

MINUTES

**California Pollution Control Financing Authority
915 Capitol Mall, Room 587
Sacramento, California
Tuesday, October 19, 2021**

In light of the COVID-19 pandemic and in accordance with the requirements of Executive Order N-08-21, paragraph 42, that was issued on June 11, 2021, to provide social distancing at state body meetings, CPCFA provided Authority members, participants, and members of the public the opportunity to participate in this meeting via teleconference.

Public Participation Call-In Number: (877) 853-5257, Meeting ID: 987 6693 6958, and Passcode: 560284

1. Call to Order & Roll Call

Treasurer Fiona Ma, Chairperson, called the California Pollution Control Financing Authority (CPCFA or Authority) meeting to order at 10:50 a.m.

Members Present: Fiona Ma, CPA, State Treasurer
Tony Sertich for Betty T. Yee, State Controller
(via teleconference)
Gayle Miller for Keely Martin Bosler, Director of Finance
(via teleconference)

Staff Present: Tim Schaefer, Interim Executive Director
Gabrielle Stevenson, Staff Services Manager I
Shela Tobias-Daniel, Executive Director

Quorum: The Chairperson declared a quorum

2. Minutes

Treasurer Ma asked if there were any questions or comments concerning the meeting minutes from the meeting held August 26, 2021. There were none.

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

The item was passed by the following vote:

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| Gayle Miller for Keely Martin Bosler, Director of Finance | Aye |
| Tony Sertich for Betty T. Yee, State Controller | Aye |
| Fiona Ma, CPA, State Treasurer | Aye |

3. Interim Executive Director's Report

Presented by: Tim Schaefer, Interim Executive Director and Deputy Treasurer

Mr. Schaefer started his Interim Executive Director's Report by expressing his gratitude toward Treasurer Ma and the Board for instilling the temporary duty of Interim Executive Director of California Pollution Control Financing Authority (CPCFA) to him. Mr. Schaefer also mentioned that CalPlant I, LLC, as of October 5, 2021, filed for Chapter 11 Bankruptcy in the District of Delaware. Mr. Schaefer stated that CPCFA is a conduit issuer and therefore does not expose taxpayer funds to any risk of loss in the bankruptcy proceeding. He stated that it is his understanding that the company was planning a restructuring and the assets of the company would be sold to a new owner.

Mr. Schaefer reported a few items that he approved under his Interim Executive Director authority.

Mr. Schaefer stated that the first item he approved under his delegated authority was an Initial Resolution approval for Enerra, Inc., for \$41,000,000 to finance multiple waste recycling plants. He approved the Initial Resolution on August 31, 2021. He also approved four post issuance requests including Garden City Sanitation for a draw of \$10,000,000 against bond proceeds and a waiver of the 10-day notice requirement which was signed on August 27, 2021. Secondly, Mr. Schaefer mentioned Napa Waste Recycling presented a second draw request for \$5,100,000 that was signed on August 27, 2021, and a third draw request for \$12,250,000 that was signed on September 20, 2021. Mr. Schaefer also reported that Best Way Disposal requested amendments to its tax certificate, indenture and 8038 IRS form, which were signed September 20, 2021. This change to the documents was requested due to the corporate tax rate change and change to LIBOR provisions. Mr. Schaefer reminded the Board the worldwide economy is trying to move away from LIBOR and transition to the use of a reference rate called the Secured Overnight Financing Rate (SOFR). Lastly, Mr. Schaefer stated the final item that was approved under his authority was the second request for California Waste Solutions for \$6,400,000 and was signed September 28, 2021.

Mr. Schaefer stated that he wishes Jennifer Baldwin all the best with her future endeavors and the State Treasurer's Office (STO) will sincerely miss her.

Mr. Schaefer closed his report by stating that the Board has the privilege of confirming the appointment of Shela Tobias-Daniel as the Executive Director of CPCFA. Mr. Schaefer mentioned that Ms. Tobias-Daniel has spent 22 years in state service with 21 of those years spent in various roles within the STO. She spent most of those years working for the Public Finance Division (PFD) and most recently she has worked as the STO Liaison for the FI\$Cal project. Mr. Schaefer also mentioned Ms. Tobias-

Agenda Item 2.

