

CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY
BOND FINANCING PROGRAM
Meeting Date: March 20, 2007
Executive Summary
Request For Refunding Of Outstanding Norcal Waste Systems Bonds

Prepared by: *Deana Carrillo*

<p>Applicant: Norcal Waste Systems, Inc., Alta Equipment Leasing Company and/or Affiliates</p> <p>Project Locations: Butte County, Colusa County, Del Norte County, Humboldt County, Kern County, Monterey County, Placer County, San Francisco County, San Mateo County, Santa Clara County, Solano County and Yuba County</p>	<p>Amount Requested: \$70,000,000 Application No.: 616</p> <p>Final Resolution No.: 468</p>
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Type of Business: Norcal Waste Systems, Inc. (the “Company” or “Norcal”) provides solid waste management services through its Affiliates and subsidiaries, including residential, commercial, and industrial waste collection and processing services, recycling, and transfer and landfill operations. The Company and its subsidiaries operate in urban, suburban and rural markets within Butte, Colusa, Del Norte, Humboldt, Kern, Los Angeles, Monterey, Placer, San Benito, San Francisco, San Mateo, Santa Clara, Solano, Sutter and Yuba counties.

Project Description: The Company requests that the Authority Board approve Final Resolution No. 468 for an amount not to exceed \$70,000,000 to refund three previously issued bonds by CPCFA (the “Prior Bonds”) for solid waste assets (the “Prior Projects”). The Prior Bonds are listed below.

<u>ISSUE</u>	<u>ISSUE DATE</u>	<u>AMOUNT ISSUED</u>	<u>BONDS CURRENTLY HELD BY INVESTORS</u>
Norcal Waste Systems Inc. Series 2001	12/04/2001	\$31,215,000	\$29,495,000
Norcal Waste Systems Inc. Series 2002A	07/01/2002	\$18,000,000	\$18,000,000
Norcal Waste Systems Inc. Series 2003	07/14/2003	\$20,000,000	\$20,000,000

As of July 1, 2007, the Company will no longer have a contract for solid waste management services with the City of San Jose. The refunding of the Prior Bonds will allow the Company to move the financed assets currently used to service the City of San Jose contract to its facilities in other locations, will preserve the tax-exempt status of the Prior Bonds, and will preserve the volume cap allocation used to issue the Prior Bonds. The refunding of the Prior Bonds will result in the Company achieving 30 basis points of savings over the financing structure under which they were issued (namely, letter of credit-backed variable rate bonds).

See Attachment A for a detailed breakdown of the allocation of bond proceeds for bonds previously issued by CPCFA on behalf of the Company.

Three specific Projects that were financed from the Prior Bonds include:

- **Pier 96 Recycling Facility (San Francisco)**: Located on Pier 96 at Cargo Way and Jennings Street in the City of San Francisco, the facility acts as a material recovery facility (MRF). The Pier is owned by the Port of San Francisco and leased to Norcal. The lease is set to expire in 2023 and the Company has an option for renewal.
- **Sanitary Fill Transfer Station (San Francisco)**: Located at 501 Tunnel Road in the City of San Francisco, the facility is an integrated material recovery facility (iMRF) which includes a transfer station, Material Recovery Facility, processing services for Construction and Demolition Debris (C&D) and green waste recycling. The facility is owned by the Company.
- **San Jose**: The facility serves as an office, recycling collection facility, and corporate yard for waste collection vehicles, carts, bins and related equipment. The Company leases this site—located at 1158 Berryessa Road in the City of San Jose from Northern California Fertilizer Company. The lease expires in 2011, with an option for the Company to purchase the property in November 2008. This facility is expected to be converted to support solid waste activities in other nearby cities.

Some equipment previously purchased by the Company with Prior Bonds proceeds and used at the San Jose facility may be transferred to other Norcal operations in one or more of following counties: Butte, Colusa, Del Norte, Humboldt, Kern, Monterey, Placer, San Francisco, San Mateo, Santa Clara, Solano and Yuba.

Anticipated Timeline: The Company anticipates relocating assets subsequent to the completion of the San Jose Recycle Plus contract, which is currently scheduled for June 30, 2007.

