

MINUTES

**California Pollution Control Financing Authority
915 Capitol Mall, Room 587
Sacramento, California
July 28, 2010**

1. CALL TO ORDER & ROLL CALL

Bettina Redway, Chairperson, called the California Pollution Control Financing Authority (CPCFA or Authority) meeting to order at 10:42 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
Sherri Kay Wahl, Deputy Executive Director

Quorum: The Chairperson declared a quorum

2. MINUTES

Ms. Redway asked if there were any questions or comments concerning the June 23, 2010 meeting minutes. There were none.

Ms. Redway asked if there was a motion.

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

3. EXECUTIVE DIRECTOR'S REPORT (INFORMATION ITEM)

Mr. Paparian started by saying that he was pleased to announce that Sherri Wahl has been appointed to the position of Deputy Executive Director of CPCFA. Ms. Wahl has been Acting Deputy Executive Director for the past few months and accepted the position of Deputy Executive Director in early July.

The Deputy Executive Director of CPCFA serves several authorities, including the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA), the California Industrial Development Financing Advisory Commission (CIDFAC) and the dormant California Urban Waterfront Area Restoration Financing Authority (CUWRFA).

Agenda Item 2.

Ms. Wahl started with the Treasurer's office over 25 years ago and brings a wealth of experience to her new position.

Mr. Paparian reported that the California Capital Access Program (CalCAP) Air Resources Board (ARB) Clean Diesel Truck Loan Program is continuing to exceed expectations. Since the beginning of July, staff has enrolled 132 new loans for 93 retrofits and 39 new or newer trucks. In total, staff has enrolled 388 loans and assisted with 455 trucks. Staff expects the rapid pace of the program to continue into the coming months.

Congress is considering a federal small business support program which would include funds for state programs like CalCAP. Staff is discussing this with staff in Congressional offices and is working on possible state legislation that would make it easier for CalCAP to utilize the funds if they become available. The U.S. Senate may take up the legislation soon. Staff is developing plans for a quick ramp-up of CalCAP should the funds become available. There could be \$50-150 million available to a state like California. If CalCAP were to receive such funds, it could leverage up to \$2.5 billion in loans to small businesses. Staff is excited about the possibility and is paying close attention to what is going on in Washington D.C. regarding this matter.

Mr. Paparian reported that in the California Recycle Underutilized Sites (CALReUSE) Program, the Legislature has decided to allocate the remaining Proposition 1C funds, that could have been used to help with brownfields cleanup, to the Department of Housing and Community Development.

As previously reported to the Board, staff has been working with Strategic Partners on the implementation of the brownfields cleanup program. CALReUSE will be extending the contracts with the Strategic Partners through February 2011 and then phase that work in-house for the remainder of the work on the Prop 1C program.

Mr. Paparian reported that staff is continuing to see a lot of interest in tax-exempt bonds. By the end of September, staff expects to have used over one-third of the program's \$1.4 billion in carry-forward allocation.

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

4. BUSINESS ITEMS

A. REQUEST TO APPROVE NEW OFF-ROAD INTERAGENCY AGREEMENT WITH THE CALIFORNIA AIR RESOURCES BOARD (ARB) REGARDING USE OF AMERICAN REINVESTMENT AND RECOVERY ACT (ARRA) FUNDS

Presented by: Nancee Trombley, Analyst

Agenda Item 2.

The California Capital Access Program for Small Businesses assists small businesses in obtaining financing. ARB participates in CalCAP as an Independent Contributor. The proposed Interagency Agreement between the CPCFA and ARB allocates up to \$5,000,000 of American Reinvestment and Recovery Act (ARRA) grant funds awarded to ARB by the U.S. Environmental Protection Agency. These funds will be used for the ARB's ARRA Off-Road Diesel Independent Contributor program to provide financial assistance to small business owners of diesel vehicles affected by the ARB's Statewide In-Use Off-Road Diesel Vehicle Regulation. The term of the Agreement will be from the date of approval by the Department of General Services through January 1, 2021.

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

Mr. Paparian announced that the ARB partners that have been working closely with CalCAP staff in developing this program and other programs are in the audience. The partnership has been a great thing for CalCAP.

Ms. Redway added that the program has really taken off since the conversation began three years ago.

Ms. Redway asked if there were any further comments from the Board, or the 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 INITIAL RESOLUTIONS REFLECTING OFFICIAL INTENT TO ISSUE REVENUE BONDS

- 1) Big Bear Disposal, Inc.
Presented by: Samantha Russell, Analyst

Staff introduced Tony Cone of Westhoff, Cone & Holmstedt.

Staff requested approval of an Initial Resolution for an amount not to exceed \$6,000,000 to finance construction of a Material Recovery Facility, maintenance shop and other related offices. The company provides refuse collection and disposal services in San Bernardino County.

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.

- 2) Sierra Pacific Industries
Presented by: Doreen Smith, Analyst

Staff introduced John Gartman of Sierra Pacific and Walt Veneemeyer of Progressive Capital.

