

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
May 23, 2007
Executive Summary
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR AN
EXEMPT FACILITY PROJECT

Prepared by Walter Akiyama.

Applicant: California Pollution Control Financing Authority

Allocation Amount Requested: \$15,500,000

Project Name: Waste Connections, Inc.
Project Address: 1333 Oakland Road
City, County, Zip Code: San Jose, Santa Clara, 95112

Project Sponsor Information:

Name: Waste Connections, Inc.
Address: 35 Iron Point Circle, Suite 200
Folsom, CA 95630
Principals: Ronald J. Mittelstaedt, Steven F. Bouck, Darrell W. Chambliss,
Worthing F. Jackman and David G. Eddie
Contact: Worthing F. Jackman
Phone: (916) 608-8266

Project User Information:

Name: Same as Project Sponsor
Address: Same as Project Sponsor
Contact: Same as Project Sponsor
Phone: Same as Project Sponsor

Project Financing Information:

Bond Counsel: Orrick, Herrington & Sutcliffe, LLP
Underwriter: Banc of America Securities, LLC
Credit Enhancement Provider: Banc of America Securities, LLC
Private Placement Purchaser: Not applicable
TEFRA Hearing: February 13, 2007

Project Sponsor's principal activity: According to the application, the Project Sponsor's principal activity is the collection, recycling, transportation and disposal of solid waste.

First Tier Business (Yes/No): No

Regulatory Mandate (Yes/No): Yes, California Integrated Waste Management Act (AB 939)

Sources of Funds:

Tax-Exempt Bond Proceeds	\$15,500,000
Other Sources	<u>\$ 0</u>
Total Sources	\$15,500,000

Uses of Funds:

New Equipment Purchase --	
Collection Vehicles	\$ 9,750,000
Collection Containers	\$ 5,440,000
Cost of Issuance (including discount)	<u>\$ 310,000</u>
Total Uses	\$15,500,000

Description of Proposed Project: According to the application, the proposed Project will consist of the purchase of cleaner-burning, more fuel efficient solid waste collection vehicles and containers to service the Project Sponsor's newly awarded multi-year contract with the West Valley Solid Waste Management Authority. The proposed Project will serve the Santa Clara County communities of Los Gatos, Saratoga, Monte Sereno and Campbell.

Environmental impact:

- 1) Air Quality: According to the application, the purchase of new collection vehicles will burn cleaner fuel and produce fewer emissions.
- 2) Energy Efficiency: According to the application, the purchase of new collection vehicles will promote fuel efficiency and less reliance upon fossil fuels.
- 3) Recycling of Commodities: According to the application, the proposed Project will provide segregating recyclable and/or renewable resources more efficiently.
- 4) Safety and Compliance: According to the application, According to the application, the Project Sponsor is in compliance with all the state and federal environmental regulations regarding the operation of the proposed facility and its existing facilities that it currently operates.

Legal Questionnaire: CPCFA staff has reviewed the responses on the Legal Status Questionnaire. It is the conclusion of CPCFA staff and Legal Counsel that the issues disclosed do not preclude CPCFA or this Committee from approving this request.

Recommendation: Staff recommends that the Committee approve \$15,500,000 in tax-exempt bond allocation.