CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY
BOND FINANCING PROGRAM
Meeting Date: July 28, 2010
Request for Final Resolution and
Request for Tax-Exempt Bond Allocation Approval

Prepared by: *Samantha Russell*

Applicant:	Mission Trail Waste Systems, Inc. and/or its Affiliates	**Amount Requested:**	$15,700,000
		Application No.:	823 (SB)
Project		**Final Resolution No.:**	506
Location:	Santa Clara County	**Prior Actions:**	IR approved 8/26/09 Amended 3/24/10

Summary. Mission Trail Waste Systems, Inc. and/or its Affiliates (the "Company") requests approval of a Final Resolution and Allocation Resolution for an amount not to exceed $15,700,000 to finance the purchase of Compressed Natural Gas (CNG) vehicles, bins, carts, containers, and totes, along with other operational equipment. The Company anticipates the project will provide waste diversion, air quality, and water quality benefits.

Borrower. The Company is a waste disposal company located in Santa Clara. The Company was incorporated October 28, 1986.

The principal stockholders of the Company are as follows:

Louie Pellegrini	33.334%
Robert J. Molinaro Trust	16.133%
Anthony Macchiano Trust	7.066%
William Dobert Trust	6.066%
Douglas Button Trust	4.166%
Michael Achiro Trust	4.166%
Edward Bortoli	4.166%
Paul Formosa Trust	4.166%
Ronald Fornesi Trust	4.166%
John Rossi Trust	4.166%
Stephanie Uccelli-Menner	4.166%
Brian Storti	4.066%
Jerry Nabhan Trust	1.389%
Jeffery Nabhan	1.388%
Nicholas Nabhan	1.388%
Total:	**100.000%**

The Company's affiliates include Santa Clara Valley Industries, LLC, Alameda County Industries, Inc., Alameda County Industries AR, Inc., Alameda County Industries, LLC, Bay Counties Waste Services, Inc. dba Specialty Solid Waste and Recycling and as Bay Counties SMaRT, Garden City Sanitation, Inc., Garden City Sanitation LLC, Livermore Sanitation, Inc., and Livermore Sanitation, LLC.

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 22, 2010. There were no comments received in support of or in opposition to this Project.

SBAF Assistance. Under the regulations approved on September 24, 2008 the Company is not eligible for assistance from SBAF due to the size of the bond issue.

Prior Actions and Financings. Prior actions and financings are listed below.

Description	Date of Bond Issue	Original Amount	Amount Outstanding as of July 28, 2010
Santa Clara Valley Industries	03/04/1998	$ 8,495,000	$ 1,415,000
Alameda County Industries	05/24/2000	10,310,000	3,330,000
Mission Trail Waste Systems	05/16/2001	3,500,000	1,105,000
Specialty Solid Waste & Recycling	05/17/2001	10,920,000	100,000
Mission Trail Waste Systems	10/02/2002	7,555,000	2,805,000
Garden City Sanitation	02/14/2007	22,445,000	0
Bay Counties Waste Services	08/15/2007	5,310,000	4,665,000
Garden City Sanitation	12/23/2009	33,000,000	33,000,000
Garden City Sanitation	12/23/2009	10,000,000	10,000,000
TOTALS:		**$111,353,000**	**$56,420,000**

Project Description. The Company will purchase CNG collection vehicles, support vehicles, bins, carts, containers, and totes to meet conditions of the extension of its franchise agreement with the City of Santa Clara and its new contract with the City of Los Altos.

The anticipated Project and issuance costs are listed below:

Acquisition & Installation of New Equipment	$15,266,351
Bond Issuance Expenses	314,000
LOC or Bond Issuance Fee (from bond proceeds)	118,947
Contingency	702
Total:	**$15,700,000**

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. The Company began purchasing equipment the first quarter of 2010 and plans to finish in the second quarter of 2011.

Local Government. Staff received a letter of support for the Project from Mr. Dave Staub, Superintendent of Solid Waste & Storm Drains, City of Santa Clara (See 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. By purchasing CNG vehicles particulate matter associated with diesel fueled vehicles will be reduced.

Energy Efficiency. CNG is primarily produced domestically and will reduce the Company's reliance on foreign oil.

Permitting and Environmental Approvals.
The Company will be purchasing only equipment which does not require any permitting.

