

**CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY**  
**BOND FINANCING PROGRAM**  
**Meeting Date: January 23, 2008**  
**Executive Summary**  
***Request for Final Resolution and***  
***Assistance from the Small Business Assistance Fund***

Prepared by: *Doreen Carle*

<b>Applicant:</b> Amador Valley Industries, LLC & Pleasanton Garbage Service, Inc. (as co-borrowers) and their respective Affiliates	<b>Amount Requested:</b> \$5,630,000 <b>Final Resolution No.:</b> 477 (SB) <b>Prior Actions:</b> IR 07-13 approved 12/03/07
<b>Project Location:</b> Dublin and Pleasanton (Alameda County)	

**Type of Business:** Amador Valley Industries, LLC (AVI) and Pleasanton Garbage Service, Inc. (PGS), co-borrowing as the AVI-PGS Project (the “Company”), provide refuse collection and disposal services in the communities of Dublin and Pleasanton, respectively.

**Project Description:** The Project primarily involves the acquisition or retrofitting of CNG collection vehicles and rolling stock. Additionally, a portion of the funds will be used to improve an existing sort-line and to acquire drop boxes, bins, and carts.

**Pollution Control and/or Waste Diversion:** The Company represents that the Project will generate the following pollution control benefits.

**Recycling and Diversion.** The addition of a new screen on the Pleasanton sort-line may provide for a small increase in diversion of waste from the landfill.

**Environmental Benefits:** The Company represents that the Project is designed to generate the following environmental benefits.

**Air Quality.** The use of new CNG-fueled waste collection vehicles will reduce emissions of particulate matter into the air compared to the operation of diesel-fuel vehicles.

**Water Quality.** Particulate matter from diesel emissions in the ground water run-off will be reduced.

**Energy Efficiency.** The use of new CNG collection vehicles will reduce the use of oil-based fuel.

**SBAF Assistance:** The Company is a small business eligible for assistance from the SBAF in an amount not to exceed \$220,080.

**Permits:** This is an equipment only project, and does not require permits.

**Financing Details:** The Companies anticipate a negotiated tax-exempt, weekly reset, variable rate bond issue with a term not to exceed 30 years for the qualifying portion of the project. The Companies plan to secure the bonds with an irrevocable, direct pay Letter of Credit provided by Wells Fargo Bank that is rated at least “A-” by Fitch Ratings or equivalent. The target date for financing is February 2008.

**Financing Team:**

**Underwriter:** Westhoff, Cone & Holmstedt  
**Bond Counsel:** Law Offices of Leslie M. Lava  
**Financial Advisor:** Andrew S. Rose  
**Issuer's Counsel** Office of the Attorney General

**Legal Questionnaire:** Staff has reviewed the Company's responses to the questions contained in the Legal Status portion of the Application. No information was disclosed that raises questions concerning the financial viability or legal integrity of this applicant.

**Staff Recommendation:** Staff recommends approval of Final Resolution No. 477 (SB) for an amount not to exceed \$5,630,000 and a SBAF Resolution in an amount not to exceed \$220,080 for Amador Valley Industries, LLC & Pleasanton Garbage Service, Inc., as the AVI-PGS Project, and/or their respective Affiliates.

**AMADOR VALLEY INDUSTRIES,  
LLC AND PLEASANTON  
GARBAGE SERVICE, INC.**

**as co-borrowers**

**Bond Amount: \$5,630,000**

Dublin and Pleasanton (Alameda  
County)

Application No. 805 (SB)

January 23, 2008

**STAFF SUMMARY – CPCFA**

**Prepared by:** *Doreen Carle*

**ISSUE:**

Amador Valley Industries, LLC (AVI) and Pleasanton Garbage Service, Inc. (PGS) and/or its Affiliates, co-borrowing as the AVI-PGS Project (the “Company”), request approval of Final Resolution No. 477 (SB) for an amount not to exceed \$5,630,000 to finance the purchase of land, buildings, and equipment.

