

**CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY  
BOND FINANCING PROGRAM  
Meeting Date: March 15, 2016**

*Request to Approve Final Resolution Authorizing the Issuance of New and Refunding  
Revenue Notes, Small Business Assistance Fund (SBAF)  
Costs of Issuance Assistance and Tax-Exempt Volume Cap Allocation*

Prepared by: *Andrea Gonzalez*

<b>Applicant:</b> Alameda County Industries, Inc. and/or its Affiliates	<b>Final Resolution Amount Requested:</b> \$16,580,000
<b>Project Location:</b> City of San Leandro (Alameda County)	<b>Allocation Amount Requested:</b> \$3,780,000
	<b>Application No.:</b> 883(SB)
	<b>Final Resolution No.:</b> 552
	<b>Prior Actions:</b> IR 16-01 approved 1/19/2016

**Summary.** Alameda County Industries, Inc. and/or its Affiliates (“ACI” or the “Company”) requests approval of a Final Resolution for an amount not to exceed \$16,580,000, Volume Cap Allocation for an amount not to exceed \$3,780,000 and assistance from the Small Business Assistance Fund (SBAF) in the amount of \$190,480.

The Company intends to refund two Solid Waste Disposal Revenue Bonds previously issued by CPCFA in the amount of \$12,800,000 (the “Refunding Portion of the Financing”) Series 2000A and Series 2012 Bonds. The Company also intends to finance or refinance the construction of improvements to an existing materials recovery facility (MRF) and the acquisition and installation, if any, of related equipment for the processing, transfer and recycling of solid waste (the “New Money Portion of the Financing”).

**Borrower.** The Company provides refuse collection and disposal services to customers throughout Alameda County. Additionally, the Company owns and operates a MRF in the City of San Leandro. The Company is a small business and was organized in April of 1999. ACI has approximately 104 employees.

Shareholders and operators of the Company also own and operate other solid waste, recycling and transfer station facilities throughout California. These other facilities include Pleasanton Garbage Service, Inc., Amador Valley Industries, LLC, Bay Counties Waste Services, Inc. dba Specialty Solid Waste & Recycling, South San Francisco Scavenger Co., Inc., Mission Trail Waste Systems, Inc., Peninsula Sanitary Service, Garden City Sanitation, Inc. and Livermore Sanitation, Inc.

The principal stockholders of the Company are as follows:

Louis Pellegrini	27.0833%
Robert J. Molinaro and Carol E. Molinaro, Trustees	13.5875%
Anthony Macchiano and Shirley Macchiano, Trustees	6.7936%
Kent Kenney and Cheryl Kenney, Trustees	6.2500%
Brian E. Storti and Linda S. Storti, Trustees	4.0763%

**Agenda Item 4.B.**

Michael Achiro, Trustee	4.1667%
Edward Bortoli and Robin Marie Bortoli, Trustees	4.1667%
Douglas H. Button and MaryAnn L. Button, Trustees	4.1667%
Paul R. Formosa and Julie A. Formosa, Trustees	4.1667%
Ronald Fornesi and Tamara L. Fornesi, Trustees	4.1667%
Jerry P. Nabhan and Julie Ann Nabhan, Trustees	4.1667%
John F. Rossi, Trustee	4.1667%
Stephanie Uccelli-Menner	4.1667%
William J. Dobert and Lynn C. Dobert, Trustees	3.9972%
Various Less than 3%	<u>4.8788%</u>
<b>Total:</b>	<b><u>100.000%</u></b>

**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 in the Legal Status portion of the Application that raises questions concerning the financial viability or legal integrity of this applicant.

**TEFRA.** The TEFRA hearing was held on February 11, 2016. There were no comments received in support of or in opposition to the New Money Portion of the Financing or the Refunding Portion of the Financing.

**Fees.** The Company has paid an application fee of \$5,000 and will pay an administrative fee of \$28,160 at closing.

**SBAF Assistance.** The Company is a small business eligible for assistance from the SBAF in an amount not to exceed \$190,480. The SBAF calculation is based on the new debt bond issue amount of \$3,780,000.

