

**CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY  
BOND FINANCING PROGRAM  
Meeting Date: July 19, 2016**

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

Prepared by: *Kris Luoma*

<b>Applicant:</b>	Mid-Valley Disposal and/or its Affiliates	<b>Amount Requested:</b>	\$15,690,000
		<b>Allocation Amount Requested:</b>	\$11,125,000
		<b>Application No.:</b>	893(SB)
<b>Project</b>	Cities of Kerman, Avenal,	<b>Final Resolution No.:</b>	557
<b>Location:</b>	Fresno, Coalinga, Visalia & Kingsburg (Fresno, Kings, Madera & Tulare Counties)	<b>Prior Actions:</b>	IR 16-11 Approved 6/21/16

**Summary.** Mid-Valley Disposal and/or its Affiliates (“Mid-Valley” or the “Company”) requests approval of a Final Resolution for an amount not to exceed \$15,690,000, Volume Cap Allocation for an amount not to exceed \$11,125,000 and assistance from the Small Business Assistance Fund (SBAF) in an amount not to exceed \$63,000.

The Company intends to refund solid waste revenue bonds previously issued in 2006 by CPCFA (the “Prior Bonds”) in an amount not to exceed \$4,565,000. The Company also intends to finance the purchase of California Air Resources Board (CARB) compliant collection vehicles, the construction of a covered composting facility and the acquisition of related equipment.

**Borrower.** Mid-Valley is a small business with approximately 300 employees and maintains seven facilities located in Fresno, Kings, Madera and Tulare Counties. The Company was organized on March 1, 1997 for the purpose of collecting, processing and disposal of solid waste.

The principal stockholders of the Company are as follows:

John Kalpakoff	51%
Joseph Kalpakoff	25%
Jonathan Kalpakoff	20%
Roy Mendrin	4%
<b>Total:</b>	<u><b>100%</b></u>

**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.

## Agenda Item 4.A.

**TEFRA.** The TEFRA hearing was held on June 30, 2016. There were no comments received in support of or in opposition to the Project.

**Fees.** The Company has paid an application fee of \$5,000 and will pay an administrative fee of \$17,250 at closing for the new money portion of the financing. The Company 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 CPCFA's usual refunding fee.

**SBAF Assistance.** Mid-Valley is a small business eligible for assistance from the SBAF in an amount not to exceed \$63,000.

**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 7/01/2016</b>
Mid-Valley Disposal	12/15/2006	\$7,120,000	\$4,565,000
<b>TOTALS:</b>	12/15/2006	<b><u>\$7,120,000</u></b>	<b><u>\$4,565,000</u></b>

**Background.** Mid-Valley Disposal's Material Recovery Facility (MRF) estimates that it recovers approximately 70% of the materials it sorts from landfills. The Company has onsite composting and makes and distributes products made of recycled materials, such as mulch and wood chips.

On December 15, 2006 CPCFA issued the Prior Bonds in the amount of \$7,120,000. The Prior Bonds financed the construction of an approximately 10,000 square foot office, storage and maintenance facility and the construction of an approximately 35,000 square foot MRF and tipping area. The Company also purchased waste collection vehicles, drop boxes, bins and containers.

**Project Description.** The Company will use note proceeds to build a covered composting facility at its West Jensen Ave facility in the city of Kerman and purchase three to five pieces of heavy equipment for the daily operations at the site. Mid-Valley's recycling and transfer station at the South Elm Ave facility, located in the city of Fresno currently operates a processing line rated at 20 tons per hour. Note proceeds will be used to purchase a new processing line rated at 35 tons per hour. The Company operates a fleet of 150 collection vehicles and plans to replace the oldest collection vehicles with new CARB compliant collection vehicles. Carts, bins and containers will be purchased for customer use and will be located throughout the service areas.

The anticipated project and issuance costs are listed below:

Acquisition and Installation of New Equipment	\$7,902,500
Refund Prior Bonds	4,565,000
Construction of Kerman Facility	3,000,000
Note Issuance Expenses	<u>222,500</u>
<b>Total</b>	<b><u>15,690,000</u></b>

## Agenda Item 4.A.

*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 began paying the costs of the permits for the project in December of 2015 and anticipates completing the project by the end of 2018.

