

**CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY
BOND FINANCING PROGRAM**

Approval Date: July 23, 2018

***Request to Approve Amendment of Initial Resolution Reflecting Official
Intent to Issue Revenue Bonds***

Prepared by: *Andrea Gonzalez*

Applicant: SiONEER Stockton, LLC and/or its affiliates	Amount Requested: \$21,000,000
Project Location: City of Stockton (San Joaquin County)	Application No.: 911(SB)
	Initial Resolution No.: 17-11
	Prior Actions: Original IR approved on 7/18/2017

Summary. SiONEER Stockton, LLC and/or its affiliates (the “Company”) requests approval of an amendment to Initial Resolution 17-11 for an amount not to exceed \$21,000,000 to finance the construction of a post-consumer glass processing facility. The Company’s current request to increase the IR amount reflects the increase in equipment and construction costs. The original IR was approved on July 18, 2017 for \$9,800,000 by the CPCFA Board.

Borrower. SiONEER Stockton, LLC is a new company formed by the parent company Glass Processing Solutions, LLC (GPS). GPS has experience in commercial operations and was founded by Cynthia Andela who is also the founder of Andela Tool and Machine which has been making glass pulverizing equipment since 1991. GPS’s initial plant was built in Richfield Springs, NY in 2009 which was a small 6,000 ton per year operation. GPS began selling processed glass into the abrasive market in 2010. The patent for the clean glass process was awarded in 2012. In 2013 GPS licensed the technology to Momentum recycling in Salt Lake City and in 2014 licensed the technology to Tricentris in Lachute (Montreal) Quebec. GPS was instrumental in the building, training and initial operation of both plants. The plants in Salt Lake City & Lachute are both 10 ton per hour facilities that are fully operational and profitable.

The Company has developed and deployed a new technology that has the capability to process 100% of the post-consumer waste glass. The Company is a small business currently with three employees and is expected to have a maximum of 30 employees at commercial operation.

The principal stockholders of the Company are as follows:

Cynthia Andela	42%
Douglas L. Jackson	42%
Wendy J. Wright	4%
Brett Wilhelm	4%
David Selover	4%
Various (Less than 3%)	4%
Total:	<u>100%</u>

Legal Status Questionnaire. The Staff has reviewed the Company's responses to the questions contained in the Legal Status Questionnaire portion of the Application. No information was disclosed in the Legal Status Questionnaire portion of the Application that raises questions concerning the financial viability or legal integrity of this applicant.

Project Description. The Company plans to finance the construction of a glass processing facility which is anticipated to process 6,000 tons a month of post-consumer glass. Glass fines, along with other material glass types will be used as feedstock which will be sorted and processed in a Material Recovery Facility (MRF).

The finished products of the processing facility will be a specialty sand and a high quality pozzolan which will be sold into the concrete market. Pozzolans are required for ultra-high strength concrete used in infrastructure projects. Using the Company's process, the waste glass can be processed into a high quality pozzolan that will be sold to California concrete companies for use in California infrastructure projects, including the construction and maintenance of sidewalks, buildings, roads, bridges and dams.

Volume Cap Allocation. The Company anticipates applying for volume cap allocation in the 4th quarter of 2018.

Financing Details. The Company anticipates the issuance of negotiated tax exempt bonds.

Financing Team.

Underwriter: Westhoff, Cone & Holmstedt

Bond Counsel: Orrick, Herrington & Sutcliffe LLP

Issuer's Counsel: Office of the Attorney General

Staff Recommendation. Staff recommends approval of an amendment to Initial Resolution No. 17-11 for SiONEER Stockton, LLC and/or its Affiliates for an amount not to exceed \$21,000,000.

Note: An Initial Resolution approval is not a commitment that the Board will approve a Final Resolution and bond financing of the proposed Project.

AMENDMENT OF
RESOLUTION OF OFFICIAL INTENT TO ISSUE BONDS TO
FINANCE SOLID WASTE DISPOSAL FACILITIES FOR
SIONEER STOCKTON, LLC AND/OR ITS AFFILIATES
July 23, 2018

WHEREAS, the California Pollution Control Financing Authority (“Authority”), a public instrumentality, is authorized and empowered by the provisions of the California Pollution Control Financing Authority Act (“Act”) to issue bonds for the purpose of defraying the cost of facilities for the disposal of solid and liquid waste products, including resource recovery and energy conversion facilities; and

WHEREAS, at the request of SiONEER Stockton LLC (the “Applicant”) and/or its Affiliates (collectively, the “Company”), the Authority adopted its Initial Resolution No. 17-11 on July 18, 2017 (the “Initial Resolution”) in the amount of not to exceed \$9,800,000 to assist in financing the construction of facilities for processing post-consumer waste glass described as the “Project” in the Initial Resolution; and

WHEREAS, the Company has submitted an amendment to its application to the Authority and has requested the Authority to amend the Initial Resolution in order to increase its dollar amount to reflect Project cost increases;

NOW, THEREFORE, BE IT RESOLVED by the California Pollution Control Financing Authority as follows:

Section 1. The Authority finds and determines that the foregoing recitals are true and correct. For purposes of this Resolution, an “Affiliate” of the Applicant means any person or entity which controls, is controlled by, or is under common control with, the Applicant, as shown by the possession, directly or indirectly, of the power to direct or cause the direction of its management or policies, whether through majority equity ownership, contract or otherwise. An Affiliate shall also be a “participating party” as defined in the Act.

Section 2. The Authority declares its official intent to issue, at one time or from time to time, an aggregate of up to \$21,000,000 principal amount of bonds of the Authority for the Project, including for the purpose of reimbursing to the Company costs incurred for the Project prior to the issuance of the bonds. All references in the Initial Resolution to the dollar amount thereof shall be changed from “9,800,000” to “21,000,000.”

Section 3. Exhibit A to the Initial Resolution is replaced by the attached Exhibit A.

Section 4. Except as set forth in Sections 2 and 3, all of the provisions of the Initial Resolution shall remain in full force and effect and are hereby ratified and confirmed. This Amendment shall take effect upon its adoption.

Section 5. The Executive Director of the Authority is authorized under Authority Resolution No. 18-01-002 to approved this amendment to the Initial Resolution.

EXHIBIT A

NUMBER: 17-11

LOCATION: 713-A Luce Avenue
Stockton, CA 95203

TYPE: Solid Waste Disposal

AMOUNT: Up to \$21,000,000