Staff requested approval of an Initial Resolution for an amount not exceed \$45,000,000 to finance solid waste disposal and cogeneration facilities at the company's existing lumber manufacturing plant located in Anderson.

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

Ms. Redway stated that this project is different than others.

Mr. Paparian stated that co-generation projects have been induced in the past and staff is aware that there is a need in a variety of ways for projects like this and staff is looking forward to working with the applicant.

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

Ms. Redway asked if there was a motion.

Ms. Aronberg moved approval of the item.

The Chair called for a vote and the item passed with the following vote: Cindy Aronberg, aye; Bettina Redway, aye; and Cynthia Bryant, abstain.

C. REQUEST TO APPROVE AMENDMENT AND RESTATEMENT OF INITIAL RESOLUTION REFLECTING OFFICIAL INTENT TO ISSUE REVENUE BONDS

- 1) Arakelian Enterprises, Inc. dba Athens Services
Presented by: Doreen Smith, Analyst

Staff introduced Tony Cone of Westhoff, Cone & Holmstedt.

Staff requested approval of an amendment to Initial Resolution No. 04-15, as restated and amended on July 23, 2008, for an amount not to exceed \$100,000,000 to finance the expansion and improvement of its material recovery facilities in the City of Industry, Los Angeles and Victorville, the purchase and development of corporate yard sites in the City of Industry, Irwindale and Commerce, equipment replacement, and the acquisition of trucks and containers.

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.

D. REQUEST TO APPROVE FINAL RESOLUTION TO ISSUE REVENUE NOTE AND AUTHORIZE SMALL BUSINESS ASSISTANCE FUND (SBAF) COSTS OF ISSUANCE ASSISTANCE

- 1) TDR Group, LLC, an Oregon limited liability company, dba WRW Group, LLC
Presented by: Deanna Hamelin, Analyst

Staff introduced Dan Bronfman of Growth Capital Associates, Inc., and Mark Hope, President of WRW, Inc.

Staff requested approval of a Final Resolution for an amount not to exceed \$1,375,000 to issue tax-exempt Industrial Development Bonds and a Small Business Assistance Fund Resolution for an amount not to exceed \$152,000 to finance the acquisition of land and the development and equipping of a scrap tire collection and recycling facility.

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.

E. 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) Alameda County Industries, Inc.
Presented by: Doreen Smith, Analyst

Staff introduced Mark Holmstedt of Westhoff, Cone & Holmstedt.

Staff requested approval of a Final Resolution and an Allocation Resolution for an amount not to exceed \$2,460,000 and a Small Business Assistance Fund Resolution not to exceed \$169,360 to finance the purchase of equipment and collection vehicles at its facility in San Leandro. The company anticipates the project will provide pollution control and environmental 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. Aronberg moved approval of the item; upon a second, the item was unanimously approved.

F. REQUEST TO APPROVE FINAL RESOLUTIONS TO ISSUE REVENUE BONDS AND APPROVE TAX-EXEMPT BOND VOLUME CAP ALLOCATION

- 1) Mission Trail Waste Systems, Inc.
Presented by: Samantha Russell, Analyst

Staff introduced Mark Holmstedt of Westhoff, Cone & Holmstedt.

Staff requested approval of a Final Resolution and Allocation Resolution for an amount not to exceed \$15,700,000 to finance the purchase of Compressed Natural Gas vehicles, bins, carts, containers, and totes, along with other operational equipment. The project financing is needed to meet conditions of the extension of its franchise agreement with the City of Santa Clara and its new contract with the City of Los Altos. The company anticipates 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.

- 2) American Water Capital Corp.
Presented by: Doreen Smith, Analyst

Staff introduced Debbi Boye of Greenberg Traurig, LLP, and Mark Chierici and Mark Schubert of American Water.

Staff requested approval of a Final Resolution and Allocation Resolution for an amount not to exceed \$35,000,000 to finance water facility improvement projects to be owned and operated by the Applicant and/or its Affiliates, including without limitation California-American Water Company, a California corporation within the company's service area in Sacramento and Monterey Counties. The company anticipates the project will meet water conservation objectives and regulatory compliance requirements.

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

Agenda Item 2.

Ms. Aronberg said she noticed a similar project was presented to the Board earlier in the year. She asked what is the relationship or interaction between the local government jurisdictions and the company.

Mr. Paparian said she is referring to the desalination facility in the Monterey area. That project has not yet been funded but has been induced and that company is expected to come back within the next few months.

Mr. Schubert explained that there is the Monterey County Water Resources Agency, the Marina Coast Water District and California American Water. California American Water primarily serves 40 thousand customers on the Monterey peninsula. As part of that project, California American Water will be receiving water produced by the Marina Coast Water District through the desalination plant. Monterey County Water Resources Agency is involved with the wells that will feed that plant. There is a partnership in the works.

Ms. Aronberg asked if the company plans to purchase water from the desalination plant.

Mr. Schubert responded yes, ultimately the company will be purchasing water and selling it to its customers.

Ms. Redway asked if there were any further comments from the Board, or the 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 11:05 a.m.

Respectfully submitted,

Michael Paparian
Executive Director