**CDLAC Allocation.** The Company has applied for and anticipates being considered for CDLAC allocation at the January 2008 CDLAC Board meeting.

**TEFRA.** The TEFRA hearing was held on December 19, 2007. There were no comments received in support of or in opposition to this Project.

**SBAF Assistance.** The Company is a small business eligible for assistance from the SBAF in an amount not to exceed \$220,080.

**BORROWER:**

Amador Valley Industries is doing business as a Limited Liability Company that was organized in California in 2004, and Pleasanton Garbage Service was incorporated in California in April 1969.

The principal stockholders of the two entities are as follows:

	<u>AVI</u>	<u>PGS</u>
Robert Molinaro 1992 Trust .....	30%	50%
Macchiano 1994 Trust .....	25%	50%
Gina Cardera .....	15%	
Walt Lupeika .....	15%	
John Repetto .....	10%	
Mike Lupeika.....	5%	
<b>TOTALS:.....</b>	<b>100%</b>	<b>100%</b>

Mr. Molinaro and Mr. Macchiano are minority shareholders or members of Alameda County Industries, Mission Trail, Santa Clara Valley Industries, and Bay Counties/Specialty.

**Legal Questionnaire.** Staff has reviewed the Company’s responses to the questions contained in the Legal Status portion of the Application. No information was disclosed that raises questions concerning the financial viability or legal integrity of this applicant.

**Prior Actions and Financings.** Prior actions and financings are detailed below.

Description	Date of Bond Issue	Amount Issued	Amount Outstanding as of 12/31/07
Amador Valley Industries Series 2005A	06/14/05	6,900,000	5,920,000
<b>TOTALS:</b>		<b><u>6,900,000</u></b>	<b><u>5,920,000</u></b>

**PROJECT INFORMATION:**

The Project primarily involves the acquisition or retrofitting of CNG collection vehicles and rolling stock. Additionally, a portion of the funds will be used to improve an existing sort-line and to acquire drop boxes, bins, and carts.

The anticipated Project costs for AVI are listed below:

CNG Collection Vehicles and Support Vehicles ....	\$1,200,000
Drop boxes, bins and carts .....	<u>300,000</u>
<b>Subtotal:.....</b>	<b><u>\$1,500,000</u></b>

The anticipated Project costs for PGS are listed below:

CNG Collection Vehicles .....	\$3,500,000
Sort-line screen .....	<u>500,000</u>
<b>Subtotal:.....</b>	<b><u>\$4,000,000</u></b>

Bond Issuance Expenses .....

**\$ 130,000**

**TOTAL.....**

**\$5,630,000**

*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.*

**POLLUTION CONTROL AND/OR WASTE DIVERSION:**

The Companies represent that the Project will generate the pollution control benefits described below.

**Recycling and Diversion.** The addition of a new screen on the Pleasanton sort-line may provide for a small increase in diversion of waste from the landfill.

**ENVIRONMENTAL BENEFITS:**

The Companies represent that the Project is designed to generate the environmental benefits described below.

**Air Quality.** The use of new CNG-fueled waste collection vehicles will reduce emissions of particulate matter into the air compared to the operation of diesel-fuel vehicles.

**Water Quality.** Particulate matter from diesel emissions in the ground water run-off will be reduced.

**Energy Efficiency.** The use of new CNG collection vehicles will reduce the use of oil-based fuel.

**PERMITTING & ENVIRONMENTAL APPROVALS:**

This is an equipment only project, and does not require permits.

**ANTICIPATED TIMELINE:**

The Companies commenced equipment purchases in December 2007 and anticipate completing the purchases by December 2009.

**LOCAL GOVERNMENT:** A letter in support of the project was received from Nelson Fialho, City Manager of the City of Pleasanton (Attachment A).

