

MINUTES

**California Pollution Control Financing Authority
915 Capitol Mall, Room 110
Sacramento, California
January 21, 2014**

1. CALL TO ORDER & ROLL CALL

Michael Paparian, Chairperson, called the California Pollution Control Financing Authority (CPCFA or Authority) meeting to order at 10:33 a.m.

Members Present: Michael Paparian for Bill Lockyer, State Treasurer
Alan Gordon for John Chiang, State Controller
Eraina Ortega for Michael Cohen, Director of Finance

Staff Present: Reneé Webster-Hawkins, Executive Director
Sherri Kay Wahl, Deputy Executive Director

Quorum: The Chairperson declared a quorum

2. MINUTES

Mr. Paparian asked if there were any questions or comments concerning the meeting minutes from the meeting held December 17, 2013. There were none.

Mr. Gordon moved approval of the minutes; upon a second, the minutes were unanimously approved.

3. EXECUTIVE DIRECTOR'S REPORT

Ms. Webster-Hawkins stated that shortly after the last Board meeting, CPCFA received the second tranche of federal funds from the U.S. Treasury for its State Small Business Credit Initiative (SSBCI) Program, providing \$27,000,000 to fund California Capital Access Program (CalCAP) loans and Collateral Support Program (CSP) loans. Also at the last CPCFA Board meeting, the Board approved the interagency agreement with the Air Resources Board (ARB), giving the Authority additional funding to support cleaner diesel heavy-duty trucks under the truck loan program.

Ms. Webster-Hawkins continued that the new year has also brought staffing changes. She first noted the departures, explaining that Office Technician Akemi Myers received a promotional opportunity to join the California Department of Public Health in the Emergency Preparedness Office. Associate Treasury Program Officer Diana Michaelson will be retiring; Ms. Webster-Hawkins thanked her for her loyal career as a public servant and wished them both well. Ms. Webster-Hawkins then introduced three new staff, brought on to assist in the increased CalCAP loan volume: Thomas Dear, Napoleon Cristobal, and Moe Awazu. She

thanked them for joining CPCFA and the CalCAP team.

Ms. Webster-Hawkins reported on two items under her delegated authority. The first was an extension of time for legal services contracts with Hawkins, Delafield and Wood; Leslie Lava; Orrick, Herrington & Sutcliffe LLC; and Alexis Chiu to amend the current \$135,000 contracts for specialized bond counsel work. Those amendments will take effect March 1, 2014 and will be extended through March 28, 2015. She also reported on a time extension for the trustee bank, U.S. Bank, for the California Recycle Underutilized Sites (CALReUSE) Program. That extension will last through April 9, 2014 to enable CALReUSE to issue a Request for Proposals to open a competitive bid for the role of trustee.

Mr. Paparian asked if there were any questions or public comments. There were none.

4. BUSINESS ITEMS

A. RESOLUTION OF THE CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY DELEGATING CERTAIN POWERS AND AUTHORIZING CERTAIN ACTIONS RELATED TO BOND FINANCINGS

Presented by: Mario Wong, Staff Services Analyst

Staff requested Board approval of a resolution authorizing delegation authority to the Executive Director and Deputy Executive Director of CPCFA for certain discretionary routine matters with respect to the Authority's bond program. The resolution recommended adds Section 4 to the existing delegation resolution to authorize certain amendments to bond documents after they have been approved by the Board, but before bond closing. This resolution also extends the expiration date to January 31, 2016. Staff recommended adoption of this delegation resolution.

Mr. Gordon moved approval of the item; there was a second.

Mr. Paparian asked if there were any questions or comments from the Board or public. There were none.

The item was unanimously approved.

