

MINUTES

**California Pollution Control Financing Authority
915 Capitol Mall, Room 587
Sacramento, California
May 17, 2016**

1. CALL TO ORDER & ROLL CALL

Mr. Alan Gordon, Chairperson, called the California Pollution Control Financing Authority (CPCFA or Authority) meeting to order at 10:42 a.m.

Members Present: Todd Jerue for Michael Cohen, Director of Finance
Anne Baker for Betty Yee, State Controller
Alan Gordon for John Chiang, State Treasurer

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 April 19, 2016. There were none.

Mr. Todd Jerue moved approval of the minutes; there was a second.

The item was passed by the following vote:

Todd Jerue for the Director of Finance	Aye
Anne Baker for the State Controller	Aye
Alan Gordon for the State Treasurer	Aye

3. EXECUTIVE DIRECTOR'S REPORT

Ms. Reneé Webster-Hawkins provided an update on program development under legislation AB 1230 which authorized a new CalCAP program to facilitate tenant retrofits for small businesses under the Americans with Disabilities Act. Ms. Webster-Hawkins reported that the Authority appeared before the California Commission on Disability Access on April 14, 2016 providing an overview of the main program. A lender webinar was then conducted on April 20, 2016, to present the proposed contribution rates and recapture formula. A stakeholder outreach webinar has been planned for June 2, 2016 for staff to present the program concept to business organizations, disability access specialists, and potential borrowers. Ms. Webster-Hawkins explained that the June Board meeting will contain a more in-depth informational presentation which will include some of the stakeholders staff has been working with. A

rulemaking package will then be proposed at the July Board meeting for Board consideration and program implementation.

Ms. Webster-Hawkins welcomed a new program analyst for the CalCAP staff, Ms. Stephanie Dorminey. Ms. Webster-Hawkins provided some personal and professional background about Ms. Dorminey, along with sharing her academic achievements.

Ms. Webster-Hawkins reported on an item that was approved under her delegated authority for the Bond Program. Ms. Webster-Hawkins signed and approved a request by Green Waste Recovery, Zanker Road Resources Management, and Zero Waste Energy Development to amend their existing loan agreements for four revenue notes projects to change the defined terms in the initial pre-payment dates. The request was signed on May 6, 2016.

4. BUSINESS ITEMS

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

1. Garaventa Enterprises, Inc. and/or its Affiliates
Presented by: Lyudmila Farbitnikova

Staff introduced Mark Holmstedt and Robert Martz of Westhoff, Cone & Holmstedt, along with Leslie Lava of the Law Offices of Leslie M. Lava.

Garaventa Enterprises, Inc. and/or its Affiliates requested approval of an Initial Resolution for an amount not to exceed \$8,165,000 to finance or refinance the acquisition of land which will house solid waste related activities, the construction of a compressed natural gas (CNG) fueling station and the purchase of automated collection vehicles, carts, bins and containers.

Garaventa Enterprises, Inc. provides refuse collection and disposal services in areas of Contra Costa and Solano Counties. The Company anticipates applying to the Authority for volume cap allocation on June 21, 2016.

Staff recommended approval of Initial Resolution No. 16-07 for Garaventa Enterprises, Inc. and/or its Affiliates for an amount not to exceed \$8,165,000.

Mr. Todd Jerue 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:

Todd Jerue for the Director of Finance	Aye
Anne Baker for the State Controller	Aye
Alan Gordon for the State Treasurer	Aye

2. EDCO Disposal Corporation and/or its Affiliates
Presented by: Lyudmila Farbitnikova

Staff introduced Mark Holmstedt and Robert Martz of Westhoff, Cone & Holmstedt.

EDCO Disposal Corporation and/or its Affiliates requested approval of an Initial Resolution for an amount not to exceed \$79,199,000 to purchase compressed natural gas (CNG) collection vehicles, carts, bins, and additional equipment, upgrade and make improvements to the material recycling facility (MRF) and add CNG fueling stations.

Staff recommended approval of Initial Resolution No.16-08 for EDCO Disposal Corporation and/or its Affiliates for an amount not to exceed \$79,199,000.

Mr. Todd Jerue 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:

Todd Jerue for the Director of Finance	Aye
Anne Baker for the State Controller	Aye
Alan Gordon for the State Treasurer	Aye

B. REQUEST TO APPROVE RESTATED AND AMENDED FINAL RESOLUTION AUTHORIZING THE ISSUANCE OF REVENUE BONDS

CalAg, LLC, CalPlant I, LLC and /or its Affiliates
Presented by: Andrea Gonzalez

Staff introduced Jerry Uhland of CalAg, and Robert Feyer of Orrick, Herrington & Sutcliffe.

