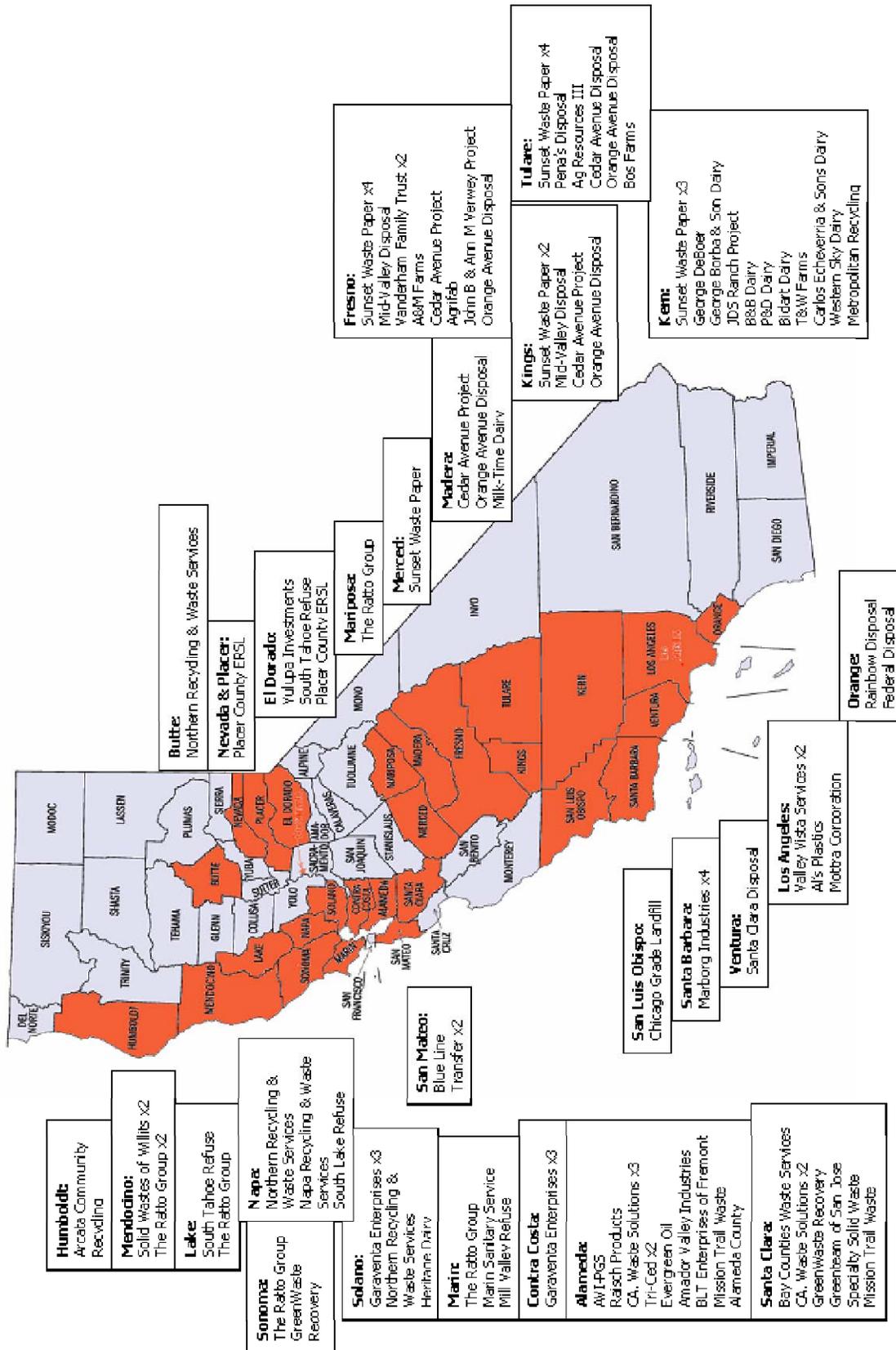
Recommendation. Staff recommends approval of the proposed amendment to the Small Business Assistance Fund (SBAF) subsidy policy as described in the staff summary to become effective January 1, 2009.