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

Description	Date of Bond Issue	Original Amount	Amount Outstanding as of 2/17/2016
Santa Clara Valley Industries, LLC Series 1998A	3/04/1998	\$8,495,000	\$420,000
Alameda County Industries, LLC Series 2000A	5/24/2000	10,310,000	3,330,000*
Mission Trail Waste System, Inc.	5/17/2001	3,500,000	180,000
Garden City Sanitation, Inc. Series 2009A	12/23/2009	33,000,000	21,350,000
Garden City Sanitation, Inc. Series 2009B	12/23/2009	10,000,000	5,065,000
Alameda County Industries, LLC Series 2010A	8/04/2010	2,460,000	2,460,000**
Mission Trail Waste Systems, Inc. Series 2010A	8/11/2010	15,700,000	8,670,000
Bay Counties Waste Services, Inc. Series 2011A	8/10/2011	20,100,000	14,620,000
Alameda County Industries AR, LLC Series 2012	12/05/2012	10,275,000	10,275,000
Bay Counties SMaRT Series 2014	10/15/2014	8,820,000	8,820,000
<b>TOTALS:</b>		<b><u>\$122,660,000</u></b>	<b><u>\$75,190,000</u></b>

- \* \$805,000 to be redeemed on 3/2/2016
- \*\* \$2,460,000 to be redeemed on 3/3/2016

**Background.** On May 24, 2000, CPCFA issued the Series 2000A Bonds in the amount of \$10,310,000. The Series 2000A Bonds financed the construction and equipping of a solid waste transfer station/MRF and affiliated space to include a storage area for recycled materials, a buy back center and employee parking.

On December 5, 2012, CPCFA issued the Series 2012 Bonds in the amount of \$10,275,000. The Series 2012 Bonds financed and refinanced the construction of improvements to a MRF, including, a compressed natural gas (CNG) fueling station, the construction of site improvements, and the acquisition and installation of CNG collection vehicles. The Company also purchased rolling stock and other related equipment for the collection, processing, transfer and recycling of solid waste.

All projects are complete and staff has received project completion certifications.

**Current Request.** The Company requests approval of a Final Resolution to refund the outstanding Series 2000A Bonds and 2012 Bonds (the “Prior Bonds”) in the aggregate principal amount of \$12,800,000. ACI also requests approval of Volume Cap Allocation in the amount of \$3,780,000 to finance or refinance the construction of MRF improvements and the acquisition and installation, if any, of new rolling stock, storm water equipment for the collection, processing, transfer and recycling of solid waste.

The anticipated project and issuance costs are listed below:

Construction of MRF Improvements and Acquisition and Installation, if any, of New Equipment	\$3,704,400
Bond Issuance Expenses	75,600
Refunding of Prior Bonds	<u>12,800,000</u>
<b>Total</b>	<b><u>\$16,580,000</u></b>

*Note: The project costs reported in the Company’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 Company 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 New Money Portion of the Financing commenced in March 2016 and is expected to be substantially completed by December 31, 2016.

## **Agenda Item 4.B.**

**Local Government.** The Company received a letter of support from Pauline Russo Cutter, Mayor, City of San Leandro (see Attachment A).

**Pollution Control and/or Environmental Benefits.** The Company represents the New Money Portion of the Financing will generate the pollution control and environmental benefits described below.

**Air Quality.** Air quality is expected to be enhanced with the full implementation of the proposed project because the MRF improvements are largely designed to reduce dust and odor emissions.

**Water Quality.** 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 not in close proximity to environmentally sensitive wetland and coastal areas that could be affected by pollution. In addition, the Company will be making improvements to its storm water collection system to reduce contaminants from run off.

**Energy Efficiency.** All equipment associated with this project is designed to significantly increase efficiencies over previous older models currently in use.

**Recycling of Commodities.** Updates and improvements to the Company's MRF is expected to increase in waste diversion from the landfill.

**Safety and Compliance.** The project will comply with all State and local mandates.

**Consumer Cost Savings and Efficiencies.** The project will enhance the Company's operating efficiencies, thereby providing greater flexibility in establishing future rate structures.

