

MINUTES

**California Pollution Control Financing Authority
915 Capitol Mall, Room 587
Sacramento, California
April 18, 2018**

1. CALL TO ORDER & ROLL CALL

Steve Juarez, Chairperson, called the California Pollution Control Financing Authority (CPCFA or Authority) meeting to order at 11:32 a.m.

Members Present: Jacqueline Wong-Hernandez 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, 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 March 12, 2018. There were none. Mr. Juarez asked if there was anyone with comments on the telephone, staff confirmed there was not.

Ms. Wong-Hernandez moved approval of the minutes; upon a second, the minutes were unanimously approved.

The item was passed by the following vote:

Jacqueline Wong-Hernandez 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. Webster-Hawkins greeted the members of the Board and reported since the last meeting, there were three items she signed under her delegated authority. She stated two items were related to the Bond program. The first item was on behalf of Waste Management, Inc., with the March 15th approval of the request to reappoint Merrill Lynch as the remarketing agent for the series 2001A and 2003A bonds. For the next item, Ms. Webster-Hawkins referred to Recycling Industries in which she approved a draw in the amount of \$1,025,000 on March 28, 2018, pursuant to the original financing documents. The third item was in the area of contracts, where she stated she signed a contract for an interagency agreement with the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) for the reimbursement

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of rent under the shared lease agreement with the Department of General Services (DGS). She stated she signed the interagency agreement on March 14, 2018.

Ms. Webster-Hawkins stated there were personnel announcements she would like to address. She welcomed Ravinder Kapoor to the State Treasurer's Office (STO) as part of the General Counsel's Office, serving as staff counsel to CPCFA. She stated Ravinder had previous state experience with the California Earthquake Authority (CEA) and the Department of Consumer Affairs (DCA). He also had prior experience serving with the Judge Advocate General for the United States Air Force. She then introduced Solomita Malko as the newest Staff Service Analyst working with the Bond Program. She stated Ms. Malko is a Sacramento native who graduated from California State University, Sacramento with a major in Psychology. She also welcomed Shelby Crocker as an Office Technician, bringing the administrative staff to full-staffing. She stated Ms. Crocker had studied Business Administration at American River College and had worked for several state agencies, worked in a consumer relations position at Raley's as well as a part-time driver for Uber.

Ms. Webster-Hawkins stated this is the time of the year when CPCFA completes its legislative reports which are mandated by statute for its three main programs and over the course of the next three months she will share the highlights of those reports. She stated for 2017, the Bond Program had its highest year in over a decade in terms of volume of bond issuances, totaling \$543,000,000 in new funding and volume cap allocation for tax-exempt private activity bonds. The portfolio included 19 separate transactions which supported 50 solid waste projects located in 22 counties within California. Among the 19 transactions, 13 financed land and facility acquisition, as well as new equipment procurement at recycling facilities. She stated those recycling facilities diverted waste streams including organic and other food matter under new organic waste diversion laws, as well as plastics, glass, metals, construction debris and electronic parts. She reported that one transaction financed substantial site improvements at an existing landfill to protect the groundwater from harmful leachate and other toxic matter. She stated the remaining transactions financed three new dairy digesters, a state-of-the-art medical waste facility, a first-of-its-kind rice straw convertor producing cabinet-grade medium-density fiberboard. Ms. Webster-Hawkins stated 16 of the issuances were on behalf of community based small businesses and each of the 50 projects, by definition, conferred an environmental benefit by controlling, remediating, preventing, or eliminating the pollution of the air, water, or soil. In addition, CalAg, LLC was marketed as a green bond due to the substantial methane emission reduction, water conservation, and other benefits the project incurred. She further stated over half of the 50 project facilities were located in either disadvantaged communities or in areas of high unemployment.

Ms. Webster-Hawkins updated the Board on legislative matters. She stated there had been no change to either SB 551 or AB 1547 and they have not been set for further hearing.

Mr. Juarez confirmed that was the end of the report, and welcomed Ravinder, Solomita, and Shelby. He stated his only comment on the legislation would be that he is meeting with the consultant for the Committee on Jobs, Economic Development, and the Economy (JEDE) to discuss both bills. He stated the State Treasurer's Office is supportive of the work on AB 1547. He stated SB 551 presents a significant issue in terms of transferring the Small Business

Program over to IBank and he will be speaking with the consultant to discuss options to work through the bill.

