

MINUTES

**California Pollution Control Financing Authority
915 Capitol Mall, Room 587
Sacramento, California
August 21, 2018**

1. CALL TO ORDER & ROLL CALL

John Chiang, Chairperson, called the California Pollution Control Financing Authority (CPCFA or Authority) meeting to order at 11:02 a.m.

Members Present: Jacqueline Wong-Hernandez for Michael Cohen, Director of Finance
Alan LoFaso for Betty Yee, State Controller
John Chiang, State Treasurer

Staff Present: Reneé Webster-Hawkins, Executive Director

Quorum: The Chairperson declared a quorum

2. MINUTES

Mr. Chiang asked if there were any questions or comments concerning the meeting minutes from the meeting held July 17, 2018. There were none. Mr. Chiang 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
Alan LoFaso for the State Controller	Aye
John Chiang the State Treasurer	Aye

3. EXECUTIVE DIRECTOR'S REPORT

Ms. Webster-Hawkins greeted the Board and proceeded with program highlights:

- She stated that the CalCAP program is expected to hit the 20,000th loan enrolled in the program by the middle of September and that CPCFA is planning a joint event with the California Air Resources Board (CARB) to commemorate the milestone.
- For the Bond Program, she stated that in light of China's National Sword policy, which effectively closes the market for the United States' waste stream to China, CPCFA staff has been meeting with other state agencies, legislators, and stakeholders to discuss program improvements and new incentives to expand capacity and build new facilities to continue to divert waste from the landfill and create new markets and uses for

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recycled materials. She stated that this is being considered a crisis within the industry due to the lack of capacity within domestic facilities to handle many of the recycled commodities and that CPCFA is working actively with state leaders to find a solution.

- For the CALReUSE program, CPCFA is submitting a budget change proposal to the Department of Finance (DOF) to recapitalize the CALReUSE program. She stated the last appropriation that the program received was in 2008 for Proposition 1C in the amount of \$60,000,000 and that CPCFA is seeking a repeat of that appropriation based on the outstanding accomplishments and achievements that local communities have been able to realize through the investments in the brownfields remediation program. She stated that the CALReUSE Program has strong staff support from the California Strategic Growth Council (SGC), the California Air Resources Board (CARB), the Department of Toxic Substances Control (DTSC), and other stakeholders to revive the program.

Ms. Webster-Hawkins stated that CPCFA's Outreach Program has been very busy, with staff attending a number of events including:

- A series of regional planning meetings co-hosted by the Governor's Office of Planning and Research (OPR) and the Federal Reserve Bank of San Francisco addressing funding strategies for climate adaptation, specific to the Bay Area, the Tahoe National Forest, the Central Valley and the San Joaquin Valley;
- Consultation with other state agency leaders to collaborate on new workforce development pathways and strategies necessary to support new job skills necessary to carry out climate change infrastructure projects, pursuant to AB 398;
- A presentation of our CalCAP/ADA Program to small business leaders in Contra Costa County, convened by Assemblyman Jim Frazier;
- A convening of public and private thought leaders to envision and implement small and bold changes in public finance to support smart development and a future marked by climate change ;
- One Stop Shops for Heavy Duty Truck Drivers hosted by CARB, in Imperial & in Monterey;
- The celebration of the 28th Anniversary of the federal Americans with Disabilities Act on the West Steps of the Capitol, and;
- The Milken Institute's California Policy Summit.

Ms. Webster-Hawkins spoke about the status of two legislative items that affect CPCFA:

- AB 1547 passed from the Senate Appropriations Committee on August 16, 2018 on a vote of 7-0 and was being read on the floor.
- SB 551 was held by the author in the Assembly Appropriations Committee on August 16, 2018.

Ms. Webster-Hawkins stated that there were two items to report under her delegated authority:

- She signed the seventh amendment to the Interagency Agreement with CARB for CPCFA's Heavy Duty Truck Program. She stated that this was an amendment approved by the Board at the previous meeting and that she executed the agreement on July 24, 2018.