**Permitting and Environmental Approvals.** Since the Company will be financing the purchase of equipment and MRF improvements at its existing location, the Company represents that no additional discretionary permits or approvals are required for the development of this project. The project is consistent with existing zoning and permits.

**Financing Details.** The Company anticipates a direct bank purchase of negotiated tax-exempt notes with Bank of the West, 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. Additionally, the notes will have a restriction on transfer to QIBs and require an investor letter. The target date for financing is April 6, 2016.

### **Financing Team.**

**Municipal Advisor:** Westhoff, Cone and Holmstedt  
**Note Counsel:** Law Offices of Leslie M. Lava  
**Issuer's Counsel:** Office of the Attorney General

**Agenda Item 4.B.**

**Staff Recommendation.** Staff recommends approval of Final Resolution No. 552 for an amount not exceed \$16,580,000, Volume Cap Allocation Resolution No. 13-111-02 for an amount not to exceed \$3,780,000, and a SBAF Resolution in an amount not to exceed \$190,480 for Alameda County Industries, Inc. and/or its Affiliates.

**City of San Leandro**

Civic Center, 835 E. 14th Str I  
San Leandro, California 94577



Office of the Mayor 510-577-3356  
FAX 510-577-3340

December 14, 2015

Ms. Renee Webster-Hawkins, Executive  
Director California Pollution Control  
Financing Authority 915 Capitol Mall,  
Room 457  
Sacramento, CA 95814

RE: California Debt Limit Allocation Committee (CDLAC), Exempt Facility  
Approvals Alameda County Industries, INC. Project

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Dear Ms. Webster-Hawkins:

I write to you today on behalf of Alameda County Industries, Inc. related to their environmental project for which approval will be requested at the California Pollution Control Financing Authority ("CPCFA") meeting in February.

My staff and I have worked with the management of Alameda County Industries for several years, as they are the City's waste hauler franchisee. 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 Alameda County Industries agree that the implementation of this project is a cost effective addition to the overall program, taking into account cost, technology and expected waste diversion.

On behalf of the City of San Leandro I would appreciate it if you would approve the Alameda County Industries, Inc. Project at your meeting in February. Thank you.

Sincerely,

Mayor Pauline Russo Cutter



**FINAL RESOLUTION OF THE  
CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY  
RELATING TO FINANCING AND REFINANCING OF  
SOLID WASTE DISPOSAL/RECYCLING FACILITIES AND EQUIPMENT  
FOR ALAMEDA COUNTY INDUSTRIES, INC. AND/OR ITS AFFILIATES**

**March 15, 2016**

**WHEREAS**, the California Pollution Control Financing Authority (the “Authority”) has received the application of Alameda County Industries, Inc. (the “Borrower”), for financial assistance to finance or refinance the construction and/or improvement of a material recovery facility and the acquisition and installation, if any, of equipment for the collection, processing, transfer and recycling of solid waste, including rolling stock, storm water equipment and other equipment functionally related thereto, all to be located at 610 Aladdin Avenue, San Leandro, California 94577 (the “Site”), as more particularly described in the Term Sheet attached hereto as Exhibit A and incorporated herein (the “Term Sheet”) (collectively, the “2016 Project”); and

**WHEREAS**, the Authority has previously issued its California Pollution Control Financing Authority Variable Rate Demand Solid Waste Disposal Revenue Bonds (Alameda County Industries SLD, Inc. Project) Series 2000A (the “2000 Prior Bonds”), and its California Pollution Control Financing Authority Variable Rate Demand Solid Waste Disposal Revenue Bonds (Alameda County Industries AR, Inc. Project) Series 2012 (the “2012 Prior Bonds” and, together with the 2000 Prior Bonds, the “Prior Bonds”); and

**WHEREAS**, the Borrower now wishes to refund the Prior Bonds, which financed or refinanced the acquisition, construction, installation and equipping of certain solid waste facilities located at the Site in 2000 (the “2000 Project”) and in 2012 (the “2012 Project”), all as more particularly described in the Term Sheet (together, the “Prior Projects” and, together with the 2016 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 \$16,580,000 to assist in the financing or refinancing of the Project and the refunding of the Prior Bonds; 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

