

**CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY  
BOND FINANCING PROGRAM  
Meeting Date: December 12, 2017**

*Request to Approve Final Resolution Authorizing the Issuance of Revenue Notes for New Money Purposes and Tax-Exempt Volume Cap Allocation*

Prepared by: Deanna Hamelin

<b>Applicant:</b>	Napa Recycling & Waste Services, LLC and/or its affiliates	<b>Amount Requested:</b>	\$35,200,000
<b>Project Locations:</b>	Cities of American Canyon, Zamora, and Paradise (Napa, Yolo and Butte Counties)	<b>Application No.:</b>	915(SB)
		<b>Final Resolution No.:</b>	17-01-582
		<b>Prior Actions:</b>	IR approved October 17, 2017

**Summary.** Napa Recycling & Waste Services and/or its affiliates (the “Company” or “Napa Recycling”) request an approval of a Final Resolution for an amount not to exceed \$35,200,000 of tax-exempt notes to finance the acquisition and installation of new equipment and rehabilitation of existing facilities and site improvements.

**Borrower.** Napa Recycling is in the business of collecting and processing solid waste, recyclables and organic materials. The Company is a limited liability company and was organized in California on August 18, 2004. Napa Recycling is a small business with approximately 175 employees.

The principal members of the Company are as follows:

B & K Napa Waste, LLC	25%
Garaventa Enterprises, Inc.	25%
Garbarino Waste Industries, LLC	25%
Pestoni Napa City, LLC	25%
<b>Total:</b>	<b><u>100%</u></b>

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

**TEFRA.** The TEFRA hearing was held on December 7, 2017. There were no comments received in support of or in opposition to this project.

**Fees.** The Company has paid an application fee of \$5,000 and will pay an administrative fee of \$65,400 at closing.

**Prior Financings.** The Company has previously issued bonds with CPCFA in 2005 and 2007 but currently has no outstanding financings with CPCFA.

**Project Description.** Pursuant to AB 1826, California’s food waste recycling requirement, which became effective April 1, 2016, the Company plans to use note proceeds to purchase California Air Resources Board (CARB) compliant collection vehicles, and other equipment such as bins, carts, boxes, and other waste processing equipment related to its materials recovery facilities (MRF) and composting facilities at sites located in Napa, Yolo, and Butte Counties. Additionally, the Company will use note proceeds for site and building improvements at its facilities in the cities of American Canyon, Zamora and Paradise and storm water system improvements at its facility in Zamora (collectively the “Project”).

The anticipated project and issuance costs are listed below:

Acquisition and Installation of New Equipment	\$32,908,750
Site Improvements	\$850,000
Rehabilitation of Existing Building(s)	\$350,000
Bond Issuance Expenses	\$343,270
Equipment Contingency	\$747,980
<b>Total:</b>	<b><u>\$35,200,000</u></b>

*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 anticipates that equipment purchases and building and site improvements will begin December of 2017 and are anticipated to be completed by December 1, 2020.

**Local Government.** The Company received four letters of support from the following representatives from various jurisdictions:

- Phil Brun, Deputy Public Works Director - Operations for the City of Napa (Attachment A)
- Greg Pirie, Solid Waste Program Manager, for Planning, Building, and Environmental Services for Napa County (Attachment B)
- Linda Sinderson, Director of the Department of Community Services in the County of Yolo. (Attachment C)

- Craig Baker, Community Development Director and Solid Waste Program Administrator for the Town of Paradise (Attachment D)

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

**Air Quality.** As part of its ongoing commitment under the franchise agreements, the Company will acquire new compressed natural gas (CNG) collection vehicles, thereby minimizing particulate matter associated with conventional diesel-fueled vehicles.

**Water Quality.** The CNG fueled vehicles will create less particulate matter as compared to a diesel-fueled vehicle which reduces the particulate pollution that may end up in local creek beds and streams.

**Energy Efficiency.** CNG is primarily a domestically produced product that will reduce dependence on foreign oil.

**Recycling of Commodities.** The proposed Project is expected to divert a substantial amount of recyclables and green waste from local landfills. Automated rubbish and recycling collection is consistent with the Source Reduction and Recycling Element (SRRE) of the applicant's service area.

**Safety and Compliance.** The implementation of this project will result in safe disposal of solid waste and will be compliant with all applicable state and federal environmental regulations relating to solid waste disposal requirements. More importantly, both the California Integrated Waste Management Act of 1989 (AB 939) and the United States Resource Conservation and Recovery Act (RCRA) mandate the need to minimize the amount of material landfilled and maximize recycling opportunities, both of which the project will accomplish.

