

**CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY  
BOND FINANCING PROGRAM  
Meeting Date: May 21, 2019**

***Request To Approve Final Resolution Authorizing the Issuance of Tax-Exempt  
Revenue Notes for New Money and Refunding Purposes***

*Prepared by: Solomita Malko and Alison French-Tubo*

<b>Applicant:</b>	Alameda County Industries, Inc. and/or its affiliates	<b>Final Resolution Amount</b>	<b>Requested:</b> \$54,075,000
		<b>New Money Requested:</b>	\$32,000,000
		<b>Refunding Amount Requested:</b>	\$22,075,000
<b>Project</b>	City of San Leandro	<b>Application No.:</b>	925(SB)
<b>Location:</b>	(Alameda and Contra Costa Counties)	<b>Final Resolution No.:</b>	19-01-594
		<b>Prior Action:</b>	IR 18-05 approved 11/16/18

**Summary.** Alameda County Industries, Inc. and/or its affiliates (“ACI” or the “Company”) requests a total financing of \$54,075,000 in tax-exempt notes comprised of \$32,000,000 in new money and \$22,075,000 for the current refunding of the Series 2016 and 2017 notes. The new money amount of \$32,000,000 will be used to finance the acquisition of equipment, including rolling stock and containers for the processing, transfer, and recycling of waste.

**Borrower.** The Company and certain of its affiliates, including Alameda County Industries, LLC, Alameda County Industries CV, Inc., Alameda County Industries of San Ramon, Inc. and Alameda County Industries AR, Inc., provide collection and disposal services to customers throughout Alameda County. Additionally, the Company’s affiliate, Alameda County Industries, LLC, owns and operates a Materials Recovery Facility (“MRF”) located in the City of San Leandro. The Company is a small business and was organized in April of 1999.

The Company has been awarded two new Franchise Agreements in the cities of Castro Valley and San Ramon. Once the Franchise Agreements take effect, ACI will be gaining 79 employees (Castro Valley 32 and San Ramon 47) and together with all of its affiliates will have a total of 317 employees.

Shareholders and operators of the Company also own and operate other companies that provide solid waste collection/recycling/transfer station facilities in the Bay Area. These other companies include Pleasanton Garbage Service, Inc., Amador Valley Industries, LLC, Bay Counties Waste Services, Inc., dba Specialty Solid Waste & Recycling, South San Francisco Scavenger Co., Inc., Mission Trail Waste Systems, Inc., Peninsula Sanitary Service, Garden City Sanitation, Inc., Milpitas Sanitation, Inc., Livermore Sanitation, Inc., and Blue Line Transfer, Inc.

The principal stockholders of the Company are as follows:

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Louis Pellegrini	26.8125%
Robert J. Molinaro, Trustee	15.7971%
Anthony Macchiano and Shirley Macchiano, Trustees	8.1342%
Kent Kenney and Cheryl Kenney, Trustees	6.1875%
Michael Achiro, Trustee	4.1250%
Edward Bortoli and Robin Marie Bortoli, Trustees	4.1250%
Douglas H. Button and MaryAnn L. Button, Trustees	4.1250%
Paul R. Formosa and Julie A. Formosa, Trustees	4.1250%
Ronald S. Fornesi and Tamara L. Fornesi, Trustees	4.1250%
Jerry P. Nabhan and Julie Ann Nabhan, Trustees	4.1250%
John F. Rossi and Deborah Mei Rossi, Trustees	4.1250%
Stephanie Uccelli-Menner	4.1250%
William J. Dobert and Lynn C. Dobert, Trustees	3.9572%
Various Less than 3%	<u>6.1115%</u>
<b>Total:</b>	<b><u>100.0000%</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 Thursday, April 25, 2019. There were no comments 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 \$59,000 at closing for the new money portion of the financing. Additionally, the Company will pay the Authority's actual costs, including but not limited to applicable Authority 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.** The Company is a small business; however, the Company is not qualified for SBAF assistance due to requested allocation amount.