## **Agenda Item 4.B.**

**WHEREAS**, the Borrower has provided documentation to the Authority demonstrating that the Project has complied with 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 (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 (Alameda County Industries, Inc. Project) Series 2016” (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 \$16,580,000, 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 2016 Project (including without limitation, reimbursing the Borrower for qualifying costs incurred for the 2016 Project prior to the issuance of the Notes), to refund the Prior Bonds 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, 2016, by negotiated sale, at such price and at such interest rate or rates as he 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”); and

(iii) a note purchase contract relating to the Notes (the “Purchase Contract”) among the Authority, the Treasurer of the State of California, as agent for sale, and the bank named in the Term Sheet, as purchaser (the “Purchaser”), and as approved by 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

## **Agenda Item 4.B.**

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.** 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 which 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 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 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.** The Authority hereby dedicates and confirms its allocation to the Notes of \$3,780,000 of a portion of its private activity bond limit, as previously received, carried forward or to be received from the California Debt Limit Allocation Committee, to finance or refinance certain costs of the 2016 Project and to pay certain costs of 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.

**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 or delivery of the Notes, and otherwise to effectuate the purposes of this Resolution and the Indenture, the Loan Agreement and the Purchase Contract. 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 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, apply to the documents and actions approved in this Resolution, and the provisions of such resolution are incorporated herein by reference.

**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 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 (Alameda County Industries, Inc. Project) Series 2016 (the “Notes”)
<b>Maximum Amount of Issue:</b>	\$16,580,000 (tax-exempt)
<b>Issuer:</b>	California Pollution Control Financing Authority (the “Authority”) Sacramento, CA
<b>Borrower:</b>	Alameda County Industries, Inc.
<b>Purchaser:</b>	Bank of the West Newport Beach, California
<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, California
<b>Underwriter:</b>	Not applicable
<b>Remarketing Agent:</b>	Not applicable
<b>2016 Project:</b>	Finance or refinance the construction and/or improvement of a material recovery facility and the acquisition and installation, if any, of equipment for the collection, processing, transfer and recycling of solid waste, including rolling stock, storm water equipment and other equipment functionally related thereto, all to be located at 610 Aladdin Avenue, San Leandro, California 94577 (the “Site”).
<b>Prior Projects:</b>	<u>2000 Project:</u>  Finance the construction and equipping of

## Agenda Item 4.B.

a solid waste transfer station/materials recovery facility and affiliated space to include a storage area for recycled materials, a buy back center, expanded material recovery facilities and employee parking, all located at the Site.

### 2012 Project:

Finance or refinance (i) the construction of improvements to a materials recovery facility, including without limitation, a compressed natural gas (CNG) fueling station, the construction of site improvements, and/or the acquisition and installation, if any, of CNG collection vehicles, other rolling stock, equipment for the collection, processing, transfer and recycling of solid waste and other equipment functionally related thereto, all located at the Site, and/or (ii) the acquisition of drop boxes, bins, carts and containers located at the Site and/or with customers throughout Alameda County, California.

<b>Maximum Note Term:</b>	Not to exceed 25 years
<b>Type of Sale:</b>	Negotiated sale; direct purchase by Purchaser
<b>Description of Minimum Denominations:</b>	\$250,000 or any integral multiple of \$5,000 in excess thereof during index interest rate period (initial period)
<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

**Agenda Item 4.B.**

<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

**RESOLUTION OF THE CALIFORNIA  
POLLUTION CONTROL FINANCING AUTHORITY  
RELATING TO ASSISTANCE FROM THE SMALL  
BUSINESS ASSISTANCE FUND FOR  
ALAMEDA COUNTY INDUSTRIES, INC.  
AND/OR ITS AFFILIATES**

