

CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY
BOND FINANCING PROGRAM
Meeting Date: December 16, 2009
Request for Final and Refunding Resolution to Issue Revenue Bonds and
Request for Tax-Exempt Bond Allocation Approval

Prepared by: *Samantha Russell*

Applicant: Garden City Sanitation, Inc. and/or its Affiliates	Amount Requested: \$44,460,000
Project	Application No.: 00786, 00824 (SB)
Location: Alameda and Santa Clara Counties	Final Resolution No.: 00495
	Prior Actions: IR 09-08 approved 08/26/09
	IR 06-07 approved 10/24/06
	FR 460 approved 12/12/06

Summary. Garden City Sanitation, Inc. and/or its Affiliates (the “Company”) requests approval of a Final Resolution to issue revenue bonds for an amount not to exceed \$44,460,000 to:

- (1) finance the acquisition of land, the acquisition, construction and renovation of a building and the acquisition of equipment and drop boxes, bins, carts and containers (collectively, the “Livermore Project”)
- (2) refund the CPCFA’s Variable Rate Demand Solid Waste Disposal Revenue Bonds (Garden City Sanitation, Inc. Project) Series 2007A, \$17,515,000 of which are currently outstanding (the “Prior Bonds”), and
- (3) pay certain costs of issuance.

Borrower. The Company incorporated in California on March 10, 2006, and provides residential solid waste collection services.

The principal stockholders of the Company are as follows:

Louie Pellegrini	25%
Don & Elsa Arata	14%
Daniel Arata	2%
Nicholas Arata	2%
Andrew Arata	2%
Kent Kenney	8%
Michael Achiro	5%
Edward Bortoli	5%
Doug Button	5%
Paul Formosa	5%
Ronald Fornesi	5%
Vince Fornesi	5%
Jerry Nabhan	5%
John Rossi	5%
Steve Jones	5%
Dave Caligari	2%
Total:	<u>100%</u>

The Company has the following affiliates: Garden City Sanitation, LLC; Mission Trail Waste Systems, Inc.; Santa Clara Valley Industries, LLC; Alameda County Industries, Inc.; and Livermore Sanitation, Inc.; and Livermore Sanitation, LLC.

Background. On February 14, 2007, CPCFA issued the Prior Bonds in the original principal amount of \$22,445,000. The Prior Bonds were issued to finance the acquisition of land, the acquisition and renovation of buildings thereon to house offices and truck maintenance and the acquisition of equipment, vehicles, drop boxes, bins, carts and containers (collectively, the “San Jose Project”).

Current Request. The Company is currently requesting two things: (1) refunding the \$17,515,000 outstanding principal on the Prior Bonds; and (2) allocation and final approval of bonds to finance a new project and pay certain costs of issuance. The requests are described below.

The Company has completed major portions of the San Jose Project, including acquisition and renovation of the land and buildings and acquisition of new equipment and vehicles. The San Jose Project is expected to be completed by December 2010. The Company is requesting refunding the Prior Bonds and \$285,000 in allocation to cover the costs of issuance for the refunding.

The Company is also requesting \$26,660,000 more to finance the Livermore Project and to pay certain costs of issuance and in tax-exempt bond allocation. The Company was recently awarded a new Franchise Agreement with the City of Livermore, for the collection and disposal of the city’s residential and commercial waste. The Livermore Project includes the acquisition of approximately 4.28 acres of land and the acquisition and renovation of an approximately 10,000 square foot building to be used for truck washing, maintenance and the transfer of solid waste. In addition, the Company will acquire collection vehicles, drop boxes, bins and carts and other equipment to support the solid waste collection effort dictated by its Franchise Agreement.

The anticipated Livermore Project and bond issuance costs are listed below:

Acquisition of Land	\$ 4,000,000
Construction of New Buildings	2,000,000
Acquisition & Installation of New Equipment	6,975,000
Rolling Stock	12,037,700
Transfer Equipment/Shop	665,000
Bond Issuance Expense	530,534
LOC Fee	201,766
Interest During Construction	<u>250,000</u>
Total:	<u>\$26,660,000</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

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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.

Legal Questionnaire. The 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.

TEFRA. The TEFRA hearing was held on December 10, 2009. There were no comments received in support of or in opposition to the Livermore Project.

SBAF Assistance. Under the regulations approved on September 24, 2008 the Company is not eligible for assistance from SBAF due to the size of the bond issue.

Prior Actions and Financings. Prior financings are listed below.

