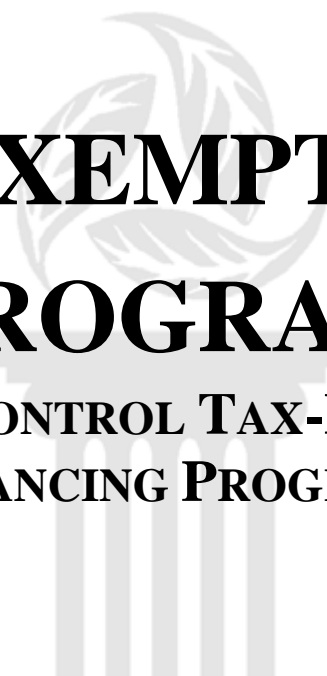


**California Pollution Control
Financing Authority**



**TAX-EXEMPT BOND
PROGRAM**

**POLLUTION CONTROL TAX-EXEMPT BOND
FINANCING PROGRAM**

**2011 ANNUAL REPORT TO THE
CALIFORNIA STATE LEGISLATURE**

March 2012

About the California Pollution Control Financing Authority:

The California Pollution Control Financing Authority (CPCFA) provides California businesses with a reasonable method of financing pollution control facilities and fosters compliance with government imposed environmental standards and requirements. Over the last thirty years CPCFA has evolved to meet California's needs as follows:

- For solid waste, recycling, water and wastewater projects through its Tax-Exempt Bond Program.
- For small businesses through the California Capital Access Program.
- With the reuse and redevelopment of brownfields through the California Recycle Underutilized Sites Program.
- With financial assistance to cities and counties in their community planning and development efforts through the Sustainable Communities Grant and Loan Program.

CPCFA consists of:

Bill Lockyer, Chair
State Treasurer

John Chiang
State Controller

Ana J. Matosantos, Director
Department of Finance



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Pollution Control Tax-Exempt Bond Financing Program 2011 Annual Report

PROGRAM SUMMARY

The Pollution Control Tax-Exempt Bond Financing Program (the “Program”) stimulates environmental cleanup, economic development and job growth throughout the state of California. The Program allows California businesses to meet their growth and capital needs by providing access to low-cost financing through private activity tax-exempt bonds that provide qualified borrowers with lower interest borrowing costs than conventional financing.

In addition, CPCFA provides a Small Business Assistance Fund (SBAF) to pay for some of the costs of issuance of tax-exempt bonds issued on behalf of small businesses. The assistance reduces the net cost of financing tax-exempt bonds for small businesses. SBAF can pay for letter of credit fees, transaction fees and other costs associated with the issuance of bonds.

PROJECT HIGHLIGHTS

Recycling Industries, Inc. Issued Bonds worth \$7.265 million in 2011

Recycling Industries, Inc. is a privately owned small business founded in Sacramento, California in 1981. The company provides business and office recycling services, eWaste recycling and manages comingled recycle streams from municipal curbside recycle programs. Service areas include Sacramento, San Joaquin, Sutter, Yuba, El Dorado, Placer, Yolo and Nevada Counties.

From its humble beginnings as a series of roadside newspaper collection bins located throughout Sacramento County, Recycling Industries, Inc. has become one of the largest and fastest growing recyclers in California. The Company is also the largest exporter of recyclable paper fiber in its service area. Recycling Industries, Inc. prides itself on providing excellent customer service through honest and dependable recycling practices.



CPCFA issued tax-exempt solid waste disposal bonds on behalf of Recycling Industries, Inc. to finance the acquisition of land, buildings, and renovation of structures at its Sacramento County location. In addition, bond proceeds are being used to finance the renovation and expansion of existing operations at a facility in Yuba City, and for the purchase and installation of new sorting equipment. The expanded capacity of the operations at these locations will allow the company to divert up to an estimated 20,000 tons of material from the landfill through recycling.

REPORT OF 2011 ACTIVITIES

This report of activities for the California Pollution Control Tax-Exempt Bond Financing Program is submitted pursuant to Health and Safety Code Section 44538 for the calendar year ending December 31, 2011.

1. APPLICATIONS RECEIVED

Authority staff received 10 new applications for a total dollar amount of \$943,930,000. (See [Table 1](#))

2. INITIAL RESOLUTIONS ADOPTED

The Authority took initial action on 10 applications for a total dollar amount of \$901,580,000. (See [Table 2](#))

3. FINAL RESOLUTIONS ADOPTED

The Authority took final action to approve the sale of bonds on 5 applications for a total dollar amount of \$73,690,000. (See [Table 3](#))

4. BONDS SOLD

The Authority sold 5 tax-exempt bond issues for a total of \$73,540,000. (See [Table 4](#))

5. PROJECTED NEEDS AND REQUIREMENTS FOR 2012

The Authority has sufficient funds to operate its programs for the coming year and has no need for General Fund assistance.

