

CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY
BOND FINANCING PROGRAM
Meeting Date: December 3, 2007
Executive Summary
Request for Final Resolution

Prepared by: *Doreen Carle*

Applicant: EDCO Disposal Corporation and/or its Affiliates	Amount Requested: \$31,960,000
Project: San Diego, Los Angeles,	Application No.: 800
Location: Riverside, Imperial, San Bernardino & Orange Counties	Final Resolution No.: 00475
	Prior Actions: IR 07-08 approved 9/25/07

Type of Business: EDCO Disposal Corporation (the “Company” or “EDCO”) provides refuse collection, recycling, and disposal services.

Project Description: ~~The Company plans to acquire low emission, CARB compliant, automated collection vehicles, transfer vehicles and trailers, loaders, carts, bins, and other equipment to be used throughout the Company’s service area, within the counties of San Diego, Los Angeles, Riverside, Imperial, San Bernardino, and Orange. The new collection vehicles will replace the older fleet which is not in compliance with new CARB standards. The vehicles may be located at any of the locations listed on Attachment A. Additionally, the Company plans construction and improvements to existing solid waste disposal or processing facilities, buildings and related equipment, including the retrofit of existing sort lines, utility upgrades and other paving and site work.~~

Bond proceeds will be used to acquire low-emission collection trucks, loaders, transfer trucks, trailers, and other solid waste vehicles and equipment, and to acquire solid waste carts, bins and containers. The vehicles, equipment, and containers will be used to service the Borrower’s customers and/or its Affiliates’ customers throughout their service territories in one or more of San Diego, San Bernardino, Los Angeles, Riverside, Orange and Imperial Counties. The vehicles may be located at any of the locations listed on Attachment A.

Bond proceeds will also be used for retrofitting existing sort lines, upgrading utilities, paving, site work, and other minor renovations that are not "projects" as defined by the California Environmental Quality Act at one or more sites located in San Marcos, La Mesa, San Diego, Lemon Grove, Spring Valley, Fallbrook, Ramona, Escondido, Barstow, San Bernardino, Victorville, Fontana, Yucca Valley, Twentynine Palms, Crestline, Riverside, Coachella, Palm Springs, Palm Desert, Cathedral City, Buena Park, Imperial County, Long Beach, Santa Clarita, Azusa, Pomona and Signal Hill.

Pollution Control and/or Waste Diversion: The Company represents that the Project will generate the pollution control benefits described below.

Waste Diversion. Improvements to recycling and transfer equipment will increase the amount of waste that is recycled and will thereby assist in diverting or minimizing the amount of material destined for landfills.

Environmental Benefits: The Company represents that the Project is designed to generate the environmental benefits described below.

Air Quality. The conversion to automated rubbish and recycling collection creates greater efficiencies that allow for a reduction in the number of vehicles required to serve the Company’s customers. The reduced number of vehicles and the lower emissions generated by the new CARB compliant vehicles will result in less particulate matter emitted into the air.

Water Quality. The use of new enclosed, waterproof collection containers will prevent leakage from the rubbish flowing into the curblines and into the storm drains.

Energy Efficiency. The new CARB compliant vehicles will use less fossil fuel than the older diesel vehicles.

Recycling of Commodities. The implementation of automated recycling collection increases the capacity of the container by up to 400% over the current manual system. The automated recycling system allows commodities to be fully commingled. By providing increased capacity, and not requiring separation of glass, paper and other goods, customer participation in the recycling program and the resulting recycling recovery is expected to increase.

Permits: ~~The project is primarily an equipment purchase that does not require permits. The planned construction and improvements will be to existing, permitted facilities. The Company has provided the Authority with copies of all required discretionary permits. No discretionary permits were required to be submitted by the borrower as this project only consists of equipment purchases and ministerial renovations to existing facilities.~~

Financing Details: The Company anticipates a negotiated tax-exempt, weekly reset, variable rate bond issue with a term not to exceed 30 years for the qualifying portion of the project. The Company plans to secure the bonds with an irrevocable, direct pay Letter of Credit from Wells Fargo Bank that is rated at least “A-” by Fitch Ratings or equivalent. The target date for financing is December 12, 2007.

Financing Team:

- Underwriter:** Westhoff, Cone & Holmstedt
- Bond Counsel:** Orrick Herrington & Sutcliffe
- Financial Advisor:** Andrew S. Rose
- Issuer’s Counsel:** Office of the Attorney General

Legal Questionnaire: Staff has reviewed the Company’s responses to the questions contained in the Legal Status portion of the Application. No information was disclosed that raises questions concerning the financial viability or legal integrity of this applicant.