**March 15, 2016**

**WHEREAS**, the California Pollution Control Financing Authority (the “Authority”) has approved the application of Alameda County Industries, Inc. (the “Borrower”), for financial assistance to (i) finance or refinance the construction and/or improvement of a material recovery facility and the acquisition and installation, if any, of equipment for the collection, processing, transfer and recycling of solid waste, including rolling stock, storm water equipment and other equipment functionally related thereto, all to be located at 610 Aladdin Avenue, San Leandro, California 94577 (the “Site”), and (ii) refund the Authority’s Variable Rate Demand Solid Waste Disposal Revenue Bonds (Alameda County Industries SLD, Inc. Project) Series 2000A (the “2000 Prior Bonds”) and the Authority’s Variable Rate Demand Solid Waste Disposal Revenue Bonds (Alameda County Industries AR, Inc. Project) Series 2012 (the “2012 Prior Bonds” and, together with the 2000 Prior Bonds, the “Prior Bonds”), as more particularly described in Application No. 883(SB) of the Borrower (the “Project”) and has adopted its Resolution No. 552 (the “Final Resolution”) authorizing the issuance of revenue notes to provide such financial assistance; and

**WHEREAS**, the Authority has established the Small Business Assistance Fund (the “Fund”) to assist small businesses to obtain pollution control financing through the issuance of tax-exempt revenue bonds or notes (the “Notes”); and

**WHEREAS**, the Authority has received and accepted an application from the Borrower for assistance from the Fund; and

**WHEREAS**, the Borrower has demonstrated a financial capability to make loan payments to the satisfaction of the purchaser of the Notes, as named in the Final Resolution; and

**WHEREAS**, authorization of assistance from the Fund is now sought;

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

**Section 1.** The Borrower (as defined in the Final Resolution) is a “Small Business” as classified pursuant to Title 13 Code of Federal Regulations, Part 121, Subpart A (1-1-94 Edition) or it has 500 employees or less, and is otherwise eligible for assistance from the Fund.

**Section 2.** The Project constitutes a “project” within the meaning of the California Pollution Control Financing Authority Act.

**Agenda Item 4.B.**

**Section 3.** The Authority hereby authorizes and approves up to \$190,480 of assistance from the Fund to the Borrower to be used for payment of certain costs of issuance of the Notes. The actual amount of assistance shall be determined by the Executive Director of the Authority based upon the final terms of the sale of the Notes and based on the financing amount eligible for allocation of volume cap pursuant to California Code of Regulations Title 4, Division 11, Article 4, Section 8042(c).

**Section 4.** The Executive Director of the Authority is hereby authorized and directed, jointly and severally, to do any and all ministerial acts and to execute and deliver a contract for financial assistance with the Borrower in conformance with the terms of this resolution, which he or she may deem necessary or advisable in order to provide the assistance from the Fund and otherwise to effect the purposes of this resolution.

**Section 5.** This resolution shall take effect immediately upon adoption hereof. 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.

**THE CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY**

**RESOLUTION NO. 13-111-02**

**A RESOLUTION DEDICATING FOR USE OF A PORTION OF THE 2013 STATE  
CEILING ON QUALIFIED PRIVATE ACTIVITY BONDS FOR AN  
EXEMPT FACILITY PROJECT**

**WHEREAS**, the California Pollution Control Financing Authority (“CPCFA”) has received an application (“Application”) from Alameda County Industries, Inc. (“Project Sponsor”) for approval of the issuance of revenue notes; and

**WHEREAS**, on March 15, 2016, CPCFA approved Final Resolution No. 552 (“Final Resolution”) authorizing the issuance of up to \$3,780,000 of its Variable Rate Demand Solid Waste Disposal Revenue Notes (Alameda County Industries, Inc. Project) Series 2016 (“Notes”); and

**WHEREAS**, in seeking CPCFA approval of the Final Resolution, the Project Sponsor represented certain facts and information concerning the project to CPCFA which were relied upon by CPCFA in approving the Final Resolution; and

**WHEREAS**, the California Debt Limit Allocation Committee (“CDLAC”) has previously transferred to CPCFA a portion of the 2013 State Ceiling on Qualified Private Activity Bonds pursuant to Section 146 of the Internal Revenue Code of 1986, as amended, for use by CPCFA to issue bonds or other obligations in a manner consistent with CDLAC’s policies and Regulations. Accordingly, capitalized terms not otherwise defined shall have the meanings ascribed to them in the “Regulations of the California Debt Limit Allocation Committee Implementing the Allocation of State Ceiling on Private Activity Bonds” (“CDLAC Regulations”); and

