

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**  
**December 5, 2007**  
**Staff Report**  
**REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR AN**  
**EXEMPT FACILITY PROJECT**

*Prepared by Richard Fischer.*

---

**Applicant:** California Pollution Control Financing Authority

---

**Allocation Amount Requested:** \$31,960,000

---

**Project Name:** EDCO Disposal Corporation  
**Project Address, City, County, Zip Code:**

	<b>Facility Address</b>	<b>City</b>	<b>County</b>
1.)	224 South Las Posas Road	San Marcos, 92069	San Diego
2.)	8184 Commercial Street	La Mesa, 91942	San Diego
3.)	7844 Armour Street	San Diego, 92111	San Diego
4.)	6670 Federal Blvd.	Lemon Grove, 91945	San Diego
5.)	6700 Federal Blvd.	Lemon Grove, 91945	San Diego
6.)	6750 Federal Blvd.	Lemon Grove, 91945	San Diego
7.)	3660 Dalbergia Street	San Diego, 92113	San Diego
8.)	9005 Kenwood Drive	Spring Valley, 91977	San Diego
9.)	550 West Aviation Road	Fallbrook, 92028	San Diego
10.)	324 Maple Street	Ramona, 92065	San Diego
11.)	1035 & 1044 W. Washington Ave.	Escondido, 92025	San Diego
12.)	32553 Barstow Road	Barstow, 92311	San Bernardino
13.)	5455 Industrial Parkway	San Bernardino, 92407	San Bernardino
14.)	9820 Cherry Ave.	Fontana, 92335	San Bernardino
15.)	17080 Stoddard Wells Road	Victorville, 92394	San Bernardino
16.)	17000 Abbey Lane	Victorville, 92394	San Bernardino
17.)	13373 Napa Street	Fontana, 92335	San Bernardino
18.)	4878 Newton Road	Yucca Valley, 92284	San Bernardino
19.)	73877 Amboy Road	Twentynine Palms, 92277	San Bernardino
20.)	988 Waterman Canyon Road	Crestline, 92325	San Bernardino
21.)	320 Irwindale Ave.	Azuza, 91702	Los Angeles
22.)	1250 E. Holt Ave.	Pomona, 91767	Los Angeles
23.)	6254 Paramount Blvd.	Long Beach, 90805	Los Angeles
24.)	26000 Springbrook Ave.	Santa Clarita, 91350	Los Angeles
25.)	Northwest corner of Paterson Street & California Avenue	Signal Hill, 90755	Los Angeles
26.)	1830 & 1850 Agua Mansa Road	Riverside, 92509	Riverside
27.)	87011-A Landfill Road	Coachella, 92236	Riverside
28.)	SW Corner of 19 <sup>th</sup> & McClane Streets	Palm Springs, 92262	Riverside
29.)	41575 Eclectic Street	Palm Desert, 92660	Riverside
30.)	70-100 Edom Hill Road	Cathedral City, 92234	Riverside
31.)	53600 Polk Street	Coachella, 92236	Riverside
32.)	6672 Stanton Ave.	Buena Park, 90621	Orange
33.)	Corner of State Highway 11 & Harris Rd., Northwest Corner, Unincorporated	Imperial, 92251	Imperial

---

**Project Sponsor Information:**

**Name:** EDCO Disposal Corporation  
**Address:** 6670 Federal Boulevard  
Lemon Grove, CA 91945  
**Principals:** Edward G. Burr, Sandra L. Burr, Steve South, and Alan Walsh  
**Contact:** Steve South  
  
**Phone:** (619) 287-3532

---

**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 & Sutcliff, LLP  
**Underwriter:** Westhoff, Cone & Holmstedt  
**Credit Enhancement Provider:** Wells Fargo Bank (LOC)  
**Private Placement Purchaser:** N/A  
**TEFRA Hearing:** November 2, 2007

---

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

---

**First Tier Business (Yes/No):** Yes

---

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

---

**Sources of Funds:**

Tax-Exempt Bond Proceeds	\$31,960,000
Other Sources	\$ 54,056
Total Sources	\$32,014,056

**Uses of Funds:**

Site Preparation and Improvements	\$ 0
New Equipment Purchase & Installation	\$ 2,000,000
Rolling Stock	\$22,000,000
Engineering/Architecture	\$ 0
Other – Bins and Carts	\$ 6,032,000
Other -Utilities, paving, site work	\$ 1,000,000
Legal Permits	\$ 0
Cost of Issuance (including discount)	\$ 693,256
Letter of Credit or Bond Insurance Fee	\$ 285,814
Other(Contingency)	\$ 2,986
Total Uses	\$32,014,056

**Description of Proposed Project:** According to the application, the primary purpose of the Project is for the Project Sponsor to acquire low emission collection trucks, loaders, transfer trucks and trailers and other support vehicles. New Rolling stock will replace those that are not in compliance with the new CARB standards. The vehicles and equipment will be housed at several of the project Sponsor's facilities located within its service areas throughout San Diego, Los Angeles, Orange, Riverside, Imperial and San Bernardino Counties. The Project Sponsor will also acquire additional bins, carts and other equipment to be used throughout its service area. In addition, the Project Sponsor will retrofit one or more of its existing sort lines and as part of this process, make additional improvements/renovations to certain of its existing MRFs or transfer facilities, including paving, utility upgrades and other onsite and offsite improvements.

---

**Environmental impact:**

- 1) Air Quality: According to the application, the conversion to automated rubbish and recycling collection creates greater efficiencies that allows for a reduction in the number of vehicles required to serve the communities. In addition, all vehicles purchased will be powered by engines that have been certified for their respective model year by both the California Air Resources Board and the United States Environmental Protection Agency Certificate of Conformity.
  - 2) Water Quality: According to the application, the purchase of waterproof enclosed, wheeled containers will prevent liquids from leaking into the storm drains.
  - 3) Energy Efficiency: According to the application, the purchase and use of alternative fuel vehicles will save gas consumption over its currently older model vehicles. The company continues to invest in the fuel efficient smaller engine which produces less exhaust emission and uses less fuel than the more traditional larger engines commonly found in refuse fleets.
  - 4) Recycling of Commodities: According to the application, the implementation to an automated recycling system will increase the capacity of the container by up to 400% over the current manual system as well as a full commingling of commodities will increase participation in the program.
  - 5) Safety and Compliance: 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.
  - 6) Consumer Costs Savings and Efficiencies: According to the application, the conversion to an automated collection system increases efficiencies and passes savings on to ratepayers.
- 

**Local government support:** Letters of support have been received from:

Larry Watts, Public Works Director	City of Encinitas
Graham Mitchell, City Manager	City of Lemon Grove
Dominic Lazzaretto, City Manager	City of La Palma
Larry A. Herman, Councilmember	City of La Palma

---

**Legal Questionnaire:** No information was disclosed that raised any question regarding the financial viability or legal integrity of the applicant.

---

**Recommendation:** Staff recommends that the Committee approve \$31,960,000 in tax-exempt bond allocation on a carryforward basis.