CDLAC Allocation: No CDLAC allocation is required for a refunding.

TEFRA. A TEFRA hearing was held on March 19, 2007. Staff did not receive any comments in support of or in opposition to the financing.

Public Benefits: The Company represents that the refunding will generate the public benefits described below.

Ratepayer Benefit. Without the option to refund the Prior Bonds, Norcal would have to refinance the tax-exempt bonds with taxable bonds or private financing, either of which would have significantly higher interest rate costs. The higher cost of borrowing could be passed on to Norcal's customers.

SBAF Contribution. The Company is a large business and will making a contribution not to exceed \$200,000 to CPCFA's Small Business Assistance Fund (SBAF).

Permitting and Environmental Approvals: The Company represents that it has obtained and provided CPCFA staff with all discretionary permits required for the solid waste facilities.

Anticipated Financing Details: The Company anticipates an unrated private placement with Bank of America, NA (BANA), a Qualified Institutional Buyer (QIB). As part of this refunding,

the maturity of the bonds may be extended by up to 5 years. Bank of America Securities LLC will be serving as the placement agent of the bonds. Initially and during the Restricted Period (as described in the Indenture), any transfer or sale of the bonds is restricted to QIBs in minimum denominations of \$250,000 and requires a “traveling” investor letter from the buyer or transferee that confirms its status as a QIB. The bonds will have a variable interest rate based on the Bond Market Association (BMA) Index (i.e. the interest rate will be set at a spread over the BMA index). The target date for the issuance of the bonds is on or about April 27, 2007 and the target date for refunding the Prior Bonds is on or about May 2, 2007.

The Company has requested that Alta Equipment Leasing Co., Inc., a 100 percent owned subsidiary of Norcal, act as the Borrower under the Loan Agreement with the Authority for purposes of refunding the Prior Bonds. Alta Equipment is the equipment division of the Company that owns the operating assets of Norcal, and is solely dedicated to leasing equipment to Norcal’s operating subsidiaries through which Norcal conducts its solid waste collection and disposal activities.

CPCFA staff will review the structure of the bonds with the State Treasurer’s Office, which is our agent for sale, to ensure the financing is appropriate for the Authority.

Financing Team:

Underwriter: Banc of America Securities LLC

Bond Counsel: Orrick, Herrington & Sutcliffe LLP

Issuer’s Counsel: Alexis M. Chiu

Legal Questionnaire: Norcal Waste Systems, Inc. disclosed a number of legal issues to the Authority, including (1) an indictment which names the Company as a co-defendant by the Grand Jury of the County of Santa Clara in which Norcal denied any wrongdoing in connection with the bidding for and performance of its contract; (2) settled claims asserted by the San Bernardino County and other County-related entities including alleged fraud, breach of fiduciary duty and other claims relating to Norcal’s 1995 contract with San Bernardino County; and (3) numerous violations, enforcement actions, and Notices of Assessments against Norcal and its Affiliates and subsidiaries throughout the State. See Attachment B to review the complete legal disclosure.

Given that (1) the proposed transaction does not involve the issuance of new bonds or allocation from the State’s tax-exempt cap, (2) the violations and enforcement actions represent routine matters that arise as a result of regular inspections, and (3) various local enforcement agencies represent that Norcal does ultimately tend to be responsive to them as regulators, there is no indication that these issues will threaten the ongoing financial viability of Norcal Waste Systems, Inc., the parent company of the Borrowers and the Guarantor of the proposed refunding transaction.

Staff Recommendation: Staff recommends approval of Final Resolution No. 468 in an amount not to exceed \$70,000,000 for Norcal Waste Systems, Inc. and/or its Affiliates.