Description	Date of Bond Issue	Original Amount	Amount Outstanding as of 12/16/09
Santa Clara Valley Industries, LLC	03/04/98	\$ 8,495,000	\$ 1,565,000
Alameda County Industries, Inc	05/24/00	10,310,000	3,330,000
Mission Trail Waste Systems, Inc.	05/16/01	3,500,000	1,445,000
Specialty Solid Waste & Recycling	05/17/01	10,920,000	285,000
Mission Trail Waste Systems, Inc.	10/02/02	7,555,000	2,840,000
Garden City Sanitation, Inc.	02/14/07	22,445,000	17,515,000
Bay Counties (Specialty)	08/15/07	<u>5,310,000</u>	<u>4,665,000</u>
TOTALS:		<u>\$68,535,000</u>	<u>\$31,645,000</u>

Anticipated Timeline. The Company will begin equipment purchases, property acquisition and construction in the first quarter 2010. The Company plans to complete construction and equipment acquisition by December 2010.

Local Government. Judy Erlandson, Public Works Manager for the City of Livermore, has submitted a letter in support of the project (Attachment A).

Pollution Control and/or Environmental Benefits. The Company represents the project will generate the pollution control and environmental benefits described below.

Water Quality. The reduction of particulate matter in the air, as compared to diesel fuel emissions, will reduce contamination in water run-off.

Air Quality. The Company will purchase new CNG collection vehicles, thereby reducing particulate matter associated with diesel-fueled vehicles from the air.

Permitting and Environmental Approvals. No discretionary permits and or approvals are required for the development of the project.

Financing Details. The Company anticipates issuance of negotiated tax-exempt, weekly reset, variable rate bonds, in one or more series, with a term not to exceed 30 years for the qualifying portion of the project. The Company plans to secure the bonds with one or more irrevocable, direct pay Letters of Credit issued by Union Bank, N.A. or Comerica Bank that are rated at least “A-” by Fitch Rating Agency or equivalent. The target date for financing is December 23, 2009.

Financing Team.

Underwriter: Westhoff, Cone & Holmstedt
Bond Counsel: Law Offices of Leslie M. Lava
Financial Advisor: Andrew S. Rose
Issuer’s Counsel: Attorney General’s Office

Staff Recommendation. Staff recommends approval of the following for Garden City Sanitation, Inc. and/or its Affiliates:

- (1) Final Resolution No. 00495 for an amount not to exceed \$44,460,000, and
- (2) Volume Cap Allocation Resolution No. 08-242-04 for an amount not to exceed \$26,945,000.

**FINAL BOND AND REFUNDING RESOLUTION OF THE
CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY
RELATING TO FINANCING OR REFINANCING FOR
SOLID WASTE DISPOSAL FACILITIES AND EQUIPMENT
FOR GARDEN CITY SANITATION, INC. AND/OR ITS AFFILIATES**

December 16, 2009

WHEREAS, the California Pollution Control Financing Authority (the “Authority”) has received the application of Garden City Sanitation, Inc. (the “Borrower”), for financial assistance to (1) finance (i) the acquisition of land, the acquisition, construction and renovation of a building thereon to house offices, truck maintenance, washing and storage, and the sorting and transfer of solid waste the construction and installation of fueling equipment and the acquisition of equipment, rolling stock and vehicles for the collection, processing and transfer of solid waste and other equipment functionally related thereto, all to be located at 7000 and/or 7050 National Drive, Livermore, California 94550, and (ii) the acquisition of drop boxes, bins, carts and containers to be located with customers in the City of Livermore, California and various other incorporated and unincorporated portions of Alameda County, California (the “Livermore Project”); and (2) refund and retire all of the outstanding California Pollution Control Financing Authority Variable Rate Demand Solid Waste Disposal Revenue Bonds (Garden City Sanitation, Inc. Project) Series 2007A (the “Prior Bonds”); and

WHEREAS, the Prior Bonds were issued by the Authority on February 14, 2007, for the purpose of financing (i) the acquisition of land, the acquisition and renovation of buildings thereon to house offices and truck maintenance, washing and storage, and the acquisition of equipment, rolling stock and vehicles for the collection, processing and transfer of solid waste and other equipment functionally related thereto, all to be located at 1080, 1088 and/or 1090 Walsh Avenue, Santa Clara, California 95050, and (ii) the acquisition of drop boxes, bins, carts and containers to be located with customers in the City of San Jose, California and various other incorporated and unincorporated portions of Santa Clara County, California (the “San Jose Project” and, together with the Livermore Project, 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 \$44,460,000 to assist in the financing of the Livermore Project and the refunding and retirement of the Prior Bonds; and

