

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
April 18, 2018
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR AN
EXEMPT FACILITY PROJECT

Prepared by: Ruben Barcelo

Applicant: California Pollution Control Financing Authority

Allocation Amount Requested: \$4,085,000

Project Information:

Name: Amador Valley Industries, LLC
Project Address: 3110 and 3200 Busch Rd.; and 6175 Southfront Rd.
Project City, County, Zip Code: Pleasanton and Livermore, Alameda, 94556 and 94551.
A portion of the bond proceeds will be used to purchase equipment that will be located in the City of Dublin and in other sections of Alameda County.

Project Sponsor Information:

Name: Amador Valley Industries, LLC
Address: P.O. Box 1048
Pleasanton, CA 94566
Principals: Robert Molinaro 1992 Trust, Macchiano 1994 Trust, Gina Cardera, Walt Lupeika 2014 Trust, John Repetto and Mike Lupeika
Contact: Robert Molinaro, General Manager/President
Phone: (925) 846-4062

Project Financing Information:

Bond Counsel: Law Offices of Leslie M. Lava
Underwriter: Wells Fargo Bank, N.A.
Credit Enhancement Provider: N/A
Bond Rating: N/A
TEFRA Hearing Date & Adoption Date: March 8, 2018

Project Sponsor's Principal Activity:
The borrower is engaged in the collection, recycling, transportation and disposal of solid waste.

First Tier Business (Yes/No): Yes

Regulatory Mandate (Yes/No): Yes

Comments :

Details of Transaction:

Sources of Funds:	
Tax-Exempt Bond Proceeds	\$ 4,085,000
Authority Contribution	\$ 195,360
Total Sources	\$ 4,280,360

Uses of Funds:	
Vehicles	\$ 3,064,757
Carts and Containers	\$ 888,803
Other New Equipment	\$ 46,440
Note Rounding Factor	\$ 3,300
Costs of Issuance	\$ 277,060
Total Uses	\$ 4,280,360

Description of Proposed Project:

The proposed project primarily entails the acquisition of collection vehicles that use clean diesel and compressed natural gas (CNG) fuels. A portion of the proceeds will also be used to acquire support equipment, including drop boxes, bins and carts.

Environmental Impact:

- 1) Air Quality:
The majority of the project involves the purchase of CNG-fueled waste collection trucks. The use of CNG as a fuel will reduce particulate matter exhaust compared to the operation of diesel vehicles.
- 2) Water Quality:
The use of CNG as a fuel will minimize particulate matter generated through vehicle exhaust and will reduce diesel residues associated with the operation of diesel vehicles. This in turn will minimize surface water contamination since those particulates and residues would otherwise be deposited in the San Francisco Bay and area ground water through run-off and soil percolation.
- 3) Energy Efficiency:
The use of CNG-fueled vehicles helps reduce dependence upon fossil fuels.
- 4) Recycling of Commodities:
None indicated.
- 5) Safety and Compliance:
The Sponsor has indicated that it has always been in compliance with all State and Federal regulations. This project directly supports the Bay Area Quality Management District in its efforts to reduce air pollution.
- 6) Consumer Costs Savings and Efficiencies:
Cost of capital is a key variable in the Sponsor's consumer rate structure formula. The relative low cost of capital provided by this financing will allow the Sponsor to minimize future consumer rate increases.
- 7) Other benefits to the public
In addition to being a cleaner-burning fuel, using CNG will assist our country in minimizing its reliance on foreign oil.

Local Government Support:

In a letter dated February 16, 2018, the City of Dublin mayor demonstrated his support of this project and its financing plan, indicating that the project represents an effective addition to the area's overall waste management program.

Legal Questionnaire:

No information was disclosed that raised any question regarding the financial viability of the project or the Project Sponsor.

Recommendation:

Staff recommends that the Committee approve \$4,085,000 in tax exempt bond allocation.