Attachment A: Norcal Allocation of Bond Proceeds					
CPCFA Financing					
	2001	2002A	2002B*	2003A	Grand
	<u>Financing</u>	<u>Financing</u>	<u>Financing</u>	<u>Financing</u>	<u>Total</u>
Issue Date	12/3/2001	7/27/2002	7/27/2002	7/11/2003	
Maturity Date	12/1/2026	7/1/2027	7/1/2009	7/1/2026	
San Francisco					
Recycle Central -- Pier 96					
Improvements	2,431,801	2,115,506	-	-	4,547,307
Equipment	25,160,361	2,571,164	-	267,802	27,999,327
Capitalized Interest	-	-	-	-	-
Total	27,592,162	4,686,670	-	267,802	32,546,634
Sanitary Fill/ Sunset Scavenger					
IMRF Improvements	688,332	2,869,338	-	4,874,881	8,432,551
IMRF Equipment	2,288,430	959,020	-	651,320	3,898,770
Total	2,976,762	3,828,358	-	5,526,201	12,331,321
Sunset Scavenger					
Trucks / Equipment	-	3,144,621	5,511,177	12,138,097	20,793,895
Total	-	3,144,621	5,511,177	12,138,097	20,793,895
San Jose					
Trucks / Equipment	-	-	19,488,823	1,094,944	20,583,767
Land	-	-	-	-	-
Office & Shop	-	6,008,566	-	562,915	6,571,481
Total	-	6,008,566	19,488,823	1,657,859	27,155,248
Finance Costs					
	646,076	331,785	-	410,041	1,387,902
	-	-	-	-	-
Bond Issue Amount	31,215,000	18,000,000	25,000,000	20,000,000	94,215,000
Amount Currently Held By Bondholders	29,495,000	18,000,000	11,085,000	20,000,000	78,580,000
Subtotals:					
Improvements	3,120,133	4,984,844	-	4,874,881	12,979,858
Land	-	-	-	-	-
Office & Shop	-	6,008,566	-	562,915	6,571,481
Long-lived equipment	27,448,791	3,530,184	-	919,122	31,898,097
Short-lived equipment	-	3,144,621	25,000,000	13,233,041	41,377,662
Fees	646,076	331,785	-	410,041	1,387,902
	31,215,000	18,000,000	25,000,000	20,000,000	94,215,000

* 2002B bond financing is not included in the refunding. The Company intends to pay-off these bonds with other sources of funds.

Attachment B

Norcal Waste Systems, Inc. (“Norcal” or “the Company”)

LEGAL DISCLOSURE

In its legal questionnaire submitted in November 2006 and in subsequent disclosures, Norcal reported the following items:

Questions 8 and 9: **“The Grand Jury of the County of Santa Clara, California issued an indictment on June 21, 2006 in connection with a bid for a garbage and recycling contract with the City of San Jose. The indictment names Norcal as a co-defendant. The indictment is entitled People of the State of California v. Ronald R. Gonzales, Joseph August Guerra III, and Norcal Waste Systems, Inc., No. 211045 and was filed in the Superior Court of the County of Santa Clara. Norcal denies any wrongdoing in connection with the bidding for and performance of the contract and intends to contest the charges vigorously. Norcal believes that it has meritorious defenses to the charges.”**

Question 4: **“On March 5, 2005, the San Jose Environmental Services Department (ESD) issued a Notice of Assessment advising the Company that it was assessing the Company an administrative charge because of alleged failures by the Company’s subcontractor California Waste Systems, in the processing of glass, to comply with certain requirements of the Recycle Plus! agreement between the City and the Company. The City issued a Notice of Assessment (Revised) on November 18, 2005, in which it restated the amount of administrative charges at \$924,000 and stated that other possible charges (\$10.08 million) would be deferred pending additional staff review. On January 20, 2006, the Company submitted a written response and requested a hearing before the ESD Director. No hearing has yet been scheduled, and the City has taken no other action since the Company’s January 20, 2006 response.”**

“On November 2, 2005, the City of San Jose’s Department of Finance notified one of the Company’s subsidiaries, Los Altos Garbage Company, Inc., dba Stevens Creek Disposal & Recycling, that it was being assessed \$562,824 for failure to pay a franchise fee on collections from government agency customers during the period July 1, 2001 through June 30, 2004. The letter stated that an additional \$152,029 was due for failure to pay a source reduction and recycling fee for the same customers. The Company has objected to this assessment, and another hauler has raised objections to a similar assessment. In June 2006, the Company and the City entered into a tolling agreement to allow the City additional time to review the matter in light of these objections.”