Staff Recommendation: Staff recommends approval of Final Resolution No. 00475 for EDCO Disposal Corporation and/or its Affiliates for an amount not to exceed \$31,960,000.

**EDCO DISPOSAL CORPORATION
AND/OR ITS AFFILIATES**

Bond Amount: \$31,960,000

San Diego, Los Angeles, Riverside,
Imperial, San Bernardino, and Orange
Counties

Application No. 800

December 3, 2007

STAFF SUMMARY – CPCFA

Prepared by: *Doreen Carle*

ISSUE:

EDCO Disposal Corporation and/or its Affiliates (the “Company” or “EDCO”) requests approval of Final Resolution No. 00475 for an amount not to exceed \$31,960,000 to finance the purchase of collection vehicles and containers.

CDLAC Allocation. The Company has applied for and anticipates being considered for CDLAC allocation at the December 5, 2007 CDLAC Board meeting.

TEFRA. The TEFRA hearing was held on November 2, 2007. There were no comments received in support of or in opposition to this Project.

SBAF Contribution. The Company is a large business and will contribute up to \$319,600 to CPCFA’s Small Business Assistance Fund (SBAF).

BORROWER:

The Company is a family owned business that was incorporated in California on March 27, 1967. Affiliated Companies include Refuse Services, Inc.; Escondido Disposal; JEMCO Equipment Corporation; EDCO Waste Services; SANCO Services, LP; Desert Properties, LLC; Burrtec Waste & Recycling Services, Inc; EDCO Transport Services, LLC; and the Burrtec Waste Group.

The principal stockholders of the Company are as follows:

Edward G. Burr	50%
Sandra L. Burr	<u>50%</u>
TOTAL:.....	100%

Legal Questionnaire. Staff has reviewed the Company’s responses to the questions contained in the Legal Status portion of the Application. No information was disclosed that raises questions concerning the financial viability or legal integrity of this applicant.

Prior Actions and Financings. Prior actions and financings are detailed below.

Description	Date of Bond Issue	Original Amount	Amount Outstanding as of 11/03/07
Burrtec Waste & Recycling Services, LLC	06//06	\$18,425,000	\$18,425,000
Burrtec Waste Group	01//06	18,445,000	18,445,000
Desert Properties, LLC	06//06	6,730,000	6,730,000
Burrtec Waste Group	07//04	9,920,000	9,920,000
EDCO Disposal Corporation	06//04	22,200,000	21,755,000
SANCO Services, LP	11//02	7,885,000	5,535,000
Burrtec Waste Industries	06//00	9,900,000	9,150,000
EDCO Disposal Corporation	11//02	16,700,000	8,905,000
Burrtec Waste Industries	06//00	8,240,000	5,155,000
Escondido Disp., Inc./JEMCO Equip. Corp.	07//98	8,235,000	7,845,000
EDCO Disposal Corporation	10//96	24,000,000	10,940,000
TOTALS:		<u>\$150,680,000</u>	<u>\$122,805,000</u>

PROJECT INFORMATION:

~~The Company plans to acquire low emission, CARB compliant, automated collection vehicles, transfer vehicles and trailers, loaders, carts, bins, and other equipment to be used throughout the Company's service area, within the counties of San Diego, Los Angeles, Riverside, Imperial, San Bernardino, and Orange. The new collection vehicles will replace the older fleet which is not in compliance with new CARB standards. The vehicles may be located at any of the locations listed on Attachment A. Additionally, the Company plans construction and improvements to existing solid waste disposal or processing facilities, buildings and related equipment, including the retrofit of existing sort lines, utility upgrades and other paving and site work.~~

Bond proceeds will be used to acquire low-emission collection trucks, loaders, transfer trucks, trailers, and other solid waste vehicles and equipment, and to acquire solid waste carts, bins and containers. The vehicles, equipment, and containers will be used to service the Borrower's customers and/or its Affiliates' customers throughout their service territories in one or more of San Diego, San Bernardino, Los Angeles, Riverside, Orange and Imperial Counties. The vehicles may be located at any of the locations listed on Attachment A.