**Consumer Cost Savings and Efficiencies.** The Company's current franchise agreements were awarded via competitive processes. In determining its proposed rate structure, the capital costs considered the use of tax-exempt financing.

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

A portion of the Project involves the purchase of new stormwater system improvements at Napa's facility located in Zamora. Per the California Regional Water Quality Control Board (CRWQCB) Notice of Applicability Water Quality Order (the "Order"), the Company is required to comply with all the requirements of the order with all work to be completed by December 31, 2020. The Company has provided CPCFA staff with satisfactory evidence indicating that the imposed Waste Discharge Requirement (WDR) milestones set forth in the Order by the CRWQCB, have been met.

**Financing Details.** The Company anticipates a direct bank purchase of a negotiated tax-exempt variable rate note by MUFG Union Bank, N.A., 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, such note will have a restriction on transfer to QIBs and require an investor letter. The target date for financing is December 19, 2017.

For state law purposes, the notes may 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 \$35,200,000 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 the Borrower:** Westhoff, Cone & Holmstedt  
**Note Counsel:** Law Offices of Leslie M. Lava  
**Issuer’s Counsel:** Office of the Attorney General  
**Trustee:** The Bank of New York Mellon Trust Company, N.A.

**Staff Recommendation.** Staff recommends approval of Final Resolution No. 17-01-582 and Volume Cap Allocation Resolution No. 14-147-16 for an amount not to exceed \$35,200,000, for Napa Recycling & Waste Services LLC and/or its affiliates.

Attachment A



www.cityofnapa.org

PUBLIC WORKS DEPARTMENT

1600 First Street  
Napa, California 94559-0660  
Mailing Address:  
P.O. Box 660  
Napa, California 94559-0660  
Phone: (707) 257-9520  
Fax: (707) 257-9522  
*California Relay Service (CRS) Dial 7-1-1*

November 9, 2017

Ms. Renee Webster-Hawkins  
Executive Director  
California Pollution Control Financing Authority  
801 Capitol Mall, 2<sup>nd</sup> Floor  
Sacramento, California 94814

**RE: California Pollution Control Financing Authority, Exempt Facility Approval  
Napa Recycling & Waste Services, LLC**

Dear Ms. Webster-Hawkins:

I write to you today in support of Napa Recycling & Waste Services, LLC (NRWS) regarding the funding of their capital equipment purchase related to their pending long-term contract extension with the City of Napa. Our understanding is that this item is scheduled for approval at the California Pollution Control Financing Authority ("CPCFA") meeting on December 12, 2017.

At the direction of the Napa City Council, my staff and I have worked with the management of NRWS for a long-term (14-year) extension of the current City-NRWS agreement (City Agreement No. 8687). In July 2017, a high-level conceptual Memorandum of Understanding (MOU) was mutually agreed upon between the City and NRWS. NRWS based their long-term MOU-related capital equipment purchases on approval and issuance of tax exempt notes for which the CPFCA must grant part of the State's allocation for "private activity" bonds as defined by the federal government to the NRWS project. Both the City and NRWS have continued to work diligently to honor the guiding principles memorialized in the MOU. The parties endeavor to complete drafting of the 2018 Contract Amendment in the first quarter of 2018 which, in turn, will extend the term of City-NRWS contract to December 31, 2031. We and NRWS agree that the implementation of this project is a cost-effective addition to our overall program, taking into account cost, technology and expected additional waste diversion through enhanced and improved recycling and composting systems and equipment.

On behalf of the City of Napa, I would appreciate it if you would approve the NRWS project application at your December meeting. Thank you.

Sincerely,

A handwritten signature in blue ink, appearing to read "Phil Brun".

Phil Brun  
Deputy Public Works Director – Operations

For TTY/Speech-to-Speech users, dial 7-1-1 for the California Relay Service or email [clerk@cityofnapa.org](mailto:clerk@cityofnapa.org)  
California Relay Services offers free text-to-speech, speech-to-speech, and Spanish-language services 24 hours a day, 7 days a week

Attachment B



A Tradition of Stewardship  
A Commitment to Service

Planning, Building & Environmental Services

1195 Third Street, Suite 210  
Napa, CA 94559  
www.countyofnapa.org

David Morrison  
Director

November 9, 2017

Ms. Renee Webster-Hawkins  
Executive Director  
California Pollution Control Financing Authority  
801 Capitol Mall, 2<sup>nd</sup> Floor  
Sacramento, California 94814

**RE: California Pollution Control Financing Authority, Exempt Facility Approval  
Napa Recycling & Waste Services, LLC**

Dear Ms. Webster-Hawkins:

I write to you today in support of Napa County Recycling & Waste Services, LLC (NCRWS) relating to the funding of their capital vehicle (equipment) purchase related to their franchise agreement with the County of Napa for collection services for solid waste, recyclable material, green waste, and food waste. Our understanding is that this item is scheduled for approval at the California Pollution Control Financing Authority ("CPCFA") meeting on December 12, 2017.