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- She approved an Initial Resolution for tax-exempt bond project financing for SiONEER Stockton, LLC. She stated that the company runs a glass processing facility and that they will return for final financing later this fall. She stated the amendment to the Initial Resolution was for an amount of \$21,000,000 and that she approved it on July 23, 2018.

Ms. Webster-Hawkins asked if there were any questions or comments. There were none.

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

BUSINESS ITEMS

A. REQUEST TO APPROVE FINAL RESOLUTION AUTHORIZING THE ISSUANCE OF TAX-EXEMPT REVENUE BONDS

Presented by: Andrea Gonzalez, Associate Treasury Program Officer

Mr. LoFaso advised the Chairman that for this item, the State Controller had a conflict and would not be present in the room for the vote.

Ms. Gonzalez introduced Jesse Albani with Orrick, Herrington & Sutcliffe LLP as bond counsel; Laurence Tonomura with Bank of America Merrill Lynch; and Eric Potashner with Recology, Inc.

Recology, Inc. and/or its affiliates requested approval of a Final Resolution for an amount not to exceed \$100,000,000 to finance the construction of building improvements, the acquisition of real property, and the purchase of bins, containers, solid waste disposal equipment, collection and street cleaning vehicles and other related equipment.

On July 18, 2018, the California Debt Limit Allocation Committee (CDLAC) approved \$100,000,000 in tax exempt bond allocation for the Recology, Inc. project (application number 18-005).

Staff recommended approval of Final Resolution No. 18-01-587 for an amount not to exceed \$100,000,000 for Recology, Inc. and/or its affiliates.

Mr. Tonomura commended Ms. Webster-Hawkins and the entire CPCFA staff for their professionalism, accessibility, and timing when there was need of assistance.

Mr. Chiang asked if there were any updates on the expansion or work that needs to be done for Recology's organic waste projects.

Mr. Potashner stated that they are in the middle of that construction process and that it is due to be completed by December of this year. He further stated that they are taking their existing building that was repurposed for organics and are now building a fully automated facility that will better serve the neighborhood and increase capacity as San Francisco and the surrounding areas increase their organics programs.

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Mr. Chiang asked if there were any further comments. There were none.

Ms. Wong-Hernandez moved for approval. There was a second.

Mr. Chiang asked if there were any questions from the public. There were none.

The item was passed by the following vote:

Jacqueline Wong-Hernandez for the Director of Finance	Aye
Alan LoFaso for the State Controller	Absent
John Chiang the State Treasurer	Aye

Mr. LoFaso returned to the meeting for the next item.

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

Presented by: Kris Luoma, Staff Services Analyst

Staff introduced Mark Holmstedt of Westhoff, Cone & Holmstedt and Jesse Albani of Orrick Herrington & Sutcliffe.

Viridis Fuels, LLC and/or its affiliates requested approval of an Amended and Restated Final Resolution No. 18-01-589 to increase the bond amount from \$34,000,000 to \$38,000,000 to pay for project costs, which had increased due to the development costs being higher than were originally anticipated.

Viridis Fuels, LLC was anticipated to receive allocation approval for the total amount of \$38,000,000 at the California Debt Limit Allocation Committee meeting on September 19, 2018.

Staff recommended approval of the Amended and Restated FR No. 18-01-589 in an amount not to exceed \$38,000,000 for Viridis Fuels, LLC and/or its affiliates.

Mr. Chiang asked if there were any questions or comments. There were none.

Ms. Wong-Hernandez moved for approval. There was a second.

Mr. Chiang asked if there were any questions from the public. There were none.

The item was passed by the following vote:

Jacqueline Wong-Hernandez for the Director of Finance	Aye
Alan LoFaso for the State Controller	Aye
John Chiang the State Treasurer	Aye

5. PUBLIC COMMENT

Mr. Chiang 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 11:16 a.m.

Respectfully submitted,



Renee Webster-Hawkins
Executive Director