**Outstanding Financings.** Outstanding financings of the Company and its affiliates are listed below:

Description	Date of Bond Issue	Original Amount	Amount Outstanding as of 4/12/2019
Amador Valley Industries, LLC	05/09/2018	\$4,085,000	\$4,085,000
Bay Counties Waste Services, Inc.	06/07/2017	\$23,290,000	\$15,920,000

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Mission Trail Waste Systems, Inc.	08/11/2010	\$15,700,000	\$3,840,000
Garden City Sanitation, Inc.	11/01/2017	\$60,000,000	\$41,320,000
Blue Line Transfer, Inc.	02/04/2015	\$22,720,000	\$18,526,000
Alameda County Industries, Inc. Series 2016	04/06/2016	\$16,580,000	\$9,870,000
Alameda County Industries, Inc. Series 2017	10/04/2017	\$12,205,000	\$12,205,000
<b>TOTALS:</b>		<b><u>\$154,580,000</u></b>	<b><u>\$105,766,000</u></b>

**Background.** On April 6, 2016, CPCFA issued the Series 2016 notes in the amount of \$16,580,000. These note proceeds financed improvements to an existing Materials Recovery Facility (MRF) in San Leandro and the acquisition of new rolling stock and storm water equipment. The Series 2016 notes also refunded CPCFA Series 2000A and Series 2012 Bonds.

On October 4, 2017, CPCFA issued the Series 2017 notes in the amount of \$12,205,000. These note proceeds financed additional improvements to the same MRF in San Leandro and the acquisition of 19 compressed natural gas (CNG) vehicles and pickup trucks.

**Current Request.** The Company has been awarded two new Franchise Agreements for the Castro Valley Sanitary District and the City of San Ramon. The project entails the acquisition of new rolling stock comprised of compressed natural gas (CNG) fueled collection vehicles and containers to facilitate ACI's contractual obligations under the Franchise Agreements. It is anticipated that 18 CNG trucks will be purchased for use in the Castro Valley Sanitary District and 23 CNG trucks will be used in the City of San Ramon. All of the components of the project are to be located at 577, 601, and/or 610 Aladdin Avenue in San Leandro, or with customers within the respective city/county areas.

Based on the application and preliminary costs of issuance submitted to the Authority, the estimated project and issuance costs at the time of this staff report are shown below. The actual costs of issuance will be itemized and reported to the Authority at the time of closing.

<b>Project Costs</b>	<b>To Be Paid from Note Proceeds</b>	<b>To be Paid From All Other Sources</b>
Acquisition and Installation of New Equipment	\$31,006,783	\$0
Refunding Portions of Notes	\$22,075,000	\$0
Bond Issuance Expense	\$640,000	\$0
Project Contingency	<u>\$353,217</u>	<u>\$0</u>
<b>Total</b>	<b><u>\$54,075,000</u></b>	<b><u>\$0</u></b>

The amount allocated for project contingency may be for eligible solid waste expenditures necessary for the project and unknown at the time of financing.

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*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 note documents, that all assets purchased with note 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 project has been initiated and all proceeds are expected to be expended by December 31, 2020.

**Local Government.** The Company received a letter of support from David Krueger, Solid Waste and Recycling Manager for the City of San Ramon (see Attachment A). The Company received another letter of support from Roland P. Williams, General Manager for Castro Valley Sanitary District (see Attachment B).

**CDLAC Allocation.** The Company has applied to the California Debt Limit Allocation Committee (CDLAC) and was approved for CPCFA Carryforward Allocation at its May 15, 2019 Board meeting for an amount not to exceed \$32,000,000.

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

**Air Quality.** Air Quality should be enhanced with the full implementation of the proposed Project by virtue of the fact that, as part of its compliance with air quality mandates and commitment to the cities of Castro Valley and San Ramon, the Project sponsor is purchasing more CNG-fueled collection vehicles, thereby avoiding particulate matter associated with alternative types of vehicles such as diesel fueled vehicles.