Bond proceeds will also be used for retrofitting existing sort lines, upgrading utilities, paving, site work, and other minor renovations that are not "projects" as defined by the California Environmental Quality Act at one or more sites located in San Marcos, La Mesa, San Diego, Lemon Grove, Spring Valley, Fallbrook, Ramona, Escondido, Barstow, San Bernardino, Victorville, Fontana, Yucca Valley, Twentynine Palms, Crestline, Riverside, Palm Springs, Palm Desert, Cathedral City, Coachella, Buena Park, Imperial County, Long Beach, Santa Clarita, Azusa, Pomona, and Signal Hill.

The anticipated Project and issuance costs are listed below:

Waste Collection Vehicles.....	\$22,000,000
Bins and Carts.....	6,032,000
Equipment.....	2,000,000
Paving/site prep work.....	1,000,000
Bond Issuance Expenses.....	928,000
Total:	<u>\$31,960,000</u>

Note: The Project costs reported in the Borrower’s application and shown here in staff’s report are estimated costs. At the time this financing closes, the estimated Project costs will be finalized and stated in the Tax Certificate. Variations from the costs shown in the application and in this report may occur prior to the closing due to increased costs of certain components of the Project from original estimates, and other reasons. In addition, such costs may vary after closing due also to increased costs, as well as common design and equipment modifications during construction, differences in equipment due to future changes in law or regulation or for other reasons. However, the Borrower confirms, through submission of a signed application and will confirm through covenants and representations in various bond documents, that all assets purchased with bond proceeds will qualify for tax exempt financing, that they will be used to complete the Project as described, and that the average life tests required by federal law and described in the Tax Certificate will continue to be met. Tax-exempt financing may be only one source out of multiple sources of financing for a given project.

POLLUTION CONTROL AND/OR WASTE DIVERSION:

The Company represents the Project will generate the pollution control benefits described below.

Waste Diversion. Improvements to recycling and transfer equipment will increase the amount of waste that is recycled and will thereby assist in diverting or minimizing the amount of material destined for landfills.

ENVIRONMENTAL BENEFITS:

The Company represents that the Project is designed to generate the environmental benefits described below.

Air Quality. The conversion to automated rubbish and recycling collection creates greater efficiencies that allow for a reduction in the number of vehicles required to serve the Company’s customers. The reduced number of vehicles and the lower emissions generated by the new CARB compliant vehicles will result in less particulate matter emitted into the air.

Water Quality. The use of new enclosed, waterproof collection containers will prevent leakage from the rubbish to flow into the curblines and into the storm drains.

Energy Efficiency. The new CARB compliant vehicles will use less fossil fuel than the older diesel vehicles.

Recycling of Commodities. The implementation of automated recycling collection increases the capacity of the container by up to 400% over the current manual system. The automated recycling system allows commodities to be fully commingled. By providing increased capacity, and not requiring separation of glass, paper, and other goods, customer participation in the recycling program and the resulting recycling recovery is expected to increase.

PERMITTING & ENVIRONMENTAL APPROVALS:

~~The project is primarily an equipment purchase that does not require permits. The planned construction and improvements will be to existing, permitted facilities. The Company has provided the Authority with copies of all required discretionary permits. No discretionary permits were required to be submitted by the borrower as this project only consists of equipment purchases and ministerial renovations to existing facilities.~~

ANTICIPATED TIMELINE:

The Company commenced equipment purchases in November 2007 and anticipates completion by November 2010.

LOCAL GOVERNMENT: The Company has received letters of governmental support from Larry Watt, Public Works Director for the City of Encinitas; Graham Mitchell, Lemon Grove City Manager; Dominic Lazzaretto, La Palma City Manager; and Larry A. Herman, La Palma City Councilmember (see Attachment B).

FINANCING DETAILS:

The Company anticipates a negotiated tax-exempt, weekly reset, variable rate bond issue with a term not to exceed 30 years for the qualifying portion of the project. The Company plans to secure the bonds with an irrevocable, direct pay Letter of Credit from Wells Fargo Bank that is rated at least “A-” by Fitch Ratings or equivalent. The target date for financing is December 12, 2007.

FINANCING TEAM:

Underwriter: Westhoff, Cone & Holmstedt
Bond Counsel: Orrick Herrington & Sutcliffe
Financial Advisor: Andrew S. Rose
Issuer’s Counsel: Office of the Attorney General

RECOMMENDATION:

Staff recommends approval of Final Resolution No. 00475 for an amount not to exceed \$31,960,000 for EDCO Disposal Corporation and/or its Affiliates.