CalAg, LLC and/or its Affiliates, including CalPlant I, LLC requested a restatement and amendment of Final Resolution No. 511 for an amount not to exceed \$175,300,000. The Final Resolution was originally approved on November 17, 2010 for an amount not to exceed \$175,300,000 to finance a facility to utilize waste rice straw to manufacture medium density fiberboard (MDF). The Final Resolution was then amended on December 16, 2014 to reduce the amount to \$126,700,000 to provide room for changes to the financial plan. On June 17, 2014 the Final Resolution was amended and restated and it has been extended since then. The Final Resolution was extended most recently on June 16, 2015 and is currently set to expire on June 30, 2016. Therefore, the company is requesting an extension and restatement of Final Resolution No. 511 to June 30, 2017 for an amount not to exceed \$175,300,000. The company will have to return to the Authority to obtain volume cap allocation and approval of final documents prior to issuance of any Bonds, at which time the final financing components will be presented.

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The company anticipates securing a private placement of fixed rate tax-exempt bonds and issuing these bonds during the third quarter of 2016. The project remains the same as was presented at the June 17, 2014 CPCFA meeting, however there are significant updates regarding the equity partners and financing details.

In 2014, the company had identified additional sources of capital financing, including a term loan facility to be provided by Landesbank Baden-Wurttemberg (LBBW), a financial institution organized under the laws of the Federal Republic of Germany, along with a term loan guaranty provided by Euler Hermes (EH), the administrator for the German Export Credit guaranty program.

In the summer of 2015, CalAg had introduced a prospective mezzanine debt investment in the project to Rabobank, a Dutch bank with global expertise in agricultural lending and a large portfolio of loans in California's rice belt. Rabobank was enthusiastic about the project, but could not come to satisfactory intercreditor arrangements with LBBW. To simplify the terms and conditions of the financial commitments and to reduce the time and cost of negotiations in the intercreditor agreement, the project team has decided to forgo the German loan and guarantee.

The company now expects to finance the project with a combination of cash equity investment in the approximate amount of \$87,500,000 and proceeds of a bank loan from Rabobank in the approximate amount of \$35,000,000. Equity partners will be disclosed in the Limited Offering Memorandum.

Staff recommended approval of Restated and Amended Final Resolution No. 511 to extend the expiration to June 30, 2017 for an amount not to exceed \$175,300,000 for CalAg, LLC and/or its Affiliates.

Mr. Todd Jerue 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:

Todd Jerue for the Director of Finance	Aye
Anne Baker for the State Controller	Aye
Alan Gordon for the State Treasurer	Aye

C. REQUEST TO APPROVE FINAL RESOLUTION AUTHORIZING THE ISSUANCE OF REVENUE NOTES FOR NEW MONEY AND REFUNDING PURPOSES, AND TAX-EXEMPT VOLUME CAP ALLOCATION

CR&R Incorporated, and/or its Affiliates
Presented by: Andrea Gonzalez

Staff introduced Mark Holmstedt and Robert Martz of Westhoff, Cone & Holmstedt,

Agenda Item 2.

along with Leslie Lava of the Law Offices of Leslie M. Lava.

CR&R Industries and/or its Affiliates requested approval of a Final Resolution to issue revenue notes for a total amount not to exceed \$61,360,000 (\$7,145,000 in new money allocation and refunding in the amount of \$54,215,000). Note proceeds will be utilized to refund two series of Solid Waste Disposal Revenue Bonds previously issued by CPCFA, finance the construction of a building for office administration, vehicle maintenance, receiving, and to pay certain costs of issuance.

Staff recommended approval of Final Resolution No. 553 for an amount not to exceed \$61,360,000 and Volume Cap Allocation Resolution No. 13-111-04 for an amount not to exceed \$7,145,000 for CR&R Incorporated and/or its Affiliates.

Mr. Todd Jerue 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:

Todd Jerue for the Director of Finance	Aye
Anne Baker for the State Controller	Aye
Alan Gordon for the State Treasurer	Aye

5. PUBLIC COMMENT

Mr. Alan Gordon 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 10:55 a.m.

Respectfully submitted,

Reneé Webster-Hawkins
Executive Director