

CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

Public Benefit Analysis Exempt Facility Project Pool September 26, 2007 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 or minimize customer rate increases, 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 the communities by creating new jobs.

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 2007, California’s State ceiling is \$3.098 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 2007, the Committee reserved \$430.28 million, or 13.9%, of the State ceiling for the Exempt Facility Project Pool. The \$430.28 million of bond authority will be allocated in five allocation rounds during calendar year 2007. 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, and 4) All other Applications for Exempt Facilities.

The Committee awarded a total of \$2,700,000 for exempt facilities on September 26, 2007. This represents .6% of the \$430.28 million Exempt Facility Project Pool and .08% of the 2007 \$3.098 billion State ceiling. The September 26, 2007 allocation was awarded to one issuer, the California Pollution Control Financing Authority for one exempt facility project. The project is a First Tier Project under Regulatory Mandate. The project is a solid waste disposal and/or recycling facility, which includes the construction of new facility or the expansion of existing facility, and the purchase of more efficient and cleaner fuel burning equipment.

September 26, 2007 Allocation Benefit of Exempt Facility Program

Allocation Amount Round 3	First Tier Project Under Regulatory Mandate	Non-First Tier Project Not Under Regulatory Mandate	Total Exempt Facility Projects
\$2,700,000	1	0	1

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.

**September 26, 2007 Allocation
Public Benefit Analysis**

First Tier Projects Under Regulatory Mandate	Allocation Amount	Description of Project and Benefits
Raisch Company	\$2,700,000	<p>According to the application, the proposed Project will consist of the acquisition of a new mobile plant for recycling waste concrete and asphalt materials; and the purchase of related equipment: conveyors, hoppers, crushers, sorters, screens, trailers and a generator. The Project will replace an existing out-dated mobile recycling plant; thus allowing the Project Sponsor to increase the amount of waste material recycled. The Project Sponsor operates several locations where construction and demolition waste concrete and asphalt are delivered by contractors, governmental agencies, and local residents. The waste accumulates at each location. The mobile plant travels to each location and converts the accumulated waste into materials that are usable in road building and other construction uses. In addition, the mobile plant can be used at construction sites where large amounts of waste materials are generated. Communities in the Counties of Santa Clara and Southern Alameda will be served. The Project Sponsor currently recycles in excess of 400,000 tons of waste concrete and asphalt annually. The Project is in direct response to AB 939.</p>