

**CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY  
BOND FINANCING PROGRAM  
Meeting Date: December 12, 2017**

***Request to Approve Final Resolution Authorizing the Issuance of Revenue Notes for New Money Purposes and Refunding Purposes, and Tax-Exempt Volume Cap Allocation***

Prepared by: Lyudmila Farbitnikova

<b>Applicant:</b>	California Waste Recovery Systems, LLC and/or its affiliates	<b>FR Amount Requested:</b>	\$29,755,000
<b>Project</b>		<b>Allocation Amount Requested:</b>	\$22,645,000
<b>Location:</b>	City of Galt (Sacramento County), City of Valley Springs (Calaveras County), City of Lodi (San Joaquin County)	<b>Application No.:</b>	919(SB)
		<b>Final Resolution No.:</b>	17-01-580
		<b>Initial Resolution No.:</b>	17-18

**Summary.** California Waste Recovery Systems, LLC and/or its affiliates (the “Company”) requests approval of a Final Resolution for a total amount not to exceed \$29,755,000 and Volume Cap Allocation for an amount not to exceed \$22,645,000. The new money proceeds will be used to finance the acquisition, construction, improvement, renovation, rehabilitation and/or installation of buildings, with related permits; renovation and/or installation of processing equipment and infrastructure, conveyors, baler, and a depackaging system, including permits; the purchase of carts, containers, and bins within the Sacramento County, San Joaquin County and Calaveras County service areas; and associated costs of the financing.

Additionally, the Company intends to refund California Waste Recovery Systems, LLC Series 2012 of Solid Waste Disposal Revenue Bonds (the “Series 2012”) previously issued by CPCFA, of which \$7,110,000 is currently outstanding.

**Borrower.** California Waste Recovery Systems, LLC is a limited liability company that was organized on June 18, 1997. The Company is in the business of residential, commercial, and industrial solid waste collection and transfer throughout the Sacramento County, San Joaquin County and Calaveras County service areas. The Company is a small business with approximately 125 employees.

The principal stockholders of the Company are as follows:

CWR Industries, Inc.	99.9%
Vaccarezza Family Trust	<u>0.1%</u>
<b>Total:</b>	<b><u>100.0%</u></b>

CWR Industries, Inc. is 100% owned by the Vaccarezza Family Trust. David Vaccarezza and his wife, Kandas Vaccarezza are the sole trustees of the Vaccarezza Family Trust. Therefore, David and Kandas Vaccarezza control 100% of CWR Industries, Inc. and its affiliate California Waste Recovery Systems, LLC. DKCR Properties, Inc. is an affiliate company owned 100% by the Vaccarezza Family Trust. Good Earth Farms, LLC is an affiliated company 59.% owned by CWR

#### Agenda 4.D.

Industries, Inc, 40% owned by Casey and Rudy Vaccarezza (@ 20% each) and 1% by the Vaccarezza Family Trust.

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

**TEFRA.** The TEFRA hearing was held on [December 7, 2017]. There were no comments received in support of or in opposition to this Project.

**Fees.** The Company has paid an application fee of \$5,000 and will pay an administrative fee of \$40,290 at closing for the new money portion of the financing. Additionally, the Company will pay the Authority's actual costs, including but not limited to applicable Authority Counsel fees, Agent for Sale fees, and staff costs for the refunding portion of the transaction, in lieu of CPCFA's usual refunding fee.

**Prior Financings.** Prior financings are listed below.

<b>Description</b>	<b>Date of Bond Issue</b>	<b>Original Amount</b>	<b>Amount Outstanding as of 11/14/2017</b>
California Waste Recovery Systems, LLC Series 2012	08/30/2012	\$7,610,000	\$7,110,000
<b>TOTAL:</b>		<b><u>\$7,610,000</u></b>	<b><u>\$7,110,000</u></b>

**Background.** On August 30, 2012, CPCFA issued the Series 2012 bonds totaling \$7,610,000. The Series 2012 bonds financed the improvements and renovations to an existing building, and the purchase of equipment including waste collection vehicles and containers for use throughout the service area.

