

CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY
BOND FINANCING PROGRAM
Meeting Date: March 24, 2010
Request for an Amendment to Initial Resolution

Prepared by: *Samantha Russell*

Applicant: Mission Trail Waste Systems, Inc. and/or its Affiliates	Amount Requested: \$15,580,000
Project	Application No.: 00823 (SB)
Location: Santa Clara County	Initial Resolution No.: 09-07
	Approved 8/26/09

Summary. Missions Trail Waste Systems, Inc. and/or its Affiliates (the “Company”) requests the amendment of Initial Resolution 09-07 for an amount not to exceed \$15,580,000. The original Initial Resolution was approved on August 26, 2009 for an amount not to exceed \$8,500,000. The Company is currently requesting an additional \$7,080,000 to finance the purchase of Compressed Natural Gas vehicles, bins, carts, containers, and totes, along with other operational equipment. The Company provides refuse and disposal services in the city of Santa Clara and will soon provide such services in the City of Los Altos.

Borrower. The Company is a waste disposal company located in Santa Clara, CA. The Company’s affiliates include Santa Clara Valley Industries, LLC, Alameda County Industries, Inc., Garden City Sanitation, Inc., and Livermore Sanitation, Inc. The Company was incorporated October 28, 1986.

The principal stockholders of the Company are as follows:

Louie Pellegrini	33.330%
Robert J. Molinaro Trust	16.133%
Anthony Macchiano Trust	7.066%
William Dohert Trust	6.066%
Douglas Button Trust	4.166%
Michael Achiro Trust	4.166%
Edward Bortoli	4.166%
Paul Formosa Trust	4.166%
Ronald Fornesi Trust	4.166%
Jerry Nabhan Trust	1.389%
Jeffery Nabhan	1.388%
Nicholas Nabhan	1.388%
John Rossi Trust	4.166%
Stephanie Uccelli-Menner	4.166%
Brian Storti Trust	4.066%
Total:	<u>100.000%</u>

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.

Project Description. The original Initial Resolution was approved on August 26, 2009 for an amount not to exceed \$8,500,000. The Company is currently requesting an additional \$7,080,000. The Company originally intended to purchase Compressed Natural Gas (CNG) waste collection trucks as required to meet conditions of the extension of its Franchise Agreement with the City of Santa Clara. The Company now intends to purchase more CNG vehicles to meet its new contract with the City of Los Altos. The Company will also purchase bins, carts, containers, and totes.

Volume Cap Allocation. The Company anticipates applying to the Authority for volume cap allocation July 2010.

Financing Details. The Company anticipates the issuance of negotiated tax exempt bonds.

Financing Team.

Underwriter: Westhoff, Cone & Holmstedt

Bond Counsel: Law Offices of Leslie M. Lava

Financial Advisor: Andrew S. Rose

Issuer's Counsel: Office of the Attorney General

Staff Recommendation. Staff recommends approval of the amendment to Initial Resolution No. 09-07 for Mission Trail Waste Systems, Inc. and/or its Affiliates for an amount not to exceed \$15,580,000.

Note: An Initial Resolution approval is not a commitment that the Board will approve a Final Resolution and bond financing of the proposed Project.

Initial Resolution No. 09-07
Application No. 823(SB)

**AMENDMENT OF INITIAL RESOLUTION TO ISSUE BONDS
TO FINANCE SOLID WASTE DISPOSAL/RECYCLING EQUIPMENT FOR
MISSION TRAIL WASTE SYSTEMS, INC. AND/OR ITS AFFILIATES**

March 24, 2010

WHEREAS, the California Pollution Control Financing Authority (“Authority”) by its Resolution No. 09-07 (“Initial Resolution”) has heretofore declared the Authority’s official intent to issue revenue bonds for the financing of solid waste disposal/recycling equipment to be owned and operated by Mission Trail Waste Systems, Inc., a California corporation, and/or its Affiliates (as defined therein) (collectively, “Company”), which equipment was expected to be comprised of the acquisition of rolling stock and vehicles for the collection, processing and transfer of solid waste and other equipment functionally related thereto, to be located at the site described in Exhibit A thereto and hereto; and

WHEREAS, the Company now desires, and has requested the Authority, to amend the Initial Resolution in order to increase the maximum principal amount of such revenue bonds from \$8,500,000 to \$15,580,000; and

WHEREAS, the Authority has determined that it is necessary and advisable that the foregoing be approved.

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

Section 1. The Authority hereby approves the increase in the maximum principal amount of such revenue bonds to \$15,580,000, and any references in the Initial Resolution to “\$8,500,000” shall be changed to “\$15,580,000”.

Section 2. The Initial Resolution, as amended by this Amendment of Initial Resolution, shall take effect immediately upon its passage and remain in full force and effect thereafter; provided that, it shall cease to be effective on March 24, 2013 unless prior thereto the Authority specifically adopts a further resolution extending the effective date of the Initial Resolution, as amended by this Amendment of Initial Resolution, which it will do only after receiving a specific request for such action from the Company, accompanied by an explanation of the reason why the project has not proceeded prior to the date of the letter.

Section 3. Except as amended by Sections 1 and 2 hereof, all provisions and conditions of the Initial Resolution shall remain unchanged and in full force and effect.

Section 4. The Executive Director of the Authority is hereby authorized and directed to do any and all ministerial acts in order to communicate this Amendment of Initial Resolution to the Company and otherwise to effectuate the purposes of this Amendment of Initial Resolution.

EXHIBIT A

NUMBER: 09-07

LOCATION: 1060 Richard Avenue
Santa Clara, California 95052

TYPE: Solid Waste Disposal/Resource Recovery

AMOUNT: Up to \$15,580,000