Summary. Bay Counties Waste Services Inc., doing business as Specialty Solid Waste & Recycling, and/or its Affiliates (the “Company”), requests approval of an amendment to Initial Resolution No. 08-06 to increase the maximum principal amount of the bonds, to purchase the land that it is currently leasing and additional trucks and equipment, and to extend the expiration date of the Initial Resolution. The current request is for an amount not to exceed $20,000,000. The Initial Resolution was originally approved June 25, 2008 for an amount not to exceed $2,960,000 and expires on June 25, 2011.

Borrower. Bay Counties Waste Services, Inc. was incorporated in California in 1993. The Company provides refuse collection and disposal services in the city of Sunnyvale. Bay Counties Waste Services, Inc. is affiliated with Alameda County Industries, Mission Trail Waste Systems, and Santa Clara Valley Industries. Some of the owners of the Company own interests in Amador Valley Industries, Garden City Sanitation, Pleasanton Garbage Service, and South San Francisco Scavenger Company, but the Company represents that there is no common majority ownership or control of those entities.

The principal stockholders of the Company are as follows:

Robert J. Molinaro 24.20%
Anthony Macchiano 10.60%
William Dobert 9.10%
Brian Storti 6.10%
Doug Button 5.00%
Jerry Nabhan 5.00%
Paul Formosa 5.00%
Ron Fornesi 5.00%
John Rossi 5.00%
Michael Achiro 5.00%
Craig Stagnero Trust 5.00%
Richard Gotelli 5.00%
Joanne Bortoli 5.00%
Stephanie Uccelli-Menner 5.00%
Total: 100.00%
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.

Project Description. The Company plans to acquire additional equipment to enhance its present operation to better serve its customers in Sunnyvale. This includes the purchase of land that it is currently leasing, and the addition of new carts, bins, containers, collection vehicles, and rolling stock.

Volume Cap Allocation. The Company anticipates applying to the Authority for volume cap allocation in June of 2011.

Financing Details. The Company anticipates the issuance of negotiated tax exempt bonds.

Financing Team.
  Underwriter: Westhoff, Cone, & Holmstedt
  Bond Counsel: Law Offices of Leslie M. Lava
  Issuer’s Counsel: Office of the Attorney General

Staff Recommendation. Staff recommends approval of an amendment to Initial Resolution No. 08-06 for Bay Counties Waste Services Inc., and/or its Affiliates for an amount not to exceed $20,000,000.

Note: An Initial Resolution approval is not a commitment that the Board will approve a Final Resolution and bond financing of the proposed Project.
AMENDMENT OF RESOLUTION OF OFFICIAL INTENT TO ISSUE BONDS TO FINANCE SOLID WASTE DISPOSAL/RECYCLING FACILITIES FOR BAY COUNTIES WASTE SERVICES, INC., DOING BUSINESS AS SPECIALTY SOLID WASTE & RECYCLING, AND/OR ITS AFFILIATES

May 24, 2011

WHEREAS, the California Pollution Control Financing Authority (“Authority”) by its Resolution No. 08-06 (“Initial Resolution”) has heretofore declared the Authority’s official intent to issue revenue bonds for the financing of solid waste disposal/recycling facilities to be owned and operated by Bay Counties Waste Services, Inc., a California corporation doing business as Specialty Solid Waste & Recycling, and/or its Affiliates (as defined therein) (collectively, “Company”), which facilities were expected to be comprised of the acquisition of equipment, rolling stock and vehicles for the collection, processing and transfer of solid waste and other equipment functionally related thereto and the acquisition of drop boxes, bins, carts and containers (collectively, “Initial Facilities”), to be located at the site described in Exhibit A thereto and hereto; and

WHEREAS, the Company now desires, and has requested the Authority, to amend the Initial Resolution in order to (i) increase the maximum principal amount of such revenue bonds from $2,960,000 to $20,000,000, and (ii) amend the definition of the Initial Facilities to include the acquisition of land (as so amended, the “Facilities”); and (iii) extend the expiration date of the Initial Resolution; and

WHEREAS, the Authority has determined that it is necessary and advisable that the foregoing be approved.

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

Section 1. The Authority hereby approves (i) the increase in the maximum principal amount of such revenue bonds to $20,000,000, and any references in the Initial Resolution to “$2,960,000” shall be changed to “$20,000,000”, and (ii) the amendment of the definition of Facilities in the Initial Resolution as set forth above and any references in the Initial Resolution to “Facilities” shall refer to “Facilities” as defined in this Amendment of Initial Resolution.

Section 2. The Initial Resolution, as amended by this Amendment of Initial Resolution, shall take effect immediately upon its passage and remain in full force and effect thereafter; provided that, it shall cease to be effective on May 24, 2014 unless prior thereto the Authority specifically adopts a further resolution extending the effective date of the Initial Resolution, as amended by this Amendment of Initial Resolution, which it will do only after
receiving a specific request for such action from the Company, accompanied by an explanation of the reason why the project has not proceeded prior to the date of the letter.

Section 3. Except as amended by Sections 1 and 2 hereof and Exhibit A hereto, all provisions and conditions of the Initial Resolution shall remain unchanged and in full force and effect.

Section 4. The Executive Director of the Authority is hereby authorized and directed to do any and all ministerial acts in order to communicate this Amendment of Initial Resolution to the Company and otherwise to effectuate the purposes of this Amendment of Initial Resolution.
EXHIBIT A

NUMBER: 08-06

LOCATIONS: 3355 Thomas Road
            Santa Clara, California  95054

TYPE: Solid Waste Disposal/Resource Recovery

AMOUNT: Up to $20,000,000