NCRWS based their capital equipment purchases on approval and issuance of tax exempt notes for which the CPFCA must grant part of the State's allocation for "private activity" bonds as defined by the federal government to the NRWS project.

NCRWS and we agree that the implementation of this project is a cost-effective addition to our overall program of solid waste collection services, taking into account cost, technology and expected additional waste diversion through enhanced and improved technology with vehicle and equipment that drastically reduce pollution.

On behalf of the County of Napa, I would appreciate it if you would approve the NCRWS project application at your December meeting. Thank you.

Sincerely,

Greg Pirie  
Solid Waste Program Manager  
Planning, Building, and Environmental Services  
County of Napa

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Planning Division (707) 253-4417	Building Division (707) 253-4417	Engineering & Conservation (707) 253-4417	Environmental Health (707) 253-4471	Parks & Open Space (707) 259-5933
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Attachment C



**County of Yolo**  
DEPARTMENT OF COMMUNITY SERVICES

Taro Echiburú, AICP  
DIRECTOR

*Planning & Public Works*  
292 West Beamer Street  
Woodland, CA 95695-2598  
(530) 666-8775  
FAX (530) 666-8156  
www.yolocounty.org

*Environmental Health*  
292 West Beamer Street  
Woodland, CA 95695-2598  
(530) 666-8646  
FAX (530) 669-1448  
www.yolocounty.org

*Integrated Waste Management*  
44090 CR 28H  
Woodland, CA 95776  
(530) 666-8852  
FAX (530) 666-8853  
www.yolocounty.org

November 29, 2017

Ms. Renee Webster-Hawkins  
Executive Director  
California Pollution Control Financing Authority  
801 Capitol Mall, 2nd Floor  
Sacramento, California 94814

**RE: California Pollution Control Financing Authority, Exempt Facility Approval  
Napa Recycling, LLC**

Dear Ms. Webster-Hawkins:

I write to you today in support of Northern Recycling, LLC, relating to the funding of their storm water improvements at the Zamora compost facility located at 11220 County Road 94. Yolo County understands that these storm water improvements are mandated by the Regional Water Resources Control Board (RWQCB) to comply with State Water Resources Control Board (SWRCB) Order WQ 2015-0121-DWQ and the Notice of Applicability issued to Northern Recycling by the Central Valley Regional Water Quality Control Board (CVRWQCB) in July 2016. Our understanding is that this item is scheduled for approval at the California Pollution Control Financing Authority ("CPCFA") meeting on December 12, 2017.

We understand that Northern Recycling based their capital purchases on approval and issuance of tax exempt notes for which the CPFCA must grant part of the State's allocation for "private activity" bonds as defined by the federal government to the Northern Recycling project.

Northern Recycling and we agree that the implementation of this project is a requirement for the facility to remain in compliance with current regulations. Complying with the Notice of Applicability will allow Northern Recycling to protect water quality and to continue to provide compost services to Yolo County and the jurisdictions within Yolo County.

On behalf of the County of Yolo, I would appreciate it if you would approve the Northern Recycling project application at your December meeting.

Sincerely,

Linda Sinderson  
Director  
Integrated Waste Management Division  
Department of Community Services

Attachment D



TOWN OF PARADISE

5555 SKYWAY • PARADISE, CALIFORNIA 95969-4931  
TELEPHONE (530) 872-6291 FAX (530) 877-5059  
www.townofparadise.com

November 30, 2017

Ms. Renee Webster-Hawkins  
Executive Director  
California Pollution Control Financing Authority  
801 Capitol Mall, 2<sup>nd</sup> Floor  
Sacramento, CA 94814

RE: California Pollution Control Financing Authority, Exempt Facility Approval  
Northern Recycling & Waste Services, LLC

Dear Ms. Webster-Hawkins:

I am writing to you to express support for Northern Recycling & Waste Services, LLC (NRWS) relating to the funding of their capital vehicle (equipment) purchase related to their franchise agreement with the Town of Paradise for solid waste collection service, recyclable material, green waste and food waste. Our understanding is that this item is scheduled for consideration at the California Pollution Control Financing Authority (CPCFA) meeting on December 12, 2017.

NRWS based their capital equipment purchases on approval and issuance of tax exempt notes for which the CPCFA must grant part of the State's allocation for "private activity" bonds as defined by the federal government to the NRWS project.