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

**Energy Efficiency.** The use of CNG-fueled vehicles helps reduce dependence upon gasoline and diesel fuel.

**Safety and Compliance.** The project will be compliant with all state and local mandates.

**Consumer Cost Savings.** The project will enhance the company's operating efficiencies which will provide greater flexibility with future rate structures.

**Other benefits to the public.** The use of CNG-fueled vehicles will assist our Country in minimizing its reliance on foreign oil and CNG is a cleaner burning fuel as compared to diesel.

**Permitting and Environmental Approvals.** The Company has provided a signed letter from Kent Kenney, Controller of Alameda County Industries, Inc., articulating that the project is consistent with its existing zoning requirements. It does not require a new CEQA process nor does it require any discretionary permits.

**Financing Details.** The Company anticipates a direct bank purchase of negotiated tax-exempt notes 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. Subsequent transfer is restricted to the transfer of the note in whole. The target date for financing is June 3, 2019.

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 amount will be deemed issued at closing and will receive the full amount of volume cap allocation dedicated to the new money portion of the notes (\$32,000,000). This structure will provide significant cost savings to the Company.

The Indenture for this financing contains various changes to the CPCFA Model Indenture document that is commonly used in the majority of CPCFA transactions. The notable changes include the following: (i) changes to the interest rate setting mechanism contained in various definitions in the indenture as a result of the lowering of the corporate tax rate thereby allowing the bank to share a higher percentage of its savings with the Company and to allow automatic interest rate changes on the notes if the corporate tax rate changes again. These changes can now be made without requiring future amendments to the indenture; and (ii) the modifications to the notice periods applicable to certain note transactions which facilitate the administration of the notes by the bank and 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  
**Trustee:** The Bank of New York Mellon Trust  
Company, N.A.

**Staff Recommendation.** Staff recommends approval of Final Resolution No. 19-01-594 for a total amount not to exceed \$54,075,000 for Alameda County Industries, Inc. and/or its affiliates.

Attachment A



CITY OF SAN RAMON

7000 BOLLINGER CANYON ROAD  
SAN RAMON, CALIFORNIA 94583  
PHONE: (925) 973-2500  
WEB SITE: www.sanramon.ca.gov

March 22, 2019

Ms. Reneé Webster-Hawkins  
Executive Director  
California Pollution Control Financing Authority  
801 Capitol Mall, 2nd Floor  
Sacramento, CA 95814

**RE: California Pollution Control Financing Authority, Exempt Facility Approvals  
Alameda County Industries, Inc. Project**

Dear Ms. Webster-Hawkins:

I write to you today on behalf of Alameda County Industries, Inc. (the "Company"), relating to the funding of their project for which approval will be requested at the California Pollution Control Financing Authority ("CPCFA") meeting in May. The City recently awarded a Franchise Agreement for residential waste collection and disposal to the Company, and the project involves the financing of the acquisition of solid waste disposal related equipment to support such Franchise Agreement (the "Project").

My staff and I have worked with the management of Alameda County Industries, Inc. in their development of the proposed Project, and I understand that they now are ready for final approval of the financing. I further understand that in order to receive approval for the issuance of tax exempt bonds, on whose lower interest rates the Project economics have been based, that CDLAC must grant part of the State's allocation for "private activity" bonds as defined by the federal government to the Project.

We and the Company 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 San Ramon, I would appreciate it if you would approve the Alameda County Industries, Inc. Project at your May meeting. Thank you.

Sincerely,

David Krueger  
Solid Waste and Recycling Manager  
Public Works Department

CITY COUNCIL	973-2530	CITY CLERK	973-2539	ENGINEERING SERVICES	973-2670	PARKS & COMMUNITY SERVICES	973-3200
CITY MANAGER	973-2530	ADMINISTRATIVE SERVICES	973-2503	POLICE SERVICES	973-2700	ECONOMIC DEVELOPMENT	973-2554
CITY ATTORNEY	973-2549	PLANNING/COMMUNITY DEVELOPMENT	973-2560	PUBLIC SERVICES	973-2800	PERMIT CENTER	973-2574