B. REQUEST TO APPROVE EXTENSION OF INITIAL RESOLUTION REFLECTING OFFICIAL INTENT TO ISSUE REVENUE BONDS

CarbonLITE Industries, LLC

Presented by Andrea Gonzalez, Staff Services Analyst

Staff introduced Tony Cone, Westhoff, Cone & Holmstedt

Staff requested approval of an extension to Initial Resolution No. 11-02 for an amount not to exceed \$47,240,000 to finance building improvements and the acquisition and installation of various equipment to recycle Polyethylene Terephthalate (PET) plastic. The Initial Resolution was approved on January 25, 2011 for an amount not to exceed \$47,240,000. Staff requested the extension to permit completion of the financing.

Staff recommended approval of an extension to Initial Resolution No. 11-02 for CarbonLITE Industries, LLC and/or its Affiliates for an amount not to exceed \$47,240,000.

Mr. Paparian stated that he attended the grand opening of the facility. He asked if the company intended to finance what he had already seen or something additional.

Mr. Cone explained that the additional funds were intended to fine tune what Mr. Paparian had seen, as parts did not work as well as the company wished, though it has been up and running full time and is a functioning business. He explained that the company found a change in the waste stream itself, and their machinery was set to process the older forms, causing need for adjustment. They had delayed financing until they were running at the standard they wished; they did not want to go to banks without having the plant operate as well as they thought it could, within some reasonable range. Mr. Cone stated that this item will come back to the Board no later than June 2014 due to a tax requirement stating that bonds must be issued within a certain time of the conclusion of the plant's functioning opening.

Mr. Gordon moved approval of the item; there was a second.

Mr. Paparian asked if there were any questions or comments from the Board or public. There were none.

The item was unanimously approved.

C. REQUEST TO APPROVE FINAL RESOLUTION AUTHORIZING THE ISSUANCE OF REVENUE BONDS, SMALL BUSINESS ASSISTANCE FUND (SBAF) COSTS OF ISSUANCE ASSISTANCE AND TAX-EXEMPT VOLUME CAP ALLOCATION

Mill Valley Refuse Services, Inc.

Presented by Mario Wong, Staff Services Analyst

Staff introduced Tony Cone, Westhoff, Cone & Holmstedt

Staff requested approval of a Final Resolution for an amount not to exceed \$4,675,000 and Volume Cap Allocation for an amount not to exceed \$4,115,000 to finance the acquisition of waste collection vehicles and containers, building and site improvements, and the purchase of related equipment. The Final Resolution request includes both the issuance of new debt and the refunding of the company's previous CPCFA bond issue from 2003. Additionally, staff requested assistance with costs of issuance for an amount

not to exceed \$195,840 from the Small Business Assistance Fund. Staff recommended approval of Final Resolution No. 535 for an amount not to exceed \$4,675,000, Volume Cap Allocation Resolution No. 11-169-01 for an amount not to exceed \$4,115,000, and assistance with costs of issuance from the Small Business Assistance Fund for an amount not to exceed \$195,840 for Mill Valley Refuse Service, Inc. and/or their Affiliates.

Mr. Paparian asked if there were any questions or comments from the Board or public. There were none.

Mr. Paparian asked if there was a motion.

Mr. Gordon moved approval of the item; upon a second, the item was unanimously approved.

5. PUBLIC COMMENT

Mr. Paparian asked if there were any general comments from the public.

Robert Feyer, Senior Counsel with Orrick, Herrington & Sutcliffe LLC, mentioned that Mr. Cone, Ms. Wahl, and he would be the only people to remember that back in the late 1970's, board meetings were held in the first floor conference room. He reflected on the different configuration of the room and how it has expanded; he explained that when PG&E was up for financing, protesters would come in droves, filling the room to standing-room-only capacity.

Mr. Paparian thanked Mr. Feyer for the brief history and asked if there were any other public comments. There were none.

6. ADJOURNMENT

There being no further business, public comments, or concerns, the meeting adjourned at 10:45 a.m.

Respectfully submitted,

ORIGINALLY SIGNED BY

Reneé Webster-Hawkins
Executive Director