Question 5: **“As previously disclosed in greater detail by Norcal to the CPCFA in connection with prior bond transactions, in July 2000, Norcal and Norcal/San Bernardino Inc. (“Norcal SB”) settled claims asserted by San Bernardino County and certain County-related entities and individuals including alleged fraud, breach of fiduciary duty and other claims relating to Norcal’s 1995 contract with San Bernardino County. The settlement agreement included a mutual release by Norcal and San Bernardino County with respect to the asserted claims and various other claims**

and counterclaims (subject to certain exceptions) and required Norcal to make a payment to San Bernardino County of \$6,561,000 (which was paid in 2000), among other covenants. There have been no new developments relating to the Company since the last reporting in 2002.”

“In April 2003, Norcal SB received a letter from the San Bernardino County Counsel alleging that Norcal SB had exceeded its daily cover allotment of Alternative Daily Cover (ADC) at one of the landfills operated by Norcal SB. While the Company believed the demand was without merit, the Company decided to pursue settlement of the suit. The lawsuit was ultimately settled for approximately \$475,000 in December 2005. The matter is fully resolved and there have been no developments since that time.”

“The City of San Jose has made other assessments of Norcal Waste Systems of San Jose, Inc. related to various aspects of the operations of the RecyclePlus! Residential collections contract. The assessments, which total approximately \$170,000 over the last four plus years, include assessments for failures of the Company’s subcontractor to meet certain recycling requirements and other operating standards and for failures of the Company to meet certain diversion goals.”

ADDITIONAL FINDINGS

In addition to the above items, staff found numerous violations at Norcal facilities and enforcement actions at facilities in Solano County and Santa Clara County. With respect to the enforcement actions, Norcal provided the following information:

“Items found in the Waste Board database represent routine matters that arise as a result of regular inspections. The items in question are currently under review and discussion between the local enforcement agencies and the various site operators. In addition, some of the Solano County issues are currently under appeal. The appeal process, as well as resolution of enforcement actions, often takes considerable time to get through the regulatory agencies. The Company responds to inquiries and demands as quickly as possible, and often initiates remediation and/or operational changes well before formal resolution of matters with the regulatory agencies.”

CPCFA staff spoke with representatives of the Local Enforcement Agencies (LEAs) from Solano, Santa Clara, and Butte counties. Generally, from their comments, it appears that Norcal occasionally makes its own interpretation of regulations and laws that is inconsistent with the interpretations by the regulatory agencies, and this often is the cause of the findings of violations and enforcement actions by regulators. Nevertheless, all representatives stated that, ultimately, Norcal does tend to be responsive to them as regulators when they find violations or take enforcement actions as a result of their ongoing inspection programs.

Finally, staff found that Norcal was named a party in interest in a lawsuit where the Good Government Alliance sued the City/County of San Francisco for raising rates. Norcal provided the following information concerning this suit:

“There were three causes of action in this lawsuit, in which the Company was a party in interest. Two of the causes of action were decided against the plaintiff and the third cause of action was

dismissed with prejudice. There was no impact on the rates or the Company as a result of the lawsuit. This matter is fully resolved and there have been no developments since 2002.”

RECOMMENDATION

Given that (1) the proposed transaction does not involve the issuance of new bonds or allocation from the State’s tax-exempt cap, (2) according to the Company and its finance team, the legal matters described above do not threaten the ongoing financial viability of Norcal Waste Systems, Inc, the parent company of the borrowers and the Guarantor of the the proposed refunding transaction, and (3) the refunded bonds will be issued as a private placement to a QIB and will carry the restriction that they can only be transferred or sold to another QIB in minimum denominations of \$250,000, Staff recommends approval of the proposed refunding.

