

**MINUTES**

**California Pollution Control Financing Authority  
915 Capitol Mall, Room 587  
Sacramento, California  
September 16, 2014**

**1. CALL TO ORDER & ROLL CALL**

Michael Paparian, Chairperson, called the California Pollution Control Financing Authority (CPCFA or Authority) meeting to order at 10:55 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  
Doreen Smith, Treasury Program Manager

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 July 15, 2014. 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 began by highlighting a few individuals on CPCFA's staff. She formally acknowledged Doreen Smith, the Bond Program manager, for her exemplary work steering the tax-exempt program and thanked her for her outstanding leadership. She also welcomed three new staff to the California Capital Access Program (CalCAP): student volunteer Tajinder Kaur and analysts Megan Hodapp and Robert Canepa.

Ms. Webster-Hawkins reported that the California State Auditor released a report following its review of the California Recycle Underutilized Sites (CALReUSE) Brownfields Remediation Program funded by Proposition 1C. After examining the program's award distribution and monitoring process, the auditor's report contained no findings.

Ms. Webster-Hawkins stated that following the Board's approval of the Memorandum of Understanding (MOU) with the California Infrastructure and Economic Development

## **Agenda Item 2.**

Bank (I-Bank) to share funding under the Federal State Small Business Credit Initiative (SSBCI), CPCFA received a \$5,000,000 transfer to continue operation of the Collateral Support Program (CSP). She stated that CPCFA and the I-Bank expect to collectively apply for the third and final tranche of funds in the fall.

Ms. Webster-Hawkins reported on one action taken under her delegated authority. On September 11, 2014, she executed a service contract for \$38,350 with the accounting firm of James Marta and Company to serve as the independent auditor of CPCFA's Bond program, pursuant to Senate Bill 99 (SB 99) for the next two fiscal years. Mr. Marta was auditor for the prior two fiscal years, and was the highest ranking competitor under a new request for proposals that CPCFA issued this summer.

### **4. INFORMATIONAL ITEM**

#### **A. BRIEFING ON PROPOSED PILOT FINANCING PROGRAM TO SUPPORT PUBLICLY ACCESSIBLE ELECTRIC VEHICLE CHARGING STATIONS**

Presented by: Thomas Dear, Associate Treasury Program Officer

Mr. Dear presented a power point presentation to the Board detailing CPCFA's partnership with the California Energy Commission (CEC) to develop the Electric Vehicle Supply Equipment (EVSE) pilot financing program.

During the presentation, the members of the Board asked several questions regarding topics such as average cost per charging station, funding source for the program and incentives for small businesses.

Mr. Dear fielded their questions throughout his presentation.

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

### **5. BUSINESS ITEMS**

#### **A. APPROVAL OF 2015 MEETING CALENDAR**

Presented by: Doreen Smith, Treasury Program Manager

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

Staff proposed monthly meetings on the third Tuesday of every month, as has been the tradition for CPCFA.

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

The item was unanimously approved.

**B. REQUEST TO APPROVE INITIAL RESOLUTION REFLECTING OFFICIAL INTENT TO ISSUE REVENUE NOTES**

**GreenWaste Recovery, Inc.**

Presented by: Andrea Gonzalez, Staff Services Analyst

Staff introduced Don Dean of GreenWaste Recovery, Inc. and Leslie Lava, Bond Counsel

Staff requested approval of an Initial Resolution for an amount not to exceed \$33,160,000. GreenWaste Recovery, Inc. will use note proceeds to finance the construction of improvements to two existing buildings and the acquisition and installation of equipment such as Compressed Natural Gas (CNG) powered collection vehicles, bins, carts and other related equipment for the collection, processing and transfer of solid waste.

Staff recommended approval of Initial Resolution No. 14-04 for GreenWaste Recovery, Inc. and/or its Affiliates for an amount not to exceed \$33,160,000.

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.

Mr. Dean stated that the funds would also be used to improve curbside recycling.

In response to a question from the Board, Mr. Dean reported that in the curbside facilities, they are diverting in excess of 95%. He also stated that they process municipal solid waste and 70% gets diverted.

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

The item was unanimously approved.

**C. REQUEST TO APPROVE AMENDMENT TO INITIAL RESOLUTION REFLECTING OFFICIAL INTENT TO ISSUE REVENUE BONDS**

**Blue Line Transfer, Inc.**

Presented by: Deanna Hamelin, Associate Treasury Program Officer

Staff introduced Mark Holmstedt of Westhoff, Cone & Holmstedt and Leslie Lava, Bond Counsel

## **Agenda Item 2.**

Staff requested an amendment to Initial Resolution 12-10 to increase the dollar amount to an amount not to exceed \$17,570,000 reflecting increased project costs of the anaerobic digester portion of the project. In addition, the company would like to extend the expiration date of the Initial Resolution from October 16, 2015 to September 16, 2017.