**Current Request.** California Waste Recovery Systems, LLC will use note proceeds to finance the following:

- i) the acquisition, construction, improvement, renovation, rehabilitation and/or installation of buildings, with related permits, processing equipment and infrastructure to be located at either 175 Enterprise Court, Galt, CA 95632 or 10059 Twin Cities Road, Galt, CA 95632, Galt Recovery & Transfer Facility;
- ii) the acquisition, construction, improvement, renovation, rehabilitation and/or installation of buildings, with related permits, processing equipment and infrastructure to be located at 3524 Double Springs Road, Valley Springs, CA 95252, Double Springs Recovery & Transfer Facility;
- iii) the acquisition, improvement, renovation and/or installation of recyclables processing equipment, conveyors, and baler, and a depackaging system, including permits, processing equipment, pumps, baler and liquid storage tanks to be located at 175 Enterprise Court, Galt, CA 95632, Galt Materials Recovery Facility (MRF) Expansion and Galt Organics Waste Depackaging and Processing Facility;

- iv) carts, containers, and bins within the Sacramento County, San Joaquin County and Calaveras County service areas; and
- v) associated costs of the financing.

The anticipated project and issuance costs are listed below:

Construction of New Building(s)	\$10,800,000
Acquisition and Installation of New Equipment	11,440,000
Refunding 2012 Bonds	7,110,000
Bond Issuance Expenses (including discount)	405,000
<b>Total:</b>	<b><u>\$29,755,000</u></b>

*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.*

**Anticipated Project Timeline.** The Company anticipates the Project to be completed by December 1, 2020.

**Local Government.** The Company received a letter of support from Jeffrey Crovitz, Director with the Calaveras County Public Works Department (Attachment A) and a letter of support from Eugene Palazzo, City Manager with the City of Galt (Attachment B).

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

**Air Quality.** Air quality should be enhanced with the continued, improved operation of the existing MRF by virtue of the fact that the MRF improvements are largely designed to reduce dust and odor emissions.

**Water Quality.** The MRF operates on a concrete surface, not exposed ground areas. This prevents any seepage of undesirable materials into the ground water. The MRF is not in close proximity to environmentally sensitive wetland and coastal areas that could be affected by pollution.

**Recycling of Commodities.** Upgrades and improvements to the Project Sponsor's MRF should increase the amount of material that is recycled and thus increase in waste diversion from the landfill.

**Safety and Compliance.** The Project will be compliant with all State and local mandates.

**Consumer Cost Savings and Efficiencies.** Cost of capital is an integral part of the Project Sponsor's rate structure and this financing will allow the Project Sponsor to minimize future rate increases.

**Permitting and Environmental Approvals.** The Company has provided a signed letter from its President, David Vaccarezza, articulating that the project is intended to finance improvements to existing facilities operating under current permits and the acquisition of equipment and rolling stock to be used at the existing facilities. The Company represents that the project is consistent with the existing zoning and permit requirements and it does not require a new CEQA process nor does it require any new discretionary permits.

**Financing Details.** The Company anticipates a direct bank purchase of negotiated tax-exempt notes with MUFG Union Bank, N.A., which is a Qualified Institutional Buyer (QIB) as defined in SEC Rule 144 under the Securities Act of 1933, in minimum denominations of \$250,000 or any integral multiple of \$5,000 in excess thereof. Subsequent transfer is restricted to the transfer of the notes in whole. The target date for financing is December 27, 2017.

The note documents include provisions for draw down of note proceeds over time, but such a mechanism will only be implemented if it is evident prior to the closing date above that a new federal tax bill will allow issuance of solid waste disposal "exempt facility" bonds after January 1, 2018. If this is not the case, all of the note proceeds will be paid at closing by the Purchaser, and will be invested pending disbursement to construct and install the Project.

**Financing Team.**

**Municipal Advisor to the Borrower:** Westhoff, Cone & Holmstedt  
**Note Counsel:** Orrick, Herrington & Sutcliffe LLP  
**Issuer's Counsel:** Office of the Attorney General  
**Trustee:** The Bank of New York Mellon Trust, N.A.

**Staff Recommendation.** Staff recommends approval of Final Resolution No. 17-01-580 for an amount not to exceed \$29,755,000 and Volume Cap Allocation Resolution No. 14-147-20 for an amount not to exceed \$22,645,000 for California Waste Recovery Systems, LLC and/or its affiliates.

