

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

*Request to Approve Amendment to Initial Resolution Reflecting
Official Intent to Issue Revenue Notes*

Prepared by: *Kris Luoma*

Applicant:	Whitehall Corporation and/or its Affiliates	Amount Requested:	\$10,220,000
Project	St. Helena & Calistoga (Napa County)	Application No.:	882(SB)
Locations:	Clear Lake & Lower Lake (Lake County)	Initial Resolution No.:	15-04
		Prior actions:	IR approved 12/15/2015

Summary. Whitehall Corporation and/or its Affiliates (the “Company”) requests approval of an amendment to Initial Resolution 15-04 to change the name of the applicant from Upper Valley Disposal Service to its parent company, Whitehall Corporation, and to increase the note amount from \$6,335,000 to an amount not to exceed \$10,220,000 to reflect increased project costs.

On December 15, 2015, the California Pollution Control Financing Authority (“CPCFA”) Board approved an Initial Resolution for Upper Valley Disposal Service to issue revenue notes in an amount not to exceed \$6,335,000. The Company requests a higher amount to reflect the increased scope of the project. The Company also requests to change the project description to include the acquisition of land, drop boxes, carts, bins and/or containers, and the construction of a compressed natural gas (CNG) fueling station.

Borrower. The Company was incorporated in Napa on September 27, 1990, and collects and processes solid waste in areas of Napa and Lake Counties. Whitehall Corporation is a small business that together with its affiliates employs no more than 90 employees.

The principal stockholders of the Company are as follows:

Robert Pestoni	90%
Linda Pestoni-Sereni	<u>10%</u>
Total:	<u>100%</u>

The following companies are related to Whitehall Corporation through common ownership: Clover Flat Landfill, Inc.; Pestoni Brothers, LLC; Pestoni Leasing; Pestoni Ranch; Quackenbush Mountain Resource and Recovery Compost Facility, LLC; Rutherford Grove Winery; South Lake Refuse and Recycling, LLC; Upper Valley Recycling; Vista Corporation; Deerpond Inc.; Pestoni Enterprises LLC and Upper Valley Disposal Service.

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 in the Legal Status portion of the Application that raises questions concerning the financial viability or legal integrity of this applicant.

Project Description. The Company plans to use note proceeds to upgrade the composting site, the blending barn and add a grinder at the Clover Flat Landfill located in Calistoga. The project also includes re-roofing and adding solar panels to the MRF located in Rutherford. Additionally, the Company plans to replace older collection vehicles with CARB compliant collection vehicles, purchase various containers, construct site and entry improvements at all five of its locations, construction of a compressed natural gas (CNG) fueling station and to purchase additional land.

Volume Cap Allocation. The Company anticipates applying to the Authority for volume cap allocation in late 2016 or early 2017.

Financing Details. The Company anticipates the issuance of negotiated tax-exempt notes with a private placement financing structure.

Financing Team.

Municipal Advisor Westhoff, Cone & Holmstedt
to the Borrower:

Bond Counsel: Law Offices of Leslie M. Lava

Issuer's Counsel: Office of the Attorney General

Staff Recommendation. Staff recommends approval of Amendment to Initial Resolution No. 15-04 for Whitehall Corporation and/or its Affiliates for an amount not to exceed \$10,220,000.

Note: An Initial Resolution approval is not a commitment that the Board will approve a Final Resolution and bond financing of the proposed Project.

**Initial Resolution No. 15-04
Application No. 882(SB)**

**AMENDMENT OF INITIAL RESOLUTION TO ISSUE NOTES
TO FINANCE SOLID WASTE DISPOSAL/RECYCLING FACILITIES FOR
WHITEHALL CORPORATION AND/OR ITS AFFILIATES**

January 19, 2016

WHEREAS, the California Pollution Control Financing Authority (“Authority”) by its Resolution No. 15-04 adopted on December 15, 2015 (“Original Resolution”), has heretofore declared the Authority’s official intent to issue revenue notes for the financing of solid waste disposal/recycling facilities to be owned and operated by Upper Valley Disposal Service, a California corporation, and/or its Affiliates (as defined therein) (“Original Company”), which facilities were expected to be comprised of the construction and/or improvement of a material recovery facility, a composting site and a blending barn, all of which house solid waste related operations, the construction of site and entry improvements and the acquisition and installation, if any, of equipment for the collection, processing, transfer and recycling of solid waste, including a grinder, collection trucks and other equipment functionally related thereto (together, “Original Facilities”), to be located at the sites described in Exhibit A thereto (together, “Original Sites”); and

WHEREAS, the Original Company now desires, and has requested the Authority, to amend the Initial Resolution in order to (i) change the Original Company to Whitehall Corporation, a California corporation, and/or its Affiliates (“Company”), (ii) change the description of the Original Facilities, as described below, (iii) add an additional site to the Original Sites, as described below, and (iv) increase the maximum principal amount of such revenue notes from \$6,335,000 to \$10,220,000; and

WHEREAS, the Authority has determined that it is necessary and advisable that the foregoing be approved.

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

Section 1. The Authority hereby approves the change in the Original Company to the Company and any references in the Original Resolution to “Upper Valley Disposal Service” shall be changed to “Whitehall Corporation”.

Section 2. The Authority hereby approves the addition into the description of the Original Project of the following: the acquisition of land, the construction of a compressed natural gas (CNG) fueling station and the acquisition of drop boxes, carts, bins and/or containers (“Amended Facilities” and, together with the Original Facilities, “Facilities”), and any references in the Original Resolution to the “Facilities” shall mean the Original Facilities together with the Amended Facilities.

Section 3. The Authority hereby approves the addition of an additional site to the Original Sites (together, “Sites”), and any references in the Original Resolution to the location of the Facilities shall mean the sites described in Exhibit A hereto.

Section 4. The Authority hereby approves the increase in the maximum principal amount of such revenue notes to \$10,220,000, and any references in the Original Resolution to “\$6,335,000” shall be changed to “\$10,220,000”.

Section 5. The Original Resolution, as amended by this Amendment of Initial Resolution, shall take effect immediately upon its passage and remain in full force and effect thereafter; provided that, subject to Section 6 of the Original Resolution, it shall cease to be effective on January 19, 2019 unless prior thereto the Authority specifically adopts a further resolution extending the effective date of the Original Resolution, as amended by this Amendment of Initial Resolution, which it will do only after receiving a specific request for such action from the Company, accompanied by an explanation of the reason why the project has not proceeded prior to the date of the letter.

Section 6. Except as amended by Sections 1, 2, 3, 4 and 5 hereof, all provisions and conditions of the Original Resolution shall remain unchanged and in full force and effect.

Section 7. The Executive Director of the Authority is hereby authorized and directed to do any and all ministerial acts in order to communicate this Amendment of Initial Resolution to the Company and otherwise to effectuate the purposes of this Amendment of Initial Resolution.

EXHIBIT A

NUMBER: 15-04

LOCATIONS: 1285 Whitehall Lane
St. Helena, California 94574

15970 Kugelman Street
Lower Lake, California 95457

16520 Davis Street
Clearlake, California 95422

4380 Silverado Trail
Calistoga, California 94515

1450 South Whitehall Lane
St. Helena, California 94574

TYPE: Solid Waste Disposal/Recycling

AMOUNT: Up to \$10,220,000