

MINUTES

**California Alternative Energy and Advanced
Transportation Financing Authority
915 Capitol Mall, Room 587
Sacramento, California
April 28, 2010**

1. CALL TO ORDER & ROLL CALL

Bettina Redway, Chairperson, called the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA or Authority) meeting to order at 10:43 a.m.

Members Present: Bettina Redway for Bill Lockyer, State Treasurer
Cindy Aronberg for John Chiang, State Controller
Cynthia Bryant for Ana J. Matosantos, Department of Finance
Paul Clanon for Michael R. Peevey, Director, Public Utilities
Commission
Galen Lemei for Karen Douglas, Chair, California Energy Commission

Staff Present: Jan E. McFarland, Executive Director

Quorum: The Chairperson declared a quorum.

2. MINUTES

April 6, 2010 minutes will be voted on the May 26, 2010 Board Meeting.

3. EXECUTIVE DIRECTOR'S REPORT (INFORMATION ITEM)

Ms. McFarland reported that CAEATFA was successful when Senate Bill 71 passed six weeks ago that will provide sales tax exemptions to manufacturing facilities and possibly assembly. Staff is working on the CAEATFA regulations to implement the program.

Ms. McFarland reported that SB 77 (Pavley Bill) passed which is the Property Assessed Clean Energy (PACE) Program. This program will provide a \$50,000,000 loan reserve fund and transparent criteria for the PACE bonds. This will set an important bar for the property assistance bonds and will have financing mechanisms for homeowners and business owners to finance energy efficiency and renewable energy retrofits.

Staff is in the final stages of working with the California Energy Commission (CEC) on a \$40,000,000 program to implement several programs through AB 118: a California Ethanol Plant Incentive Program (CEPIP) for biofuel incentives; a bond program that will provide credit enhancement and reserve funds for transportation and manufacturing; as well as a California Capital Access Program (CalCAP) component.

Ms. McFarland was happy to announce her retirement and that it was her last Board meeting. In addition, she said that she enjoyed working with the Board and had a very nice opportunity to work with staff.

Ms. Aronberg commended Ms. McFarland for helping CAEATFA grow tremendously and that she brought enthusiasm and so much life in so many ways back to CAEATFA. In addition, Ms. Aronberg congratulated Ms. McFarland on her retirement.

Ms. Redway thanked Ms. McFarland for a job well done.

Ms. Redway asked if there were any questions from the Board. There were none.

4. BUSINESS ITEMS

A. 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: Sherri Kay Wahl

CAEATFA is authorized by statute to enter into contracts and interagency agreements. For contracts and interagency agreements at or below a certain dollar amount, the Authority has historically delegated this authorization to the Executive Director and, in his or her absence, the Deputy Executive Director. At the February 13, 2008 Authority meeting the Board approved a resolution granting the Executive Director the ability to enter into contracts and interagency agreements for amounts up to \$300,000. The current request will grant delegation of authority for the Executive Director and, in his or her absence, the Deputy Executive Director to execute contracts and interagency agreements for amounts up to \$300,000.

Ms. Aronberg asked if the only change was the adding of the Deputy Executive Director to the resolution.

Ms. Wahl responded in the affirmative.

Ms. Aronberg moved approval of the item; upon a second, the item was unanimously approved.

B. RESOLUTION DELEGATING CERTAIN POWERS AND AUTHORIZING CERTAIN ACTIONS RELATED TO BOND FINANCINGS

Presented by: Presented by Sherri Kay Wahl

Staff requested Board approval of a resolution authorizing delegation authority to the Executive Director, Deputy Executive Director, and Chair of CAEATFA for certain routine matters with respect to the Authority's bond program. At the July 22, 2009

Agenda Item 2.

Authority meeting the Board approved the delegation of authority for the Executive Director, expiring on January 31, 2011. The previous resolution did not include the ability of the Deputy Executive Director to approve certain routine matters in the absence of the executive director. The current resolution also includes language requiring that the Authority seek and rely upon a formal or informal opinion from the Attorney General's Office to confirm compliance with one or more of the provisions of this resolution.

Ms. Wahl pointed out that that there is one thing that is different than the previous resolution. The California Pollution Control Financing Authority (CPCFA) followed the lead of the California Educational Facilities Authority and the California Health Facilities Financing Authority on this resolution, in which the current resolution requires staff to confirm compliance when staff uses the delegation authority with the Attorney General's (AG) Office. Staff did not have this in the previous resolution.

Ms. Redway asked if that was section 15.

Ms. Wahl responded affirmatively.

Ms. Redway requested that the Board change the word "shall" to "may" and explained that the CPCFA Board had adopted similar language that requires staff to ask the AG's office for an opinion, even on routine matters; the AG's office then bills CPCFA for the hours spent. With the word "shall" changed to "may," staff will only rely on the AG's office opinion when there are questions as to whether the request action falls under the delegation of authority.

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

C. REQUEST FOR APPROVAL OF AN INTERAGENCY AGREEMENT WITH THE CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY

Presented by: Sherri Kay Wahl

Staff requested approval of an Interagency Agreement with CPCFA, which will formalize CPCFA's administrative and financial support for CAEATFA in the amount of a \$300,000 loan for the 2009/2010 and 2010/2011 fiscal years, to assist CAEATFA as it launches various new Programs.

Ms. Redway stated that staff has been working with the Department of Finance (DOF) to develop budget numbers, and that this will be an initial loan to get them started.

Ms. Wahl added that DOF is comfortable with the CPCFA loan for this budget year. CAEATFA will also have an appropriation as a General Fund loan in the amount of \$1,500,000 for next year to get the program going; in addition, another general fund loan for approximately \$1,000,000 the following year. DOF has been helpful in coordinating with CPCFA to get a loan to start working on the programs sooner rather than later.

Agenda Item 2.

Ms. Redway asked if the funding for SB 71 will be part of a larger conversation with the DOF regarding how to finance SB 71 start up costs.

Ms. Wahl responded affirmatively.

Ms. Redway asked if there were any further comments or questions from the Board or public. There were none.

Ms. Redway asked if there was a motion.

Ms. Bryant moved approval of the item; upon a second, the item was unanimously approved.

5. PUBLIC COMMENT

Ms. Redway asked if there were any comments from the public. There were none.

6. ADJOURNMENT

There being no further business, public comments, or concerns, the meeting adjourned at 10:55 a.m.

Respectfully submitted,

Sherri Kay Wahl
Deputy Executive Director