Attachment B



March 5, 2019

Ms. Reneé Webster-Hawkins  
Executive Director  
California Pollution Control Financing Authority  
801 Capitol Mall, 2nd Floor  
Sacramento, CA 95814

Daniel M. Akagi  
President

Dave Sadoff  
President Pro Tem

Ralph Johnson  
Secretary

Melody Appleton  
Secretary Pro Tem

Timothy McGowan  
Board Member

Roland P. Williams, Jr.  
General Manager

**RE: California Pollution Control Financing Authority, Exempt Facility Approvals Alameda County Industries, Inc. Project**

Dear Ms. Webster-Hawkins:

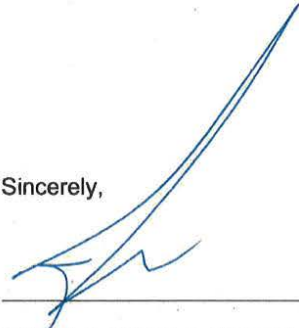
I write to you today on behalf of Alameda County Industries, Inc. (ACI), relating to the funding of their proposed project for which approval will be requested at the California Pollution Control Financing Authority (CPCFA) meeting in May. CVSan recently awarded a Franchise Agreement for residential waste collection and disposal to ACI, and the proposed project involves financing the acquisition of solid waste disposal related equipment to support such Franchise Agreement.

My staff and I have worked with the management of ACI in their development of the proposed project, and I understand that they now are ready for final approval of the financing. I further 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 the California Debt Limit Allocation Committee (CDLAC) must grant part of the State's allocation for "private activity" bonds as defined by the federal government to the proposed project.

CVSan and ACI agree that the implementation of this proposed project is a cost-effective addition to our overall program, considering cost, technology, and expected waste diversion.

On behalf CVSan, I would appreciate it if you would approve the ACI's proposed project at your May meeting.

Sincerely,



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Roland P. Williams, General Manager



**Final Resolution No. 19-01-594  
Application No. 925 (SB)**

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

**May 21, 2019**

**WHEREAS**, the California Pollution Control Financing Authority (the “Authority”) has received the application of Alameda County Industries, Inc. (the “Borrower”) for financial assistance to finance or refinance the acquisition and installation, if any, of solid waste equipment for the Borrower, Alameda County Industries, LLC, Alameda County Industries CV, Inc., Alameda County Industries of San Ramon, Inc. and/or Alameda County Industries AR, Inc., all to be located at one or more of the following locations: 577 Aladdin Avenue, San Leandro, California 94577, 601 Aladdin Avenue, San Leandro, California 94577, 610 Aladdin Avenue, San Leandro, California 94577 (the “610 Aladdin Site”) and/or with customers in Castro Valley, San Ramon, Alameda County or Contra Costa County, California, all as more particularly described in the Term Sheet attached hereto as Exhibit A and incorporated herein (the “Term Sheet”) (collectively, the “2019 Project”); and

**WHEREAS**, the Authority has previously issued its California Pollution Control Financing Authority Variable Rate Demand Solid Waste Disposal Revenue Bonds (Alameda County Industries, Inc. Project) Series 2016 and Series 2017 (the “Prior Bonds”); and

**WHEREAS**, the Borrower now wishes to refund the Prior Bonds, which (1) financed or refinanced the construction and/or improvement of a material recovery facility and the acquisition and installation, if any, of equipment for the collection, processing, transfer and recycling of solid waste, including rolling stock, storm water equipment and other equipment functionally related thereto, all located at the 610 Aladdin Site, (2) refunded two outstanding Authority revenue bond issues which financed or refinanced the acquisition, construction, installation, renovation and/or equipping of certain solid waste facilities, which facilities were located at the 610 Aladdin Site and which equipment was located at the 610 Aladdin Site and/or throughout Alameda County, California, and (3) financed or refinanced the construction of improvements to solid waste disposal facilities, including a materials recovery facility, and the acquisition and installation, if any, of equipment for the collection, processing, transfer and recycling of solid waste, including solid waste collection vehicles and trucks and other equipment functionally related thereto, all located at the 610 Aladdin Site, all as more particularly described in the Term Sheet (the “Prior Projects” and, together with the 2019 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 \$54,075,000 to assist in the financing or refinancing of the Project and the refunding of the Prior Bonds; and