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 that is rated at least "A" by Fitch Rating Agency or equivalent. The target date for financing is August of 2010.

Financing Team.

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

Staff Recommendation. Staff recommends approval of Final Resolution No. 506 and Volume Cap Allocation Resolution No. 08-242-08 for an amount not to exceed $15,700,000 for Mission Trail Waste Systems, Inc. and/or its Affiliates.

Final Resolution No. 506
Application No. 00823(SB)

FINAL BOND RESOLUTION OF THE
CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY
RELATING TO FINANCING OR REFINANCING OF
SOLID WASTE DISPOSAL EQUIPMENT FOR
MISSION TRAIL WASTE SYSTEMS, INC. AND/OR ITS AFFILIATES

July 28, 2010

WHEREAS, the California Pollution Control Financing Authority (the "Authority") has received the application of Mission Trail Waste Systems, Inc. (the "Borrower"), for financial assistance to finance or refinance (i) the acquisition of rolling stock and vehicles for the collection, processing and transfer of solid waste and other equipment functionally related thereto to be located at 1060 Richard Avenue, Santa Clara, California 95050 and/or 1313 Memorex Drive, Santa Clara, California 95050, and (ii) the acquisition of drop boxes, bins, carts and containers to be located with customers in Santa Clara County, California, 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 $15,700,000 to assist in the financing or refinancing 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, final approval of the terms of such revenue bonds and certain documents relating to such revenue bonds is now sought; 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;

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

Section 1. The Project constitutes a "project" and 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 (Mission Trail Waste Systems, Inc. Project) Series 2010A" (the "Bonds"), or such alternate designation as may be approved by the Executive Director of the Authority, in an aggregate principal amount not to exceed $15,700,000, 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 mode, all in accordance with the

Indenture (as hereinafter defined) as finally executed. The proceeds of the Bonds shall be used to finance or refinance the Project 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 on or before December 31, 2010, by negotiated sale, at such price and at such interest rate or rates as he may determine, such determination to be as set forth in the hereinafter referred to Purchase Contract.

Section 4. The following documents:

(i) a loan agreement relating to the Bonds (the "Loan Agreement"), between the Authority and the Borrower:

(ii) an indenture relating to the Bonds (the "Indenture"), between the Authority and the trustee named in the Term Sheet (the "Trustee");

(iii) a bond purchase contract (the "Purchase Contract") among the Authority, the Treasurer of the State of California and the underwriter or underwriters named in the Term Sheet (the "Underwriters"), and approved by the Borrower; and

(iv) the preliminary official statement relating to the Bonds (the "Preliminary Official Statement")

are hereby approved in substantially the forms on file with the Authority prior to this meeting, 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) in substantial conformance with the Term Sheet as the officer(s) executing and/or delivering the same may require or approve, such approval to be conclusively evidenced by execution and delivery thereof in the case of the Loan Agreement, the Indenture and the Purchase Contract and by delivery thereof in the case of the Preliminary Official Statement.

Section 5. 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 6. 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 7. The Underwriters are hereby authorized to distribute the Preliminary Official Statement to persons who may be interested in the purchase of the Bonds. The Underwriters are hereby directed to deliver (in a manner that complies with Securities and Exchange Commission rule 15c2-12(b)(3)) a copy of said final official statement (as finally executed, the "Official Statement") to all actual purchasers of the Bonds.

Section 8. The Bonds, when 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, which instructions are hereby approved. 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 9. 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 and to pay certain costs of issuance of the Tax-Exempt Bonds, 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 10. Each officer of the Authority, acting alone, is hereby authorized and directed, acting alone, to do any and all ministerial acts that the officer may deem necessary or advisable in order to consummate the issuance, sale or delivery of the Bonds, and otherwise to effectuate the purposes of this Resolution and the Indenture, the Loan Agreement, the Purchase Contract and the Official Statement. The Authority hereby approves any and all documents to be delivered in furtherance of the foregoing purposes, including without limitation, any certifications, including, a tax certificate.

Section 11. The provisions of the resolution of the Authority entitled "Resolution of the California Pollution Control Financing Authority Delegating Certain Powers and Authorizing Certain Actions Related to Bond Financings" adopted by the Authority on May 26, 2010, apply to the documents and actions approved in this Resolution, and the provisions of such resolution are incorporated herein by reference.

