

CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
 Public Benefit Analysis
 Exempt Facility Project Pool
 May 19, 2005 Allocation

Exempt Facility Bonds are tax-exempt private activity bonds that are issued by state and local governmental agencies to finance primarily solid waste disposal and waste recycling facilities. The tax-exempt bonds provide facility owners with low cost financing in the form of lower interest rate than a conventional loan. The interest rate savings enable the project owners to maintain lower customer rates, minimize customer rate increases, or increase environmental benefits, while at the same time assisting the communities they serve to meet their mandated requirements to protect and enhance the environment. Exempt facility projects also benefit their communities by creating new jobs. Under the leadership of State Treasurer Philip Angelides, the Committee has prioritized the award of allocation to smaller companies in order to assist their communities to meet their environmental mandates.

The California Debt Limit Allocation Committee (“Committee”) is responsible for administering California’s annual tax-exempt private activity bond program, known as “the annual State ceiling”. For calendar year 2005, California’s State ceiling is \$2.871 billion. Each year the Committee divides the annual State ceiling among several bond programs, known as “Program Pools”, including the Exempt Facility Project Pool. For calendar year 2005, the Committee reserved \$250,000,000, or 8.7%, of the State ceiling for the Exempt Facility Project Pool. The \$250,000,000 of bond authority will be allocated throughout the 2005 calendar year. There are four categories that the Committee uses to prioritize its allocation to exempt facility projects: 1) First Tier Business¹ under Regulatory Mandate², 2) Non-first Tier Projects under Regulatory Mandate, 3) Businesses, other than First Tier Businesses, Under Regulatory Mandate, 4) All other Applications for Exempt Facilities.

On May 19, 2005, the Committee approved the California Pollution Control Financing Authority to utilize its 2004 Carryforward Bond Authority for two exempt facility projects totaling \$37,275,000. Both of the projects are First Tier Projects under Regulatory Mandate and are solid waste disposal and/or recycling facilities, which include the construction of new facilities or the expansion of existing facilities, and the purchase of more efficient and cleaner fuel burning equipment. In addition, 100 full time jobs are expected to be created as a result of these allocations.

May 19, 2005 Allocation - Benefit of Exempt Facility Program

Allocation Amount March 16	First Tier Projects Under Regulatory Mandate	Non-First Tier Projects Under Regulatory Mandate	Total Exempt Facility Projects
\$37,275,000	2	0	2

¹ “First Tier Business” means (1) a business that (a) is primarily engaged in the collection, recycling, transportation, and/or disposal of solid waste, (b) is a privately-held or employee-owned entity whose ownership interests are not available to members of the public, and (c) has fewer than 3,000 employees (together with affiliates), based on the average employees per pay period during the most recent twelve (12) months before submittal of an Application; or (2) a business which is not primarily engaged in the collection, recycling, transportation, and/or disposal of solid waste that is classified as a small business under regulations of the California Pollution Control Financing Authority (CPCFA) (Title 4, California Code of Regulations, Sections 8001-8083).

² “Regulatory Mandate” means a local, state or federal government mandate such as the California Public Resources Code, Section 40000 et seq. (“AB 939”), a local public health department notice and order, a Regional Water Quality Control Board issued cease and desist order, or similar directive.

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First Tier Projects Under Regulatory Mandate	Allocation Amount	Description of Project and Benefits
BLT Enterprises of Fremont, Inc. or BLT Enterprises of Fremont, LLC, dba Fremont Recycling and Transfer Station	\$30,375,000	The proposed Project involves the construction of a new non-hazardous solid waste transfer station and Materials Recycling Facility (MRF) with the capacity of processing up to 2,400 tons of municipal solid waste and recyclables per day in the City of Fremont. The Project will include a transfer building with material recovery, two scale houses with three scales, a maintenance shop and an office/visitor center. Adjacent to the transfer station, a MRF will be constructed. All related facilities will total approximately 211,000 square feet. In addition, equipment to be purchased will include loaders, sweepers, forklifts, balers, scales, conveyors, and office and transportation equipment. The proposed Project will assist the Cities of Fremont, Newark and Union City comply with AB 939 goals. The Project Sponsor estimates that the proposed project will create 100 full time jobs and 50 temporary jobs during construction.
Amador Valley Industries, LLC	\$6,900,000	Amador Valley Industries, LLC provides solid waste collection, hauling and disposal, and recycling. The Project Sponsor and the City of Dublin have entered into a new franchise agreement for the collection and disposal of residential and commercial solid waste. The proposed Project consists only of the purchase of equipment, such as new compressed natural gas collection vehicles and other support vehicles, waste containers, bins and drop boxes, furnishing and equipment, and carts. The Project Sponsor anticipates that the proposed Project will increase efficiency in the recovery of recyclable materials and will assist the City of Dublin in complying with AB 939.