**Local Government.** The Company received a letter of support from John Kunkel, City Manager, for the City of Kerman (see Attachment A).

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

**Air Quality.** The Company is purchasing new CARB compliant collection vehicles with the latest technology to greatly reduce carbon emissions to replace older collection vehicles that are less efficient. The improvements to the MRF will reduce the amount of dust and odor emissions.

**Water Quality.** Mid-Valley's facility operates on a concrete surface which prevents the seepage of any undesirable materials into the ground water. The facility is not close to any environmentally sensitive wetlands or coastal areas that could be affected by pollution.

**Energy Efficiency.** The new equipment being purchased with proceeds from this transaction, will be more energy efficient than the existing equipment that is being replaced.

**Recycling and Composting.** The upgrades and improvements to the MRF will enable Mid-Valley to increase the amount of material that is recycled and reduce the amount of waste at the local landfill. The new composting facility will decrease the amount of organic material headed to the landfill and convert it to compost to be used as a soil amendment.

**Safety and Compliance.** The Company's project will comply with all State and local laws and regulations.

**Consumer Cost Savings and Efficiencies.** The upgrades and improvements to the facilities and equipment will enable Mid-Valley to operate more efficiently which will reduce costs, and with the interest rate, capital cost and tax-exempt financing structure of the proposed note will provide the ability to be more flexible with the consumer rates it charges in the future.

**Permitting and Environmental Approvals.** The Company has provided the Authority with copies of all discretionary permits required for the project.

**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. The target date for financing is August 3, 2016.

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 \$15,690,000 will be deemed issued at closing and will receive the full amount of volume cap allocation dedicated to the notes. This structure will provide significant cost savings to the Company.

**Financing Team.**

**Municipal Advisor to Borrower:** Westhoff, Cone & Holmstedt  
**Note Counsel:** Law Offices of Leslie M. Lava  
**Issuer’s Counsel:** Office of the Attorney General

**Staff Recommendation.** Staff recommends approval of Final Resolution No. 557 for an amount not to exceed \$15,690,000, Volume Cap Allocation Resolution No.13-111-06 for an amount not to exceed \$11,125,000, and a SBAF Resolution in an amount not to exceed \$63,000 for Mid-Valley Disposal and/or its Affiliates.

**OFFICE OF THE CITY MANAGER**  
John Kunkel

**Mayor** – Stephen B. Hill  
**Council Members**  
Rhonda Armstrong  
Bill Nijjer  
Gary Yep  
Vacant



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May 20, 2016

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

RE: California Pollution Control Financing Authority, Exempt Facility Approvals  
Mid-Valley Disposal, Inc. Project

Dear Ms. Webster-Hawkins:

I write to you today on behalf of Mid-Valley Disposal, Inc. relating to their environmental project for which approval will be requested at the California Pollution Control Financing Authority ("CPCFA") meeting in July.

My staff and I have worked with the management of Mid-Valley Disposal, 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 CPCFA must grant part of the State's allocation for "private activity" bonds as defined by the federal government to the Project.

We and Mid-Valley Disposal, 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 Kerman I would appreciate it if you would approve the Mid-Valley Disposal, Inc. Project at your meeting in July. Thank you.

Sincerely,

John Kunkel  
City Manager

**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/RECYCLING FACILITIES AND EQUIPMENT  
OF MID-VALLEY DISPOSAL AND/OR ITS AFFILIATES**

**July 19, 2016**

**WHEREAS**, the California Pollution Control Financing Authority (the “Authority”) has received the application of Mid-Valley Disposal (the “Borrower”), for financial assistance to finance or refinance the (i) construction and/or improvement of a composting facility to be located at 15300 West Jensen Avenue, Kerman, California 93630 (the “Jensen Site”) and a recycling facility and transfer station, including the installation of a new processing line, located at 2721 South Elm Avenue, Fresno, California 93706 (the “Elm Site”), (ii) acquisition and installation, if any, of equipment for the collection, processing, transfer and recycling of solid waste, including rolling stock, collection vehicles and other equipment functionally related thereto, to be located at one or more of the following sites: the Jensen Site, the Elm Site, 3444 W. Whitesbridge Avenue, Fresno, California 93706, 1004 S. Fourth Avenue, Avenal, California 93204, 1255 West Elm Avenue, Coalinga, California 93210, 1707 E. Goshen Avenue, Visalia, California 93292 and/or 1535 Avenue 392, Kingsburg, California 93631 (the “Sites”), and (iii) acquisition of carts, bins and containers to be located at one or more of the Sites and/or with customers located in incorporated and unincorporated portions of Fresno, Kings, Madera and/or Tulare Counties, California, all 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 (Mid-Valley Disposal Project) Series 2006A (the “Prior Bonds”); and