**FINANCING DETAILS:**

The Companies anticipate a negotiated tax-exempt, weekly reset, variable rate bond issue with a term not to exceed 30 years for the qualifying portion of the project. The Companies plan to secure the bonds with an irrevocable, direct pay Letter of Credit provided by Wells Fargo Bank that is rated at least “A-” by Fitch Ratings or equivalent. The target date for financing is February 2008.

**FINANCING TEAM:**

**Underwriter:** Westhoff, Cone & Holmstedt  
**Bond Counsel:** Law Offices of Leslie M. Lava  
**Financial Advisor:** Andrew S. Rose  
**Issuer’s Counsel:** Office of the Attorney General

**RECOMMENDATION:**

Staff recommends approval of Final Resolution No. 477 (SB) for an amount not to exceed \$5,630,000 and a SBAF Resolution in an amount not to exceed \$220,080 for Amador Valley Industries, LLC & Pleasanton Garbage Service, Inc., as the AVI-PGS Project, and/or their respective Affiliates.

FINAL BOND RESOLUTION OF THE  
CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY  
RELATING TO FINANCING FOR SOLID WASTE DISPOSAL EQUIPMENT  
FOR AMADOR VALLEY INDUSTRIES, LLC, PLEASANTON GARBAGE SERVICE, INC.  
AND/OR THEIR RESPECTIVE AFFILIATES

January 23, 2008

WHEREAS, the California Pollution Control Financing Authority (the “Authority”) has heretofore approved the application of Amador Valley Industries, LLC and Pleasanton Garbage Service, Inc. (collectively, the “Borrower”) for financial assistance to finance the acquisition or retrofitting of rolling stock and collection vehicles for the collection, processing and transfer of solid waste, the construction of improvements to a sorting line and the acquisition of collection boxes, bins and carts, which will be used to serve the Borrower’s customers throughout its service territory in the Cities of Dublin and Pleasanton, California, and all as more particularly described in the Term Sheet attached hereto as Exhibit A and incorporated herein (the “Term Sheet”) (collectively, the “Project”); and

WHEREAS, the Borrower has requested the Authority to issue its revenue bonds from time to time in an amount not to exceed \$5,630,000 to assist in the financing of the Project; and

WHEREAS, the proceeds of such revenue bonds will be loaned to the Borrower under a loan agreement with the Authority; and

WHEREAS, final approval of the terms of such revenue bonds and certain documents relating to such revenue bonds 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; and

WHEREAS, in order to enhance the marketability of the bonds, the Borrower has arranged for a financial institution, as named in the Term Sheet, to secure the bonds through the issuance of its direct-pay irrevocable letter of credit, thereby guaranteeing their repayment;

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

Section 1. The Project constitutes a “project” and each 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 Bonds (AVI-PGS Project) Series 2008A” (the “Bonds”), or such alternate designation as may be approved by the Executive Director of the Authority, in an aggregate principal amount not to exceed \$5,630,000, are hereby authorized to be issued. The Bonds may be issued at one time, or from time to time, in one or more series separately or differently identified, and may be issued in a tax-exempt or taxable mode, all in accordance with the Indenture (as hereinafter defined) as finally executed. The proceeds of the Bonds shall be used to finance and/or refinance the Project and to pay costs of issuance of the Bonds.

Section 3. The Treasurer of the State of California (the “Treasurer”) is hereby authorized to sell the Bonds, at one time or from time to time before December 31, 2008, by negotiated sale, at such price and at such interest rate or rates and in such mode (taxable or tax-



exempt) as he may determine, such determination to be as set forth in the hereinafter referred to Purchase Contract.