Attachment A



Jeff Crovitz, PE, Director

November 10, 2017

Ms. Renee Webster-Hawkins  
Executive Director  
California Pollution Control Financing Authority  
801 Capitol Mall, 2<sup>nd</sup> Floor  
Sacramento, CA 95814

RE: California Pollution Control Financing Authority, Exempt Facility Approvals  
California Waste Recovery Systems, LLC Project

Dear Ms. Webster-Hawkins:

I write to you today on behalf of California Waste Recovery Systems, LLC relating to their environmental project for which approval will be requested at the California Pollution Control Financing Authority ("CPCFA") meeting in December.

I understand that the Company is now ready for final approval of the financing. I further 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 CPCFA must grant part of the State's allocation for "private activity" bonds as defined by the federal government to the Project.

We and California Waste Recovery Systems, LLC agree that the implementation of this project is a cost effective addition to our overall County-wide solid waste program, taking into account cost, technology and expected waste diversion.

On behalf of Calaveras County, I would appreciate it if you would approve the California Waste Recovery Systems, LLC Project at your meeting in December. Thank you.

Sincerely,

Jeffrey Crovitz, PE, Director  
Calaveras County Public Works Department  
891 Mountain Ranch Road  
San Andreas, CA 95249

891 Mountain Ranch Road • San Andreas • CA • 95249-9709  
Customer Service (209) 754-6402 • Fax: (209) 754-6664 • Email: [pubworks@co.calaveras.ca.us](mailto:pubworks@co.calaveras.ca.us)  
Web: [http://www.co.calaveras.ca.us/departments/public\\_works.asp](http://www.co.calaveras.ca.us/departments/public_works.asp)



Attachment B

Office of the City Manager



November 30, 2017

Ms. Reneé Webster-Hawkins  
Executive Director  
California Pollution Control Financing Authority  
801 Capitol Mall, 2<sup>nd</sup> Floor  
Sacramento, CA 95814

RE: California Pollution Control Financing Authority, Exempt Facility Approvals  
California Waste Recovery Systems, LLC Project

Dear Ms. Webster-Hawkins:

On behalf of California Waste Recovery Systems, LLC relating to their environmental project for which approval will be requested at the California Pollution Control Financing Authority ("CPCFA") meeting in December, I write this letter of support.

I understand California Waste Recovery Systems, LLC is now ready for final approval of the financing. I further 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 CPCFA must grant part of the State's allocation for "private activity" bonds as defined by the federal government to the Project.

Implementation of this project is a cost effective addition to our overall County-wide solid waste program, taking into account cost, technology and expected waste diversion.

On behalf of the City of Galt, I would appreciate it if you would approve the California Waste Recovery Systems, LLC Project at your meeting in December.

Sincerely,

A handwritten signature in cursive script that reads 'Eugene M. Palazzo'.

Eugene Palazzo  
City Manager

**Final Resolution No. 17-01-580  
Application No. 919(SB)**

**FINAL NOTE RESOLUTION OF THE  
CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY  
RELATING TO FINANCING AND REFINANCING OF SOLID WASTE DISPOSAL  
FACILITIES AND EQUIPMENT  
FOR CALIFORNIA WASTE RECOVERY SYSTEMS, LLC  
AND/OR ITS AFFILIATES**

**December 12, 2017**

**WHEREAS**, the California Pollution Control Financing Authority (the “Authority”) has received the application of California Waste Recovery Systems, LLC, a California limited liability company (and together with any successor, assignee or related party, the “Borrower”), for financial assistance in paying or reimbursing the costs to finance and/or refinance the acquisition, construction, improvement, renovation, rehabilitation, and/or installation of various solid waste disposal facilities and related vehicles and equipment for the processing, recycling and disposal of solid waste in sites in the State of California which are owned and/or operated by the Borrower, all as more particularly described in Application No. 919(SB) of the Borrower and in the Summary of Bond Terms (the “Term Sheet”) attached hereto as Exhibit A and incorporated herein (the “Project”); and

**WHEREAS**, the Authority has previously issued its California Pollution Control Financing Authority Variable Rate Demand Solid Waste Disposal Revenue Bonds (California Waste Recovery Systems, LLC Project) Series 2012 (the “Prior Bonds”); and

**WHEREAS**, the Borrower now wishes to refund the Prior Bonds; which were used to finance or refinance the acquisition, construction, renovation, and/or installation of various solid waste disposal facilities and related vehicles and equipment for the processing and disposal of solid waste, as more particularly described in the Term Sheet (the “Prior Project,” and together with the New Project, the “Project”); and