6. ANALYSIS OF CHANGE IN FUND BALANCE FOR FISCAL YEAR ENDED JUNE 30, 2011.

The Authority's fund balance for fiscal year 2010/2011 decreased by \$15,727,745. The Authority's ending balance for fiscal year 2010/2011 is \$28,295,765. (See [Table 5](#))

Table 1

CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY

APPLICATIONS RECEIVED IN 2011

APPL. NO.	DATE RECEIVED	APPLICANT NAME	PROJECT TYPE	AMOUNT
847	01/21/2011	Zerep Management Corporation	SWD*	\$11,230,000
848	02/11/2011	eCullet Inc.	SWD	\$7,235,000
849	03/21/2011	Poseidon Resources (Channelside) LP	WF**	\$780,000,000
850	06/24/2011	Rialto Water Services, LP***	WF	\$70,000,000
851	08/10/2011	Pioneer Recyclers, LLC	SWD	\$19,000,000
852	08/19/2011	Metropolitan Recycling, LLC	SWD	\$6,175,000
853	08/26/2011	Central Valley Ag Power, LLC	SWD	\$3,155,000
854	11/10/2011	AgPower Visalia, LLC	SWD	\$6,600,000
855	12/08/2011	United Pacific Waste	SWD	\$31,535,000
856	12/16/2011	Flex OC Renewables, LLC	SWD	\$9,000,000
			TOTAL:	<u>\$943,930,000</u>

* Solid Waste Disposal

**Water Furnishing

*** Application withdrawn prior to any Board action.

Table 2

CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY

INITIAL RESOLUTIONS (IR) ADOPTED IN 2011

IR NO.	DATE APPROVED	APPLICANT NAME	PROJECT TYPE	AMOUNT
11-01	01/25/2011	Zanker Road Resource Management	SWD*	\$4,945,000
11-02	01/25/2011	CarbonLite Industries, LLC	SWD	\$47,240,000
11-03	01/25/2011	Kronos Properties, Inc.	SWD	\$16,000,000
11-04	02/22/2011	Zerep Management Corporation	SWD	\$11,230,000
11-05	03/22/2011	eCullet Inc.	SWD	\$7,235,000
11-06	10/25/2011	Poseidon Resources (Channelside) LP	WF**	\$780,000,000
11-08	08/23/2011	Pioneer Recyclers, LLC	SWD	\$19,000,000
11-09	09/27/2011	Metropolitan Recycling, LLC	SWD	\$6,175,000
11-10	09/27/2011	Central Valley Ag Power, LLC	SWD	\$3,155,000
11-11	12/13/2011	AgPower Visalia, LLC	SWD	\$6,600,000
		TOTAL:		<u>\$901,580,000</u>

*Solid Waste Disposal

**Water Furnishing

IR 11-07 was withdrawn prior to any board action.

Table 3

CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY

FINAL RESOLUTIONS (FR) ADOPTED IN 2011

FR NO.	DATE APPROVED	APPLICANT NAME	PROJECT TYPE	AMOUNT
513	02/22/2011	Zanker Road Resource Management, Ltd.	SWD*	\$4,945,000
516	07/26/2011	Bay Counties Waste Services, Inc.	SWD	\$20,250,000
519	08/23/2011	Southern California Edison Company	SWD	\$30,000,000
520	09/27/2011	Zerep Management Corporation	SWD	\$11,230,000
522	10/25/2011	Recycling Industries, Inc.	SWD	\$7,265,000
		TOTAL:		<u>\$73,690,000</u>

*Solid Waste Disposal

Table 4

CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY

BONDS SOLD IN 2011

CLOSING DATE	BOND SHORT NAME	PROJECT TYPE	AMOUNT OF ISSUE	BEGINNING INTEREST RATE	MODE
03/02/2011	Zanker Road Resource Management	SWD*	\$4,945,000	.36	Weekly
08/10/2011	Bay Counties Waste Services, Inc.	SWD	\$20,100,000	.23	Weekly
09/01/2011	Southern California Edison(R)**	SWD	\$30,000,000	.32	Weekly
10/19/2011	Zerep Management Corporation	SWD	\$11,230,000	.21	Weekly
11/02/2011	Recycling Industries, Inc.	SWD	\$7,265,000	.20	Weekly
	TOTAL:		<u>\$73,540,000</u>		

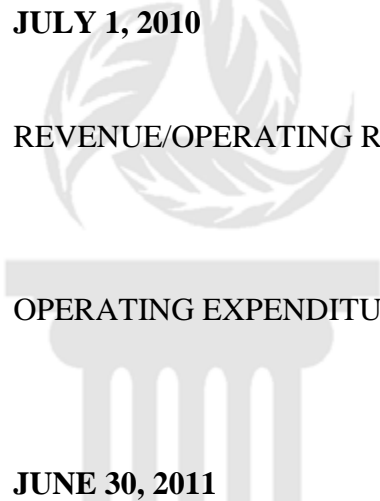
*Solid Waste Disposal

** (R) Refunding

Note: All bond sales negotiated.

CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY

**ANALYSIS OF CHANGE IN FUND BALANCE
FISCAL YEAR ENDED JUNE 30, 2011**



FUND BALANCE	JULY 1, 2010	\$44,074,953*
ADDITIONS:		
	REVENUE/OPERATING REVENUE	\$ -3,788,484
DEDUCTIONS:		
	OPERATING EXPENDITURES	\$11,990,705
FUND BALANCE	JUNE 30, 2011	<u>\$28,295,765</u>

. * Amount differs from 2010 Annual Report due to updated accounting figures.