**WHEREAS**, the Borrower now wishes to refund the Prior Bonds, which financed the acquisition, construction, installation and equipping of certain solid waste facilities, which facilities and/or equipment were located at the Sites or with customers in Fresno and Kings Counties, California in 2006 (the “2006 Project”), all as more particularly described in the Term Sheet (the “Prior Project” 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 \$15,690,000 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

## Agenda Item 4.A.

**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 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 (Mid-Valley Disposal 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 \$15,690,000, 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 “Purchasers”), 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 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 Purchasers 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 Purchasers upon payment of the purchase price thereof.

**Section 8.** The Authority hereby dedicates and confirms its allocation to the Notes of \$11,125,000 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

**Name of Issue:** California Pollution Control Financing Authority Variable Rate Demand Solid Waste Disposal Revenue Notes (Mid-Valley Disposal Project) Series 2016 (the “Notes”)

**Maximum Amount of Issue:** \$15,690,000 (tax-exempt)

**Issuer:** California Pollution Control Financing Authority (the “Authority”)  
Sacramento, CA

**Borrower:** Mid-Valley Disposal

**Purchaser:** Bank of the West  
Newport Beach, California

**Note Counsel:** Leslie M. Lava, Esq.  
Tiburon, CA

**Trustee:** The Bank of New York Mellon Trust Company, N.A.  
Los Angeles, California

**Underwriter:** Not applicable

**Remarketing Agent:** Not applicable

**2016 Project:** Finance or refinance the (i) construction and/or improvement of a composting facility to be located at 15300 West Jensen Avenue, Kerman, California 93630 (the “Jensen Site”) and a recycling facility and transfer station, including the installation of a new processing line, located at 2721 South Elm Avenue, Fresno, California 93706 (the “Elm Site”), (ii) acquisition and installation, if any, of equipment for the collection, processing, transfer and recycling of solid waste, including rolling stock, collection vehicles and other equipment functionally related thereto, to

## Agenda Item 4.A.

be located at one or more of the following sites: the Jensen Site, the Elm Site, 3444 W. Whitesbridge Avenue, Fresno, California 93706, 1004 S. Fourth Avenue, Avenal, California 93204, 1255 West Elm Avenue, Coalinga, California 93210, 1707 E. Goshen Avenue, Visalia, California 93292 and/or 1535 Avenue 392, Kingsburg, California 93631 (the “Sites”), and (iii) acquisition of carts, bins and containers to be located at one or more of the Sites and/or with customers located in incorporated and unincorporated portions of Fresno, Kings, Madera and/or Tulare Counties, California.

### **Prior Project:**

Finance (i) the construction of a materials recovery facility and maintenance shop to be located at 15300 W. Jensen Avenue, Kerman, California 93630 (the “2006 Site”), (ii) the acquisition of solid waste and recycling collection vehicles and other equipment and/or rolling stock that support solid waste collection and processing in various incorporated and unincorporated portions of Fresno and Kings Counties, California, all to be located at the 2006 Site, 1004 S. Fourth Avenue, Avenal, California 93204 or 1255 W. Elm Avenue, Coalinga, California 93210, and (iii) the acquisition of drop boxes, bins and containers to be located with customers in various incorporated and unincorporated portions of Fresno and Kings Counties, California.