FINAL BOND RESOLUTION OF THE
CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY
RELATING TO REFINANCING OF SOLID WASTE DISPOSAL FACILITIES
FOR NORCAL WASTE SYSTEMS, INC., ALTA EQUIPMENT LEASING CO., INC.
AND/OR AFFILIATES

March 20, 2007

WHEREAS, the California Pollution Control Financing Authority (the "Authority") has heretofore approved the application of Norcal Waste Systems, Inc. a California corporation (the "Applicant"), for financial assistance in paying or reimbursing the costs to acquire, construct, renovate or install various solid waste disposal facilities and equipment at various sites in the State of California (collectively, the "Project");

WHEREAS, the Authority has previously issued revenue bonds to assist in the financing of certain costs of the Project as set forth below:

1. \$31,215,000 California Pollution Control Financing Authority Variable Rate Demand Solid Waste Disposal Revenue Bonds (Norcal Waste Systems, Inc. Project) Series 2001 (the "Series 2001 Bonds"), of which \$29,495,000 remains outstanding; and
2. \$18,000,000 California Pollution Control Financing Authority Variable Rate Demand Solid Waste Revenue Bonds (Norcal Waste Systems, Inc. Project) Series 2002A (the "Series 2002A Bonds"), all of which remains outstanding; and
3. \$20,000,000 California Pollution Control Financing Authority Variable Rate Demand Solid Waste Revenue Bonds (Norcal Waste Systems, Inc. Project) Series 2003A

(the "Series 2003 Bonds" and, together with the Series 2001 Bonds and the Series 2002A Bonds, the "Prior Bonds"), all of which remains outstanding; and

WHEREAS, in order to effectuate a savings in interest rates and to provide for the relocation of some of the equipment constituting the Project, to extend the maturity of the debt, the Applicant has requested that the Authority issue refunding bonds in order to refund the Prior Bonds; and

WHEREAS, the Applicant has requested that Alta Equipment Leasing Co., Inc., a corporation duly organized and existing under the laws of the State of California ("Alta" or the "Borrower"), be designated as borrower under the Loan Agreement (as defined below) for purposes of refunding of the Prior Bonds; and

WHEREAS, the Borrower is an direct, wholly-owned subsidiary of the Applicant; and

WHEREAS, the Borrower is a corporation engaged in operations within the State of California; and

WHEREAS, Alta is dedicated to leasing equipment to the Applicant's operating subsidiaries, through which the Applicant conducts its solid waste collection and disposal activities and

WHEREAS, Alta owns all of the rolling stock and other equipment financed with proceeds of the Prior Bonds; and

WHEREAS, the proceeds of such revenue bonds will be loaned to the Borrower under the Loan Agreement with the Authority; and

WHEREAS, the Applicant has provided documentation to the Authority demonstrating that the Project has complied with Division 13 (commencing with Section 21000) of the Public Resources Code, or is not a project under that division; and

WHEREAS, final approval of the terms of such revenue bonds and certain documents relating to such revenue bonds is now sought; and

NOW, THEREFORE, BE IT RESOLVED by the California Pollution Control Financing Authority, as follows:

Section 1. The Project constitutes a “project” and the Applicant and the Borrower are each a “participating party” within the meaning of the California Pollution Control Financing Authority Act (the “Act”).

Section 2. Pursuant to the Act, revenue obligations of the Authority designated as the “California Pollution Control Financing Authority Variable Rate Demand Solid Waste Disposal Refunding Revenue Bonds (Norcal Waste Systems, Inc. Project), Series 2007” (the “Bonds”) in an aggregate principal amount not to exceed \$70,000,000 are hereby authorized to be issued, subject to limitation as stated in Exhibit A. The Bonds may be issued at one time, or from time to time, in one or more series separately or differently identified, and may be issued in a tax-exempt or taxable mode, all as may be approved by the Executive Director, such approval to be conclusively evidenced by the execution and delivery of the Bonds.

Section 3. The Treasurer of the State of California (the “Treasurer”) is hereby authorized to sell the Bonds, at one time or from time to time before December 31, 2007, by negotiated sale, at such price and at such interest rate or rates as he may determine.