Section 12. The Authority hereby approves and ratifies each and every action taken by its officers, agents, members and employees prior to the date hereof in furtherance of the purposes of this Resolution.

Section 13. 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 (Mission Trail Waste Systems, Inc. Project) Series 2010A (the "Bonds")
Maximum Amount of Issue:	$15,700,000 (tax-exempt)
Issuer:	California Pollution Control Financing Authority (the "Authority") Sacramento, CA
Borrower:	Mission Trail Waste Systems, Inc.
Trustee:	The Bank of New York Mellon Trust Company, N.A.
Underwriters:	Westhoff, Cone & Holmstedt
Bond Counsel:	Leslie M. Lava, Esq. Sausalito, CA
Remarketing Agent:	Westhoff, Cone & Holmstedt
Project:	Finance or refinance (i) the acquisition of rolling stock and vehicles for the collection, processing and transfer of solid waste and other equipment functionally related thereto to be located at 1060 Richard Avenue, Santa Clara, California 95050 and/or 1313 Memorex Drive, Santa Clara, California 95050, and (ii) the acquisition of drop boxes, bins, carts and containers to be located with customers in Santa Clara County, California.
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 Comerica Bank
Other Credit Enhancement:	Not applicable
Anticipated Bond Rating:	Comerica Bank: "A" (Minimum "A-")
Type of Financing:	Solid waste disposal revenue bonds
Prepared by:	Leslie M. Lava, Esq. Law Offices of Leslie M. Lava (415) 331-6464

THE CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY

RESOLUTION NO. 08-242-08

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 Mission Trail Waste System, Inc. and/or Affiliates ("Project Sponsor") for approval of the issuance of revenue bonds; and

WHEREAS, on July 28, 2010, CPCFA approved Final Resolution No. 506 ("Final Resolution") authorizing the issuance of up to $15,700,000 of its solid waste disposal revenue bonds (Mission Trail Waste System, Inc. Project) Series 2010 ("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 $15,700,000 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 October 26, 2010. In a case of extreme hardship, the Deputy Executive Director or 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 via the email or the fax number as provided in Section 5140 of the CDLAC Regulations that the Bonds have been issued. This 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 the appropriate 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 4 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. 08-242-08
(AN EXEMPT FACILITY PROJECT)
EXHIBIT A

1. Project Sponsor: Mission Trail Waste Systems, Inc. and/or its Affiliates
2. Application #: 823 (SB)
3. Project User: Mission Trail Waste System, Inc.
4. Project Name: Mission Trail Waste System, Inc.
5. Location: Santa Clara County
6. Credit Enhancement or Private Placement Purchaser: Comerica Bank
7. The Credit Enhancement Provider/Private Placement Purchaser at the time of issuance will be the same as represented in the application.
8. Amount of Allocation: $15,700,000

ATTACHMENT A

SANTA CLARA CALIFORNIA

Santa Clara
All-America City
2001

Street Department

May 25, 2010

Mr. Sean Spear
Executive Director
CDLAC
State of California
915 Capitol Mall, Room 303
Sacramento, CA 95814

Re: California Debt Limit Allocation Committee, Exempt Facility Approvals
Mission Trail Waste Systems, Inc. Project

Dear Mr. Spear:

I write to you today on behalf of Mission Trail Waste Systems, Inc. relating to their environmental project for which approval will be requested at the California Debt Limit Allocation Committee ("CDLAC") meeting in July 2010.

My staff and I have worked with the management of Mission Trail over the last few years. I understand that in order to receive approval for the issuance of tax exempt bonds, on whose lower interest rates the "project" economics have been based, that CDLAC must grant part of the State's allocation for "private activity" bonds as defined by the federal government to the Project.

We and Mission Trail agree that the implementation of this project is a cost effective addition to our overall program, taking into account cost, technology and expected waste diversion.

On behalf of the City of Santa Clara I would appreciate it if you would approve the Mission Trail Waste Systems, Inc. Project at your meeting in July. Thank you.

Sincerely,

Dave Staub
Superintendent of Solid Waste & Storm Drains

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Santa Clara, CA 95050
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FAX (408) 988-0237
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