WHEREAS, the proceeds of such revenue bonds will be loaned to the Borrower under one or more loan agreements with the Authority; and

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

WHEREAS, the Borrower has provided documentation to the Authority demonstrating that the Livermore 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, in order to enhance the marketability of the bonds, the Borrower has arranged for financial institutions, as named in the Term Sheet, to secure the bonds through the issuance of their direct-pay irrevocable letter of credits, 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 (Garden City Sanitation, Inc. Project) Series 2009_” (the “Bonds”), or such alternate designation as may be approved by the Executive Director of the Authority, in an aggregate principal amount not to exceed \$44,460,000, 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 the Livermore Project, refund the Prior Bonds 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 on or before December 31, 2009, by negotiated sale, in a tax-exempt mode, at such price and at such interest rate or rates as he may determine, such determination to be as set forth in the hereinafter referred to Purchase Contract.

Section 4. The proposed forms of loan agreements relating to each series of the Bonds (the “Loan Agreements”, between the Authority and the Borrower, on file with the Authority prior to this meeting, are hereby approved in substantially such forms, 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 signatory executing the same 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 Agreements, 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 forms of indentures of trust relating to the Bonds (the “Indentures”), between the Authority and the trustee named in the Term Sheet (the “Trustee”), on file with the Authority prior to this meeting, are hereby approved in substantially such forms, 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 signatory executing the same 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 Indentures, as finally executed.

Section 6. The proposed form of bond purchase agreement (the “Purchase Contract”) among the underwriter or underwriters named in the Term Sheet (the “Underwriter”), the Treasurer and the Authority, as agreed to and accepted by the Borrower, on file with the Authority prior to this meeting, is hereby approved in substantially such form, with such insertions, deletions or changes therein as the signatory executing the same, 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 the preliminary official statement relating to the Bonds (the “Preliminary Official Statement”), on file with the Authority prior to this meeting, is hereby approved in substantially such form, with such changes and insertions therein as the Executive Director may require or approve. The Underwriters are hereby authorized to distribute the Preliminary Official Statement to persons who may be interested in the purchase of the Bonds. The Authority hereby approves a final official statement for the Bonds authorized herein, in substantially the form of the Preliminary Official Statement, with such insertions and changes therein as the signatory executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The Underwriters are hereby directed to deliver a copy of said final official statement (as finally executed, the “Official Statement”) to all actual purchasers of the Bonds.

Section 8. The Bonds shall be executed by the manual or facsimile signature of the Chairman or any Deputy to the Chairman and the seal of the Authority shall be affixed thereon (or a facsimile reproduced thereon) in the forms set forth in and otherwise in accordance with the Indentures.

Section 9. The Bonds, when so executed, shall be delivered to the Trustee under the Indentures for authentication by the Trustee. The Trustee is hereby requested and directed to authenticate each series of 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 Underwriter in accordance with written instructions executed on behalf of the Authority, which instructions are hereby approved. Such instructions shall provide for the delivery of the Bonds to The Depository Trust Company, on behalf of the Underwriter 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 Livermore Project and to pay certain costs of issuance of the Tax-Exempt Bonds, 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. Each officer of the Authority, acting alone, is hereby authorized and directed, acting alone, to do any and all ministerial acts that they may deem necessary or advisable in order to consummate the issuance, sale, delivery or remarketing of the Bonds, and otherwise to effectuate the purposes of this Resolution and the Indentures, the Loan Agreements, the Bond Purchase Contract and the Official Statement. The Authority hereby approves any and all documents to be delivered in furtherance of the foregoing purposes, including without limitation, any certifications, including, one or more tax certificates.

Section 12. Except as set forth in Section 8, documents approved in this Resolution may be executed and delivered in accordance with the resolution of the Authority entitled “Resolution of the California Pollution Control Financing Authority Delegating Certain Powers Related to Bond Financings to the Executive Director and Deputy Executive Director” adopted on January 28, 2009, the provisions of which are incorporated herein by reference. The Chairman or any Deputy to the Chairman is also hereby authorized to execute and deliver any such document.

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 (Garden City Sanitation, Inc. Project) Series 2009 (the “Bonds”)

Maximum Amount of Issue: \$44,460,000 (tax-exempt)

Issuer: California Pollution Control Financing Authority (the “Authority”)
Sacramento, CA

Borrower: Garden City Sanitation, Inc.

Trustee: The Bank of New York Mellon Trust Company, N.A.