**WHEREAS**, it is appropriate for CPCFA to confirm the use of a portion of the 2013 State Ceiling on Qualified Private Activity Bonds allocated to CPCFA (“CPCFA Allocation”) to the issuance of the Notes as set forth in the Final Resolution;

**NOW, THEREFORE**, CPCFA resolves as follows:

**Section 1.** CPCFA Allocation in the amount of \$3,780,000 is hereby dedicated to the issuance of the Notes. The dedicated CPCFA Allocation may be used only by the Project Sponsor and only for the issuance of Notes for the Project, as specifically described in Exhibit A, and consistent with the terms of the Final Resolution. All of the terms and conditions of Exhibit A, and the Final Resolution are incorporated herein as though set forth in full (this resolution, the Final Resolution and Exhibit A, collectively “Resolution”).

**Section 2.** The terms and conditions of this Resolution shall be incorporated in appropriate documents relating to the Notes, and the Project Sponsor and all its respective successors and assignees, will be bound by such terms and conditions.

**Section 3.** Any modification to the Project made prior to the issuance of the Notes must be reported to the Executive Director and shall require reconsideration by the CPCFA before the Allocation may be used for the Project.

**Section 4.** The CPCFA Allocation dedicated by this Resolution shall automatically revert to CPCFA unless the Notes for the Project have been issued by CPCFA by the close of business on **June 13, 2016**. In a case of extreme hardship, the Deputy Executive Director or the Executive Director may extend this date by up to thirty (30) business days.

**Section 5.** Within twenty-four (24) hours of issuing the Notes, CPCFA shall notify CDLAC via the email or the fax number as provided in Section 5140 of the CDLAC Regulations that the Notes have been issued. This notice shall identify the Project Sponsor, the project or program, the date and amount of the Notes issued.

**Section 6.** Within fifteen (15) calendar days of the Note closing, CPCFA or its counsel shall formally transmit to CDLAC information regarding the issuance of the Notes by submitting the appropriate completed Report of Action Taken in a form prescribed by and made available by CDLAC.

**Section 7.** Any differences between the amount of Notes issued and the amount of the CPCFA Allocation dedicated in Section 1 of this Resolution shall automatically revert to CPCFA. If at any time prior to the expiration date set forth in Section 4 hereof the Project Sponsor determines that part or all of the CPCFA Allocation dedicated in Section 1 of this Resolution will not be required by the Project by that date, the Project Sponsor shall promptly give notice to CPCFA.

**Section 8.** In consideration of the CPCFA Allocation dedicated in Section 1 of this resolution, 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 Notes. Further, the Project Sponsor expressly agrees that the terms and conditions of this Resolution may be enforced by CDLAC or CPCFA through an action for specific performance or any other available remedy, provided however, that CDLAC and CPCFA agree not to take such action or enforce any such remedy that would be materially adverse to the interests of Noteholders. In addition, CPCFA shall ensure that the Note documents, as appropriate, expressly provide that CDLAC is a third party beneficiary of the terms and conditions set forth in this Resolution.

**Section 9.** The Project Sponsor or its successor-in-interest shall provide certifications of compliance with the terms and conditions set forth in this Resolution when reasonably requested by CDLAC or CPCFA.

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

**RESOLUTION NO. 13-111-02**  
**(AN EXEMPT FACILITY PROJECT)**  
**EXHIBIT A**

1. Project Sponsor: Alameda County Industries, Inc. and/or its Affiliates
2. Application #: 883(SB)
3. Project User: Alameda County Industries, Inc. and/or its Affiliates
4. Project Name: Alameda County Industries, Inc.
5. Location: 610 Aladdin Avenue,  
San Leandro, CA 94577
6. Direct Bank Purchaser: Bank of the West
7. The Direct Bank Purchaser at the time of issuance will be the same as represented in the application.
8. Amount of Allocation: \$3,780,000