ATTACHMENT A

SUMMARY OF ORIGINAL, CURRENT, AND PROPOSED SBAF POLICIES

| | Pre-2002 SBAF POLICY | CURRENT SBAF POLICY | PROPOSED CHANGES | | | | | | | | | | | | | | |
|-------------------|--|---|--|-----------------------------|----------|--------------------------|----------|-----------|--|-------------------|-----------------------------|--------|--------------------------|------------------|--|------------|-----|
| 1. | <p>Must meet the size standards set forth in Title 13 of the code of Federal Regulations.</p> <p>or</p> <p>Must be an eligible small business, which is defined as 500 employees or less, including affiliates.</p> | <p>Must meet the size standards set forth in Title 13 of the code of Federal Regulations.</p> <p>or</p> <p>Must be an eligible small business, which is defined as 500 employees or less, including affiliates.</p> | <p>Must meet the size standards set forth in Title 13 of the code of Federal Regulations.</p> <p>or</p> <p>Must be an eligible small business, which is defined as 500 employees or less, including affiliates.</p> | | | | | | | | | | | | | | |
| 2. | <p>Large businesses pay 1 percent of face value of tax-exempt bonds and/or .3 percent of taxable bonds to fund SBAF. Small businesses are not required to pay into SBAF.</p> | <p>Large businesses pay 1 percent of face value of tax-exempt bonds and/or .3 percent of taxable bonds to fund SBAF. Small businesses are not required to pay into SBAF.</p> | <p>Large businesses pay 1 percent of face value of tax-exempt bonds and/or .3 percent of taxable bonds to fund SBAF. Small businesses are not required to pay into SBAF.</p> | | | | | | | | | | | | | | |
| 3. | <p>No limitation on bond sizes that are eligible for assistance.</p> <p>However, subsidy restricted to the first \$15 million of bond par amount.</p> | <p>No limitation on bond sizes that are eligible for assistance.</p> <table border="0"> <tr> <td><u>Par Amount</u></td> <td><u>Maximum SBAF Subsidy</u></td> </tr> <tr> <td>≤ \$7.5m</td> <td>\$130,000 + (1.6% x par)</td> </tr> <tr> <td>> \$7.5m</td> <td>\$250,000</td> </tr> </table> | <u>Par Amount</u> | <u>Maximum SBAF Subsidy</u> | ≤ \$7.5m | \$130,000 + (1.6% x par) | > \$7.5m | \$250,000 | <p>Subsidize bonds up to \$13.75 million.</p> <table border="0"> <tr> <td><u>Par Amount</u></td> <td><u>Maximum SBAF Subsidy</u></td> </tr> <tr> <td>≤ \$5m</td> <td>\$130,000 + (1.6% x par)</td> </tr> <tr> <td>\$5m to \$13.75m</td> <td>\$130,000 + (1.6% x par) - [(par-\$5m) x 4%]</td> </tr> <tr> <td>> \$13.75m</td> <td>\$0</td> </tr> </table> | <u>Par Amount</u> | <u>Maximum SBAF Subsidy</u> | ≤ \$5m | \$130,000 + (1.6% x par) | \$5m to \$13.75m | \$130,000 + (1.6% x par) - [(par-\$5m) x 4%] | > \$13.75m | \$0 |
| <u>Par Amount</u> | <u>Maximum SBAF Subsidy</u> | | | | | | | | | | | | | | | | |
| ≤ \$7.5m | \$130,000 + (1.6% x par) | | | | | | | | | | | | | | | | |
| > \$7.5m | \$250,000 | | | | | | | | | | | | | | | | |
| <u>Par Amount</u> | <u>Maximum SBAF Subsidy</u> | | | | | | | | | | | | | | | | |
| ≤ \$5m | \$130,000 + (1.6% x par) | | | | | | | | | | | | | | | | |
