

MINUTES

California Pollution Control Financing Authority
801 Capitol Mall, Room 150
Sacramento, CA 95814
November 15, 2016

1. CALL TO ORDER & ROLL CALL

Mr. Steve Juarez, Chairperson, called the California Pollution Control Financing Authority (CPCFA or Authority) meeting to order at 11:05 a.m.

Members Present: Eraina Ortega for Michael Cohen, Director of Finance
Anne Baker for Betty Yee, State Controller
Steve Juarez for John Chiang, State Treasurer

Staff Present: Reneé Webster-Hawkins, CPCFA Executive Director

Quorum: The Chairperson declared a quorum

2. MINUTES

Mr. Juarez asked if there were any questions or comments concerning the meeting minutes from the meeting held September 20, 2016. There were none.

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

The item was passed by the following vote:

Eraina Ortega for the Director of Finance	Aye
Anne Baker for the State Controller	Aye
Steve Juarez for the State Treasurer	Aye

3. EXECUTIVE DIRECTOR'S REPORT

Ms. Reneé Webster-Hawkins began her report by welcoming Mr. Juarez back to the Treasurer's office.

Ms. Reneé Webster-Hawkins stated that there were three items that she has acted on under her delegated authority since the last time the Board met:

- On September 20, 2016, Ms. Webster-Hawkins signed an Interagency Agreement (IA) with the Department of Housing and Community Development (HCD), contract number 07-01-016 for \$60,000,000, which was an amendment for the Program funding from Proposition 1C, for The California Recycle Underutilized Sites (CalReUSE), which the CPCFA administers on the behalf of HCD.

- On September 27, 2016 Ms. Webster-Hawkins signed an IA with the State Treasurer's Office (STO) and the Public Finance Division (PFD), Contract Number CPCFA 04-16 for \$190,424.00 for their services serving as Agent of Sale on CPCFA's Bond transactions.
- On November 8, 2016 with the California Department of Resources, Recycling, and Recovery (CalRECYCLE), Contract Number DRR 16034 for \$414,271.85, which was pursuant to Board approval adopted in December 2015, an amendment to the IA that CPCFA has with CalRECYCLE to offer the Capital Access Program (CalCAP) financing for CalRECYCLE.

Mr. Juarez asked if the Board had any questions. There were none.

Ms. René Webster-Hawkins reported that staff has been busy, and gave verbal commendations to staff and proceeded to inform the Board of the various activities that staff has undertaken in the previous month.

Ms. Webster-Hawkins started with the CalCAP Program, staff hosted the California Association of Micro Enterprise Organizations (CAMEO), to prepare for an informational workshop hosted by the Assembly Committee on jobs, economic development and the economy, and to collaborate on future uses of the State Small Business Credit Initiative (SSBCI) funding. CPCFA hosted senior staff from the Air Resources Board (ARB) to discuss implementing a recapture of loan loss reserve funds for the earliest loans which have since matured out of the participating lender's portfolio and to plan for a rulemaking for the recapture in early 2017. The CalCAP staff has provided several program trainings to participating lenders in the Small Business, Heavy Duty Vehicle, and Americans with Disabilities Act Financing Programs. CalCAP staff also met with new lender Beneficial State Bank whose mission is to provide capital to the underserved small businesses and affordable housing sectors. CPCFA staff has met with representatives from Chargepoint to better understand the changing dynamics in the electric vehicle marketplace and to identify whether there are small businesses willing to take on debt to finance infrastructure which would benefit from our CalCAP Electric Vehicle Charging Station Financing Program (EVCS). Staff presented at the San Francisco Workplace Charging Workshop to promote the EVCS Charging Program.

Executive Staff from CPCFA and the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) consulted with advocates of green financing in California, who have been in discussions about green banking with the Governor's Office and the STO over the years. Ms. Webster-Hawkins informed the Board that the advocates applauded the increased collaboration between CPCFA, CAEATFA, GO-Biz and I-Bank.

CPCFA has been working with Orrick, Herrington & Sutcliffe as Bond Counsel to help establish meaningful standards for Green Bond Financing with the hope of bringing forward a proposal for a Green Bond Issuance for the Board's consideration soon.

Ms. Webster-Hawkins refreshed the Board by highlighting the June 2016's Board Approval of emergency regulations to adjust the Small Business Assistance Fund (SBAF) fee waiver and the restructuring of the refinancing fee. Ms. Webster-Hawkins then informed the Board that

CPCFA Staff hosted a public workshop as part of the ensuing permanent rulemaking. There were no comments, so the final rulemaking is anticipated to be final by mid-December 2016.

