

**CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY  
BOND FINANCING PROGRAM  
Meeting Date: June 15, 2021**

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

Prepared by: Alison French-Tubo

<b>Applicant:</b>	Bay Counties Waste Services, Inc., and/or its affiliates	<b>Final Resolution Amount Requested:</b>	\$23,010,000
		<b>New Money Requested:</b>	\$18,300,000
		<b>Refunding Amount Requested:</b>	\$4,710,000
		<b>Application No.:</b>	946 (SB)
<b>Project Location:</b>	Cities of Santa Clara and Sunnyvale (Santa Clara County) and/or throughout Santa Clara County	<b>Final Resolution No.:</b>	21-01-613
		<b>Prior Actions:</b>	IR 21-03 approved 4/12/21

**Summary.** Bay Counties Waste Services, Inc., and/or its affiliates (the “Borrower”) requests the approval of a Final Resolution for a total amount not to exceed \$23,010,000 in tax-exempt notes of which \$4,710,000 will be used to refund the Series 2017 Notes (the “Prior Notes”) previously issued by the California Pollution Control Financing Authority (the “Authority”). The new money amount of \$18,300,000 will be used for the purchase of new equipment, including but not limited to, California Air Resources Board (CARB) compliant collection trucks, rolling stock, containers and/or the construction of improvements to solid waste disposal facilities, including a fueling station (the “Project”).

**Borrower.** The Borrower is a corporation and was organized in California on August 18, 1960, for the purpose of providing residential collection and the transfer of solid waste for the City of Santa Clara and the County of Santa Clara. Additionally, the Borrower currently has a contract with the City of Sunnyvale to collect solid waste, recyclable materials and organic materials. The Borrower has two operating divisions: Bay Counties SMaRT and Specialty Solid Waste & Recycling. Thomas Road Venture Group, LLC, has the same ownership as the Borrower and owns real property that it leases to the Borrower. The Borrower is a small business. Between the two operating divisions and the Thomas Road Venture Group, LLC, there are 189 employees in total.

The principal stockholders of the Borrower are as follows:

Robert J. Molinaro, Trustee	28.2%
Anthony Macchiano, Trustee	12.7%
William Dobert, Trustee	9.1%
Michael Achiro, Trustee	5.0%
Joanne Bortoli, Trustee	5.0%

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Douglas Button, Trustee	5.0%
Paul Formosa, Trustee	5.0%
Ron Fornesi, Trustee	5.0%
Richard Gotelli, Trustee	5.0%
Jerry Nabhan, Trustee	5.0%
John Rossi, Trustee	5.0%
Craig Stagnaro Trust	5.0%
Stephanie Uccelli-Menner	<u>5.0%</u>
<b>Total:</b>	<b><u>100%</u></b>

In addition to their partial ownership of the Borrower, Mr. Molinaro and Mr. Macchiano own Pleasanton Garbage Service, Inc. In addition to their partial ownership of the Borrower, Mr. Achiro, Mr. Button, Mr. Formosa, Mr. Fornesi, Mr. Nabhan and Mr. Rossi own a majority of the shares in South San Francisco Scavenger Co., Inc. The shareholders of the Borrower listed above also own greater than a majority interest in each of the following companies: Alameda County Industries, Inc.; Alameda County Industries AR, Inc.; Alameda County Industries, LLC; Alameda County Industries CV, Inc.; Alameda County Industries of San Ramon, Inc.; Mission Trail Waste Systems, Inc. and Santa Clara Valley Industries, LLC. However, according to the Borrower, none of these companies have shared financial obligations or major equipment with the Borrower, so they are not considered by the Authority to be affiliates for the purpose of tabulating the number of employees to determine small business status.

**Legal Status Questionnaire.** The Authority staff has reviewed the Borrower's responses to the questions contained in the Legal Status Questionnaire portion of the Application. The information disclosed in the Legal Status Questionnaire portion of the Application does not raise concerns regarding the financial viability or legal integrity of this applicant.