### **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)

### **Financing Structure:**

Index interest rate notes deliverable in

**Agenda Item 4.A.**

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

**RESOLUTION OF THE CALIFORNIA  
POLLUTION CONTROL FINANCING AUTHORITY  
RELATING TO ASSISTANCE FROM THE SMALL  
BUSINESS ASSISTANCE FUND FOR  
MID-VALLEY DISPOSAL  
AND/OR ITS AFFILIATES**

**July 19, 2016**

**WHEREAS**, the California Pollution Control Financing Authority (the “Authority”) has approved the application of Mid-Valley Disposal (the “Borrower”), for financial assistance to (A) finance or refinance the (i) construction and/or improvement of a composting facility to be located at 15300 West Jensen Avenue, Kerman, California 93630 (the “Jensen Site”) and a recycling facility and transfer station, including the installation of a new processing line, located at 2721 South Elm Avenue, Fresno, California 93706 (the “Elm Site”), (ii) acquisition and installation, if any, of equipment for the collection, processing, transfer and recycling of solid waste, including rolling stock, collection vehicles and other equipment functionally related thereto, to be located at one or more of the following sites: the Jensen Site, the Elm Site, 3444 W. Whitesbridge Avenue, Fresno, California 93706, 1004 S. Fourth Avenue, Avenal, California 93204, 1255 West Elm Avenue, Coalinga, California 93210, 1707 E. Goshen Avenue, Visalia, California 93292 and/or 1535 Avenue 392, Kingsburg, California 93631 (the “Sites”), and (iii) acquisition of carts, bins and containers to be located at one or more of the Sites and/or with customers located in incorporated and unincorporated portions of Fresno, Kings, Madera and/or Tulare Counties, California, and (ii) refund the Authority’s Variable Rate Demand Solid Waste Disposal Revenue Bonds (Mid-Valley Disposal Project) Series 2006A (the “Prior Bonds”), as more particularly described in Application No. 893(SB) of the Borrower (the “Project”) and has adopted its Resolution No. 557 (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-

## Agenda Item 4.A.

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.

**Section 3.** The Authority hereby authorizes and approves up to \$63,000 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. 13-111-06

**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 Mid-Valley Disposal and/or its Affiliates (“Project Sponsor”) for approval of the issuance of revenue bonds; and

**WHEREAS**, on July 19, 2016, CPCFA approved Final Resolution No. 557 (“Final Resolution”) authorizing the issuance of up to \$11,125,000 of its solid waste disposal revenue bonds (Mid-Valley Disposal, 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 Bonds as set forth in the Final Resolution;

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

**Section 1.** CPCFA Allocation in the amount of \$11,125,000 is hereby dedicated to the issuance of the Bonds. The dedicated CPCFA Allocation may be used only by the Project Sponsor and only for the issuance of Bonds 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 Bonds, and the Project Sponsor and all its respective successors and assignees, will be bound by such terms and conditions.

## Agenda Item 4.A.

**Section 3.** Any modification to the Project made prior to the issuance of the Bonds 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 Bonds for the Project have been issued by CPCFA by the close of business on **October 17, 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 Bonds, CPCFA shall notify CDLAC via the email or the fax number as provided in Section 5140 of the CDLAC Regulations that the Bonds have been issued. This notice shall identify the Project Sponsor, the project or program, the date and amount of the Bonds issued.

**Section 6.** Within fifteen (15) calendar days of the Bond closing, CPCFA or its counsel shall formally transmit to CDLAC information regarding the issuance of the Bonds 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 Bonds 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 Bonds. 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 Bondholders. In addition, CPCFA shall ensure that the Bond 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. 13-111-06  
(AN EXEMPT FACILITY PROJECT)  
EXHIBIT A**

1. Project Sponsor: Mid-Valley Disposal and/or its Affiliates
2. Application #: 893(SB)
3. Project User: Mid-Valley Disposal and/or its Affiliates
4. Project Name: Mid-Valley Disposal
5. Location:
  - (a) 1004 S. Fourth Avenue, Avenal, Ca 93204
  - (b) 1255 West Elm Avenue, Coalinga, Ca 93210
  - (c) 2721 South Elm Avenue, Fresno, Ca 93706
  - (d) 3444 W. Whitesbridge Avenue, Fresno, Ca 93706
  - (e) 1535 Avenue 392, Kingsburg, Ca 93631
  - (f) 1707 E. Goshen Avenue, Visalia, Ca 93292
  - (g) 15300 West Jensen Avenue, Kerman, Ca 93630
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: \$11,125,000