**WHEREAS**, the Borrower has requested the Authority to issue its revenue notes in an amount not to exceed \$29,755,000 to assist in the financing and refinancing of the New Project and the refunding of the Prior Bonds; and

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

**WHEREAS**, the notes will be purchased on a private placement basis by MUFG Union Bank, as lender; and

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

**WHEREAS**, the Borrower has provided or will provide prior to the bond sale documentation to the Authority demonstrating that the New Project has complied with Division 13 (commencing with Section 21000) of the Public Resources Code, or is not a project under that division; and

**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 Notes (California Waste Recovery Systems, LLC Project), Series 2017” (the “Notes”), or such alternate designation as may be approved by the Executive Director of the Authority, in an aggregate principal amount not to exceed \$ 29,755,000 are hereby authorized to be issued, subject to the limitations stated in the Term Sheet and Exhibit B. The Notes 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, in accordance with the Indenture (as hereinafter defined) as finally executed. The proceeds of the Notes shall be used to make a loan to the Borrower to finance and/or refinance the Project (including without limitation, reimbursing the Borrower for costs incurred for the New Project prior to the issuance of the Notes) and to pay a portion of the costs of issuance of the Notes.

**Section 3.** The Treasurer of the State of California (the “Treasurer”) is hereby authorized to sell the Notes, at one time or from time to time on or before December 31, 2017, by negotiated sale, at such price, at such interest rate or rates and in such mode (taxable or tax-exempt) as he may determine, such determination to be as set forth in the hereinafter referred to Purchase Agreement.

**Section 4.** The following documents:

- i. a Loan Agreement relating to the Notes between the Authority and the Borrower (the “Loan Agreement”);
- ii. an Trust Indenture relating to the Notes (the “Indenture”), between the Authority and the trustee named in the Term Sheet attached hereto (the “Trustee”); and
- iii. a note purchase agreement relating to the Notes among the Authority, the Treasurer of the State of California and the purchaser named in the Term Sheet (the “Purchaser”), and approved by the Borrower, (the “Purchase Agreement”);

are hereby approved in substantially the forms on file with the Authority prior to this meeting, with such insertions, deletions or changes therein (including, without limitation, insertions, deletions or changes therein appropriate) in substantial conformance with the Term Sheet as the officer(s) executing and/or delivering the same may require or approve, such approval to be conclusively evidenced by execution and delivery thereof in the case of the Loan Agreement, the Indenture and the Purchase Agreement.



**Section 5.** 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 Affiliates of such 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 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 6.** 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 each series of the Notes shall be as provided in the Indenture, as finally executed.

**Section 7.** The Notes 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 form set forth in and otherwise in accordance with the Indenture. The Notes, when 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 Notes by executing the Trustee’s certificate of authentication appearing thereon. The Trustee is hereby requested and directed to deliver the Notes, when duly executed and authenticated, to the Purchaser 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 Notes to the Purchaser, upon payment of the purchase price thereof.

**Section 8.** Issuance of the Notes shall be contingent upon a separate action by the Authority to dedicate to the Notes 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 Notes to be issued and delivered to finance certain costs of the New Project.

**Section 9.** Each officer of the Authority, acting alone, is hereby authorized and directed to do any and all ministerial acts that the officer may deem necessary or advisable in order to consummate the issuance, sale, delivery or remarketing of the Notes, and otherwise to effectuate the purposes of this Resolution and the Indenture, the Loan Agreement and the Purchase Agreement. The Authority hereby approves any and all documents to be delivered in furtherance of the foregoing purposes, including, without limitation, any certifications and one or more tax certificates.

**Section 10.** The provisions of the resolution of the Authority entitled “Resolution of the California Pollution Control Financing Authority Delegating Certain Powers and Authorizing Certain Actions Related to Bond Financings” adopted by the Authority on January 19, 2016 (the “Delegation Resolution”), apply to the documents and actions approved in this Resolution, and the provisions of such resolution are incorporated herein by reference. This Section 10 shall be deemed to refer to and incorporate any resolution of a similar nature adopted hereafter by the Authority which replaces or supersedes the Delegation Resolution. Without limiting the foregoing, the Executive Director of the Authority is delegated the authority to deliver on behalf of the Authority such instrument(s) as may

be contemplated or permitted by the Indenture to eliminate any restrictions on transfer of the Notes as contemplated or permitted in the Indenture.