| \$5m to \$13.75m | \$130,000 + (1.6% x par) - [(par-\$5m) x 4%] | | | | | | | | | | | | | | | | |
| > \$13.75m | \$0 | | | | | | | | | | | | | | | | |
| 4. | <p>SBAF recipients must apply a minimum of 2 percent of bond proceeds to Cost of Issuance before they are eligible for SBAF assistance.</p> | <p>SBAF recipients must apply a minimum of 2 percent of bond proceeds to Cost of Issuance before they are eligible for SBAF assistance.</p> | <p>SBAF recipients must apply a minimum of 2 percent of bond proceeds to Cost of Issuance before they are eligible for SBAF assistance.</p> | | | | | | | | | | | | | | |
| 5. | <p>Upon expenditure of 2 percent of bond proceeds, recipient becomes eligible for SBAF assistance up to 7.5 percent of the bond par amount.</p> | <p>Upon expenditure of the 2 percent of bond proceeds, recipient becomes eligible for SBAF assistance up to following formula amount, at Authority discretion:</p> <table border="0"> <tr> <td><u>Par Amount</u></td> <td><u>Maximum SBAF Subsidy</u></td> </tr> <tr> <td>≤ \$7.5m</td> <td>\$130,000 + (1.6% x par)</td> </tr> <tr> <td>> \$7.5m</td> <td>\$250,000</td> </tr> </table> | <u>Par Amount</u> | <u>Maximum SBAF Subsidy</u> | ≤ \$7.5m | \$130,000 + (1.6% x par) | > \$7.5m | \$250,000 | <p>Upon expenditure of the 2 percent of bond proceeds, recipient becomes eligible for SBAF assistance up to following formula amount, at Authority discretion:</p> <table border="0"> <tr> <td><u>Par Amount</u></td> <td><u>Maximum SBAF Subsidy</u></td> </tr> <tr> <td>≤ \$5m</td> <td>\$130,000 + (1.6% x par)</td> </tr> <tr> <td>\$5m to \$13.75m</td> <td>\$130,000 + (1.6% x par) - [(par-\$5m) x 4%]</td> </tr> <tr> <td>> \$13.75m</td> <td>\$0</td> </tr> </table> | <u>Par Amount</u> | <u>Maximum SBAF Subsidy</u> | ≤ \$5m | \$130,000 + (1.6% x par) | \$5m to \$13.75m | \$130,000 + (1.6% x par) - [(par-\$5m) x 4%] | > \$13.75m | \$0 |
| <u>Par Amount</u> | <u>Maximum SBAF Subsidy</u> | | | | | | | | | | | | | | | | |
| ≤ \$7.5m | \$130,000 + (1.6% x par) | | | | | | | | | | | | | | | | |
| > \$7.5m | \$250,000 | | | | | | | | | | | | | | | | |
| <u>Par Amount</u> | <u>Maximum SBAF Subsidy</u> | | | | | | | | | | | | | | | | |
| ≤ \$5m | \$130,000 + (1.6% x par) | | | | | | | | | | | | | | | | |
| \$5m to \$13.75m | \$130,000 + (1.6% x par) - [(par-\$5m) x 4%] | | | | | | | | | | | | | | | | |
| > \$13.75m | \$0 | | | | | | | | | | | | | | | | |
| 6. | <p>Eligible Costs are limited to bond counsel, underwriter, underwriter counsel, trustee, trustee counsel, rating agency, printing, CPCFA Feasibility study, bank credit enhancement, including first year LOC fees, STO Agent For Sale, financial advisor, borrowers counsel, CDLAC and CDIAC fees.</p> | <p>Eligible Costs are limited to bond counsel, underwriter, underwriter counsel, trustee, trustee counsel, rating agency, printing, CPCFA Feasibility study, bank credit enhancement, including first year LOC fees, STO Agent For Sale, financial advisor, borrowers counsel, CDLAC and CDIAC fees.</p> | <p>Eligible Costs are limited to bond counsel, underwriter, underwriter counsel, trustee, trustee counsel, rating agency, printing, CPCFA Feasibility study, bank credit enhancement, including first year LOC fees, STO Agent For Sale, financial advisor, borrowers counsel, CDLAC and CDIAC fees.</p> | | | | | | | | | | | | | | |