Section 4. The proposed form of loan agreement relating to the Bonds (the “Loan Agreement”), between the Authority and the Borrower, as filed with the Authority prior to this meeting, is hereby approved. The Chairman or any Deputy to the Chairman, together with the Executive Director of the Authority (collectively, the “Authorized Signatories” and each, individually, an “Authorized Signatory”) are hereby authorized and directed, for and on behalf and in the name of the Authority, to execute, acknowledge and deliver to the Borrower the Loan Agreement in substantially the form filed with the Authority, with such insertions, deletions or changes therein (including, without limitation, insertions, deletions or changes therein appropriate to reflect the form of credit enhancement for the Bonds) as the officer executing the same, with the advice of the Attorney General of the State of California (the “Attorney General”), may require or approve, and with particular information inserted therein in substantial conformance with the Term Sheet, such approval to be conclusively evidenced by execution and delivery thereof. 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 5. The proposed form of indenture relating to the Bonds (the “Indenture”), between the Authority and a trustee named in the Term Sheet (the “Trustee”), as filed with the Authority prior to this meeting, is hereby approved. The Authorized Signatories are hereby authorized and directed, for and on behalf and in the name of the Authority, to execute, acknowledge and deliver to the Trustee, the Indenture in substantially the form filed with the Authority, with such insertions, deletions or changes therein (including, without limitation, insertions, deletions or changes therein appropriate to reflect the form of credit enhancement for the Bonds) as the officer executing the same, with the advice of the Attorney General, may require or approve, and with particular information inserted therein in substantial conformance with the Term Sheet, such approval to be conclusively evidenced by the execution and delivery thereof. 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 Bonds shall be as provided in the Indenture, as finally executed.

Section 6. The proposed form of bond purchase contract (the “Purchase Contract”) among the underwriter or underwriters named in the Term Sheet (the “Underwriters”), the Treasurer and the Authority, as agreed to and accepted by the Borrower, as filed with the Authority prior to this meeting or as provided in Section 8, is hereby approved. The Executive Director of the Authority, acting alone, is hereby authorized and directed, for and on behalf and in the name of the Authority, to execute, acknowledge and deliver to the Underwriters, the Purchase Contract in substantially the form filed with or approved by the Authority, with such insertions, deletions or changes therein as the Executive Director of the Authority, with the advice of the Attorney General, may require or approve, and with particular

information inserted therein in substantial conformance with the Term Sheet, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 7. The proposed form of official statement (the “Official Statement”) as filed with the Authority prior to this meeting or as provided in Section 8, is hereby approved. Each of the Authorized Signatories, acting alone, is hereby authorized, for and on behalf and in the name of the Authority, to execute and deliver the Official Statement in substantially the form filed with or approved by the Authority, with such insertions, deletions or changes therein as such officer, with the advice of the Attorney General, may approve or require, and with particular information inserted therein in substantial conformance with the Term Sheet, such approval to be conclusively evidenced by the execution and delivery thereof. The Underwriters are hereby authorized to distribute and deliver copies of the Official Statement to purchasers of the Bonds, with such changes therein as may be approved or required by the Attorney General. The distribution of copies of the Official Statement in preliminary form is hereby authorized and approved. Each of the Authorized Signatories, acting alone, is hereby authorized and directed to execute and deliver any amendments or supplements to the Official Statement which include, without limitation, amendments or supplements to the Authority’s disclosure set forth in the form of Official Statement filed with or approved by the Authority, which they may deem necessary or advisable in order to consummate the issuance, sale, delivery or remarketing of the Bonds.

Section 8. The forms of the Purchase Contract and the Official Statement described in Sections 6 and 7 hereof, respectively, shall, if not on file with the Authority, be substantially similar to the Purchase Contract and the Official Statement executed in connection with the issuance of the California Pollution Control Financing Authority Variable Rate Demand

Solid Waste Disposal Revenue Bonds (Garden City Sanitation, Inc. Project) Series 2007A, with particular information inserted therein in conformance with the Term Sheet.

Section 9. The Chairman of the Authority is hereby authorized and directed to execute, by manual or facsimile signature, in the name and on behalf of the Authority and under its seal, the Bonds, in one or more series, in an aggregate principal amount not to exceed \$5,630,000, in accordance with the fully executed and delivered Indenture and the form of bond set forth therein.

