

MINUTES

**California Pollution Control Financing Authority
915 Capitol Mall, Room 587
Sacramento, California
June 25, 2008**

1. CALL TO ORDER & ROLL CALL

Bettina Redway, Chairperson, called the California Pollution Control Financing Authority (CPCFA) meeting to order at 11:28 a.m.

Members Present: Bettina Redway for Bill Lockyer, State Treasurer
Les Kleinberg for John Chiang, State Controller
Anne Sheehan 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 May 28, 2008 meeting minutes. There were none.

Anne Sheehan moved approval of the minutes; upon a second, the minutes were unanimously approved.

3. EXECUTIVE DIRECTOR'S REPORT (INFORMATION ITEM)

Mr. Paparian began with remarks concerning the long term financial viability of CPCFA. He acknowledged the hard work of Sherri Wahl, Pattie Tanous and Ling Tse in helping pull together numerous spreadsheets and graphs and coaxing an antique version of Microsoft Office to produce quality output. He stated that he will be continuing to talk about CPCFA's financial situation in coming months and expects to recommend adjustments in each of the program areas. One of the areas being considered is the small business assistance fund formula. He expects to discuss suggested changes with the Board in August or September.

Mr. Paparian also updated the Board concerning the CALReUSE Program. In May an RFP was released for Local Strategic Partners to assist the Authority in administering the Prop 1C Remediation Program. Several proposals were received and are currently being evaluated. To assist us in this process, an external evaluation team has been set up, including the Department of Housing and Community Development, the Department of Toxic Substances Control and the State Water Resources Control Board. Unlike the Assessment Program, the Remediation Program will compensate Strategic Partners on a fee for service basis. Local Strategic Partner contracts will not exceed \$300,000 for the two year contract period.

A second RFP for a CALReUSE Statewide Strategic Partner to assist in administering the Prop 1C Remediation Program across the state was released last week. Proposals are due in early July. The Statewide Strategic Partner will not exceed \$1 million for the contract period, and will require the Board's approval.

Staff anticipates bringing the selection of Strategic Partners to the Authority at the July Board meeting. Given the DGS contracting process, Strategic Partners should be under contract by late August/early September. Staff hopes to be ready for our first financings by September/October.

CPCFA staff is working with CAEATFA, the Treasurer's Office and the Air Resources Board on programs to assist diesel vehicle owners to meet new air quality regulations.

Mr. Paparian directed the Board's attention to the list of bonds issued in 2008 and noted that staff is still expecting a high demand over the summer. Staff has clarified the allocation situation with CDLAC. It is now clear that projects can come before the Board at the August meeting for allocation in addition to the July meeting. Between the two meetings, staff expects over \$140 million in projects to seek allocation.

Ms. Redway asked if there were any questions. There were none.

4. BUSINESS ITEMS

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

Staff introduced Tony Cone, Westhoff, Cone and Holmstedt.

1) Bay Counties Waste Services, Inc. and/or its Affiliates, dba Specialty Solid Waste and Recycling requested approval of an Initial Resolution for an amount not to exceed \$2,960,000 to purchase vehicles and equipment. The Company provides refuse collection and disposal services in Santa Clara County. The Company anticipates that the project will provide air quality, water quality, energy efficiency, and recycling benefits. Presented by Ling Tse.

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

Anne Sheehan moved approval of the item; upon a second, the item was unanimously approved.

~~B. REQUEST TO APPROVE FINAL RESOLUTION TO ISSUE REVENUE BONDS, AUTHORIZE SMALL BUSINESS ASSISTANCE FUND (SBAF) COSTS OF ISSUANCE ASSISTANCE, AND APPROVE TAX EXEMPT~~

~~BOND VOLUME CAP ALLOCATION~~

- ~~1) Upper Valley Disposal Service, Inc. and/or its Affiliates, #810 (SB*),
Solid Waste Disposal, \$4,235,000
WITHDRAWN~~

C. REQUEST TO APPROVE INTERAGENCY AGREEMENT WITH THE CALIFORNIA AIR RESOURCES BOARD (ARB) REGARDING THE CALCAP INDEPENDENT CONTRIBUTOR PROGRAM

1) The California Capital Access Program for Small Businesses (“CalCAP”) assists small businesses in obtaining financing. The Independent Contributor Program has been a very successful part of CalCAP. California Air Resources Board (ARB) has agreed to participate in CalCAP as an Independent Contributor. The proposed Interagency Agreement (the “Agreement”) between the California Pollution Control Financing Authority (the “Authority” or “CPCFA”) and ARB allocates up to \$500,000 of ARB funds toward the Independent Contributor program for a pilot program aimed at assisting off-road diesel equipment operators to comply with new air quality regulations. The pilot program will be conducted in portions of the Central Valley. The term of the Agreement will be July 1, 2008 through February 28, 2010. Presented by Aaron Todd.

In response to Ms. Sheehan’s questions about the target area for the program, Mr. Paparian responded that ARB was putting this out as a pilot program within a limited geographic area with an existing lender with experience financing this type of equipment.

Further, concerning Ms. Sheehan’s question about marketing the program, Mr. Paparian said it would be a joint effort that will be developed in the next few months.

Ms. Redway commended staff for their diligence and good work as discussions for this program began over a year ago.

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 11:40 a.m.

Respectfully submitted,

Michael Paparian
Executive Director