ATTACHMENT B



ATTACHMENT C

| Comparison of SBAF subsidy amounts of Current and New Formulas | | | | | | | | |
|--|-----------------|----------------|------------------|------------------|------------------|----------------|------------------|----------------|
| Par Amount | Current Formula | New Formula 3% | New Formula 3.5% | New Formula 4% | New Formula 4.5% | New Formula 5% | New Formula 5.5% | New Formula 6% |
| \$0 | \$130,000 | \$130,000 | \$130,000 | \$130,000 | \$130,000 | \$130,000 | \$130,000 | \$130,000 |
| 1,000,000 | 146,000 | 146,000 | 146,000 | 146,000 | 146,000 | 146,000 | 146,000 | 146,000 |
| 2,000,000 | 162,000 | 162,000 | 162,000 | 162,000 | 162,000 | 162,000 | 162,000 | 162,000 |
| 3,000,000 | 178,000 | 178,000 | 178,000 | 178,000 | 178,000 | 178,000 | 178,000 | 178,000 |
| 4,000,000 | 194,000 | 194,000 | 194,000 | 194,000 | 194,000 | 194,000 | 194,000 | 194,000 |
| 5,000,000 | 210,000 | 210,000 | 210,000 | 210,000 | 210,000 | 210,000 | 210,000 | 210,000 |
| 6,000,000 | 226,000 | 196,000 | 191,000 | 186,000 | 181,000 | 176,000 | 171,000 | 166,000 |
| 7,000,000 | 242,000 | 182,000 | 172,000 | 162,000 | 152,000 | 142,000 | 132,000 | 122,000 |
| 8,000,000 | 250,000 | 168,000 | 153,000 | 138,000 | 123,000 | 108,000 | 93,000 | 78,000 |
| 9,000,000 | 250,000 | 154,000 | 134,000 | 114,000 | 94,000 | 74,000 | 54,000 | 34,000 |
| 10,000,000 | 250,000 | 140,000 | 115,000 | 90,000 | 65,000 | 40,000 | 15,000 | 0 |
| 11,000,000 | 250,000 | 126,000 | 96,000 | 66,000 | 36,000 | 6,000 | 0 | |
| 12,000,000 | 250,000 | 112,000 | 77,000 | 42,000 | 7,000 | 0 | | |
| 13,000,000 | 250,000 | 98,000 | 58,000 | 18,000 | 0 | | | |
| 14,000,000 | 250,000 | 84,000 | 39,000 | 0 | | | | |
| 15,000,000 | 250,000 | 70,000 | 20,000 | | | | | |
| 16,000,000 | 250,000 | 56,000 | 1,000 | | | | | |
| 17,000,000 | 250,000 | 42,000 | 0 | | | | | |
| 18,000,000 | 250,000 | 28,000 | | | | | | |
| 19,000,000 | 250,000 | 14,000 | | | | | | |
| 20,000,000 | 250,000 | 0 | | | | | | |
| 21,000,000 | 250,000 | | | | | | | |

ATTACHMENT D

| CPCFA - Small Business Bonds, 2001-08 | | | | | | | | | | | | |
|--|--|---------------------|---------------------|-----------------------|-------------------------|-----------------------|-------------------------|-----------------------|-------------------------|-----------------------|------------------------|----------------------------|
| Date | Name of Bond | Par Amount | Current SBAF | New Formula 3% | New Formula 3.5% | New Formula 4% | New Formula 4.5% | New Formula 5% | New Formula 5.5% | New Formula 6% | Half of Current | \$125,000 Flat Rate |
| 5/21/08 | Yulupa Investments, LLC | \$5,000,000 | \$210,000 | \$210,000 | \$210,000 | \$210,000 | \$210,000 | \$210,000 | \$210,000 | \$210,000 | \$105,000 | \$125,000 |
| 05/14/08 | Solid Wastes of Willits | 3,870,000 | 191,920 | 191,920 | 191,920 | 191,920 | 191,920 | 191,920 | 191,920 | 191,920 | 95,960 | 125,000 |