Ms. Webster-Hawkins then stated that the Board would be hearing about CPCFA's proposed interagency agreement with the STO which in part is supporting the enhanced information technology initiatives of the Treasurer. CPCFA has been working with the STO Information Technology Division's (ITD) development team to design the automated loan enrollment web application which was demonstrated this month for CPCFA executive approval and is now working with select CalCAP lenders for beta testing the website. CPCFA has been continuing to work with the ITD project management team to explore an automated accounting application that will facilitate the management of CPCFA's outside accounts held by the trustee and participating lenders. CPCFA has also worked with the STO's development team in designing and preparing for the soft launch of the California Business Incentive Gateway (C-BIG), the Treasurer's website designed to centralize incentives available to businesses in California from state and local agencies. Ms. Webster-Hawkins mentioned that CPCFA provided valuable user testing and feedback to the development team on the usefulness of the site.

Ms. Webster-Hawkins informed the Board of upcoming events by informing them that CPCFA staff will be regular web-based presenters and attendees at convenings hosted by Southern California Edison to promote the EVCS Financing Program in multi-unit dwelling projects in the utility's service area.

On November 16, 2016, CPCFA will be hosting a statewide outreach webinar-based public workshop to solicit interest in the new CalCAP Seismic Safety Financing Program. The draft regulations were posted on November 14, 2016 for informal public comment, which will be accepted through November 30, 2016, and the anticipated formal posting of the Notice of Emergency Rulemaking for the Seismic Safety Program will be on December 6, 2016 which would include any updates to the draft regulations as a result of public comment. At the December 13, 2016, the CPCFA Board Meeting Staff will present the emergency regulations for consideration and approval. If approved, CPCFA will file the package with the Office of Administrative Law (OAL) that same day, to begin the 5-day comment period. Ms. Webster-Hawkins stated that she anticipates that OAL will file the rulemaking with the Secretary of State's office on December 27, 2016.

On November 29, 2016, CPCFA will be hosting a statewide participating lender roundtable to discuss new CalCAP programs including the CalCAP Seismic Safety Financing Program. On November 30, 2016, CPCFA will attend the statewide Plug-in Electric Vehicle Collaborative meeting in San Francisco, and on the same day will meet with New Resource Bank, a small business financing bank that specializes in green and nonprofit financing, to invite their participation in CPCFA's specialty CalCAP programs.

Ms. Webster-Hawkins introduced new employee Dmitri Godamunne who joined the Bond Program as a Staff Services Analyst, and announced that CalCAP staff member Isabel Becerra was awarded the State Treasurer's Office Employee of the Month award. Ms. Webster-Hawkins mentioned that CPCFA and CAEATFA were the featured entertainers for the STO's

annual Halloween celebration. Ms. Webster-Hawkins then invited the Board members for an open house gathering immediately following the Board Meeting to view our new offices.

Ms. Webster-Hawkins informed the Board Members that CPCFA will have an additional Board Meeting on Tuesday, December 6, 2016 at 3:30pm. The agenda will be posted on November 23, 2016. She stated both December meetings will be held at the State Treasurer's Office in Room 587. Ms. Webster-Hawkins then asked if there were any questions. Mr. Juarez asked the Board if there were any questions, there were none. Mr. Juarez commended the outreach that CPCFA and CAEATFA staff does regarding new, upcoming and existing programs. Mr. Juarez then commented that CBIG is intended to allow businesses in California access to all the programs at state and local levels available to them directly through the website. Mr. Juarez asked if there were any questions in person or on the phone. There were none.

4. BUSINESS ITEMS

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

Zanker Road Resource Management, Ltd. and/or its Affiliates, #897, Solid Waste Disposal, \$10,000,000

Presented by Kris Luoma

Staff introduced Leslie Lava, Note Counsel, Greg Ryan, Zanker Road Resource Management, Ltd.

Zanker Road Resource Management, Ltd. and/or its affiliates requested approval of an Initial Resolution for an amount not to exceed \$10,000,000 to finance the construction of building and site improvements and to purchase carts, bins and containers.

Staff recommended approval of Initial Resolution No. 16-15 for Zanker Road Resource Management, Ltd. and/or its Affiliates for an amount not to exceed \$10,000,000.

Mr. Juarez asked if there were any questions or public comment. There were none.

Ms. Webster-Hawkins noted that Zanker and its affiliate Green Waste have been prior stakeholders and applicants with CPCFA and has CPCFA's support for this transaction and in the future.

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

Mr. Juarez asked for roll to be taken.

The item was passed by the following vote:

Eraina Ortega for the Director of Finance	Aye
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Anne Baker for the State Controller
Steve Juarez for the State Treasurer

Aye
Aye

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

~~San Jose Water Company and/or its Affiliates, #833(SB*), Water Furnishing, \$100,000,000. **ITEM WITHDRAWN**~~
~~Presented by Andrea Gonzalez~~

C. 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

Request for approval of agreement number CPCFA01-16 for support services for CPCFA's existing and expanding programs, from July 1, 2016 through June 30, 2017, in the amount of \$722,029.00.