**FINAL BOND RESOLUTION OF THE
CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY
RELATING TO FINANCING OF SOLID WASTE DISPOSAL FACILITIES
FOR EDCO DISPOSAL CORPORATION, AND/OR ITS AFFILIATES**

December 3, 2007

WHEREAS, the California Pollution Control Financing Authority (the “Authority”) has heretofore approved the application of EDCO Disposal Corporation, a corporation duly organized and existing under the laws of the State of California (the “Borrower”), for financial assistance to finance: (1) construction and improvements to existing solid waste disposal or processing facilities, buildings and related equipment, including the retrofit of existing sort lines, utility upgrades and other paving and site work; (2) acquisition of trucks and other solid waste vehicles and equipment; and (3) acquisition of solid waste carts, bins and containers; all of which will be used to serve the Borrower’s customers and/or its Affiliates’ customers throughout their service territories in one or more of San Diego County, San Bernardino County, Los Angeles County, Riverside County, Orange County and Imperial County, California, and all as more particularly described in the Term Sheet attached hereto as Exhibit A and incorporated herein (the “Term Sheet”) (collectively, the “Project”); and

WHEREAS, the Borrower has requested the Authority to issue its revenue bonds from time to time in an amount not to exceed \$31,960,000 to assist in the financing of the Project; and

WHEREAS, the proceeds of such revenue bonds will be loaned to the Borrower under a loan agreement with the Authority; and

Agenda Item – 4.C.1.

WHEREAS, the Borrower 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

WHEREAS, in order to enhance the marketability of the bonds, the Borrower has arranged for a financial institution, as named in the Term Sheet, to secure the bonds through the issuance of its direct-pay irrevocable letter of credit, thereby guaranteeing their repayment;

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

Section 1. The Project constitutes a “project” and the Borrower is 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 Revenue Bonds (EDCO Disposal Corporation Project), Series 2007A” (the “Bonds”) in an aggregate principal amount not to exceed \$31,960,000, are hereby authorized to be issued. 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 in accordance with the Indenture (as hereinafter defined) as finally executed. The proceeds of the Bonds shall be used to finance and/or refinance the Project and to pay costs of issuance 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 June 30, 2008, by negotiated sale, at such price, at such interest rate or rates and in such mode (taxable or tax-exempt) 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 or any Deputy to the Chairman, together with the Executive Director of the Authority (collectively the “Authorized Signatories,” and each, individually, an “Authorized Signatory”) 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 filed with or 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, 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 meets the definition of “Participating Party” in the Act and 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 named in the Term Sheet (the “Trustee”), as filed with the Authority prior to this meeting, is hereby approved. The Authorized Signatories 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 filed with or 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 Bond Purchase Contract (the “Purchase Contract”) among the underwriter or underwriters named in the Term Sheet (the “Underwriters”), the Treasurer and the Authority and approved by the Borrower, as filed with the Authority prior to this meeting, is hereby approved. The Authorized Signatories are hereby authorized and directed, for and on behalf and in the name of the Authority, to execute, acknowledge and deliver to the Underwriters, the Purchase Contract in substantially the form filed with or approved by the Authority, in substantially the form filed with or approved by 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 proposed form of Official Statement (the “Official Statement”) as filed with the Authority prior to this meeting, is hereby approved. Each of the Authorized Signatories, acting alone, is hereby authorized, for and on behalf and in the name of the Authority, to execute and deliver the Official Statement in substantially the form filed with or approved by the Authority, with such insertions, deletions or changes therein as such officer, with the advice of the Attorney General, may approve or require, 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 Underwriters are hereby authorized to distribute and deliver copies of the Official Statement to purchasers of the Bonds, with such changes therein as may be approved or required by the Attorney General. The distribution of copies of the Official Statement in preliminary form is hereby authorized and approved. Each of the Authorized Signatories, acting alone, is hereby authorized and directed to execute and deliver any amendments or supplements to

the Official Statement which include, without limitation, amendments or supplements to the Authority's disclosure set forth in the form of Official Statement filed with or approved by the Authority, which they may deem necessary or advisable in order to consummate the issuance, sale, delivery or remarketing of the Bonds.

Section 8. 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 \$31,960,000, in accordance with the fully executed and delivered Indenture and the form of bond set forth therein.