| 05/07/08 | Garaventa Enterprises | 17,150,000 | 250,000 | 39,900 | 0 | 0 | 0 | 0 | 0 | 0 | 125,000 | 125,000 |
| 04/09/08 | South Tahoe Refuse | 16,615,000 | 250,000 | 47,390 | 0 | 0 | 0 | 0 | 0 | 0 | 125,000 | 125,000 |
| 02/21/08 | AVI-PGS | 5,630,000 | 220,080 | 201,180 | 198,030 | 194,880 | 191,730 | 188,580 | 185,430 | 182,280 | 110,040 | 125,000 |
| Subtotal: | | 48,265,000 | 1,122,000 | 690,390 | 599,950 | 596,800 | 593,650 | 590,500 | 587,350 | 584,200 | 561,000 | 625,000 |
| 11/20/07 | Raisch Products | 2,700,000 | 173,200 | 173,200 | 173,200 | 173,200 | 173,200 | 173,200 | 173,200 | 173,200 | 86,600 | 125,000 |
| 11/07/07 | Sunset Waste Paper, Inc | 9,400,000 | 250,000 | 148,400 | 126,400 | 104,400 | 82,400 | 60,400 | 38,400 | 16,400 | 125,000 | 125,000 |
| 08/15/07 | Bay Counties Waste Services, Inc | 5,310,000 | 214,960 | 205,660 | 204,110 | 202,560 | 201,010 | 199,460 | 197,910 | 196,360 | 107,480 | 125,000 |
| 08/01/07 | Northern Recycling & Waste Services, LLC | 10,315,000 | 250,000 | 135,590 | 109,015 | 82,440 | 55,865 | 29,290 | 2,715 | 0 | 125,000 | 125,000 |
| 07/09/07 | The Ratto Group of Companies Inc | 42,600,000 | 250,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 125,000 | 125,000 |
| 06/27/07 | California Waste Solutions, Inc | 25,905,000 | 250,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 125,000 | 125,000 |
| 03/13/07 | Tri-CED | 5,596,000 | 219,535 | 201,656 | 198,676 | 195,696 | 192,716 | 189,736 | 186,756 | 183,776 | 109,768 | 125,000 |
| 02/14/07 | Garden City Sanitation, Inc | 22,445,000 | 250,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 125,000 | 125,000 |
| 02/08/07 | Valley Vista Services, Inc | 7,840,000 | 250,000 | 170,240 | 156,040 | 141,840 | 127,640 | 113,440 | 99,240 | 85,040 | 125,000 | 125,000 |
| Subtotal: | | 132,111,000 | 2,107,695 | 1,034,746 | 967,441 | 900,136 | 832,831 | 765,526 | 698,221 | 654,776 | 1,053,848 | 1,125,000 |
| 12/15/06 | Mid-Valley Disposal | 7,120,000 | 243,920 | 180,320 | 169,720 | 159,120 | 148,520 | 137,920 | 127,320 | 116,720 | 121,960 | 125,000 |
| 11/02/06 | Rainbow Disposal | 26,725,000 | 250,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 125,000 | 125,000 |
| 10/18/06 | Garaventa Enterprises | 18,940,000 | 250,000 | 14,840 | 0 | 0 | 0 | 0 | 0 | 0 | 125,000 | 125,000 |
| 06/23/06 | Evergreen Oil, Inc | 8,450,000 | 250,000 | 161,700 | 144,450 | 127,200 | 109,950 | 92,700 | 75,450 | 58,200 | 125,000 | 125,000 |
| 05/11/06 | Marin Sanitary Service | 13,845,000 | 250,000 | 86,170 | 41,945 | 0 | 0 | 0 | 0 | 0 | 125,000 | 125,000 |
| 03/07/06 | MarBorg Industries | 6,700,000 | 237,200 | 186,200 | 177,700 | 169,200 | 160,700 | 152,200 | 143,700 | 135,200 | 118,600 | 125,000 |
| 02/09/06 | Pena's Disposal, Inc | 5,390,000 | 216,240 | 204,540 | 202,590 | 200,640 | 198,690 | 196,740 | 194,790 | 192,840 | 108,120 | 125,000 |
| 01/06/06 | GreenWaste Recovery, Inc | 12,315,000 | 250,000 | 107,590 | 71,015 | 34,440 | 0 | 0 | 0 | 0 | 125,000 | 125,000 |
| Subtotal: | | 99,485,000 | 1,947,360 | 941,360 | 807,420 | 690,600 | 617,860 | 579,560 | 541,260 | 502,960 | 973,680 | 1,000,000 |