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Application No. 925 (SB)**

**WHEREAS**, the Authority has applied for a portion of the 2019 State Ceiling on Qualified Private Activity Bonds (“Allocation”) from the California Debt Limit Allocation Committee (“CDLAC”) for notes executed in tax-exempt mode for the 2019 Project as described in CDLAC Application No. 19-013, to finance or refinance certain costs of the 2019 Project and to pay certain costs of issuance of the Notes (defined below), so as to satisfy the requirements of Section 146(e) of the Internal Revenue Code of 1986, with respect to the Notes; and

**WHEREAS**, CDLAC determined it was appropriate to authorize the transfer of remaining 2018 State Ceiling on Qualified Private Activity Bonds (the “Carryforward Allocation”) in order to benefit the 2019 Project instead of the Allocation; and

**WHEREAS**, on May 15, 2019, the Authority received the authorization from CDLAC to use the Carryforward Allocation in the amount of \$32,000,000 pursuant to the resolution of CDLAC (the “CDLAC Resolution”); and

**WHEREAS**, the Borrower has requested that the Notes be delivered in installments as described in the hereinafter referred indenture; and

**WHEREAS**, the proceeds of the Notes will be loaned to the Borrower under the hereinafter referred loan agreement with the Authority; and

**WHEREAS**, final approval of the terms of the Notes and certain documents relating to the 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 (Alameda County Industries, Inc. Project) Series 2019” (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 \$54,075,000, 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 2019 Project (including without limitation,

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Application No. 925 (SB)**

reimbursing the Borrower for qualifying costs incurred for the 2019 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, 2019, by negotiated sale, at such price and at such interest rate or rates as she 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.** Any modification to the 2019 Project made prior to the issuance of the Notes shall be reported to the Executive Director of the Authority, and such modification shall be subject to further approval by the Authority. If such modification is approved by the Authority, the Executive Director of the Authority shall immediately report to the Executive Director of CDLAC. If the Executive Director of CDLAC determines such modification to be material in accordance with CDLAC’s regulations, CDLAC shall reconsider the modification to the 2019 Project before the Carryforward Allocation may be used.

**Section 6.** Any material changes to the note sale structure prior to the issuance of the Notes are subject to further approval by the Authority. If material changes are approved by the Authority, the Executive Director of the Authority shall immediately report any material changes to the Executive Director of CDLAC. CDLAC may require approval of the material change by the Committee Chair or the Executive Director of CDLAC before the Carryforward Allocation may be used.

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**Section 7.** 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 8.** 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 9.** The Notes shall be executed by the manual or facsimile signature of the Chair or any Deputy to the Chair 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 either in one payment or installments, as applicable.

**Section 10.** The Carryforward Allocation shall automatically revert to the Authority unless the Authority has executed Notes on behalf of the Borrower within ninety (90) days of the transfer of the Carryforward Allocation. In a case of extreme hardship, the Executive Director of CDLAC may extend this date by up to five (5) business days. In addition, the Executive Director of CDLAC may also grant an additional extension of up to ninety (90) days. This extension will result in a forfeiture of the Project’s performance deposit to the extent that the performance deposit has not previously been forfeited. The Authority shall retain any unused Carryforward Allocation for the period allowed by the Internal Revenue Code regarding carryforward elections.

**Section 11.** 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 12.** The provisions of Resolution No. 19-01-001 entitled “Resolution of the California Pollution Control Financing Authority Delegating Certain Powers and Authorizing

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Certain Actions Related to Bond Financings” adopted by the Authority on January 15, 2019 (the “Delegation Resolution”), apply to the documents and actions approved in this Resolution, and the provisions of Resolution No. 19-01-001 are incorporated herein by reference. This Section 12 shall be deemed to refer to and incorporate any resolution of a similar nature adopted hereafter by the Authority which replaces or supersedes the Delegation Resolution.