NRWS and the Town of Paradise agree that the implementation of this project is a cost-effective addition to our overall program of solid waste collection services, taking into account cost, technology and expected additional waste diversion through enhanced and improved technology with vehicle and equipment that drastically reduce pollution.

On behalf of the Town of Paradise, I would appreciate it if you would approve the NRWS project application at your December meeting

Sincerely,

A handwritten signature in black ink, appearing to read 'CB', with a long horizontal flourish extending to the right.

Craig Baker  
Community Development Director  
Solid Waste Program Administrator  
Town of Paradise



Final Resolution No. 17-01-582  
Application No. 915(SB)

**FINAL RESOLUTION OF THE  
CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY  
AUTHORIZING THE ISSUANCE OF REVENUE NOTES FOR  
NEW MONEY PURPOSES FOR THE  
SOLID WASTE DISPOSAL/RECYCLING FACILITIES AND EQUIPMENT  
OF NAPA RECYCLING & WASTE SERVICES, LLC AND/OR ITS AFFILIATES**

**December 12, 2017**

**WHEREAS**, the California Pollution Control Financing Authority (the “Authority”) has received the application of Napa Recycling & Waste Services, LLC (the “Borrower”) for financial assistance to finance or refinance the (i) construction of improvements to solid waste facilities, including a roof structure, storm water management system and site improvements thereto, and the acquisition and installation, if any, of equipment for the collection, processing, transfer and recycling of solid waste and other equipment functionally related thereto, including, without limitation, rolling stock, collection and other vehicles and/or green and food waste processing, materials recovery and/or office equipment to be located at 820 Levitin Way, American Canyon, CA 94503, 600 Tower Road, American Canyon, CA 94503, 889 Devlin Road, American Canyon, CA 94503, 11220 County Road 94, Zamora, CA 95698, 920 American Way, Paradise, CA 95969 (the “Sites”), and/or (ii) acquisition of drop boxes, bins, carts and containers to be located at one or more of the Sites and/or with customers located in incorporated or unincorporated portions of Napa, Butte and/or Yolo Counties, CA, 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 notes from time to time in an amount not to exceed \$35,200,000 to assist in the financing or refinancing of the Project; 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

**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 (Napa Recycling & Waste Services, LLC Project) Series 2017” (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 \$35,200,000, 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 Project (including without limitation, reimbursing the Borrower for qualifying costs incurred for the Project prior to the issuance of the Notes) 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, 2017, 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 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 \$35,200,000 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 2017 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

**Agenda Item 4.B.3**

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 (Napa Recycling & Waste Services, LLC Project) Series 2017 (the “Notes”)

**Maximum Amount of Issue:** \$35,200,000 (tax-exempt)

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

**Borrower:** Napa Recycling & Waste Services, LLC  
Napa, CA

**Purchaser:** MUFG Union Bank, N.A.  
Ontario, CA

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

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

**Underwriter:** Not applicable

**Remarketing Agent:** Not applicable

**Project:** Finance or refinance the (i) construction of improvements to solid waste facilities, including a roof structure, storm water management system and site improvements thereto, and the acquisition and installation, if any, of equipment for the collection, processing, transfer and recycling of solid waste and other equipment functionally related thereto, including, without limitation, rolling stock, collection and other vehicles and/or green and food waste processing, materials recovery and/or office equipment to be located at 820 Levitin Way, American Canyon, CA 94503, 600 Tower Road, American Canyon, CA 94503, 889 Devlin Road, American Canyon, CA 94503, 11220 County Road 94, Zamora, CA 95698,

### Agenda Item 4.B.3

920 American Way, Paradise, CA 95969 (the “Sites”), and/or (ii) acquisition of drop boxes, bins, carts and containers to be located at one or more of the Sites and/or with customers located in incorporated or unincorporated portions of Napa, Butte and/or Yolo Counties, CA.

<b>Maximum Note Term:</b>	Not to exceed 30 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
<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

**THE CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY**

**RESOLUTION NO. 14-147-16**

**A RESOLUTION TRANSFERRING A PORTION OF THE 2014 STATE CEILING  
ON QUALIFIED PRIVATE ACTIVITY BONDS FOR AN  
EXEMPT FACILITY PROJECT**

**WHEREAS**, the California Pollution Control Financing Authority (the “Authority”) has received an application (“Application”) from the Napa Recycling & Waste Services LLC (“Project Sponsor”) for the dedication of a portion of the 2014 State Ceiling on Qualified Private Activity Bonds under Section 146 of the Internal Revenue Code of 1986, as amended, to finance a Project through the issuance of bonds or other obligations as specifically described in Exhibit A (“Project”) (capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Regulations of the California Debt Limit Allocation Committee (the “Committee”) implementing the Allocation of the State Ceiling on Qualified Private Activity Bonds);