**Tax Equity and Fiscal Responsibility Act (TEFRA).** The TEFRA hearing was held on May 14, 2021. There were no comments received in support of or in opposition to the Project.

**Fees.** The Borrower has paid an application fee of \$5,000 and will pay an administrative fee of up to \$31,600 at closing. Additionally, the Borrower will pay the Authority's actual costs, including, but not limited to, applicable Issuer's Counsel fees, Agent for Sale fees and staff costs for the refunding portion of the transaction, in lieu of the Authority's usual refunding fee.

**Small Business Assistance Fund (SBAF) Eligibility.** The SBAF, established in Section 8041 of Division 11 of Title 4 of the California Code Regulations, is funded by fees collected from large-business borrowers with more than 500 employees to help offset the costs of issuance for small businesses that participate in the program. The SBAF assistance is available on a sliding scale to small-business borrowers, defined in Section 8020(l) of Division 11 of Title 4 of the California Code of Regulations as those who employ no more than 500 employees, unless the par amount of the bond issue is

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above \$13,750,000. The Borrower is a small business, but it is not eligible for assistance from the Small Business Assistance Fund due to the par amount of the note issue.

**Prior Financings.** Prior financings of the Borrower and its affiliates are listed below.

Description	Date of Note Issue	Original Amount	Amount Outstanding as of 4/30/2021
Specialty Solid Waste & Recycling 2001A	5/17/2001	\$10,920,000	\$0
Bay Counties Waste Services Series 2007A	8/15/2007	5,310,000	0
Bay Counties Waste Services Inc., Series 2011A	8/10/2011	20,100,000	0
Bay Counties SMART Series 2014	11/25/2014	8,820,000	0
Bay Counties Waste Services, Inc., 2017	6/7/2017	<u>23,290,000</u>	<u>4,710,000</u>
<b>TOTALS:</b>		<b><u>\$68,440,000</u></b>	<b><u>\$4,710,000</u></b>

**Project Description.** The Borrower’s Specialty Solid Waste & Recycling division presently provides solid waste collection in the City of Sunnyvale. The City of Sunnyvale recently granted the Borrower a new agreement for a 10-year term commencing July 1, 2021, with an option to extend for an additional five years subject to a favorable performance review. The Borrower plans to upgrade its compressed natural gas (CNG) fueling station and purchase additional CARB-compliant trucks, rolling stock and containers. The Project will be known as Specialty Solid Waste & Recycling.

The anticipated Project costs are listed below:

<b>Project and Issuance Costs</b>	<b>To Be Paid from Note Proceeds</b>
Trucks	\$6,886,459
Rolling Stock for SMaRT	5,340,865
Containers	2,883,211
Fueling Station Improvements	2,103,065
Additional Solid Waste Equipment	<u>720,400</u>
Subtotal Project Costs	<u>\$17,934,000</u>
Refinancing of 2017 Notes	\$4,710,000
Financing Costs	<u>366,000</u>
<b>Total</b>	<b><u>\$23,010,000</u></b>

Note: The Project costs reported in the Borrower’s application and shown here in the Authority staff’s report are estimated costs. At the time this financing closes, the

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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 the increased costs of certain components of the Project from original estimates, and other reasons. In addition, those costs may vary after closing due also to increased costs, as well as design and equipment modifications during construction, differences in equipment due to future changes in statutes and regulations or for other reasons. However, the Borrower confirms, through the submission of a signed application and will confirm through covenants and representations in various note documents, that all assets purchased with note proceeds will qualify for tax-exempt financing, they will be used to complete the Project as described and 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 Project commenced in May 2021 and is expected to be completed by December 31, 2023.

**California Debt Limit Allocation Committee (CDLAC) Volume Cap Allocation.** The Authority has applied on the Borrower's behalf to CDLAC for an exempt facility allocation in an amount not to exceed \$18,300,000 to be considered at its June 16, 2021, meeting.

**Local Government.** The Borrower received a letter of support from David Krueger, Solid Waste Programs Division Manager of the City of Sunnyvale (see Attachment A).