**Section 13.** The provisions of the Initial Resolution No. 18-05, approved by the Executive Director of the Authority, on behalf of the Authority, on November 16, 2018 pursuant to her delegation authority, apply to the documents and actions approved in this Resolution, and the provisions of such resolution are incorporated herein by reference.

**Section 14.** The Certification of Compliance II or equivalent form must be submitted by the Borrower to the Authority by February 1<sup>st</sup> annually, until the project's Certificate of Completion has been submitted to the Authority, as provided in the Loan Agreement. 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 demonstrate compliance may result in disqualification from future program participation.

**Section 15.** As required by the CDLAC Resolution, the Loan Agreement, Indenture and Purchase Contract expressly provide that CDLAC is a third party beneficiary of the terms and conditions set forth in CDLAC’s Resolution. Once the Notes are executed and delivered, the terms and conditions set forth in CDLAC’s Resolution shall be enforceable by CDLAC through an action for specific performance or any other available remedy.

**Section 16.** 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 17.** This Resolution shall take effect immediately upon its passage. The adoption by the Authority of this final resolution for the Borrower shall not be referred to in any application before any government agency as evidence of the feasibility, practicality or suitability of the Project or in any application for any required permission or authority to construct or operate the Project.

**EXHIBIT A**

TERM SHEET

<b>Name of Issue:</b>	California Pollution Control Financing Authority Variable Rate Demand Solid Waste Disposal Revenue Notes (Alameda County Industries, Inc. Project) Series 2019 (the “Notes”)
<b>Maximum Amount of Issue:</b>	\$54,075,000 (tax-exempt)
<b>Issuer:</b>	California Pollution Control Financing Authority (the “Authority”) Sacramento, California
<b>Borrower:</b>	Alameda County Industries, Inc., a California corporation
<b>Purchaser:</b>	MUFG Union Bank, N.A. Ontario, California
<b>Note Counsel:</b>	Leslie M. Lava, Esq. Tiburon, California
<b>Trustee:</b>	The Bank of New York Mellon Trust Company, N.A. Los Angeles, California
<b>Underwriter:</b>	Not applicable
<b>Remarketing Agent:</b>	Not applicable
<b>2019 Project:</b>	Finance or refinance the acquisition and installation, if any, of solid waste equipment for the Borrower, Alameda County Industries, LLC, Alameda County Industries CV, Inc., Alameda County Industries of San Ramon, Inc. and/or Alameda County Industries AR, Inc., all to be located at one or more of the following locations: 577 Aladdin Avenue, San Leandro, California 94577, 601 Aladdin Avenue, San Leandro, California 94577, 610 Aladdin Avenue, San Leandro,

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California 94577 (the “610 Aladdin Site”) and/or with customers in Castro Valley, San Ramon, Alameda County or Contra Costa County, California.

**Prior Projects:**

(1) Financed or refinanced the construction and/or improvement of a material recovery facility and the acquisition and installation, if any, of equipment for the collection, processing, transfer and recycling of solid waste, including rolling stock, storm water equipment and other equipment functionally related thereto, all located at the 610 Aladdin Site, (2) refunded two outstanding Authority revenue bond issues which financed or refinanced the acquisition, construction, installation, renovation and/or equipping of certain solid waste facilities, which facilities were located at the Site and which equipment was located at the 610 Aladdin Site and/or throughout Alameda County, California, and (3) financed or refinanced the construction of improvements to solid waste disposal facilities, including a materials recovery facility, and the acquisition and installation, if any, of equipment for the collection, processing, transfer and recycling of solid waste, including solid waste collection vehicles and trucks and other equipment functionally related thereto, all located at the 610 Aladdin Site.

**Maximum Note Term:**

Not to exceed 20 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)

**Final Resolution No. 19-01-594  
Application No. 925 (SB)**

<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