Staff recommended approval of an amendment and extension to Initial Resolution No. 12-10 for Blue Line Transfer, Inc. and/or its Affiliates for an amount not to exceed \$17,570,000.

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.

Mr. Holmstedt mentioned that the company intends to put in a CNG facility and explained that the bonds would be used to cover costs associated with it.

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

The item was unanimously approved.

### **D. 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**

#### **1. Garden City Sanitation, Inc.**

Presented by: Andrea Gonzalez, Staff Services Analyst

Staff introduced Mark Holmstedt of Westhoff, Cone & Holmstedt and Leslie Lava, Bond Counsel

Staff requested approval of a Final Resolution and Volume Cap Allocation for an amount not to exceed \$8,905,000 to finance the construction of a CNG fueling station located in Santa Clara County, as well as the acquisition of land and various equipment located in Alameda County.

Staff also requested approval of a Small Business Assistance Fund Resolution not to exceed \$116,280.

Staff recommended approval of Final Resolution No. 538 and Volume Cap Allocation Resolution No. 11-169-05 for an amount not to exceed \$8,905,000, and a SBAF Resolution in an amount not to exceed \$116,280 for Garden City Sanitation, Inc.

## Agenda Item 2.

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.

### **2. Bay Counties Waste Services, Inc. dba Bay Counties SMaRT**

Presented by: Andrea Gonzalez, Staff Services Analyst

Staff introduced Mark Holmstedt of Westhoff, Cone & Holmstedt and Leslie Lava, Bond Counsel

Staff requested approval of a Final Resolution and Volume Cap Allocation for an amount not to exceed \$8,820,000 to finance the acquisition of solid waste processing equipment. Bay Counties Waste Services, Inc. dba Bay Counties SMaRT provides refuse processing services at the Sunnyvale SMaRT facility for solid waste collected in the cities of Sunnyvale, Mountain View, and Palo Alto. The company was also recently awarded a new contract to operate an existing Material Recovery Facility and Transfer Station owned by the City of Sunnyvale.

Staff also requested approval of a Small Business Assistance Fund Resolution not to exceed \$118,320.

Staff recommended approval of Final Resolution No. 537 and Volume Cap Allocation Resolution No. 11-169-06 for an amount not to exceed \$8,820,000 and a SBAF Resolution in an amount not to exceed \$118,320 for Bay Counties Waste Services, Inc. dba Bay Counties SMaRT.

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.

### **E. REQUEST TO APPROVE FINAL RESOLUTION AUTHORIZING THE ISSUANCE OF REVENUE BONDS AND APPROVE TAX-EXEMPT BOND VOLUME CAP ALLOCATION**

#### **Sierra Pacific Industries**

Presented by: Deanna Hamelin, Associate Treasury Program Officer

Staff introduced Jon Gartman of Sierra Pacific Industries and Walt Vennemeyer of Progressive Capitol.

## Agenda Item 2.

Staff requested approval of a Final Resolution and Volume Cap Allocation for an amount not to exceed \$30,000,000 to finance the construction and operation of a biomass-fueled steam generation unit at the company's existing lumber manufacturing facility located in Anderson. A portion of the steam will be used for company operations and a portion will be used to produce electricity through use of a steam turbine. The project will include the construction of a new fuel handling building, boiler building, cooling tower, electrostatic precipitator and ash silo, as well as all necessary work and equipment.

Staff stated that CPCFA is aware of a petition filed by the Center for Biological Diversity in the United States Court of Appeals for the Ninth Circuit, which challenges the United States Environmental Protection Agency's issuance of the Clean Air Act Prevention of Significant Deterioration permit to the company (the Petition). The company is not currently named as a party to the Petition.

Additionally, staff received a letter from Wells Fargo Bank N.A., the letter of credit issuer, acknowledging its awareness of the Petition. The company's representatives stated that the Preliminary Official Statement and the final Official Statement will disclose the existence of the Petition and staff has confirmed that with the review of said documents.

Staff recommended approval of Final Resolution No. 536 and Volume Cap Allocation Resolution No. 11-169-04 for an amount not to exceed \$30,000,000.

Mr. Paparian asked if there were any questions or comments from the Board or public.

Company representatives responded to questions from members of the Board regarding the terms of the letter of credit from Wells Fargo Bank, and the source of non-treated wood residue.

Mr. Gordon stated that the State Controller's Office would be abstaining, and requested a roll call vote.

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

The item was passed by the following vote:

Michael Paparian for the State Treasurer	Aye
Alan Gordon for the State Controller	Abstain
Eraina Ortega for the Director of Finance	Aye

## 5. PUBLIC COMMENT

Mr. Paparian asked if there were any general comments from the public. There were none.

**6. ADJOURNMENT**

There being no further business, public comments, or concerns, the meeting adjourned at 11:42 a.m.

**Respectfully submitted,**

*Originally Signed By*

Reneé Webster-Hawkins  
Executive Director