Daniel was a Sloan Public Policy Fellow at the State University of New York at Stony Brook, which is designed for the advanced field of public service. Ms. Tobias-Daniel earned her bachelor's degree in Economics from the University of California Santa Cruz and earned her master's degree in business administration from the University of the Pacific.

Mr. Schaefer concluded by mentioning at the August 26, 2021, Board meeting, he stated he would report on a few initiatives to come. Mr. Schaefer reassured the Board that he will help Ms. Tobias-Daniel with the initiatives that were mentioned such as, compatible programs, examining internal control, and revisiting fee arrangements. He stated that the goal is to ensure that CPCFA remain financially stable, and that the program efficiencies and relevance to CPCFA's mission are present to ensure that the programs are streamlined and represent prudent spending of tax payer monies

Ms. Miller thanked Mr. Schaefer for his diligent efforts with CPCFA. Ms. Miller asked about the CalPlant I, LLC, bankruptcy and what the time period for the project will be to return the conduit bond issuance.

Mr. Schaefer mentioned his understanding that there is a small amount of the volume cap that was assigned to CalPlant I, by California Debt Limit Allocation Committee (CDLAC) that will be returned. Mr. Schaefer reported at this point \$30.1 million debt has been reported to CPCFA on behalf of the CalPlant for debtor in-possession which is still in flux.

Ms. Miller questioned if the Internal Revenue Service (IRS) regulation have a requirement or any allowance for bankruptcy. The allocation could potentially go toward the restructure of the project.

Mr. Schaefer assured Ms. Miller that the concerns and questions will be answered by Ms. Tobias-Daniel at CPCFA's next Board meeting.

Treasurer Ma reminisced that a few years back being able to go to CalPlant and see the first worlds recycled high quality rice straw fiberboard being produced. Treasurer Ma stated that this is a great alternative for construction projects and cost efficient. Treasurer Ma mentioned that in talking to the CEO of CalPlant they have had to deal with a few setbacks such as, COVID-19, machinery issues, and Travel visa issues for the German engineers and mechanics working on the machinery.

Treasurer Ma thanked Mr. Schaefer in stepping into the role of Interim Executive Director in addition to all his other duties. Treasurer Ma also mentioned that the STO will miss Jennifer Baldwin and wishes her the best. Treasurer Ma welcomed Ms. Tobias-Daniel as CPCFA's Executive Director.

Mr. Sertich thanked Mr. Schaefer for filling the vacancy and stepping into the role.

Treasurer Ma asked if there were any questions or comments from the Board or public. There were none.

4. Business Items

A. Resolution to Confirm the Appointment of the Executive Director

Presented by: Gabrielle Stevenson, Staff Services Manager I

Ms. Stevenson began her report by stating that the State Treasurer, who serves as Chair of the Authority, appointed Shela Tobias-Daniel to serve as the Executive Director of CPCFA.

Ms. Stevenson mentioned that the Authority Board confirms the appointment of the Executive Director of CPCA and delegates to the Executive Director those powers as are necessary to conduct the business of the Authority.

Ms. Stevenson requested the confirmation of the appointment by the State Treasurer's recommendation of Shela Tobias-Daniel as Executive Director.

Ms. Stevenson recommended the approval of resolution No.21-04-006 to appoint Shela Tobias-Daniel as the Executive Director of CPCFA and to delegate to the Executive Director those powers as are necessary to conduct business of CPCFA.

Ms. Stevenson concluded by stating that the resolution will remain in effect until the Authority Board revokes the resolution No. 21-04-006 or adopts a superseding resolution.

Treasurer Ma asked if there were any questions or comments from the Board or public. There were none.

Mr. Sertich moved approval; there was a second.

The item was passed by the following vote:

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| Gayle Miller for Keely Martin Bosler, Director of Finance | Aye |
| Tony Sertich for Betty T. Yee, State Controller | Aye |
| Fiona Ma, CPA, State Treasurer | Aye |

B. Resolution Authorizing the Executive Director and Deputy Executive Director, in the Executive Director's Absence, to Execute Contracts and Interagency Agreements Not to Exceed \$300,000

Presented by: Gabrielle Stevenson, Staff Services Manager I

Ms. Stevenson reported that according to statute CPCFA is authorized to enter into contracts and interagency agreements. Ms. Stevenson mentioned that the contracts and interagency agreements at or below a certain dollar amount has historically delegated the authorization to the Executive and in the Executive Director's absence, the Deputy Executive Director (DED) to enter into contracts on behalf of CPCFA.