**Pollution Control and/or Environmental Benefits.** The Borrower states that the Project "is in direct response to [the Borrower's] efforts to help the municipal governments who [they] serve comply with the regulatory mandates of California Public Resources Code Section 40000 et. seq. ("AB 939"), ("AB 32"), and ("SB 1383")." The Borrower represents that the Project will generate the pollution control and environmental benefits described below.

**Air Quality.** The Borrower states, "The Project sponsor is purchasing new CNG fueled collection vehicles, thereby avoiding particulate matter associated with alternative types of vehicles such as diesel fueled. There is also a possibility that the City of Sunnyvale would like to use electric trucks. Electric trucks would offer emission-less operation, therefore reducing pollution in the air, and allow for less social impact."

**Water Quality.** The Borrower states, "The facility operates on a concrete surface, not on exposed ground areas. This prevents any seepage of undesirable materials into the ground water. The facility is in close proximity to the San Francisco Bay and the new paving and landscaping will assist in mitigating water pollution. In addition, the CNG fueled vehicles will create less particulate matter as compared to a diesel fueled vehicle which will reduce the particulate pollution that may end up in the ocean and other area creek beds and streams."

**Energy Efficiency.** The Borrower states, “New equipment is more energy efficient and CNG is primarily a domestically produced product that will reduce our dependence on foreign oil. Potentially using electric trucks would eliminate the burning of thousands of gallons of diesel fuel per truck per year. In addition, these trucks would likely have regenerative braking systems so they would not burn out brake pads multiple times per year as current trucks do.”

**Safety and Compliance.** The Borrower states, “The Project will be compliant with all state and local mandates.”

**Consumer Cost Savings and Efficiencies.** The Borrower states, “In determining the [Borrower’s] proposed rate structure for its franchise city its capital costs considered the use of tax-exempt financing. The lower cost of tax-exempt financing and the increase in operating efficiency of the new equipment will provide greater flexibility as far as future rate structures.”

**Permitting and Environmental Approvals.** The Borrower has provided a signed letter from William Dobert, Chief Financial Officer of Bay Counties Waste Services, Inc., articulating that the Project is consistent with its existing zoning and permit requirements. The Borrower represents that the Project does not require a new review under the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources code) process nor does it require any additional discretionary permits.

**Financing Details.** The Borrower anticipates a direct bank purchase of negotiated tax-exempt notes with Comerica Bank, which is a Qualified Institutional Buyer (QIB) as defined in SEC Rule 144A 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 note in whole or, with the consent of the Authority, in part. The target date for financing is July 22, 2021.

For state law purposes, the notes will be delivered (“drawn down”) incrementally. For federal tax law purposes, since at least \$50,000 of the notes will be delivered on the initial closing date, the entire \$18,300,000 will be deemed issued at closing and will receive the full amount of volume cap allocation dedicated to the notes. The Borrower has advised the Authority that this structure will provide significant cost savings to the Borrower.

**Financing Team.**

<b>Municipal Advisor to the Borrower:</b>	Westhoff, Cone & Holmstedt
<b>Note Counsel:</b>	Law Offices of Leslie M. Lava
<b>Issuer’s Counsel:</b>	Office of the Attorney General
<b>Direct Bank Purchaser:</b>	Comerica Bank
<b>Trustee:</b>	The Bank of New York Mellon Trust Company, N.A.

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**Staff Recommendation.** Staff recommends the approval of Final Resolution No. 21-01-613 for a total amount not to exceed \$23,010,000 for Bay Counties Waste Services, Inc., and/or its affiliates.

Attachment A



April 8, 2021

Ms. Nancee Robles  
Interim Executive Director  
California Debt Limit Allocation Committee  
915 Capitol Mall, Room 311  
Sacramento, CA 95814

SMART Station +  
301 California  
Sunnyvale, CA 94086  
TEL: 916 408-7300  
SUNNYVALE.CA.GOV

**Re: California Debt Limit Allocation Committee, Exempt Facility Approvals  
Bay Counties Waste Services, Inc. Project**

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Dear Ms. Robles:

I write to you today on behalf of Bay Counties Waste Services, Inc. relating to their environmental project for which approval will be requested at the next California Debt Limit Allocation Committee ("CDLAC") meeting.

