

MINUTES

**California Pollution Control Financing Authority
915 Capitol Mall, Room 587
Sacramento, California
Tuesday, October 20, 2015**

1. CALL TO ORDER & ROLL CALL

Alan Gordon, Chairperson, called the California Pollution Control Financing Authority (CPCFA or Authority) meeting to order at 11:20 a.m.

Members Present: Alan Gordon for John Chiang, State Treasurer
 Anne Baker for Betty T. Yee, State Controller
 Eraina Ortega for Michael Cohen, Director of Finance

Staff Present: Reneé Webster-Hawkins, Executive Director

Quorum: The Chairperson declared a quorum

2. MINUTES

Mr. Alan Gordon asked if there were any questions or comments concerning the meeting minutes from the meeting held September 15, 2015. There were none.

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

The item was passed by the following vote:

Alan Gordon for the State Treasurer	Aye
Anne Baker for the State Controller	Aye
Eraina Ortega for the Director of Finance	Aye

3. EXECUTIVE DIRECTOR'S REPORT

Ms. Webster-Hawkins began her report with a legislative update noting that AB 1230 was signed by the Governor. This legislation appropriated \$10 million to CPCFA for the administration of a new CalCAP program to provide credit enhancements for very small businesses to carry out tenant improvements to increase their accessibility to disabled customers and employees. The legislation takes effect January 1, 2016. In the meantime, CPCFA will be preparing for the program by recruiting additional staff and beginning a rulemaking process to set tailored program terms that will incentivize private lenders to make loans to small businesses in California, while creating a sustainable program.

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Ms. Webster-Hawkins reported that loan enrollments in the two CPCFA premier CalCAP programs are continuing to escalate. As of October 16, 2015 lenders enrolled 1,335 loans in the SSBCI CalCAP program, compared to 1,082 at this time last year. Lenders also enrolled 2,032 loans in the ARB CalCAP program, compared to 1,522 at this time last year. The bridge loan to ARB to stabilize cash flow in the ARB CalCAP program has worked as anticipated. She acknowledged the hard work of the CPCFA team and CalCAP manager Doreen Smith.

Ms. Webster-Hawkins reported that CPCFA and STO's Communication Office collaborated on the production of a short video highlighting a loan that First Northern Bank of Dixon enrolled in the CPCFA Collateral Support Program. The bank provided two loans to Downtown and Vine on K Street, to support tenant improvements for expanded restaurant operations and for a working capital line of credit. The video featured an interview with the business owner in which she described the benefit of the program to a small business like hers, and also featured the Treasurer's support for the program. The video was published on You Tube and Vimeo, and is the first episode, hopefully of many, that will highlight the benefits of the programs offered by the financing authorities chaired by the Treasurer.

Ms. Webster-Hawkins welcomed new Executive Assistant Laura Coulter, new CalCAP analyst Lauren Ross, and welcomed back returning employee Leosha Eves.

Ms. Webster-Hawkins reported a delegated authority action that took place October 13, 2015. She signed a supplemental loan agreement for TDR Group LLC Waste Recovery Project to extend the mandatory pre-payment date for an additional five year period.

4. BUSINESS ITEMS

A. **REQUEST FOR APPROVAL OF AN INTERAGENCY AGREEMENT WITH THE STATE TREASURER'S OFFICE FOR SUPPORT PROVIDED BY THE STATE TREASURER'S EXECUTIVE OFFICE, ADMINISTRATION DIVISION, AND INFORMATION SYSTEMS**

Presented by Patricia Crowson.

CPCFA requested approval of agreement number CPCFA02-15 for support services for CPCFA's existing and expanding programs, from July 1, 2015 through June 30, 2016, in the amount of \$726,241. Through Interagency Agreements, the STO provides budgeting, personnel, accounting, legal, information technology services, information security services, Executive Office (policy direction and guidance), reporting services, and other administrative support services for the Boards, Commissions, and Authorities (BCAs) chaired by the State Treasurer. The amount of the IA has increased from \$411,156.00 to \$726,241.00, which results in approximately a 77% increase in the past year. It is acknowledged that the increase is significant, and is for the additional costs associated with Information Technology (IT) and the many upgrades that IT has made and will be making in the near future, including providing additional staffing, upgrades to the network and FileNet storage systems. The Executive Director has authority under a resolution passed by the Board to approve contracts in amounts up to \$300,000. The proposed contract exceeds this

amount; therefore the Board’s approval is required.

Ms. Baker moved approval of the item; there was a second.

Mr. Alan Gordon asked if there were any questions or comments from the Board or Public. There were none.

The item was passed by the following vote:

Alan Gordon for the State Treasurer	Aye
Anne Baker for the State Controller	Aye
Eraina Ortega for the Director of Finance	Aye

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

California Water Solutions, Inc. and/or its Affiliates

Presented by Kris Luoma

Staff introduced Mark Holmstedt with Westoff, Cone & Holmstedt

California Waste Solutions, Inc. and/or its affiliates requested approval of a reinstatement, extension and amendment to Initial Resolution 12-06 to increase the dollar amount to an amount not to exceed \$29,000,000 to reflect an increase in project costs. The company plans to finance the expansion and upgrade of its sorting line, purchase additional equipment, acquire two parcels of land, and cover construction costs.

Ms. Baker moved approval of the item; there was a second.

Mr. Gordon asked if there were any questions or comments from the Board or public. There were none.

