

CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
 Public Benefit Analysis
 Exempt Facility Project Pool
 2005 Summary

Each year, the California Debt Limit Allocation Committee (Committee) reserves a portion of its tax-exempt private activity bond authority for the Exempt Facility Project Pool. These tax-exempt bonds are used to finance primarily solid waste disposal and waste recycling facilities. 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 Projects under Regulatory Mandate, 3) Businesses, other than First Tier Businesses, Under Regulatory Mandate, and 4) All other Applications for Exempt Facilities. The tax-exempt bonds provide facility owners with low cost financing in the form of lower interest rate than a conventional loan. The interest rate savings enable project owners to maintain lower customer rates or minimize customer rate increases, while at the same time assisting the communities served by the projects meet their mandated requirements to protect and enhance the environment. These projects also benefit the communities by creating new jobs. Under the leadership of State Treasurer Philip Angelides, the Committee has redirected the award of allocation to smaller companies in order to assist their communities meet their environmental mandates.

In 2005, the Committee approved the California Pollution Control Financing Authority (CPCFA) to utilize its 2004 Carryforward Bond Authority for five exempt facility projects totaling \$200 million. Of these five projects, the Committee awarded to one project an additional \$41,565,000 in 2005 State ceiling. In addition, the Committee awarded to CPCFA a total of \$37,460,000 in the Fifth Round for three exempt facilities in 2005 State ceiling. The total of \$79,025,000 in 2005 State ceiling represents 2.8% of the total \$2.871 billion state ceiling. Seven of the projects are First Tier Projects under Regulatory Mandate and one is a Non-First Tier Project Under Regulatory Mandate. All eight projects are solid waste disposal and/or recycling facilities, which include the construction of new facilities or the expansion of existing facilities, and the purchase of more efficient and cleaner fuel burning equipment. In addition, the eight projects are expected to create over 150 full time jobs as a result of these allocations.

2005 Total Benefit of Exempt Facility Project Pool

2005 Allocation Amount and 2004 Carryforward Amount	First Tier Projects Under Regulatory Mandate	Non-first Tier Projects Under Regulatory Mandate	Total Exempt Facility Projects
\$279,025,000	7	1	8

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.

2005 Summary of Benefit by Project

First Tier Projects Under Regulatory Mandate	Allocation Amount	Description of Project and Benefits
<p>Napa Recycling & Waste Services, LLC</p>	<p>\$22,000,000</p>	<p>According to the application, the Project consists of the purchase of vehicles and the purchase and installation of equipment to support Napa Recycling & Waste Services' ("Napa Recycling") contracts with 1) the City of Napa and 2) the County of Napa.</p> <ol style="list-style-type: none"> 1) Napa Recycling is under contract with the City of Napa to operate and manage the City's waste collection program and the existing materials recovery facility (MRF). The proposed Project includes the purchase of waste collection trucks, carts, bins, debris boxes, forklifts, tractors, loaders, and customary MRF waste processing equipment such as conveyors, balers, grinders and screens. The Project Sponsor indicates that the MRF, which currently recycles 84,000 tons of waste annually, will increase its recycling capability to 88,000 tons of waste annually. 2) Napa Recycling is under contract with the County of Napa to collect and process southern Napa County's residential and commercial waste. The proposed Project includes the purchase of collection vehicles, bins and containers, and the development of a site (corporate yard) at which to house and maintain the requisite fleet. <p>According to the Project Sponsor, the Project will increase efficiency in the recovery of recyclable materials and will assist the City of Napa and the County of Napa comply with their AB 939 mandate.</p>
<p>BLT Enterprises of Fremont, Inc. or BLT Enterprises of Fremont, LLC, dba Fremont Recycling and Transfer Station</p>	<p>\$30,375,000</p>	<p>According to the application, the proposed Project involves the construction of a new non-hazardous solid waste transfer station and Materials Recycling Facility (MRF) with the capacity of processing up to 2,400 tons of municipal solid waste and recyclables per day in the City of Fremont. The Project will include a transfer building with material recovery, two scale houses with three scales, a maintenance shop and an office/visitor center. Adjacent to the transfer station, a MRF will be constructed. All related facilities will total approximately 211,000 square feet. In addition, equipment to be purchased will include loaders, sweepers, forklifts, balers, scales, conveyors, and office and transportation equipment. The proposed Project will assist the Cities of Fremont, Newark and Union City comply with AB 939 goals. The Project Sponsor estimates that the proposed project will create 100 full time jobs and 50 temporary jobs during construction.</p>
<p>Amador Valley Industries, LLC</p>	<p>\$6,900,000</p>	<p>According to the application, Amador Valley Industries, LLC provides solid waste collection, hauling and disposal, and recycling. The Project Sponsor and the City of Dublin have entered into a new franchise agreement for the collection and disposal of residential and commercial solid waste. The proposed Project consists only of the purchase of equipment, such as new compressed natural gas collection vehicles and other support vehicles, waste containers, bins and drop boxes, furnishing and equipment, and carts. The Project Sponsor anticipates that the proposed Project will increase efficiency in the recovery of recyclable materials and will assist the City of Dublin in complying with AB 939.</p>