Section 4. The proposed form of Loan Agreement relating to the Bonds (the “Loan Agreement”), between the Authority and the Borrower, as filed with the Authority prior to this

meeting, is hereby approved. The Chairman and the Executive Director of the Authority are hereby authorized and directed, for and on behalf and in the name of the Authority, to execute, acknowledge and deliver to the Borrower the Loan Agreement in substantially the form approved by the Authority, with such insertions, deletions or changes therein (including, without limitation, insertions, deletions or changes therein appropriate to reflect the form of credit enhancement for the Bonds) as the officer executing the same, with the advice of the Attorney General of the State of California (the "Attorney General"), may require or approve, and with particular information inserted therein in substantial conformance with the Term Sheet attached hereto as Exhibit A, such approval to be conclusively evidenced by execution and delivery thereof. The Authority understands and agrees that pursuant to the terms of the Loan Agreement, the obligations of the Borrower may, under some circumstances, be carried out or assumed by a successor or assignee entity, or by an Affiliate of the Borrower. For purposes of this Resolution, an "Affiliate" of the Borrower means any person or entity which is a "participating party" as defined in the Act and which controls, is controlled by, or is under common control with, the Borrower, as shown by the possession, directly or indirectly, of the power to direct or cause the direction of its management or policies, whether through majority equity ownership, contract or otherwise..

Section 5. The proposed form of Indenture relating to the Bonds (the "Indenture"), between the Authority and a trustee approved by this Authority as set forth in the Term Sheet (the "Trustee"), as filed with the Authority prior to this meeting, is hereby approved. The Chairman and the Executive Director of the Authority are hereby authorized and directed, for and on behalf and in the name of the Authority, to execute, acknowledge and deliver to the Trustee, the Indenture in substantially the form approved by the Authority, with such insertions, deletions or changes therein (including, without limitation, insertions, deletions or changes therein appropriate to reflect the form of credit enhancement for the Bonds) as the officer executing the same, with the advice of the Attorney General, may require or approve, and with particular information inserted therein in substantial conformance with the Term Sheet, such approval to be conclusively evidenced by the execution and delivery thereof. The dates, maturity dates, interest rate or rates, interest payment

dates, denominations, forms, registration privileges, place or places of payment, terms of redemption and other terms of the Bonds shall be as provided in the Indenture, as finally executed.

Section 6. The proposed form of Private Placement Agreement (the “Placement Agreement”) among the placement agent or placement agents named in the Term Sheet (the “Placement Agents”), the Treasurer, the Authority and the Borrower, as filed with the Authority prior to this meeting, is hereby approved. The Authority hereby authorizes and approves the execution of the Placement Agreement, in substantially the form approved by the Authority, by the Chairman or the Executive Director of the Authority, for and on behalf and in the name of the Authority, with such insertions, deletions or changes therein as the officer executing the same, with the advice of the Attorney General, may require or approve, and with particular information inserted therein in substantial conformance with the Term Sheet, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 7. The Chairman of the Authority is hereby authorized and directed to execute, by manual or facsimile signature, in the name and on behalf of the Authority and under its seal, the Bonds, in one or more series, in an aggregate principal amount not to exceed \$70,000,000, in accordance with the finally executed and delivered Indenture and the form of bond set forth therein.

Section 8. The Bonds, when so executed, shall be delivered to the Trustee under the Indenture for authentication by the Trustee. The Trustee is hereby requested and directed to authenticate the Bonds by executing the Trustee’s certificate of authentication appearing thereon. The Trustee is hereby requested and directed to deliver the Bonds, when duly executed and authenticated, to The Depository Trust Company, New York, New York, on behalf of the Placement Agent in accordance with written instructions executed on behalf of the Authority by the Chairman or the Executive Director of the Authority, which instructions said officer is hereby authorized and directed, for and on behalf and in the name of the Authority, to execute and to deliver to the Trustee. Such instructions shall provide for the delivery of the Bonds to The

Depository Trust Company, on behalf of the Placement Agents thereof, upon payment of the purchase price thereof.

Section 9. As requested by the Applicant, the Authority hereby waives the requirement for an in-furtherance certificate relating to the solid waste disposal facilities portion of the Project pursuant to Section 44533(a) of the Act.