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

4. BUSINESS ITEMS

A. REQUEST TO APPROVE FINAL RESOLUTION AUTHORIZING THE ISSUANCE OF TAX-EXEMPT REVENUE NOTES, SMALL BUSINESS ASSISTANCE FUND (SBAF) COSTS OF ISSUANCE ASSISTANCE

Amador Valley Industries, LLC and/or its affiliates

Presented by: Kris Luoma, Staff Services Analyst

Staff introduced Leslie M. Lava, Law Offices of Leslie M. Lava as Note Counsel and Mark Holmstedt of Westhoff, Cone & Holmstedt on behalf of the borrower.

Amador Valley Industries, LLC and/or its affiliates (AVI) requested approval of a Final Resolution for an amount not to exceed \$4,085,000 and a Small Business Assistance Fund (SBAF) Resolution for an amount not to exceed \$195,360 to finance the purchase of clean diesel and compressed natural gas collection vehicles, carts, bins and containers.

Staff recommended approval of Final Resolution No. 18-01-586 for an amount not to exceed \$4,085,000 and a SBAF Resolution No. 18-01-003 in an amount not to exceed \$195,360 for Amador Valley Industries, LLC and/or its affiliates.

Mr. Juarez asked if this particular bond issue would not be subsidiary to prior bond issues in terms of repayment.

Mr. Holmstedt confirmed.

Mr. Juarez requested a motion.

Ms. Wong-Hernandez moved approval of the item; there was a second.

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

The item was passed by the following vote:

Jacqueline Wong-Hernandez for the Director of Finance	Aye
Anne Baker for the State Controller	Aye
Steve Juarez for the State Treasurer	Aye

B. REQUEST FOR APPROVAL OF CONTRACTS FOR LEGAL SERVICES FOR THE CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY IN CONNECTION WITH THE BOND PROGRAM

California Pollution Control Finance Authority

Presented by: Tajinder Kaur, Associate Governmental Program Analyst

Staff requested approval to execute three contracts for Legal Services. On January 22, 2018, California Pollution Control Financing Authority or CPCFA, sent out a Request for Information or RFI to the State Treasurer's Office's Bond Counsel Pool for Legal Services Contracts. CPCFA received nine total proposals and selected the three most qualified firms based on the respective firm's bond financing experience, personnel experience, and other requirements set forth in the RFI. Having a contract with outside legal counsel services would allow CPCFA to continue business in the event the Attorney General's Office (AGO) is unable to provide the services needed.

Staff recommended approval of the attached Resolution No. 18-04-001 to authorize the Executive Director or Deputy Executive Director to execute contracts with three firms; Law Offices of Leslie M. Lava; Orrick, Herrington & Sutcliffe LLP; and Stradling Yocca Carlson & Rauth in the amount of \$166,666.00 for each firm, totaling \$499,998.00.

Mr. Juarez asked the Board if there were any questions or comments. There were none.

Mr. Juarez clarified the total amount of \$499,998.00 falls short of \$500,000.00 but that it was a coincidence and not an attempt to avoid any thresholds. Mr. Juarez asked if the selection process rotates among the three firms as their services are needed.

Ms. Webster-Hawkins stated the three firms have been selected due to their activity in public finance and that CPCFA would be resorting to the firms only in the event that the AGO had a conflict of interest, and that the firms would also be screened for conflicts of interest. She confirmed that once the firms were cleared, the services would be selected on a rotating basis.

Mr. Juarez asked how often CPCFA resorted to the alternative services in the past.

Ms. Webster-Hawkins stated CPCFA has never had to use alternative legal services and that this contract would serve to provide an immediate backup should the need arise.

Mr. Juarez asked if any of the services are not used, if there would be any fees.

Ms. Webster Hawkins confirmed no fees would be paid if the services are not used.

Mr. Juarez called for a motion.

Ms. Wong-Hernandez moved for adoption of the resolution; there was a second.

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

The item was passed by the following vote:

Jacqueline Wong-Hernandez for the Director of Finance Aye

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Anne Baker for the State Controller
Tim Schaefer for the State Treasurer

Aye
Aye

5. PUBLIC COMMENT

Mr. 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 11:50 a.m.

Respectfully submitted,

(Originally signed by)

Reneé Webster-Hawkins
Executive Director