**Section 11.** The Authority hereby approves and ratifies each and every action taken by its officers, agents, members and employees prior to the date hereof in furtherance of the purposes of this Resolution.

**Section 12.** This Resolution shall take effect immediately upon its passage. The adoption by the Authority of this 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**

**SUMMARY OF BOND TERMS**

<b>Name of Issue:</b>	California Pollution Control Financing Authority Variable Rate Demand Solid Waste Disposal Revenue Notes (California Waste Recovery Systems, LLC Project), Series 2017 (the “Notes”)
<b>Maximum Amount of Issue:</b>	\$29,755,000
<b>Issuer:</b>	California Pollution Control Financing Authority (the “Authority”), Sacramento, CA
<b>Borrower:</b>	California Waste Recovery Systems, LLC
<b>Trustee:</b>	The Bank of New York Mellon Trust Company, N.A.
<b>Underwriter:</b>	Not applicable
<b>Purchaser:</b>	MUFG Union Bank, N.A.
<b>Note Counsel:</b>	Orrick, Herrington & Sutcliffe LLP, San Francisco, CA
<b>Remarketing Agent:</b>	Not applicable
<b>Project:</b>	The New Project consists of the financing of (i) the acquisition, construction, improvement, renovation, rehabilitation and/or installation of buildings, with related permits, processing equipment and infrastructure to be located at either 175 Enterprise Court, Galt, CA 95632 or 10059 Twin Cities Road, Galt, A 95632; (ii) the acquisition, construction, improvement, renovation, rehabilitation and/or installation of buildings, with related permits, processing equipment and infrastructure to be located at 3524 Double Springs Road, Valley Springs CA 95252; (iii) the acquisition, improvement, renovation and/or installation of recyclables processing equipment, conveyors, and baler, and a depackaging system, including permits, processing equipment, pumps, baler and liquid storage tanks to be located at 175 Enterprise

Court, Galt, CA 95632; (iv) carts, containers, and bins within the Sacramento County, San Joaquin County and Calaveras County service areas; and (v) to pay associated costs of the financing. The Project also consists of the refunding of a prior series of the Authority's revenue bonds issued on behalf of the Company in 2012 (the "Refunded Bonds"). The Refunded Bonds were issued to finance similar costs as described in the prior paragraph, at the same locations.

<b>Maximum Note Term:</b>	Not to exceed 30 years
<b>Type of Sale:</b>	Negotiated sale; private placement
<b>Description of Minimum Denominations:</b>	Initially \$250,000 and any integral multiple of \$5,000 above that amount
<b>Financing Structure:</b>	Initially variable rate notes based upon LIBOR index, convertible to other variable or fixed rate modes. Notes will be transferable by Purchaser to either an affiliate of the Purchaser or, upon delivery of a purchaser letter, a "Qualified Institutional Buyer", as defined in Rule 144A of the Securities Act of 1933.
<b>Maximum Interest Rate:</b>	12%
<b>Letter of Credit:</b>	Not applicable
<b>Other Credit Enhancement:</b>	Not applicable
<b>Anticipated Note Rating:</b>	Unrated
<b>Type of Financing:</b>	Solid waste disposal revenue notes
<b>Prepared by:</b>	Robert Martz (925) 472-8746

**THE CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY**

**RESOLUTION NO. 14-147-20**

**A RESOLUTION TRANSFERRING A PORTION OF THE 2014 STATE CEILING  
ON QUALIFIED PRIVATE ACTIVITY BONDS FOR AN  
EXEMPT FACILITY PROJECT**

**WHEREAS**, the California Pollution Control Financing Authority (the “Authority”) has received an application (“Application”) from the California Waste Recovery Systems, LLC and/or its affiliates (“Project Sponsor”) for the dedication of a portion of the 2014 State Ceiling on Qualified Private Activity Bonds under Section 146 of the Internal Revenue Code of 1986, as amended, to finance a Project through the issuance of bonds or other obligations as specifically described in Exhibit A (“Project”) (capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Regulations of the California Debt Limit Allocation Committee (the “Committee”) implementing the Allocation of the State Ceiling on Qualified Private Activity Bonds);

**WHEREAS**, the Project Sponsor has represented and confirmed in its Application certain facts and information concerning the Project;

