

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**  
**September 19, 2018**  
**Staff Report**  
**REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR AN**  
**EXEMPT FACILITY PROJECT**

*Prepared by: Ruben Barcelo*

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**Applicant:** California Pollution Control Financing Authority

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**Allocation Amount Requested:** \$5,105,000

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**Project Information:**

**Name:** Atlas Disposal Industries, LLC  
**Project Address:** 3000 Power Inn Road and 8550 Fruitridge Road  
**Project City, County, Zip Code:** Sacramento, Sacramento, 95826

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**Project Sponsor Information:**

**Name:** Atlas Disposal Industries, LLC  
**Address:** 3000 Power Inn Road  
Sacramento, CA 95826  
**Principals:** Dell Loy Hansen, Dave Sikich, Nick Sikich, Steven Bruce, Joel Larson and Robin Stuhr for Atlas Disposal Industries, LLC; Dell Loy Hansen, Randy Hansen, Paul Willie and Jeff Kunkel for Atlas Capital Group; and Dan Haywood, Mark Haywood, David Theis, Marsha Theis and Rachel Lynch for Anytime Disposal, LLC  
**Contact:** Dave Sikich  
**Phone:** (916) 455-2800

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**Project Financing Information:**

**Bond Counsel:** Orrick, Herrington & Sutcliffe LLP  
**Underwriter:** Comerica Bank  
**Credit Enhancement Provider:** Not Applicable  
**Private Placement Purchaser:** Not Applicable  
**TEFRA Hearing Date:** August 9, 2018

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**Project Sponsor's Principal Activity:**

The applicant is engaged in the collection, recycling, transportation and disposal of solid waste.

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

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**Regulatory Mandate (Yes/No):** Yes

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**Details of Transaction:**

**Sources of Funds:**

Tax-Exempt Bond Proceeds	\$	5,105,000
Other Sources	\$	4,577,480
Total Sources	\$	9,682,480

**Uses of Funds:**

Redeem Series 1999 Bonds	\$	4,369,000
Site Preparation and Improvements	\$	2,500,000
New Equipment Purchase & Installation	\$	2,503,900
Cost of Issuance (incl. discount)	\$	309,580
Total Uses	\$	9,682,480

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**Description of Proposed Project:**

This project will make possible the purchase of waste containers and CNG-powered waste collection vehicles as additions to the Sponsor's current fleet. In addition, it will enable the construction of a new 13,000-square foot maintenance building on property leased from the County of Sacramento located at 8550 Fruitridge Road in Sacramento.

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**Environmental Impact:**

- 1) Air Quality:  
The use of CNG as a fuel for waste collection vehicles will reduce particulate matter content of vehicle 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 water contamination since those particulates and residues would otherwise be deposited in local rivers and lakes and ground water through run-off and soil percolation.
- 3) Energy Efficiency:  
The use of CNG vehicles helps reduce dependence on gasoline and diesel fuel.
- 4) Recycling of Commodities:  
Not Applicable.
- 5) Safety and Compliance:  
The Sponsor indicated that it has always been in compliance with applicable State and Federal regulations. This project directly supports the Sacramento Metropolitan Air Quality Management District's 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 relatively 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 reducing its reliance on foreign oil.

**Local Government Support:**

In a letter dated July 18, 2018, the Director of the Sacramento County Department of Waste Management and Recycling demonstrated his support of this project and its financing plan, indicating that the project will help to support efficient commercial solid waste and recycling services to the community.

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**Legal Questionnaire:**

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

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**Recommendation:**

Staff recommends that the Committee approve \$5,105,000 in tax exempt bond allocation.