Senior Underwriter or Placement Agent: Westhoff, Cone & Holmstedt

Bond Counsel: Leslie M. Lava, Esq.
Sausalito, CA

Remarketing Agent: Westhoff, Cone & Holmstedt

Project: (1) Finance (i) the acquisition of land, the acquisition, construction and renovation of a building thereon to house offices, truck maintenance, washing and storage, and the sorting and transfer of solid waste the construction and installation of fueling equipment and the acquisition of equipment, rolling stock and vehicles for the collection, processing and transfer of solid waste and other equipment functionally related thereto, all to be located at 7000 and/or 7050 National Drive, Livermore, California 94550, and (ii) the acquisition of drop boxes, bins, carts and containers to be located with customers in the City of Livermore, California and various other incorporated and unincorporated portions of Alameda

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County, California; and (2) refinance (i) the acquisition of land, the acquisition and renovation of buildings thereon to house offices and truck maintenance, washing and storage, and the acquisition of equipment, rolling stock and vehicles for the collection, processing and transfer of solid waste and other equipment functionally related thereto, all to be located at 1080, 1088 and/or 1090 Walsh Avenue, Santa Clara, California 95050, and (ii) the acquisition of drop boxes, bins, carts and containers to be located with customers in the City of San Jose, California and various other incorporated and unincorporated portions of Santa Clara County, 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%
Letters of Credit:	Provided by Union Bank, N.A. or Comerica Bank
Other Credit Enhancement:	Not applicable
Anticipated Bond Rating:	Union Bank, N.A.: AA- Comerica Bank: “A-“ (Minimum “A-”)
Type of Financing:	Solid waste disposal revenue bonds
Prepared by:	Leslie M. Lava, Esq. Law Offices of Leslie M. Lava (415) 331-6464

THE CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY

RESOLUTION NO. 08-242-04

A RESOLUTION DEDICATING FOR USE OF A PORTION OF THE 2008 STATE CEILING
ON QUALIFIED PRIVATE ACTIVITY BONDS FOR AN
EXEMPT FACILITY PROJECT

WHEREAS, the California Pollution Control Financing Authority (“CPCFA”) has received an application (“Application”) from Garden City Sanitation, Inc. (“Project Sponsor”) for approval of the issuance of revenue bonds; and

WHEREAS, on December 16, 2009, CPCFA approved Final Resolution No. 495 (“Final Resolution”) authorizing the issuance of up to \$44,460,000 of its solid waste disposal revenue bonds (Garden City Sanitation, Inc. Project) Series 2009 (“Bonds”) of which \$26,945,000 is requires allocation; and

WHEREAS, in seeking CPCFA approval of the Final Resolution, the Project Sponsor represented certain facts and information concerning the project to CPCFA which were relied upon by CPCFA in approving the Final Resolution; and

WHEREAS, the California Debt Limit Allocation Committee (“CDLAC”) has previously transferred to CPCFA a portion of the 2008 State Ceiling on Qualified Private Activity Bonds pursuant to Section 146 of the Internal Revenue Code of 1986, as amended, for use by CPCFA to issue bonds or other obligations in a manner consistent with CDLAC’s policies and procedures. Accordingly, capitalized terms not otherwise defined shall have the meanings ascribed to them in the “Procedures of the California Debt Limit Allocation Committee Implementing the Allocation of State Ceiling on Private Activity Bonds” (“CDLAC Procedures”); and

WHEREAS, it is appropriate for CPCFA to confirm the use of a portion of the 2008 State Ceiling on Qualified Private Activity Bonds allocated to CPCFA (“CPCFA Allocation”) to the issuance of the Bonds as set forth in the Final Resolution;

NOW, THEREFORE, CPCFA resolves as follows:

Section 1. CPCFA Allocation in the amount of \$26,945,000 is hereby dedicated to the issuance of the Bonds. The dedicated CPCFA Allocation may be used only by the Project Sponsor and only for the issuance of Bonds for the Project, as specifically described in Exhibit A, and consistent with the terms of the Final Resolution. All of the terms and conditions of Exhibit A, and the Final Resolution are incorporated herein as though set forth in full (this resolution, the Final Resolution and Exhibit A, collectively “Resolution”).

Section 2. The terms and conditions of this Resolution shall be incorporated in appropriate documents relating to the Bonds, and the Project Sponsor and all its respective successors and assignees, will be bound by such terms and conditions.