Section 10. The Bonds, when so 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 Bonds by executing the Trustee’s certificate of authentication appearing thereon. The Trustee is hereby requested and directed to deliver the Bonds, when duly executed and authenticated, to The Depository Trust Company, New York, New York, on behalf of the Underwriters in accordance with written instructions executed on behalf of the Authority by an Authorized Signatory, which instructions said officer is hereby authorized and directed, for and on behalf and in the name of the Authority, to execute and to deliver to the Trustee. Such instructions shall provide for the delivery of the Bonds to The Depository Trust Company, on behalf of the Underwriters thereof, upon payment of the purchase price thereof.

Section 11. The Authority hereby dedicates and confirms its allocation to the Bonds issued in a tax-exempt mode (the “Tax-Exempt Bonds”) 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, in an amount up to the applicable principal amount of Tax-Exempt Bonds issued and delivered to finance certain costs of the Project, so as to satisfy the

requirements of Section 146(e) of the Internal Revenue Code of 1986, with respect to the Tax-Exempt Bonds.

Section 12. As requested by the Borrower, the Authority hereby waives the requirement for an in-furtherance certificate relating to the solid waste disposal facilities portion of the Project pursuant to Section 44533(a) of the Act.

Section 13. Each of the Authorized Signatories, acting alone, is hereby authorized and directed, acting alone, to do any and all ministerial acts, including (without limitation) the execution and delivery of any and all documents and certificates, including the tax certificate, they may deem necessary or advisable in order to consummate the issuance, sale, delivery or remarketing of the Bonds, and otherwise to effectuate the purpose of this resolution. The Treasurer is hereby requested and authorized to take any and all acts within his or her authority as agent for sale that he or she may deem necessary or advisable in order to consummate the issuance, sale, delivery or remarketing of the Bonds, and otherwise effectuate the purposes of this resolution.

Section 14. 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 Bonds (AVI-PGS Project) Series 2008A (the “Bonds”)
<b>Maximum Amount of Issue:</b>	\$5,630,000 (tax-exempt)
<b>Issuer:</b>	California Pollution Control Financing Authority (the “Authority”), Sacramento, CA
<b>Borrower:</b>	Amador Valley Industries, LLC and Pleasanton Garbage Service, Inc.
<b>Trustee:</b>	The Bank of New York Trust Company, N.A.
<b>Senior Underwriter or Placement Agent:</b>	Westhoff, Cone & Holmstedt
<b>Bond Counsel:</b>	Leslie M. Lava, Esq. Sausalito, CA
<b>Remarketing Agent:</b>	Westhoff, Cone & Holmstedt
<b>Project:</b>	Finance (i) the acquisition or retrofitting of rolling stock and collection vehicles for the collection, processing and transfer of solid waste and the acquisition of collection boxes, bins and carts, all which may be located from time to time at 3000 and/or 3110 Busch Road, Pleasanton, California 94566 (the “3110 Busch Road Site”); (ii) improvements to a sorting line located at the 3110 Busch Road Site; and (iii) the acquisition of collection boxes, bins and carts to be located with customers in the Cities of Dublin and Pleasanton, California.
<b>Maximum Bond Term:</b>	Not to exceed 30 years
<b>Type of Sale:</b>	Negotiated sale
<b>Description of Minimum Denominations:</b>	\$100,000 or any integral multiple of \$5,000 in excess thereof while in variable rate mode
<b>Financing Structure:</b>	Variable rate demand bonds; convertible to

	fixed rate pursuant to the Indenture
<b>Maximum Interest Rate:</b>	12%
<b>Letter of Credit:</b>	Provided by Wells Fargo Bank, National Association
<b>Other Credit Enhancement:</b>	Not applicable
<b>Anticipated Bond Rating:</b>	“AA/F1+” (minimum “A-”)
<b>Type of Financing:</b>	Solid waste disposal revenue bonds
<b>Prepared by:</b>	Robert Martz (925) 472-8746

