

CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
 Public Benefit Analysis
 Exempt Facility Project Pool
 July 20, 2005 Allocation

Exempt Facility Bonds are tax-exempt private activity bonds that are issued by state and local governmental agencies to finance primarily solid waste disposal and waste recycling facilities. The tax-exempt bonds provide facility owners with low cost financing in the form of a lower interest rate than a conventional loan. The interest rate savings enable the project owners to maintain lower customer rates, minimize customer rate increases, or increase environmental benefits, while at the same time assisting the communities they serve to meet their mandated requirements to protect and enhance the environment. Exempt facility projects also benefit their communities by creating new jobs. Under the leadership of State Treasurer Philip Angelides, the Committee has prioritized the award of allocation to smaller companies in order to assist their communities to meet their environmental mandates.

The California Debt Limit Allocation Committee (“Committee”) is responsible for administering California’s annual tax-exempt private activity bond program, known as “the annual State ceiling”. For calendar year 2005, California’s State ceiling is \$2.871 billion. Each year the Committee divides the annual State ceiling among several bond programs, known as “Program Pools”, including the Exempt Facility Project Pool. For calendar year 2005, the Committee reserved \$250,000,000, or 8.7%, of the State ceiling for the Exempt Facility Project Pool. The \$250,000,000 of bond authority will be allocated throughout the 2005 calendar year. There are four categories that the Committee uses to prioritize its allocation to exempt facility projects: 1) First Tier Business¹ under Regulatory Mandate², 2) Non-first Tier Business under Regulatory Mandate, 3) Businesses, other than First Tier Businesses, Under Regulatory Mandate, 4) All other Applications for Exempt Facilities.

On July 20, 2005, the Committee authorized the California Pollution Control Financing Authority to utilize its 2004 Carryforward Bond Authority for one exempt facility project totaling \$7,605,000. The project is a First Tier Business under Regulatory Mandate and is a solid waste disposal and/or recycling facility, which includes the improvement of an existing facility, and the purchase of more efficient and cleaner burning fuel equipment. In addition, the project will create 10 full time jobs, as well as 50 temporary jobs during construction because of this allocation.

July 20, 2005 Allocation - Benefit of Exempt Facility Program

Allocation Amount March 16	First Tier Businesses Under Regulatory Mandate	Non-First Tier Businesses Under Regulatory Mandate	Total Exempt Facility Projects
\$7,605,000	1	0	1

¹ “First Tier Business” means (1) a business that (a) is primarily engaged in the collection, recycling, transportation, and/or disposal of solid waste, (b) is a privately-held or employee-owned entity whose ownership interests are not available to members of the public, and (c) has fewer than 3,000 employees (together with affiliates), based on the average employees per pay period during the most recent twelve (12) months before submittal of an Application; or (2) a business which is not primarily engaged in the collection, recycling, transportation, and/or disposal of solid waste that is classified as a small business under regulations of the California Pollution Control Financing Authority (CPCFA) (Title 4, California Code of Regulations, Sections 8001-8083).

² “Regulatory Mandate” means a local, state or federal government mandate such as the California Public Resources Code, Section 40000 et seq. (“AB 939”), a local public health department notice and order, a Regional Water Quality Control Board issued cease and desist order, or similar directive.

**July 20, 2005 Allocation
Public Benefit Analysis**

First Tier Businesses Under Regulatory Mandate	Allocation Amount	Description of Project and Benefits
Sunset Waste Paper, Inc.	\$7,605,000	<p>Sunset Waste Paper, Inc. provides solid waste collection, disposal, and recycling services to the central valley communities of the Cities of Fresno, Sanger, Delano, Parlier, Reedley, Biola, Merced, Woodlake, and the County of Fresno. The proposed Project consists of improvements to an existing landfill and corporate yard facility and purchase of related equipment as follows:</p> <ol style="list-style-type: none"> 1) Improvements to existing landfill facilities include: a) construction of an additional 60,000 square foot building to the existing MRF³ facility, which will serve as a transfer station for municipal solid waste. 2) Improvements to existing corporate yard facility include: b) construction of a new 20,000 square foot maintenance building and offices to house and maintain a fleet of collection vehicles. 3) Purchase of related equipment include: c) loaders, electric carts, sweeper and pick-up truck, baler, optical sorters, bins and collection vehicles. <p>According to the Project Sponsor, the proposed Project will recover 10,000 to 12, 000 tons of recyclables per year. The Project will create 10 new permanent, full time positions and approximately 50 jobs during construction. According to the Project Sponsor, the proposed Project will assist the communities listed above comply with AB 939 requirements.</p>

³ "MRF" means Materials Recovery Facility. This is a facility that receives, sorts, and bales for resale recyclable waste material collected from residential and commercial establishments.