**WHEREAS**, the Project Sponsor has represented and confirmed in its Application certain facts and information concerning the Project;

**WHEREAS**, in evaluating the Project and dedicating a portion of the State Ceiling on Qualified Private Activity Bonds to the Project Sponsor for the benefit of the Project, the Authority has relied upon the written facts and information represented in the Application by the Project Sponsor; and

**WHEREAS**, it is appropriate for the Authority to dedicate a portion of the 2014 State Ceiling on Qualified Private Activity Bonds in order to benefit such Project described in the Application;

**NOW, THEREFORE**, the California Pollution Control Financing Authority resolves as follows:

**Section 1.** There is hereby dedicated to the Project Sponsor an amount of the 2014 State Ceiling on Qualified Private Activity Bonds equal to **\$35,200,000** (“Allocation”). Such Allocation may be used only in connection with the issuance of bonds or other obligations to finance the Project, as specifically described in Exhibit A. All of the terms and conditions of Exhibit A are incorporated herein as though set forth in full (this resolution, together with Exhibit A are hereafter referred to collectively as this “Resolution”).

**Section 2.** The terms and conditions of this Resolution shall be incorporated in appropriate documents relating to the Bonds. The Project Sponsor, and all of its respective successors and assignees, will be bound by such terms and conditions. The Project shall be subject to the monitoring provisions of section 5144 of the Committee’s Regulations.

**Section 3.** The Allocation must be used by December 31, 2017.

**Section 4.** Within twenty-four (24) hours of using the Allocation to issue Qualified Private Activity Bonds to finance the Project, the Authority shall notify the Committee at CDLAC@treasurer.ca.gov that the Allocation has been used. This notice shall identify the Project Sponsor, the project, the date the Allocation was used, and the Allocation amount.

**Section 5.** Within fifteen (15) calendar days of the Bond closing, the Authority shall formally transmit to the Committee information regarding the issuance of the Bonds by submitting a completed Report of Action Taken in a form prescribed by and made available by the Committee.

**Section 6.** Any differences between the amount of Bonds issued and the amount of the Allocation in Section 1 of this Resolution shall automatically revert to the Authority.

**Section 7.** Authority staff is authorized and directed to transmit a copy of this Resolution to the Project Sponsor together with a request that the Project Sponsor retain a copy of this Resolution for the term of the Bonds. Authority staff is further directed to retain a copy of this Resolution in the files of the Authority for the same period of time.

**Section 8.** In consideration of the Allocation dedicated to the Project, 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 the Authority or the Committee through an action for specific performance or any other available remedy, provided however, that the Authority and the Committee agree not to take such action or enforce any such remedy that would be materially adverse to the Bondholders. In addition, the Project Sponsor shall ensure that the Bond documents, as appropriate, expressly provide that the Committee is a third party beneficiary of the terms and conditions set forth in this Resolution. The Committee may consent to changes in the terms and conditions set forth in this Resolution as changed circumstances may dictate.

**Section 9.** The Certification of Compliance II or equivalent form must be submitted by the Project Sponsor to the Authority by February 1, but no later than March 1st annually until the project's Certificate of Completion has been submitted to the Authority. The Authority is responsible for reporting to CDLAC by March 1 annually via the Online Compliance System until project completion. A copy of the Certification of Compliance II and Certificate of Completion form may be found at this website location: <http://www.treasurer.ca.gov/cdlac>. Failure to submit compliance may result in disqualification from future program participation.

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



**RESOLUTION NO. 14-147-16**  
**(EXEMPT FACILITY PROJECT)**  
**EXHIBIT A**

- 1. Application No.: 915
- 2. Project Sponsor Napa Recycling & Waste Services LLC and/or its affiliates
- 3. Project User: Same as Project Sponsor
- 4. Project Name: Napa Group of Companies
- 5. Locations:
  - 820 Levitin Way  
American Canyon, CA 94503
  - 600 Tower Road  
American Canyon, CA 94503
  - 889 Devlin Road  
American Canyon, CA 94503
  - 11220 County Road 94  
Zamora, CA 95698
  - 920 American Way  
Paradise, CA 95969
- 6. Amount of Allocation: \$35,200,000
- 7. Pursuant to Section 5145(d) of the CDLAC Regulations, CDLAC must be designated in the bond documents to receive notice of changes in use and circumstances of Bond Default and Qualifying Bond Default.