Section 9. 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 Underwriters in accordance with written instructions executed on behalf of the Authority by the an Authorized Signatory, acting alone, 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 Underwriters thereof, upon payment of the purchase price thereof.

Section 10. The Authority hereby dedicates and confirms its allocation to the Bonds issued in a tax-exempt mode (the "Tax-Exempt Bonds") of a portion of its private activity bond limit, as previously received, carried forward or to be received from the California Debt Limit Allocation Committee, in an amount up to the applicable principal amount of Tax-Exempt Bonds issued and delivered to finance certain costs of the Project, so as to satisfy the requirements of Section 146(e) of the Internal Revenue Code of 1986, with respect to the Tax-Exempt Bonds.

Section 11. As requested by the Borrower, 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 12. Each of the Authorized Signatories, acting alone, is hereby authorized and directed to do any and all ministerial acts, including (without limitation) the execution and delivery of any and all documents and certificates, including the tax certificate, they may deem necessary or advisable in order to consummate the issuance, sale, delivery or remarketing of the Bonds, 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 or remarketing of the Bonds, and otherwise effectuate the purposes of this resolution.

Section 13. This resolution shall take effect immediately upon its passage. The adoption by the Authority of this final resolution for the Borrower 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 Revenue Bonds (EDCO Disposal Corporation Project), Series 2007A (the “Bonds”)
Maximum Amount of Issue:	\$31,960,000 (tax-exempt)
Issuer:	California Pollution Control Financing Authority (the “Authority”), Sacramento, CA
Borrower:	EDCO Disposal Corporation
Trustee:	U.S. Bank National Association
Senior Underwriter or Placement Agent:	Westhoff, Cone & Holmstedt
Bond Counsel:	Orrick, Herrington & Sutcliffe LLP, San Francisco, CA
Remarketing Agent:	Westhoff, Cone & Holmstedt
Project:	<p>(1) Construction and improvements of existing solid waste disposal or processing facilities, buildings and related equipment, including the retrofit of <u>Bond proceeds will be used to acquire low-emission collection trucks, loaders, transfer trucks, trailers, and other solid waste vehicles and equipment, and to acquire solid waste carts, bins, and containers. The vehicles, equipment, and containers will be used to service the Borrower’s customers and/or its Affiliates’ customers throughout their service territories in one or more of San Diego, San Bernardino, Los Angeles, Riverside, Orange and Imperial Counties, California.</u></p> <p>(2) <u>Bond proceeds will also be used for retrofitting existing sort lines, utility upgrades and other paving and site work upgrading utilities, paving, site work, and other ministerial repairs and renovations that are not “projects” as defined by the California Environmental Quality Act</u> at one or more sites located in San</p>

Agenda Item – 4.C.1.

Marcos, La Mesa, San Diego, Lemon Grove, Spring Valley, Fallbrook, Ramona, Escondido, Barstow, San Bernardino, ~~Fontana~~, Victorville, Fontana, Yucca Valley, Twentynine Palms, Crestline, Riverside, ~~Coachella~~, Palm Springs, Palm Desert, Cathedral City, Coachella, Buena Park, Imperial County, Long Beach, Santa Clarita, Azusa, Pomona, and Signal Hill, California;

~~(2) — Acquisition of trucks and other solid waste vehicles and equipment, which may be located from time to time at the locations listed in item (1); and~~

~~(3) — Acquisition of solid waste carts, bins and containers.~~

~~The vehicles, equipment and containers will be used to service the Borrower's customers and/or its Affiliates' customers throughout their service territories in one or more of San Diego, San Bernardino, Los Angeles, Riverside, Orange and Imperial Counties, California.~~

Maximum Bond Term:	Not to exceed 30 years
Type of Sale:	Negotiated sale
Description of Minimum Denominations:	\$100,000 or any integral multiple of \$5,000 in excess thereof while in variable rate mode
Financing Structure:	Variable rate demand bonds; convertible to fixed rate pursuant to the Indenture
Maximum Interest Rate:	12%
Letter of Credit:	Provided by Wells Fargo Bank, National Association
Other Credit Enhancement:	Not applicable
Anticipated Bond Rating:	Minimum "A-"
Type of Financing:	Solid waste disposal revenue bonds
Prepared by:	Robert Martz (925) 472-8746

Attachment A

The collection vehicles may be located at any of the locations listed below.

