

MINUTES

**California Pollution Control Financing Authority
915 Capitol Mall, Room 587
Sacramento, California
April 23, 2008**

1. CALL TO ORDER & ROLL CALL

Bettina Redway, Chairperson, called the California Pollution Control Financing Authority (CPCFA) meeting to order at 10:53 a.m.

Members Present: Bettina Redway for Bill Lockyer, State Treasurer
Les Kleinberg for John Chiang, State Controller
Fred Klass for Michael C. Genest, Director, Department of Finance

Staff Present: Michael Paparian, Executive Director

Quorum: The Chairperson declared a quorum

2. MINUTES

Ms. Redway asked if there were any questions or comments concerning the March 26, 2008 meeting minutes. There were none.

Les Kleinberg moved approval of the minutes; upon a second, the motion was unanimously carried.

3. EXECUTIVE DIRECTOR'S REPORT (INFORMATION ITEM)

Mr. Paparian opened his Executive Director's report by introducing four new staff that have joined CPCFA since the last Board meeting. In addition to new staff the management team for CPCFA is now fully staffed.

CALReUSE – Staff has received and is currently evaluating proposals from potential Strategic Partners for the new Prop 1C CALReUSE Remediation Program. Staff intends to bring recommendations to the May Board meeting.

CPCFA has hit a few road blocks in navigating through program development and the logistics of developing a GO bond program. The logistical hurdles rest in the appropriation of the funds through HCD, to CPCFA. This is an issue staff is seeking to clean up in the next budgetary cycle. Staff intends to have the Strategic Partners on board and the first projects to the Board by close of summer.

CalCAP – Regulation changes are moving forward and will likely be discussed at the May Board meeting. The legislation allowing CalCAP to have a lower contribution to loan loss reserves and to sweep all interest on loan loss reserve accounts passed the State Senate unanimously and is now in the Assembly.

Staff is very close to working out an arrangement with the Air Resources Board for a pilot program to provide loans for diesel retrofits in the Central Valley using CalCAP lenders.

Staff is having a roundtable session via conference call with CalCAP lenders on May 1st to discuss recent CalCAP developments.

The May Board meeting will be the first in which volume cap allocation is granted. Proposals total over \$92 million. He also noted there will be changes to staff summaries format and upcoming policy reviews.

4. BUSINESS ITEMS

A. CONSIDERATION OF STAFF RECOMMENDATION REGARDING FINANCING PROJECTS USING ANAEROBIC DIGESTER TECHNOLOGY

CPCFA has received a request from BioEnergy Solutions, LLC (BioEnergy) to fund an anaerobic digester project in Fresno County. CDLAC has received an allocation request from the California Statewide Communities Development Authority for Microgy, Inc. for a similar project. Because these projects include technology not previously approved, CDLAC has asked CPCFA to prepare a technology review. This review covered technology used by both projects. Presented by – Mike Smith.

Ms. Redway commented that this was a very good analysis and stated for the record that AB 32 Global Climate/Global Warming Pollution Act and the Economic Technology Advancement Advisory Committee (ETAC) recommended this strategy for reducing GHG's. Also, the California Climate Registry has an established protocol to be used with these type of digesters in determining the amount of GHG reduction. This is a proven technology.

Ms. Redway asked if there were any questions or comments from the Board or public.

Ms. Redway then asked if the Board needed to vote on this item.

Mr. Paparian stated that staff did not prepare a resolution but asked that the Board consider and direct CPCFA staff to accept applications for anaerobic projects and to evaluate each individually on its own merits for presentation.

The Board responded in the affirmative.

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

1) **Upper Valley Disposal Service, Inc. and/or its Affiliates** requested approval of Initial Resolution No. 08-04 for an amount not to exceed \$4,235,000 to finance construction, and to purchase vehicles and equipment. The Company plans to rehabilitate and improve its St. Helena Material Recovery Facility (MRF), including the addition of a wash rack and metal canopy. The Company intends to install a C&D debris recycling operation at its Calistoga landfill. Additionally, the Company

plans to replace older collection vehicles with CARB-compliant vehicles, and to purchase additional containers, bins and carts for use in its waste collection services. Presented by – Doreen Carle.

Ms. Redway asked if there were any questions or comments from the Board or public.

Les Kleinberg moved approval of the item; upon a second, the motion was unanimously carried.

C. CALIFORNIA CAPITAL ACCESS PROGRAM (CALCAP)

- 1) Request Approval to Transfer \$3,000,000 from the Authority’s Small Business Assistance Fund (SBAF) to Provide Continued Funding for the California Capital Access Program (CalCAP) for Small Businesses in California.** Staff requested the Authority approve a resolution authorizing the transfer of funds from its Small Business Assistance Fund (SBAF) to the Program Account for the California Capital Access Program for Small Businesses (CalCAP). The transfer is necessary to continue the CalCAP program at anticipated demand levels. Funds will be deposited directly with the CalCAP trustee, Bank of New York Company, N.A. (BNY). BNY disburses CalCAP funds to cover the Authority’s contribution to the loan loss reserve accounts of participating financial institutions that make qualified CalCAP loans. Presented by – Kamika McGill.

Ms. Redway asked if there were any questions or comments from the Board.

Mr. Kleinberg inquired what will this do to the viability of the small business assistance fund.

Mr. Paparian responded that declining SBAF is something staff is looking into and considering several options.

Les Kleinberg moved approval of the item; upon a second, the motion was unanimously carried.

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 11:18 a.m.

Respectfully submitted,

Michael Paparian
Executive Director