The item was passed by the following vote:

Alan Gordon for the State Treasurer	Aye
Anne Baker for the State Controller	Aye
Eraina Ortega for the Director of Finance	Aye

C. REQUEST TO APPROVE FINAL RESOLUTION AUTHORIZING THE ISSUANCE OF REVENUE BONDS

Aemerge, LLC, Aemerge RedPak Services Southern California, LLC and/or their Affiliates

Presented by Kris Luoma

Staff introduced Mark Holmstedt with Westoff, Cone & Holmstedt

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Aemerge, LLC, Aemerge RedPak Services Southern California, LLC, and/or their Affiliates requested approval of a Final Resolution for an amount not to exceed \$24,000,000 to finance the acquisition of land, upgrades to existing buildings and utilities, and acquire ancillary support equipment and systems for a medical waste processing facility. The approval of the Final Resolution allows the Bond Underwriters to market the bonds and identify the qualified institutional buyers that will be required to complete this process. The company anticipates applying to the Authority for volume cap allocation at the December 15, 2015 Board Meeting.

Ms. Baker moved approval of the item; there was a second.

Mr. Gordon asked if there were any questions or comments from the Board or public. There were none.

The item was passed by the following vote:

Alan Gordon for the State Treasurer	Aye
Anne Baker for the State Controller	Aye
Eraina Ortega for the Director of Finance	Aye

D. REQUEST TO APPROVE FINAL RESOLUTION AUTHORIZING THE ISSUANCE OF REFUNDING REVENUE BONDS AND TO APPROVE TAX-EXEMPT VOLUME CAP ALLOCATION

Waste Management, Inc. and/or its Affiliates

Presented by Andrea Gonzalez

Staff introduced Andrew Alexander with Bank of America Merrill Lunch, and Alex Oseguera with Waste Management.

Waste Management, Inc. and/or its affiliates requested approval of a Final Resolution to issue revenue bonds for an amount not to exceed \$126,000,000 in tax-exempt bonds to refinance \$75,000,000 California Pollution Control Financing Authority Solid Waste Disposal Revenue Bonds (Waste Management, Inc. Project) Series 2005C Bonds together with \$48,500,000 California Pollution Control Financing Authority Variable Rate Demand Solid Waste Disposal Refunding Revenue Bonds (Waste Management, Inc. Project) Series 2002A (the “2002A Bonds”). The company also requests Volume Cap Allocation for an amount not to exceed \$2,500,000 to finance a portion of the costs of issuance relating to the refinancing.

Ms. Baker moved approval of the item; there was a second.

Mr. Gordon asked if there were any questions or comments from the Board or public. There were none.

The item was passed by the following vote:

Alan Gordon for the State Treasurer	Aye
Anne Baker for the State Controller	Aye
Eraina Ortega for the Director of Finance	Aye

E. REQUEST TO AMEND INFILL GRANT DOCUMENTS UNDER THE CALIFORNIA RECYCLE UNDERUTILIZED SITES (CALREUSE) REMEDIATION PROGRAM

Amendment to Transfer Grant Award from Carson Marketplace, LLC to Carson Reclamation Authority (Reclamation Authority) and Extend the Term of the Grant from November 3, 2015 to April 30, 2016.

Presented by Ethan Weiser

Staff introduced John S. Raymond, Executive Director of the Carson Reclamation Authority, and George J. Muhlsten, Partner at Latham & Watkins LLP.

The Carson Reclamation Authority, a joint powers authority, requested approval to re-direct or transfer a grant award of \$5,000,000 from Carson Marketplace, LLC to the Carson Reclamation Authority, and to extend the term of the grant from November 3, 2015 to April 30, 2016. In May 2015 Carson Marketplace, LLC entered into a settlement agreement to transfer the site to Carson Reclamation Authority in lieu of foreclosure. Under the Settlement Agreement, the City of Carson (City) and Carson Reclamation Authority are proposing to construct a National Football League stadium on the site. Alternatively, the City and the Reclamation Authority are in discussion with a potential developer of a mixed use development should the Site not be selected as a location for the NFL stadium. Staff anticipates that the amended project will be presented to the Board at the April 2016 board meeting.

Ms. Ortega asked if the Reclamation Authority is an independent body or group of local government entities. Mr. Gordon asked the representatives of the project to introduce themselves. They were George Muhlstein, partner at Latham and Watkins and John S. Raymond, Executive Director of the Carson Reclamation Authority. Mr. Raymond stated the Carson Reclamation Authority is a joint powers authority that includes the City of Carson, the Carson Housing Authority, and two of the Communities Facilities Districts.

Ms. Baker said she does not have a question but she does have a statement. She said that she was uncomfortable about the timeliness of these items and it is too close to the deadline for the extension and she will be abstaining from the vote.

Ms. Ortega asked what will be decided at the April 2016 Board meeting in regards to this project. Ms. Webster-Hawkins then explained the process of amending projects. When there are major changes projects are re-evaluated to ensure program criteria is satisfied.

Mr. Gordon spoke to the issues raised and explained the parties involved are

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negotiating in good faith. Mr. Gordon further explained there will be affordable housing created, the City of Carson needs more affordable housing, and the Treasurer's office sees this as an opportunity to end up with possibly more housing than the original plan.

Ms. Ortega moved approval of the item; there was a second.

Mr. Alan Gordon asked if there were any questions or comments from the Board or public. There were none.

The item was passed by the following vote:

Alan Gordon for the State Treasurer	Aye
Anne Baker for the State Controller	Abstained
Eraina Ortega for the Director of Finance	Aye

5. PUBLIC COMMENT

Mr. Gordon asked if there were any general comments from the public. There were none.

6. ADJOURNMENT

There being no further business, public comments, or concerns, the meeting adjourned at 11:41 a.m.

Respectfully submitted,

(Originally signed by)

Reneé Webster-Hawkins
Executive Director