**RESOLUTION OF THE CALIFORNIA  
POLLUTION CONTROL FINANCING AUTHORITY  
RELATING TO ASSISTANCE FROM THE SMALL  
BUSINESS ASSISTANCE FUND FOR  
AMADOR VALLEY INDUSTRIES, LLC, PLEASANTON GARBAGE SERVICE, INC.  
AND/OR THEIR RESPECTIVE AFFILIATES**

January 23, 2008

WHEREAS, the California Pollution Control Financing Authority (the “Authority”) has approved the application of application of Amador Valley Industries, LLC and Pleasanton Garbage Service, Inc. (collectively, the “Borrower”) for financial assistance to finance the acquisition or retrofitting of rolling stock and collection vehicles for the collection, processing and transfer of solid waste, the construction of improvements to a sorting line and the acquisition of collection boxes, bins and carts, which will be used to serve the Borrower’s customers throughout its service territory in the Cities of Dublin and Pleasanton, California, as more particularly described in Application No. 805(SB) of the Borrower (the “Project”) and has adopted its Resolution 477 (the “Final Resolution”) authorizing the issuance of revenue bonds 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 (the “Bonds”); 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 issuer of a direct pay letter of credit securing the Bonds, 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.

Section 3. The Authority hereby authorizes and approves up to \$220,080 of assistance from the Fund to the Borrower to be used for payment of initial Letter of Credit fees and certain costs of issuance of the Bonds. The actual amount of assistance shall be determined by the Executive Director or the Deputy Executive Director of the Authority based upon the final terms of the sale of the Bonds.

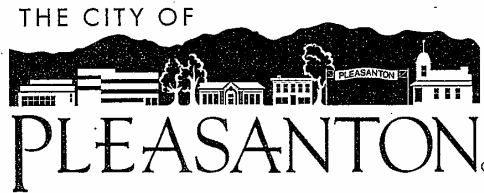
Section 4. The Executive Director or Deputy Executive Director of the Authority is hereby authorized and directed, jointly and severally, to do any and all ministerial acts and to execute and deliver a contract for financial assistance with the Borrower in conformance with the terms of this resolution, 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

**Agenda Item – 4.B.1**

suitability of the Project or in any application for any required permission or authority to construct or operate the Project.

Attachment A



November 7, 2007

Ms. Joanie Jones-Kelly  
 Executive Director  
 CDLAC  
 State of California  
 915 Capital Mall, Room 303  
 Sacramento, CA 95814

**Re: California Debt Limit Allocation Committee, Exempt Facility Approvals  
 Amador Valley Industries, LLC & Pleasanton Garbage Service, Inc. (co-borrowers)**

Dear Ms. Jones-Kelly:

I write to you today on behalf of Pleasanton Garbage Service, Inc. relating to its environmental project related to refuse collection and recycling equipment, for which approval will be requested at the California Debt Limit Allocation Committee (“CDLAC”) meeting in January.

The City has worked with the Pleasanton Garbage Service, Inc. over the last few years in their development of the proposed project and it now is 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 CDLAC must grant part of the State’s allocation for “private activity” bonds as defined by the federal government to the Project.

While I can image that your job in apportioning the available allocation among competing and equally beneficial projects is difficult, I want to let you know that to the City of Pleasanton this equipment purchase is important. It is a project which is a part of, and crucial to our overall plan of compliance with AB 939. In addition, we and Pleasanton Garbage Service, 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 Pleasanton I would therefore strongly urge that you approve the Pleasanton Garbage Service Project at your meeting in January. Thank you.

Very truly yours,

Nelson Fialho  
 City Manager

P. O. Box 520, Pleasanton, CA 94566-0802

123 Main Street

City Manager  
 (925) 931-5002  
 Fax: 931-5482

City Attorney  
 (925) 931-5015  
 Fax: 931-5482

Economic Development  
 157 Main Street  
 (925) 931-5038  
 Fax: 931-5476

City Clerk  
 (925) 931-5027  
 Fax: 931-5492