STATUS REPORT ON ADVISORY COMMITTEE FOR SOLID WASTE FINANCINGS FOR DAIRY OPERATIONS
Status Report and Staff Recommendations
December 14, 2004

STAFF SUMMARY – CPCFA
Prepared by: Don Sherman

ISSUE: On October 26, 2004, CPCFA staff were directed by the Board to form an advisory committee to assist the Authority in the establishment of standards for the financing of solid waste disposal projects for dairy operations. In addition, the staff have been directed to examine the eighteen dairy solid waste pollution control projects to assure the Board and the public that the proceeds of the tax-exempt bonds issued have been used for the legally qualified solid waste pollution control facilities, as approved by the Board.

STATUS:

a) ADVISORY COMMITTEE: The advisory committee meetings will be public meetings held in compliance with the Bagley-Keene Open Meeting Act. An advisory committee has been formed, made up of interested academic, regulatory, legislative, environmental and industry parties (see Attachment A). Staff anticipates that the first meeting will be held in early January 2005. Staff recommends that a third party environmental consultant be brought in to assist with the advisory committee meeting framework, format and approach.

b) DAIRY POLLUTION CONTROL PROJECTS EXAMINATION: Staff has initiated a review of the eighteen dairy solid waste disposal financings. CPCFA staff, working with bond counsel, has verified that the facilities and equipment to be financed were qualified “pollution control facilities” under state and federal law. Staff are now moving forward to conduct an examination to determine that the bond proceeds were used to build the projects described to, and approved by, the Authority. The Authority staff will conduct a competitive process contract with an auditing firm(s), and outside legal counsel as necessary, to examine the use of bond proceeds and visit project sites to verify that borrowers have used bond proceeds for the intended purposes and met the conditions of the bond agreements. Staff will return to the board in January 2005 to seek any necessary contract authority and to report estimated costs and timelines for the examination.

c) COMMONLY ASKED QUESTIONS ABOUT CPCFA DAIRY POLLUTION CONTROL FINANCINGS: The attached letter to Senator Dean Florez (see Attachment B) provides answers to questions commonly asked about CPCFA’s dairy pollution control financings.

RECOMMENDATION: Staff recommends contracting with a third-party environmental consultant to assist with the framework and conduct of the advisory committee meetings. The contract amount is not to exceed $5,000.
ATTACHMENT A

Dairy Farm-based Solid Waste Financing Advisory Committee

Deanne Meyer, UCD, Livestock Waste Management Specialist, Department of Animal Science, University of California, Davis;

Tam M. Doduc, Deputy Secretary for Environmental Quality, California Environmental Protection Agency;

Mike FitzGibbon, Emissions Inventory Analysis Section Manager, California Air Resources Board;

Ken Coulter, Division of Water Quality, State Water Resources Control Board;

David L. Crow, Air Pollution Control Officer, San Joaquin Valley Air Pollution Control District;

TBD Senate Environmental Quality Committee;

TBD Senate Agriculture & Water Committee;

Jim Collin, Assembly Committee on Agriculture;

Manuel Valencia, Assembly Committee on Natural Resources;

Mark Murray, Executive Director, Californians Against Waste;

Paul Mason, State Director, Sierra Club;

David Beckman, NRDC California Staff Attorney, Natural Resources Defense Council;

Vicki Lee, Mother Lode Chapter, Sierra Club;

Brent Newell, Staff Attorney, Center on Race, Poverty, & the Environment;

Michael Boccadoro, CARES (Community Alliance for Responsible Environmental Stewardship);

Gary Conover, Director of Government Relations, Western United Dairymen;

Louie Brown, Alliance of Western Milk Producers, KAHN, SOARES & CONWAY, LLP;

John D. Dunlap, III, Dairy Action Network, KAHN, SOARES & CONWAY, LLP.