Ms. Stevenson stated that the blanket authorization amount of \$300,000 does not represent an increase in the Authority's current delegated authorization level.

Ms. Stevenson further stated as part of the Executive Director's report, the Executive Director of the Authority and, in the Executive Director's absence, the Deputy Executive Director will report to the Authority Board any contracts from amounts of \$10,000 up to \$300,000 that were executed.

Ms. Stevenson requested delegation authority to the Executive Director to execute contracts and interagency agreements for amounts up to \$300,000.

Additionally, Ms. Stevenson recommended the approval of Resolution 21-04-007 to authorize the Executive Director and in the Executive Director's absence and with the expressed approval of the Executive Director or the Authority Chair, the Deputy Executive Director to execute certain contracts and interagency agreements and certain amendments to contracts and interagency agreements on behalf of the Authority for amounts not to exceed \$300,000.

In conclusion, Ms. Stevenson explained to the Board that Resolution 21-04-007 will remain into effect until the Authority revokes this Resolution or approves a superseding resolution.

Treasurer Ma asked if there were any questions or comments from the Board or public. There were none.

Ms. Miller moved approval; there was a second.

The item was passed by the following vote:

| | |
|---|-----|
| Gayle Miller for Keely Martin Bosler, Director of Finance | Aye |
| Tony Sertich for Betty T. Yee, State Controller | Aye |
| Fiona Ma, CPA, State Treasurer | Aye |

**5. Executive Director's Report
Presented By, Shela Tobias-Daniel, Executive Director**

Ms. Tobias-Daniel thanked Treasurer Ma for giving her the opportunity to lead the CPCFA team and thanked the Board for their support.

Ms. Tobias-Daniel mentioned she has only been with the staff for a couple of weeks and she can say that the work done by CPCFA is not only important, but is performed by a dedicated group that truly believes in CPCFA's financing programs.

Ms. Tobias-Daniel stated that while she has spent more than 20 years working for the State Treasurer's Office, and has had experience with conduit bonds she has limited experience dealing directly with CPCFA and all of the programs contained within CPCFA

Ms. Tobias-Daniel assured the Board that the more she learns and knows, the more determined she is to help guide the team and programs into a more successful future, while helping organizations and businesses reach the kinds of growth, clean truck upgrades, and other goals that make California special.

Ms. Tobias-Daniel stated that she truly appreciated Mr. Schaefer's acknowledgement of the Sloan/PPIA Fellowship program as it was a very important part of her journey, establishing her love of and dedication to public service.

Ms. Tobias-Daniel stated that she served as a Partner Business Executive for FI\$Cal, and in that position she oversaw the Treasury and Cash piece on behalf of STO as part of the development of a \$965 million statewide business transformation project that enables California to combine California's financial systems with the goal of "One California, One System". Ms. Tobias-Daniel stated that the experience alone gave her the patience, determination and experience to help CPCFA grow its current programs while creating opportunities that will bring new partners, programs and ways of increasing revenue.

Ms. Tobias-Daniel reflected on how working in the Public Finance Division allowed her to carefully manage people, expectations and a debt portfolio worth billions of dollars in the Trustee Section. Those projects, programs and trusted positions have prepared her for the role and she is determined to empower the team to do great things.

Ms. Tobias-Daniel also stated that she believes this is an exciting time to lead the Authority and mentioned that CPCFA has incoming State Small Business Credit Initiative (SSBCI) funds which will further support California's small businesses.

Ms. Tobias-Daniel concluded that her new adventure starts with a vision She gave the Board the informational item that listed the prospective 2022 CPCFA Board meeting dates. She also thanked the Board for this opportunity and expressed how proud she is to be leading the CPCFA team.

6. Public Comment

Treasurer Ma asked if there were any comments from the public.

Mr. James Collins asked the Board a question regarding California Alternative Energy Advanced Transportation Financing Authority (CAEATFA). Mr. Collins was given the appropriate contact information for CAEATFA staff for further discussion.

7. Adjournment

There being no further business, public comments, or concerns, the meeting adjourned at 11:21 a.m.

Respectfully submitted,

(Originally Signed By)

Shela Tobias-Daniel
Executive Director