Section 3. Any modification to the Project made prior to the issuance of the Bonds must be reported to the Executive Director and shall require reconsideration by the CPCFA before the Allocation may be used for the Project.

Section 4. The CPCFA Allocation dedicated by this Resolution shall automatically revert to CPCFA unless the Bonds for the Project have been issued by CPCFA by the close of business on March 16, 2010. In a case of extreme hardship, the Executive Director may extend this date by up to five (5) business days.

Section 5. Within twenty-four (24) hours of issuing the Bonds, CPCFA shall notify CDLAC by facsimile communication to the fax number listed in Section 24 of the CDLAC Procedures that the Bonds have been issued. This facsimile notice shall identify the Project Sponsor, the project or program, the date and amount of the Bonds issued.

Section 6. Within fifteen (15) calendar days of the Bond closing, CPCFA or its counsel shall formally transmit to CDLAC information regarding the issuance of the Bonds by submitting a completed Report of Action Taken in a form prescribed by and made available by CDLAC.

Section 7. Any differences between the amount of Bonds issued and the amount of the CPCFA Allocation dedicated in Section 1 of this Resolution shall automatically revert to CPCFA. If at any time prior to the expiration date set forth in Section 7 hereof the Project Sponsor determines that part or all of the CPCFA Allocation dedicated in Section 1 of this Resolution will not be required by the Project by that date, the Project Sponsor shall promptly give notice to CPCFA.

Section 8. In consideration of the CPCFA Allocation dedicated in Section 1 of this resolution, the Project Sponsor shall comply with all of the terms and conditions contained in this Resolution and ensure that these terms and conditions are included in the documents related to the Bonds. Further, the Project Sponsor expressly agrees that the terms and conditions of this Resolution may be enforced by CDLAC or CPCFA through an action for specific performance or any other available remedy, provided however, that CDLAC and CPCFA agree not to take such action or enforce any such remedy that would be materially adverse to the interests of Bondholders. In addition, CPCFA shall ensure that the Bond documents, as appropriate, expressly provide that CDLAC is a third party beneficiary of the terms and conditions set forth in this Resolution.

Section 9. The Project Sponsor or its successor-in-interest shall provide certifications of compliance with the terms and conditions set forth in this Resolution when reasonably requested by CDLAC or CPCFA.

Section 10. This Resolution shall take effect immediately upon its adoption.

RESOLUTION NO. 08-242-04
(AN EXEMPT FACILITY PROJECT)
EXHIBIT A

1. Project Sponsor: Garden City Sanitation, Inc.
2. Application Numbers: 786, 824
3. Project User: Garden City Sanitation, Inc.
4. Project Name: Garden City Sanitation, Inc.
5. Location: Alameda and Santa Clara Counties
6. Credit Enhancement or Private Placement Purchaser: Union Bank, N.A. or Comerica Bank
7. The Credit Enhancement Provider/Private Placement Purchaser at the time of issuance will be the same as represented in the application.
8. Amount of Allocation: \$26,945,000

ATTACHMENT 1



October 28, 2009

Mr. Sean Spear
Executive Director
CDLAC
State of California
915 Capitol Mall, Room 303
Sacramento, CA 95814

RE: California Debt Limit Allocation Committee, Exempt Facility Approvals
Garden City Sanitation, Inc. DBA: Livermore Sanitation, Inc. and/or Its Affiliates

Dear Mr. Spear:

I am writing to you today on behalf of Garden City Sanitation, Inc. DBA: Livermore Sanitation, Inc. and its affiliates (Livermore Sanitation). Livermore Sanitation will be requesting approval of financing for their project at the California Debt Limit Allocation Committee (CDLAC) meeting on December 16, 2009.

On September 28, 2009, the Livermore City Council awarded an exclusive franchise agreement for the collection of solid waste and recycling to Livermore Sanitation after a competitive procurement process. This agreement is for a ten-year term with the potential for three extensions for a total term of 13 ½ years. City staff is currently working with the management of Livermore Sanitation to develop and permit their proposed facility.

I understand that the CDLAC is responsible for disseminating California's allocations for low-cost financing. Allocation approval from the CDLAC is needed in order to finance this project using tax-exempt bonds.

I am aware that the demand for this allocation far exceeds availability. I can imagine the difficulty in apportioning the available allocation among competing projects, particularly in these tough economic times. However, this project is essential to the community. I strongly urge you to approve the Livermore Sanitation project at your meeting in December.

Sincerely,

A handwritten signature in cursive script that reads "Judy Erlandson".

Judy Erlandson
Public Works Manager
City of Livermore