Section 10. The Chairman or the Executive Director of the Authority is each hereby authorized and directed, acting alone, to do any and all ministerial acts, including (without limitation) to execute and deliver any and all documents and certificates, including the tax certificate, they may deem necessary or advisable in order to consummate the issuance, sale, placement, delivery and remarketing of the Bonds, and otherwise to effectuate the purpose of this resolution, and otherwise to effectuate the purpose of this resolution. The Treasurer is hereby requested and authorized to take any and all acts within his or her authority as agent for sale that he or she may deem necessary or advisable in order to consummate the issuance, sale, delivery and remarketing of the Bonds, and otherwise effectuate the purposes of this resolution.

Section 11. Whenever in this resolution, an officer is authorized to make insertions, deletions or changes to a document with the advice of the Attorney General, that officer may take such actions with the advice of other counsel retained by the Authority as issuer's counsel, if the retention of such counsel has been approved by the Attorney General.

Section 12. This resolution shall take effect immediately upon its passage. The adoption by the Authority of this final resolution for the Applicant shall not be referred to in any application before any government agency as evidence of the feasibility, practicality or suitability of the Project or in any application for any required permission or authority to construct or operate the Project.

EXHIBIT A

TERM SHEET

Name of Issue:	California Pollution Control Financing Authority Variable Rate Demand Solid Waste Disposal Refunding Revenue Bonds (Norcal Waste Systems, Inc. Project), Series 2007 (the "Bonds")
Maximum Amount of Issue:	\$70,000,000 (tax-exempt)
Issuer:	California Pollution Control Financing Authority (the "Authority"), Sacramento, CA
Applicant:	Norcal Waste Systems, Inc.
Borrower:	Alta Equipment Leasing Co., Inc. ("Alta"). Alta is an Affiliate of the Applicant.
Affiliate:	"Affiliate" of the Applicant means any person or entity which controls, is controlled by, or is under common control with, the Applicant, as shown by the possession, directly or indirectly, of the power to direct or cause the direction of its management or policies, whether through majority equity ownership, contract or otherwise.
Trustee:	The Bank of New York Trust Company, N.A.
Placement Agent:	Banc of America Securities LLC
Purchaser:	Bank of America, N.A.
Bond Counsel:	Orrick, Herrington & Sutcliffe LLP, San Francisco, CA
Remarketing Agent:	Banc of America Securities LLC
Project:	Refunding of the following prior issues of Authority bonds: (a) \$31,215,000 California Pollution Control Financing Authority Variable Rate Demand Solid Waste Disposal Revenue Bonds (Norcal Waste Systems, Inc. Project) Series 2001, of which \$29,495,000 remains outstanding, the

proceeds of which were used to finance the construction of certain solid waste disposal facilities and/or equipment;

(b) \$18,000,000 California Pollution Control Financing Authority Variable Rate Demand Solid Waste Revenue Bonds (Norcal Waste Systems, Inc. Project) Series 2002A, all of which remains outstanding, the proceeds of which were used to finance the construction of certain solid waste disposal facilities and/or equipment;

(c) \$20,000,000 California Pollution Control Financing Authority Variable Rate Demand Solid Waste Revenue Bonds (Norcal Waste Systems, Inc. Project) Series 2003A, all of which remains outstanding, the proceeds of which were used to finance the construction of certain solid waste disposal facilities and/or equipment.

Maximum Bond Term:

Not to exceed 30 years

Type of Sale:

Private placement; restriction on transfer to Qualified Institutional Buyers

Description of Minimum Denominations:

\$250,000 or any integral multiple of \$5,000 in excess thereof during Restricted Period

Financing Structure:

Multi-modal bonds to be issued initially in a BMA Index Floating Rate Mode. The Bonds to be privately placed with and held by Bank of America, N.A. for a period of one year (ending April 1, 2008), such hold period to be automatically renewed at the direction of the Borrower and Bank of America, N.A.. The Borrower will have the option of converting the interest rate mode with respect to the Bonds to any other interest rate mode as provided for in the Indenture; provided that while the Restricted Period is in effect, the Bonds may only be transferred to Qualified Institutional Buyers who must execute an investor letter in the form attached as Exhibit D to the Indenture.

Maximum Interest Rate:

12%

Other Credit Enhancement:

Not applicable

Anticipated Bond Rating:

None

Type of Financing:

Solid waste disposal refunding revenue bonds

Prepared by:

Lawrence Tonomura, (415) 622-8202