My staff and I have worked with the management of Bay Counties Waste Services, Inc. over the last few years in their development and permitting of the proposed project and they now are ready for final approval of the financing. 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.

We and Bay Counties Waste Services, Inc. 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 Sunnyvale, I ask you to approve the Bay Counties Waste Services, Inc. Project at your next meeting. Thank you.

Sincerely,

*David Krueger*

David Krueger  
Solid Waste Programs Division Manager  
City of Sunnyvale

Cc: Ramana Chinnakotla, Director of Environmental Services

Heart of Silicon Valley™

**FINAL RESOLUTION OF THE  
CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY  
AUTHORIZING THE ISSUANCE OF REVENUE NOTES FOR  
NEW MONEY AND REFUNDING PURPOSES FOR THE  
SOLID WASTE DISPOSAL AND RECYCLING FACILITIES AND EQUIPMENT  
OF BAY COUNTIES WASTE SERVICES, INC., AND/OR ITS AFFILIATES**

**June 15, 2021**

**WHEREAS**, the California Pollution Control Financing Authority (the “Authority”) has received the application of Bay Counties Waste Services, Inc., and/or its affiliates (the “Borrower”) for financial assistance to finance or refinance (i) the acquisition and installation, if any, of solid waste equipment, including, without limitation, rolling stock, to be located at 3355 Thomas Road, Santa Clara, California 95054 (the “Thomas Road Site”), 301 Carl Road, Sunnyvale, California 94089 (the “Carl Road Site”) and/or with customers in incorporated, including without limitation, Sunnyvale, and unincorporated Santa Clara County, California (the “County”); and (ii) the construction of improvements to a fueling station located at the Thomas Road Site; all as more particularly described in the Term Sheet attached hereto as Exhibit A and incorporated herein (the “Term Sheet”) (collectively, the “2021 Project”); and

**WHEREAS**, the Authority has previously issued its California Pollution Control Financing Authority Variable Rate Demand Solid Waste Disposal Revenue Notes (Bay Counties Waste Services, Inc., Project) Series 2017 (the “Prior Notes”); and

**WHEREAS**, the Borrower now wishes to refund the Prior Notes, which (i) financed or refinanced the acquisition and installation, if any, of equipment for the collection, processing, transfer and recycling of solid waste, including rolling stock, collection vehicles, carts, pails, bins, containers and other equipment functionally related thereto, located at the Thomas Road Site, the Carl Road Site and/or with customers in incorporated and unincorporated portions of the County; and (ii) refunded two outstanding Authority revenue bond issues that financed or refinanced (a) the acquisition of land, the acquisition and installation, if any, of equipment, rolling stock and vehicles for the collection, processing and transfer of solid waste and other equipment functionally related thereto located at the Thomas Road Site and/or the acquisition of drop boxes, bins, carts and containers located with customers throughout the County; and (b) the acquisition and installation, if any, of equipment, rolling stock and vehicles for the processing and transfer of solid waste, including without limitation, screens, conveyors, sorters, forklifts and loaders, and other equipment functionally related thereto, located at the Carl Road Site; all as more particularly described in the Term Sheet (the “Prior Project” and, together with the 2021 Project, the “Project”); and

**WHEREAS**, the Borrower has requested the Authority to issue its revenue notes from time to time in an amount not to exceed \$23,010,000 to assist in the financing or refinancing of the 2021 Project and the refunding of the Prior Notes; and



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**WHEREAS**, the Borrower has applied for an allocation to finance the 2021 Project and certain costs of the issuance of the Notes in the aggregate amount of \$18,300,000, from the California Debt Limit Allocation Committee (“CDLAC”) (the “Allocation”); and

**WHEREAS**, the Borrower has requested that such revenue notes be delivered in installments as described in the hereinafter referred indenture; and