San Diego County

224 South Las Posas Road	City: San Marcos	Zip Code: 92069
8184 Commercial Street	City: La Mesa	Zip Code: 91942
7844 Armour Street	City: San Diego	Zip Code: 92111
6670 Federal Blvd.	City: Lemon Grove	Zip Code: 91945
6700 Federal Blvd.	City: Lemon Grove	Zip Code: 91945
6750 Federal Blvd.	City: Lemon Grove	Zip Code: 91945
3660 Dalbergia Street	City: San Diego	Zip Code: 92113
9005 Kenwood Drive	City: Spring Valley	Zip Code: 91977
550 West Aviation Road	City: Fallbrook	Zip Code: 92028
324 Maple Street	City: Ramona	Zip Code: 92065
1035 & 1044 West Washington Ave.	City: Escondido	Zip Code: 92025

San Bernardino County

32553 Barstow Road	City: Barstow	Zip Code: 92311
5455 Industrial Parkway	City: San Bernardino	Zip Code: 92407
9820 Cherry Avenue	City: Fontana	Zip Code: 92335
17080 Stoddard Wells Road	City: Victorville	Zip Code: 92394
17000 Abbey Lane	City: Victorville	Zip Code: 92394
13373 Napa Street	City: Fontana	Zip Code: 92335
4878 Newton Road	City: Yucca Valley	Zip Code: 92284
73877 Amboy Road	City: Twentynine Palms	Zip Code: 92277
988 Waterman Canyon Road	City: Crestline	Zip Code: 92325

Los Angeles County

320 Irwindale Avenue	City: Azusa	Zip Code: 91702
1250 East Holt Avenue	City: Pomona	Zip Code: 91767
6254 Paramount Blvd.	City: Long Beach	Zip Code: 90805
26000 Springbrook Avenue	City: Santa Clarita	Zip Code: 91350
Northwest corner of Patterson St. & California Avenue	City: Signal Hill	Zip Code: 90755

Riverside County

1830 & 1850 Agua Mansa Road	City: Riverside	Zip Code: 92509
87011-A Landfill Road	City: Coachella	Zip Code: 92236
SW corner of 19th & McClane Streets	City: Palm Springs	Zip Code: 92262
41575 Eclectic Street	City: Palm Desert	Zip Code: 92660
70-100 Edom Hill Road	City: Cathedral City	Zip Code: 92234
53600 Polk Street	City: Coachella	Zip Code: 92236

Orange County

6672 Stanton Avenue	City: Buena Park	Zip Code: 90621
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Imperial County

Corner of State Highway 11 & Harris Rd., NW Corner Un-incorporated Imperial County	City: Imperial	Zip Code: 92251
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Attachment B



*City of
Encinitas*

September 25, 2007

Ms. Joanie Jones-Kelly
Executive Director
CDLAC
State of California
915 Capitol Mall, Room 303
Sacramento, CA 95814

RE: California Debt Limit Allocation Committee, Exempt Facility Approvals
EDCO Disposal Corporation

Dear Ms. Jones-Kelly:

I write to you today on behalf of EDCO Disposal Corporation relating to their environmental project for which approval will be requested at the California Debt Limit Allocation Committee ("CDLAC") meeting in December.

My staff and I have worked with the management of EDCO Disposal Corporation. I understand that in order to receive approval for the issuance of tax exempt bonds, on whose lower interest rates the "project" economics have been based, that CDLAC must grant part of the State's allocation for "private activity" bonds as defined by the federal government to the Project.

While I can imagine that your job in apportioning the available allocation among competing and equally beneficial projects is difficult, I want to let you know that to the City of Encinitas, this project is important. It is a project which is a part of, and crucial to our overall plan of compliance with AB 939. In addition, we and EDCO Disposal Corporation agree that the implementation of this project is a cost effective addition to our overall program, taking into account cost, technology and expected waste diversion.

On behalf of the City of Encinitas, I would therefore strongly urge that you approve the EDCO Disposal Corporation Project at your December meeting. Thank you.

Sincerely,

Larry Watt
Public Works Director

Tel 760/633-2600 FAX 760/633-2627, 505 South Vulcan Avenue, Encinitas, CA 92024 TDD 760/633-2700

Attachment B



CITY OF LEMON GROVE

"Best Climate On Earth"

Office of the City Manager

October 1, 2007

Ms. Joanie Jones-Kelly
Executive Director, CDLAC
State of California
915 Capitol Mall, Room 303
Sacramento, CA 95814

SUBJECT: California Debt Limit Allocation Committee, Exempt Facility Approvals, EDCO Disposal Corporation

Dear Ms. Jones-Kelly:

The purpose of this letter is to request that the California Debt Limit Allocation Committee ("CDLAC") approve the request from EDCO Disposal Corporation relating to its environmental project. This approval will be considered at the December CDLAC meeting.