| 12/08/05 | Arcata Community Recycling | 5,750,000 | 222,000 | 199,500 | 195,750 | 192,000 | 188,250 | 184,500 | 180,750 | 177,000 | 111,000 | 125,000 |
| 11/02/05 | Sunset Waste Paper | 9,510,000 | 250,000 | 146,860 | 124,310 | 101,760 | 79,210 | 56,660 | 34,110 | 11,560 | 125,000 | 125,000 |
| 10/17/05 | Tri-CED | 6,065,000 | 203,600 | 195,090 | 189,765 | 184,440 | 179,115 | 173,790 | 168,465 | 163,140 | 101,800 | 125,000 |
| 06/14/05 | Amador Valley Industries, LLC | 6,900,000 | 240,400 | 183,400 | 173,900 | 164,400 | 154,900 | 145,400 | 135,900 | 126,400 | 120,200 | 125,000 |
| 06/10/05 | BLT Enterprises of Fremont LLC | 29,125,000 | 250,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 125,000 | 125,000 |
| 05/25/05 | AI's Plastics | 2,500,000 | 170,000 | 170,000 | 170,000 | 170,000 | 170,000 | 170,000 | 170,000 | 170,000 | 85,000 | 125,000 |
| 04/14/05 | Napa Recycling & Waste Services | 21,030,000 | 217,404 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 108,702 | 125,000 |
| Subtotal: | | 80,880,000 | 1,553,404 | 894,850 | 853,725 | 812,600 | 771,475 | 730,350 | 689,225 | 648,100 | 776,702 | 875,000 |
| 08/05/04 | California Waste Solutions | 8,350,000 | 250,000 | 163,100 | 146,350 | 129,600 | 112,850 | 96,100 | 79,350 | 62,600 | 125,000 | 125,000 |
| 06/15/04 | Vanderham Family Trust - J&D Wilson & Sons Dairy | 2,500,000 | 170,000 | 170,000 | 170,000 | 170,000 | 170,000 | 170,000 | 170,000 | 170,000 | 85,000 | 125,000 |
| 06/10/04 | A&M Farms | 2,000,000 | 162,000 | 162,000 | 162,000 | 162,000 | 162,000 | 162,000 | 162,000 | 162,000 | 81,000 | 125,000 |
| 05/27/04 | George Deboer | 2,500,000 | 170,000 | 170,000 | 170,000 | 170,000 | 170,000 | 170,000 | 170,000 | 170,000 | 85,000 | 125,000 |
| 05/26/04 | Marborg Industries | 7,415,000 | 248,640 | 176,190 | 164,115 | 152,040 | 139,965 | 127,890 | 115,815 | 103,740 | 124,320 | 125,000 |
| 05/19/04 | AG Resources III, LLC | 8,350,000 | 250,000 | 163,100 | 146,350 | 129,600 | 112,850 | 96,100 | 79,350 | 62,600 | 125,000 | 125,000 |
| Subtotal: | | \$31,115,000 | \$1,250,640 | \$1,004,390 | \$958,815 | \$913,240 | \$867,665 | \$822,090 | \$776,515 | \$730,940 | \$625,320 | \$750,000 |

ATTACHMENT D - continued

| Date | Name of Bond | Par Amount | Current SBAF | New Formula 3% | New Formula 3.5% | New Formula 4% | New Formula 4.5% | New Formula 5% | New Formula 5.5% | New Formula 6% | Half of Current | \$125,000 Flat Rate |
|------------------|------------------------------------|----------------------|---------------------|---------------------|---------------------|---------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|
| 12/18/03 | George Borba & Son Dairy | \$3,800,000 | \$148,013 | \$190,800 | \$190,800 | \$190,800 | \$190,800 | \$190,800 | \$190,800 | \$190,800 | \$74,007 | \$125,000 |
| 12/10/03 | Valley Vista Services | 4,700,000 | 205,200 | 205,200 | 205,200 | 205,200 | 205,200 | 205,200 | 205,200 | 205,200 | 102,600 | 125,000 |
| 12/04/03 | Cedar Avenue Project | 3,000,000 | 178,000 | 178,000 | 178,000 | 178,000 | 178,000 | 178,000 | 178,000 | 178,000 | 89,000 | 125,000 |