**WHEREAS**, the proceeds of such revenue notes will be loaned to the Borrower under the hereinafter referred loan agreement with the Authority; 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 documentation to the Authority demonstrating that the Project has complied with the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) or is not a project under that division;

**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 (Division 27 (commencing with Section 44500) of the Health and Safety Code) (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 (Bay Counties Waste Services, Inc. Project) Series 2021” (the “Notes”), or such alternate designation as may be approved by the Executive Director or the Deputy Executive Director of the Authority, in an aggregate principal amount not to exceed \$23,010,000, are hereby authorized to be issued. The Notes may be issued at one time, or from time to time, in one or more series or sub-series separately or differently identified, and may be issued in a tax-exempt mode, all 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 or refinance the 2021 Project (including without limitation, reimbursing the Borrower for qualifying costs incurred for the 2021 Project prior to the issuance of the Notes), to refund the Prior Notes and to pay certain costs of issuance of the Notes. The Notes may be issued as a single issue for federal tax purposes with delivery of the Notes against proceeds done in periodic installments under a draw down mechanism.

**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, 2021, by negotiated sale, at such price and at such interest rate or rates as the Treasurer may determine, such determination to be as set forth in the hereinafter

referred to Purchase Contract. Delivery of the Notes at such times to be determined by the Authority pursuant to documents approved in Section 4 hereof, is hereby approved.

**Section 4.** The following documents:

- (i) a loan agreement relating to the Notes (the “Loan Agreement”) between the Authority and the Borrower;
- (ii) an indenture relating to the Notes (the “Indenture”) between the Authority and the trustee named in the Term Sheet (the “Trustee”);
- (iii) a note purchase contract relating to the Notes (the “Purchase Contract”) among the Authority, the Treasurer, as agent for sale, and the bank named in the Term Sheet, as purchaser (the “Purchaser”), and as approved by the Borrower; and
- (iv) a first supplemental indenture relating to the Prior Notes (the “First Supplemental Indenture” between the Authority and the Borrower;

are hereby approved in substantially the forms on file with the Authority prior to this meeting, with such insertions, deletions or changes therein 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.

**Section 5.** Any modification to the 2021 Project made prior to the issuance of the Notes shall be reported to the Executive Director of the Authority, and such modification shall be subject to further approval by the Authority.

**Section 6.** Any material changes to the note sale structure prior to the issuance of the Notes are subject to further approval by the Authority.

**Section 7.** 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 that 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 8.** 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 Notes shall be as provided in the Indenture, as finally executed.

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**Section 9.** The Notes shall be executed by the manual or facsimile signature of the Chair or any Deputy to the Chair 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 10.** The Authority hereby dedicates and confirms the Allocation to the Notes of \$18,300,000 to be received from CDLAC, if approved, to finance or refinance certain costs of the 2021 Project and to pay certain costs of the issuance of the Notes, so as to satisfy the requirements of Section 146(e) of the Internal Revenue Code of 1986, with respect to the Notes. The Allocation shall automatically revert to CDLAC unless the Authority has executed the Notes on behalf of the Borrower by the close of business one hundred eighty (180) days from the date of the approval of the Allocation. The Executive Director of CDLAC may approve an extension of up to ninety (90) days, which approval shall not be unreasonably withheld. This extension will result in a forfeiture of the 2021 Project's performance deposit to the extent that the performance deposit has not previously been forfeited. The Authority shall return any unused Allocation to CDLAC.

**Section 11.** 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 or delivery of the Notes, and otherwise to effectuate the purposes of this Resolution and the Indenture, the Loan Agreement, the Purchase Contract and the First Supplemental Indenture. The Authority hereby approves any and all documents to be delivered in furtherance of the foregoing purposes, including without limitation, any certifications, including, a tax certificate.

**Section 12.** 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," Resolution No. 21-01-001, adopted by the Authority on January 19, 2021 (the "Delegation Resolution"), apply to the documents and actions approved in this Resolution, and the provisions of Resolution No. 21-01-001 are incorporated herein by reference. This Section 12 shall be deemed to refer to and incorporate any resolution of a similar nature adopted hereafter by the Authority that replaces or supersedes the Delegation Resolution.

