

MINUTES

**California Pollution Control Financing Authority
915 Capitol Mall, Room 587
Sacramento, California
January 27, 2010**

1. CALL TO ORDER & ROLL CALL

Bettina Redway, Chairperson, called the California Pollution Control Financing Authority (CPCFA or Authority) meeting to order at 10:37 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

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 December 16, 2009 meeting minutes. There were none.

Ms. Redway asked if there was a motion.

Ms. Aronberg moved approval of the minutes; upon a second, the minutes were unanimously approved.

3. EXECUTIVE DIRECTOR'S REPORT (INFORMATION ITEM)

Mr. Paparian introduced Ted Egawa and Julia Bilaver from the Attorney General's Office. They work with and represent CPCFA.

Mr. Paparian complimented the entire CPCFA staff. He explained that each of the programs are addressing interesting and challenging issues and the staff has really pulled together to address them.

Mr. Paparian reported that the California Capital Access Program (CalCAP) is seeing rapid growth in the CalCAP/Air Resources Board (ARB) Clean Diesel Loan Guarantee Program. Staff is working on a possible new ARB program involving American Recovery and Reinvestment Act of 2009 (ARRA) stimulus funds. Kamika McGill and Nancee Trombley have been enrolling and training new lenders.

Agenda Item 2.

Mr. Paparian reported that the California Recycle Underutilized Sites (CALReUSE) Assessment Program staff has been auditing all of the Strategic Partners and the Trustee Bank for the Site Assessment Program. Jason Bradley, Diana Michaelson, Ila Lewis, Deana Carrillo and Executive Fellow Alex Chavez have all pitched in on this project.

Mr. Paparian continued to report that Bond Program staff, under the leadership of Patricia Tanous, is working to understand a number of new technologies and assist in providing financing. Staff is currently working to develop new ways to help address the California water problem through assistance for water and wastewater projects.

Mr. Paparian further reported that several CPCFA staff, including Sherri Wahl and Samantha Russell, are helping the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) develop new programs with the Energy Commission to assist biofuels and advanced vehicle manufacturing facilities.

Mr. Paparian stated that he is very proud of the eagerness and willingness of all staff to work hard on these new challenges.

Mr. Paparian continued to report that the ARB Clean Diesel Loan Guarantee Program is seeing an increase in volume now that vehicle financing entities are signing on as lenders. The program approved a 15 truck loan deal last week and more deals are in the works, including an eight truck loan deal and possibly hundreds of trucks ready to be financed or retrofitted using financing through CalCAP. In addition, staff is currently in discussion with the lenders, and the ARB, for ways CalCAP can assist with the retrofit of port trucks. This has become a major issue in the ports of Long Beach, Los Angeles and Oakland.

Mr. Paparian further reported that the CALReUSE Program has two components; the Site Assessment Program and the Proposition 1C Site Cleanup Program. The Site Assessment Program involves working through local and statewide Strategic Partners to provide loans for the assessment of potentially contaminated lands. All the Site Assessment Partners are operating under zero-dollar contracts that expire at the end of February 2010.

Staff is auditing all the Strategic Partners to check on their performance. Staff has found some issues that require further scrutiny and has asked the Partners to provide additional information based on what has been found so far. Based on all of this, it is Mr. Paparian's intention to evaluate the whole Site Assessment Program over the next few months and develop recommendations for any program changes to present to the Board. He plans to delay the Request for Proposals (RFPs) for new Strategic Partner contracts until staff completes this assessment. Staff will be able to develop shorter term, interagency agreements with some of the Program's local government partners who do not have audit issues so they can continue to service their existing loans. CALReUSE staff will likely be in the position of needing to service many of the loans itself during this period. Mr. Paparian will have more information to present to the Board over the next few months.

Mr. Paparian continued to report that the Bond Program staff, as mentioned before, is looking into water projects. Part of the reason the program can expand its outreach is that CPCFA is

receiving \$677 million in carry-forward allocation from the California Debt Limit Allocation Committee (CDLAC). CPCFA will have through 2012 to use this 2009 carry-forward allocation. This is on top of the \$788 million CPCFA received in 2008. Staff is expecting a number of bond deals in the coming months.

4. BUSINESS ITEMS

A. RESOLUTION OF THE CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY DELEGATING CERTAIN POWERS AND AUTHORIZING CERTAIN ACTIONS RELATING TO BOND FINANCINGS

Presented by: Patricia Tanous, Program Manager

Staff requested Board approval of a resolution authorizing delegation authority to the Executive Director and Deputy Executive Director of CPCFA for certain routine matters with respect to the Authority's Bond Program.

AB 1479, chaptered August 4, 2008, allows that, "The authority may, by resolution, delegate to one or more of its members, its executive director, or any other official or employee of the authority any powers and duties that it may deem proper, including, but not limited to, the power to enter into contracts on behalf of the authority."

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

Ms. Redway asked if there was a motion.

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

B. REQUEST TO APPROVE REINSTATEMENT AND AMENDMENT OF INITIAL RESOLUTION REFLECTING OFFICIAL INTENT TO ISSUE REVENUE BONDS

1) The Ratto Group of Companies, Inc.

Presented by: Doreen Smith, Analyst

Staff introduced Mark Holmstedt, of Westhoff, Cone & Holmstedt

Staff requested approval of a reinstatement and amendment to Initial Resolution number 04-19 for an amount not to exceed \$23,135,000 representing the balance of prior IRs and other actions. The company's current request is to add a new project site and reallocate project costs.

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

Ms. Redway asked if there was a motion.

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

C. 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) Pleasanton Garbage Service, Inc.

Presented by: Samantha Russell, Analyst

Staff introduced Mark Holmstedt, of Westhoff, Cone & Holmstedt

Staff requested approval of a Final Resolution and Volume Cap Allocation Resolution for an amount not to exceed \$2,555,000 to finance the acquisition and installation of new equipment to upgrade a sort line and the purchasing of new Compressed Natural Gas (CNG) vehicles. Staff also requested a Small Business Assistance Fund (SBAF) Resolution for an amount not to exceed \$170,880 to assist with bond issuance costs. The company provides refuse and disposal services in the City of Pleasanton. The company anticipates that the project will provide waste diversion, air quality, and water quality benefits.

Ms. Redway asked if there were any questions or comments 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 10:49 a.m.

Respectfully submitted,

Michael Paparian
Executive Director