2005 Summary of Benefit by Project

First Tier Projects Under Regulatory Mandate	Allocation Amount	Description of Project and Benefits
Sunset Waste Paper, Inc.	\$9,510,000	<p>According to the application, 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 MRF 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>
Burrtec Waste Group, Inc.	\$18,445,000	<p>According to the application, the Company provides solid waste collection, hauling and disposal, and recycling. The Project consists of five components:</p> <ol style="list-style-type: none"> 1. The purchase of new alternative fuel powered collection vehicles and collection containers for all of its waste hauling operations in the three county areas it serves, Los Angeles, Riverside and San Bernardino Counties. 2. The improvement to its existing Abbey Lane Material Recovery Facility (MRF) and the purchase of additional sorting lines and related equipment. 3. The purchase of land and the construction of a maintenance shop, offices, truck-wash bin repair shop and paint booth, and the purchase of 12 front loader collection vehicles. 4. The purchase of related equipment to process construction and demolition material to be utilized at the various landfill sites. 5. The purchase of four transfer trailers for use at its existing Agua Mansa MRF in Riverside. <p>According to the application, the Project Sponsor anticipates that the proposed Project will assist the Counties of Los Angeles, Riverside and San Bernardino in complying with AB 939. The proposed Project will create 40 new full time employees</p>
MarBorg Industries	\$6,700,000	<p>According to the application, the Company provides solid waste collection, hauling and disposal, and recycling. The Project consists of four components:</p> <ol style="list-style-type: none"> 1. The renovation of the scale house and office to process inert materials will provide for efficiency of operations. 2. The construction of a scale house and new sort line and installation of a scale to process commingled recyclables. 3. The expansion and enclosure of a building, additional sorting lines and purchase of related equipment to process commercial recyclables. 4. The construction of a sandblast booth in which the company's equipment will be prepared for repairs and painting. <p>According to the application, the Project Sponsor anticipates that the proposed Project will assist the City and County of Santa Barbara in complying with AB 939.</p>

2005 Summary of Public Benefit by Project

First Tier Projects Under Regulatory Mandate	Allocation Amount	Description of Project and Benefits
Green Waste Recovery, Inc.	\$12,315,000	<p>According to the application, the Company provides solid waste collection, hauling and disposal, and recycling. The Project Sponsor was awarded a contract by the City of Petaluma to provide collection and disposal of residential and commercial solid waste and to sweep the streets. The Project consists of two components:</p> <ol style="list-style-type: none"> 1. Acquisition of approximately 2.5 acre site to establish a corporate yard on which the Project Sponsor will renovate existing administrative offices and a maintenance shop. The corporate yard will house and maintain a collection of new bio-diesel vehicles, bins and carts/boxes and other related equipment. 2. The Project Sponsor will contract with Global Materials Recovery Services, Inc. (GMRS), a recycling center located in Santa Rosa to receive and aggregate recyclables from the waste stream delivered by Green Waste Recovery, Inc. Also, the Project Sponsor will construct a transfer platform at the GMRS site for construction and demolition waste consolidation for transfer to a landfill. <p>According to the application, the Project Sponsor anticipates that the proposed Project will assist the Cities of Petaluma and Santa Rosa to meet its AB939 goals.</p>

2005 Summary of Benefit by Project

Non-First Tier Project Under Regulatory Mandate	Allocation Amount	Description of Project and Benefits
Waste Management, Inc.	\$175,000,000	<p>According to the application, the Project consists of improvements to 1) existing landfill facilities and 2) hauling and transfer station facilities operated by Waste Management and its affiliates throughout California.</p> <ol style="list-style-type: none"> 1. Improvements to existing landfill facilities include: a) construction of new disposal cells and liners within currently permitted acreage; b) additions and improvements to leachate collection and treatment systems; c) additions and improvements methane gas systems; d) installation of new liners for intermittent and final closure of completed sections of landfill facilities; e) purchase of land; f) facility improvements; g) construction of new buildings; h) acquisition of equipment for use at landfill facilities; and i) acquisition of other equipment and assets necessary to support the foregoing improvements and to place them in service. 2. Improvements to existing hauling and transfer station facilities include: a) solid waste disposal containers and related equipment; b) solid waste disposal sorting and processing equipment; c) facility improvements; and d) acquisition of other equipment and assets necessary to support the foregoing improvements and to place them in service. <p>According to the Project Sponsor, the Project will assist communities, with which Waste Management has contractual agreements, meet their regulatory waste stream diversion mandates.</p>