**Section 13.** The provisions of the Initial Resolution No. 21-03, approved by the Interim Executive Director of the Authority, on behalf of the Authority, on April 12, 2021, pursuant to his delegation authority, apply to the documents and actions approved in

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this Resolution, and the provisions of such resolution are incorporated herein by reference.

**Section 14.** The Certification of Compliance II or equivalent form must be submitted by the Borrower to the Authority by February 1 annually, until the Certificate of Completion has been submitted to the Authority, as provided in the Loan Agreement. These forms may be found at this website location: <http://www.treasurer.ca.gov/cdlac>. A failure to demonstrate compliance may result in the disqualification from future allocations of the State Ceiling on Qualified Private Activity Bonds.

**Section 15.** The Loan Agreement, Indenture and Purchase Contract expressly provide that CDLAC is a third-party beneficiary of the terms and conditions set forth in CDLAC's Resolution. Once the Notes are executed and delivered, the terms and conditions set forth in CDLAC's Resolution shall be enforceable by CDLAC through an action for specific performance or any other available remedy.

**Section 16.** 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 17.** 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

<b>Name of Issue:</b>	California Pollution Control Financing Authority Variable Rate Demand Solid Waste Disposal Revenue Notes (Bay Counties Waste Services, Inc. Project) Series 2021 (the "Notes")
<b>Maximum Amount of Issue:</b>	\$23,010,000 (tax-exempt)
<b>Issuer:</b>	California Pollution Control Financing Authority (the "Authority") Sacramento, CA
<b>Borrower:</b>	Bay Counties Waste Services, Inc. Santa Clara, CA
<b>Purchaser:</b>	Comerica Bank San Jose, CA
<b>Note Counsel:</b>	Leslie M. Lava, Esq. Tiburon, CA
<b>Trustee:</b>	The Bank of New York Mellon Trust Company, N.A. Los Angeles, CA
<b>Underwriter:</b>	Not applicable
<b>Remarketing Agent:</b>	Not applicable
<b>Project:</b>	(1) Finance or refinance (i) the acquisition and installation, if any, of solid waste equipment, including, without limitation, rolling stock, to be

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located at 3355 Thomas Road, Santa Clara, California 95054 (the "Thomas Road Site"), 301 Carl Road, Sunnyvale, California 94089 (the "Carl Road Site") and/or with customers in incorporated, including without limitation, Sunnyvale, and unincorporated Santa Clara County, California (the "County"); and (ii) the construction of improvements to a fueling station located at the Thomas Road Site; and (2) refund two outstanding Authority revenue bond issues which financed or refinanced (i) the acquisition of land, the acquisition and installation, if any, of equipment, rolling stock and vehicles for the collection, processing and transfer of solid waste and other equipment functionally related thereto located at the Thomas Road Site and/or the acquisition of drop boxes, bins, carts and containers located with customers throughout the County; and (ii) the acquisition and installation, if any, of equipment, rolling stock and vehicles for the processing and transfer of solid waste, including without limitation, screens, conveyors, sorters, forklifts and loaders, and other equipment functionally related thereto, located at the Carl Road Site.

**Maximum Note Term:**

Not to exceed 31 years

**Type of Sale:**

Negotiated sale; direct purchase by Purchaser

**Description of Minimum Denominations:**

\$250,000 or any integral multiple of \$5,000 in excess thereof during index interest rate period (initial period)

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<b>Financing Structure:</b>	Index interest rate notes deliverable in installments using a draw down mechanism, convertible to term interest rate or weekly variable rate with tender option pursuant to the Indenture; transferrable by Purchaser to either an affiliate of the Purchaser or, upon delivery of a letter of representation, a "Qualified Institutional Buyer", as defined in Rule 144A of the Securities Act of 1933, as amended
<b>Maximum Interest Rate:</b>	Lesser of 12% or the maximum rate permitted by law
<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>	Leslie M. Lava, Esq. Law Offices of Leslie M. Lava (415) 331-6464