**WHEREAS**, in evaluating the Project and dedicating a portion of the State Ceiling on Qualified Private Activity Bonds to the Project Sponsor for the benefit of the Project, the Authority has relied upon the written facts and information represented in the Application by the Project Sponsor; and

**WHEREAS**, it is appropriate for the Authority to dedicate a portion of the 2014 State Ceiling on Qualified Private Activity Bonds in order to benefit such Project described in the Application;

**NOW, THEREFORE**, the California Pollution Control Financing Authority resolves as follows:

**Section 1.** There is hereby dedicated to the Project Sponsor an amount of the 2014 State Ceiling on Qualified Private Activity Bonds equal to **\$22,645,000** (“Allocation”). Such Allocation may be used only in connection with the issuance of bonds or other obligations to finance the Project, as specifically described in Exhibit A. All of the terms and conditions of Exhibit A are incorporated herein as though set forth in full (this resolution, together with Exhibit A are hereafter referred to collectively as this “Resolution”).

**Section 2.** The terms and conditions of this Resolution shall be incorporated in appropriate documents relating to the Bonds. The Project Sponsor, and all of its respective successors and assignees, will be bound by such terms and conditions. The Project shall be subject to the monitoring provisions of section 5144 of the Committee’s Regulations.

**Section 3.** The Allocation must be used by December 31, 2017.

**Section 4.** Within twenty-four (24) hours of using the Allocation to issue Qualified Private Activity Bonds to finance the Project, the Authority shall notify the Committee at CDLAC@treasurer.ca.gov that the Allocation has been used. This notice shall identify the Project Sponsor, the project, the date the Allocation was used, and the Allocation amount.

**Section 5.** Within fifteen (15) calendar days of the Bond closing, the Authority shall formally transmit to the Committee information regarding the issuance of the Bonds by submitting a completed Report of Action Taken in a form prescribed by and made available by the Committee.

**Section 6.** Any differences between the amount of Bonds issued and the amount of the Allocation in Section 1 of this Resolution shall automatically revert to the Authority.

**Section 7.** Authority staff is authorized and directed to transmit a copy of this Resolution to the Project Sponsor together with a request that the Project Sponsor retain a copy of this Resolution for the term of the Bonds. Authority staff is further directed to retain a copy of this Resolution in the files of the Authority for the same period of time.

**Section 8.** In consideration of the Allocation dedicated to the Project, 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 the Authority or the Committee through an action for specific performance or any other available remedy, provided however, that the Authority and the Committee agree not to take such action or enforce any such remedy that would be materially adverse to the Bondholders. In addition, the Project Sponsor shall ensure that the Bond documents, as appropriate, expressly provide that the Committee is a third party beneficiary of the terms and conditions set forth in this Resolution. The Committee may consent to changes in the terms and conditions set forth in this Resolution as changed circumstances may dictate.

**Section 9.** The Certification of Compliance II or equivalent form must be submitted by the Project Sponsor to the Authority by February 1, but no later than March 1st annually until the project's Certificate of Completion has been submitted to the Authority. The Authority is responsible for reporting to CDLAC by March 1 annually via the Online Compliance System until project completion. A copy of the Certification of Compliance II and Certificate of Completion form may be found at this website location: <http://www.treasurer.ca.gov/cdlac>. Failure to submit compliance may result in disqualification from future program participation.

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

**RESOLUTION NO. 14-147-20**  
**(EXEMPT FACILITY PROJECT)**  
**EXHIBIT A**

1. Application No.: 919(SB)
2. Project Sponsor California Waste Recovery Systems, LLC and/or its affiliates
3. Project User: Same as Project Sponsor
4. Project Name: California Waste Recovery Systems, LLC
5. Location:  
  
175 Enterprise Court  
Galt, CA 95632  
Sacramento County  
  
10059 Twin Cities Road  
Galt, CA 95632  
Sacramento County  
  
3524 Double Springs Road  
Valley Springs, CA 95252  
Calaveras County  
  
1065 East Turner Road  
Lodi, CA 95240  
San Joaquin County
6. Amount of Allocation: \$22,645,000
7. Pursuant to Section 5145(d) of the CDLAC Regulations, CDLAC must be designated in the bond documents to receive notice of changes in use and circumstances of Bond Default and Qualifying Bond Default.