| 11/06/03 | JDS Ranch Project | 2,350,000 | 167,600 | 167,600 | 167,600 | 167,600 | 167,600 | 167,600 | 167,600 | 167,600 | 83,800 | 125,000 |
| 10/24/03 | B&B Dairy | 8,000,000 | 250,000 | 168,000 | 153,000 | 138,000 | 123,000 | 108,000 | 93,000 | 78,000 | 125,000 | 125,000 |
| 09/11/03 | Agrifab, Inc | 5,800,000 | 222,800 | 198,800 | 194,800 | 190,800 | 186,800 | 182,800 | 178,800 | 174,800 | 111,400 | 125,000 |
| 07/11/03 | Mill Valley Refuse | 3,200,000 | 181,200 | 181,200 | 181,200 | 181,200 | 181,200 | 181,200 | 181,200 | 181,200 | 90,600 | 125,000 |
| 06/12/03 | Placer County Ersl | 5,600,000 | 219,600 | 201,600 | 198,600 | 195,600 | 192,600 | 189,600 | 186,600 | 183,600 | 109,800 | 125,000 |
| 05/30/03 | P&D Dairy Project | 3,000,000 | 178,000 | 178,000 | 178,000 | 178,000 | 178,000 | 178,000 | 178,000 | 178,000 | 89,000 | 125,000 |
| 05/23/03 | John B and Ann M Verwey Project | 3,400,000 | 184,400 | 184,400 | 184,400 | 184,400 | 184,400 | 184,400 | 184,400 | 184,400 | 92,200 | 125,000 |
| 05/09/03 | Vanderham Family Trust | 2,000,000 | 162,000 | 162,000 | 162,000 | 162,000 | 162,000 | 162,000 | 162,000 | 162,000 | 81,000 | 125,000 |
| Subtotal: | | 44,850,000 | 2,096,813 | 2,015,600 | 1,993,600 | 1,971,600 | 1,949,600 | 1,927,600 | 1,905,600 | 1,883,600 | 1,048,407 | 1,375,000 |
| 12/17/02 | Orange Ave Disposal | 6,250,000 | 230,000 | 192,500 | 186,250 | 180,000 | 173,750 | 167,500 | 161,250 | 155,000 | 115,000 | 125,000 |
| 11/13/02 | Milk-Time Dairy | 1,400,000 | 152,400 | 152,400 | 152,400 | 152,400 | 152,400 | 152,400 | 152,400 | 152,400 | 76,200 | 125,000 |
| 11/07/02 | Bidart Dairy | 6,000,000 | 226,000 | 196,000 | 191,000 | 186,000 | 181,000 | 176,000 | 171,000 | 166,000 | 113,000 | 125,000 |
| 11/06/02 | T&W Farms | 3,200,000 | 181,200 | 181,200 | 181,200 | 181,200 | 181,200 | 181,200 | 181,200 | 181,200 | 90,600 | 125,000 |
| 10/30/02 | Heritage Dairy | 1,500,000 | 143,122 | 154,000 | 154,000 | 154,000 | 154,000 | 154,000 | 154,000 | 154,000 | 71,561 | 125,000 |
| 10/29/02 | Sunset Waste Paper | 4,205,000 | 197,280 | 197,280 | 197,280 | 197,280 | 197,280 | 197,280 | 197,280 | 197,280 | 98,640 | 125,000 |
| 10/23/02 | Marborg Industries Project | 5,215,000 | 248,640 | 206,990 | 205,915 | 204,840 | 203,765 | 202,690 | 201,615 | 200,540 | 124,320 | 125,000 |
| 10/22/02 | South Lake Refuse Company | 6,750,000 | 238,000 | 185,500 | 176,750 | 168,000 | 159,250 | 150,500 | 141,750 | 133,000 | 119,000 | 125,000 |
| 10/10/02 | Carlos Echeverria & Sons Dairy | 3,500,000 | 186,000 | 186,000 | 186,000 | 186,000 | 186,000 | 186,000 | 186,000 | 186,000 | 93,000 | 125,000 |
| 10/08/02 | Blue Line Transfer, Inc | 7,410,000 | 248,560 | 176,260 | 164,210 | 152,160 | 140,110 | 128,060 | 116,010 | 103,960 | 124,280 | 125,000 |
| 10/02/02 | Mission Trail Waste | 7,555,000 | 250,000 | 174,230 | 161,455 | 148,680 | 136,905 | 123,130 | 110,355 | 97,580 | 125,000 | 125,000 |
| 05/30/02 | California Waste Solutions | 11,275,000 | 339,000 | 122,150 | 90,775 | 59,400 | 28,025 | 0 | 0 | 0 | 169,500 | 125,000 |