My staff and I have worked closely with EDCO Disposal Corporations' management on this project. I understand that in order to receive approval for the issuance of tax exempt bonds, CDLAC must grant part of the State's allocation for "private activity" bonds as defined by the federal government.

I appreciate the difficulty that CDLAC has in deciding how to allocate funds among highly competitive projects. However, I wanted you to know that the City of Lemon Grove finds this project of utmost importance. This project will aid many jurisdictions in the region, including Lemon Grove, in complying with requirements of AB 939. The project is a highly cost effective endeavor, taking into account project costs, use of technology, and expected waste diversion.

Therefore, on behalf of the City of Lemon Grove I strongly urge CDLAC to approve EDCO Disposal Corporation's Project at the upcoming December meeting. In advance, I wish to express my appreciation for your consideration.

Sincerely,

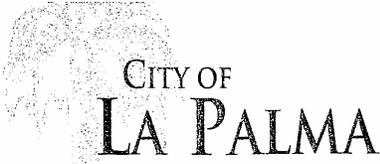
Graham Mitchell
City Manager

3232 Main Street Lemon Grove California 91945-1705

619.825.3800 FAX: 619.825.3804 www.ci.lemon-grove.ca.us



Attachment B



Office of the City Manager

DOMINIC LAZZARETTO
CITY MANAGER

October 1, 2007

Ms. Joanie Jones-Kelly
Executive Director
CDLAC
State of California
915 Capitol Mall, Room 303
Sacramento, CA 95814

**Subject: California Debt Limit Allocation Committee, Exempt Facility Approvals
EDCO Disposal**

Dear Ms. Jones-Kelly:

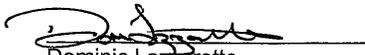
I write to you today, on behalf of EDCO Disposal Corporation, relating to their environmental project for which approval will be requested at the California Debt Limit Allocation Committee ("CDLAC") meeting in December.

My staff and I have worked with the management of EDCO Disposal Corporation. I understand that in order to receive approval for the issuance of tax exempt bonds, on whose lower interest rates the "project" economics have been based, CDLAC must grant part of the State's allocation for "private activity" bonds as defined by the federal government to the Project

While I can imagine that your job in apportioning the available allocation among competing and equally beneficial projects is difficult, I want to let you know that this project is important. It is a project which is a part of, and crucial to, the regions plan of compliance with AB 939. The implementation of this project is a cost effective addition to local waste diversions programs, taking into account cost, technology, and expected diversion rates.

As the City Manager of the City of La Palma, I strongly urge you to approve the EDCO Disposal Corporation Project at your December meeting.

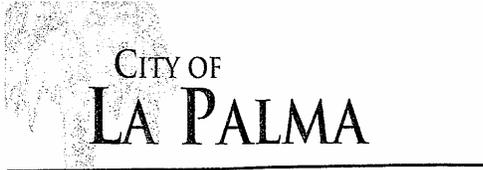
Cordially,


Dominic Lazzaretto
City Manager

Cc: EDCO Disposal Corporation

Phone 714.690.3333 Fax 714.523.2141
7822 Walker Street ▪ La Palma ▪ California 90623-1771 ▪ www.cityoflapalma.org

Attachment B



CITY COUNCIL

MAYOR MARK I. WALDMAN
MAYOR PRO TEM G. HENRY CHAROEN
COUNCILMEMBER CHRISTINE M. BARNES
COUNCILMEMBER LARRY A. HERMAN
COUNCILMEMBER RALPH D. RODRIGUEZ

October 1, 2007

Ms. Joanie Jones-Kelly
Executive Director
CDLAC
State of California
915 Capitol Mall, Room 303
Sacramento, CA 95814

**Subject: California Debt Limit Allocation Committee, Exempt Facility Approvals
EDCO Disposal**

Dear Ms. Jones-Kelly:

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As a Councilmember of the City of La Palma, I strongly urge you to approve the EDCO Disposal Corporation Project at your December meeting.

Cordially,

A handwritten signature in cursive script that reads "Larry A. Herman".

Larry A. Herman
Councilmember

Cc: EDCO Disposal Corporation