Presented by Tajinder Kaur

Staff requested the Authority's approval of the Fiscal Year 2016/2017 IA with the State Treasurer's Office to provide administrative support to the Authority in the amount of \$722,029.00.

Staff recommended approval of the attached Resolution to authorize the Executive Director or Deputy Executive Director to execute an Interagency Agreement with the State Treasurer's Office for Fiscal Year 2016/2017.

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

Mr. Juarez asked if there were any questions or comments from the Board or public. There were none. Mr. Juarez then commented and made a pledge that a close look will be made to the services CPCFA receives and said he would make sure that CPCFA will be getting their money's worth.

The item was passed by the following vote:

Eraina Ortega for the Director of Finance
Anne Baker for the State Controller
Steve Juarez for the State Treasurer

Aye
Aye
Aye

D. REQUEST FOR APPROVAL OF A STANDARD AGREEMENT WITH ZIONS BANK FOR TRUSTEE SERVICES PROVIDED TO THE CALIFORNIA CAPITAL ACCESS PROGRAM (CALCAP)

Request for approval of agreement number CPCFA #06-16 for Trustee Services for CPCFA's CalCAP programs, from January, 2017 through December 2018, in the amount of \$500,000.00.

Presented by Tajinder Kaur

Staff requested approval to enter into a contract with Zions Bank to provide Trustee services for the California Capital Access Program. The contract will be for a two-year term, with an option to extend for one additional year, and will not exceed \$500,000.

Ms. Tajinder Kaur stated on September 21, 2016 CPCFA posted a Request for Proposal (RFP) for Trustee Services and CPCFA received a total of one proposal, from Zions Bank. She stated that Zions bank met all of the requirements listed in the RFP. Ms. Kaur stated that CPCFA surveyed an entity that did not submit a proposal, and it was stated that they were not able to respond to the RFP due to the standard contract language currently required by the Department of General Services (DGS). Ms. Kaur stated that under the general direction of the Executive Director of CPCFA, the scope of service will include establishing various accounts, maintaining lenders' loan loss reserve accounts, daily deposits, disbursement and transfer of funds, tracking various program statistics, and preparing management reports. Ms. Kaur mentioned Zions Bank is a consistent market leader in US Small Business Administration lending and received a total average score of 82 out of the maximum 100 points possible.

Staff recommended adoption of a resolution authorizing execution of a contract with Zions Bank to provide Trustee services to CPCFA for the California Capital Access Program in an amount not to exceed \$500,000 over two years, with an option to extend.

Mr. Juarez asked if there were any questions or comments from the Board or public. There were none. Mr. Juarez then stated he had previously asked staff as to their level of comfort with one respondent, and concluded that the Trustee agreement is within the market with respect to cost and felt comfortable with moving forward, and Mr. Juarez agreed.

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

The item was passed by the following vote:

Eraina Ortega for the Director of Finance	Aye
Anne Baker for the State Controller	Aye
Steve Juarez for the State Treasurer	Aye

E. APPROVAL OF 2017 MEETING DATES

Presented by Reneé Webster-Hawkins

Month	Day	Time	Date
January	Tuesday	10:30 a.m.	01/17/2017
February	Tuesday	10:30 a.m.	02/21/2017

March	Tuesday	10:30 a.m.	03/21/2017
April	Tuesday	10:30 a.m.	04/18/2017
May	Tuesday	10:30 a.m.	05/16/2017
June	Tuesday	10:30 a.m.	06/20/2017
July	Tuesday	10:30 a.m.	07/18/2017
August	Tuesday	10:30 a.m.	08/15/2017
September	Tuesday	10:30 a.m.	09/19/2017
October	Tuesday	10:30 a.m.	10/17/2017
November	Tuesday	10:30 a.m.	11/14/2017
December	Tuesday	10:30 a.m.	12/12/2017

Ms. Webster-Hawkins noted that the only difference between the CPCFA/CAEATFA Board Meeting dates is in December 2017. CPCFA requested to have a Board Meeting on December 12, 2017 whereas CAEATFA will have their Board Meeting on December 19, 2017. Ms. Webster-Hawkins stated with construction requirements and other financing opportunities for applicants coming to the Board based on current time constraints, an earlier Board Meeting would better assist with those business needs.

Staff recommended approval of the above proposed meeting schedule for the calendar year 2017

Mr. Steve Juarez asked if there were any comments from the Board or public. There were none.

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

The item was passed by the following vote:

Eraina Ortega for the Director of Finance	Aye
Anne Baker for the State Controller	Aye
Steve Juarez for the State Treasurer	Aye

5. PUBLIC COMMENT

Mr. Steve Juarez 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 11:28 a.m.

Respectfully submitted,

Reneé Webster-Hawkins
Executive Director