| 05/29/02 | Mottra Corporation | 5,500,000 | 268,911 | 203,000 | 200,500 | 198,000 | 195,500 | 193,000 | 190,500 | 188,000 | 134,456 | 125,000 |
| Subtotal: | | 69,760,000 | 2,909,113 | 2,327,510 | 2,247,735 | 2,167,960 | 2,088,185 | 2,011,760 | 1,963,360 | 1,914,960 | 1,454,557 | 1,625,000 |
| 11/14/01 | Ratto Group of Companies | 9,845,000 | 359,508 | 142,170 | 117,945 | 93,720 | 69,495 | 45,270 | 21,045 | 0 | 179,754 | 125,000 |
| 10/24/01 | Santa Clara Disposal | 7,560,000 | 224,005 | 174,160 | 161,360 | 148,560 | 135,760 | 122,960 | 110,160 | 97,360 | 112,003 | 125,000 |
| 10/11/01 | Western Sky Dairy | 5,000,000 | 202,500 | 210,000 | 210,000 | 210,000 | 210,000 | 210,000 | 210,000 | 210,000 | 101,250 | 125,000 |
| 10/09/01 | Greenwaste Recovery | 8,305,000 | 296,435 | 163,730 | 147,205 | 130,680 | 114,155 | 97,630 | 81,105 | 64,580 | 148,218 | 125,000 |
| 10/04/01 | Bos Farms | 1,550,000 | 120,841 | 154,800 | 154,800 | 154,800 | 154,800 | 154,800 | 154,800 | 154,800 | 60,421 | 125,000 |
| 10/03/01 | Greenteam of San Jose | 18,235,000 | 232,550 | 24,710 | 0 | 0 | 0 | 0 | 0 | 0 | 116,275 | 125,000 |
| 09/26/01 | Chicago Grade Landfill | 1,825,000 | 136,875 | 159,200 | 159,200 | 159,200 | 159,200 | 159,200 | 159,200 | 159,200 | 68,438 | 125,000 |
| 05/17/01 | Specialty Solid Waste | 10,920,000 | 418,611 | 127,120 | 97,520 | 67,920 | 38,320 | 8,720 | 0 | 0 | 209,306 | 125,000 |
| 05/16/01 | Mission Trail | 3,500,000 | 210,220 | 186,000 | 186,000 | 186,000 | 186,000 | 186,000 | 186,000 | 186,000 | 105,110 | 125,000 |
| 04/24/01 | Blue Line Transfer | 8,000,000 | 353,709 | 168,000 | 153,000 | 138,000 | 123,000 | 108,000 | 93,000 | 78,000 | 176,855 | 125,000 |
| 04/18/01 | Federal Disposal | 3,450,000 | 207,325 | 185,200 | 185,200 | 185,200 | 185,200 | 185,200 | 185,200 | 185,200 | 103,663 | 125,000 |
| Subtotal: | | 78,190,000 | 2,762,579 | 1,695,090 | 1,572,230 | 1,474,080 | 1,375,930 | 1,277,780 | 1,200,510 | 1,135,140 | 1,381,290 | 1,375,000 |
| 11/09/00 | Sunset Waste Paper, Inc | 5,775,000 | 337,557 | 199,150 | 195,275 | 191,400 | 187,525 | 183,650 | 179,775 | 175,900 | 168,779 | 125,000 |
| 10/04/00 | Garaventa Enterprises | 3,100,000 | 182,800 | 179,600 | 179,600 | 179,600 | 179,600 | 179,600 | 179,600 | 179,600 | 91,400 | 125,000 |
| 09/20/00 | Solid Wastes of Willits 2000 A & B | 3,920,000 | 247,500 | 192,720 | 192,720 | 192,720 | 192,720 | 192,720 | 192,720 | 192,720 | 123,750 | 125,000 |
| 06/22/00 | Marborg Industries | 5,425,000 | 297,301 | 204,050 | 201,925 | 199,800 | 197,675 | 195,550 | 193,425 | 191,300 | 148,651 | 125,000 |
| 06/14/00 | Metropolitan Recycling 2000 A & B | 11,740,000 | 542,901 | 115,640 | 81,940 | 48,240 | 14,540 | 0 | 0 | 0 | 271,451 | 125,000 |
| 05/24/00 | Alameda County | 10,310,000 | 470,730 | 135,660 | 109,110 | 82,560 | 56,010 | 29,460 | 2,910 | 0 | 235,365 | 125,000 |
| Subtotal: | | \$40,270,000 | \$2,078,789 | \$1,026,820 | \$960,570 | \$894,320 | \$828,070 | \$780,980 | \$748,430 | \$739,520 | \$1,039,395 | \$750,000 |
| TOTAL: | | \$624,926,000 | \$17,828,393 | \$11,630,756 | \$10,961,486 | \$10,421,336 | \$9,925,266 | \$9,486,146 | \$9,110,471 | \$8,794,196 | \$8,914,197 | \$9,500,000 |