

MINUTES

**California Pollution Control Financing Authority
801 Capitol Mall, Room 150
Sacramento, California
July 21, 2020**

1. CALL TO ORDER & ROLL CALL

Fiona Ma, Chairperson, called the California Pollution Control Financing Authority (CPCFA or Authority) meeting to order at 10:30 a.m.

Members Present: Fiona Ma, CPA, State Treasurer
Members on the phone: Anne Baker for Betty T. Yee, State Controller
Gayle Miller for Keely Martin Bosler, Director of Finance

Staff Present: Nancee Robles, Executive Director
Janae Davis, Deputy Executive Director

Quorum: The Chairperson declared a quorum

2. MINUTES

Treasurer Ma asked if there were any questions or comments from the Board or public concerning the meeting minutes from the meeting held June 16, 2020. There were none.

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

The item was passed by the following vote:

Gayle Miller for the Director of Finance	Aye
Anne Baker for the State Controller	Aye
Fiona Ma, CPA, State Treasurer	Aye

(Agenda Item 3 was moved to follow the business items.)

4. BUSINESS ITEMS

A. APPROVAL OF APPOINTMENT OF EXECUTIVE DIRECTOR

Presented by: Janae Davis

Ms. Davis began by saying that State Treasurer Ma, who serves as Chairperson of the Authority, had appointed Ms. Nancee Robles to serve as Executive Director of CPCFA.

Ms. Davis then requested approval to confirm the appointment of CPCFA's Executive Director, Ms. Robles, and designate her the power necessary to conduct the Authority's business.

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Before Ms. Davis presented her staff recommendation, she shared information on Ms. Robles' background and experience. Most recently Ms. Robles served as Acting Executive Director of the California Infrastructure and Economic Development Bank (IBank). At IBank she managed the agency's: Infrastructure State Revolving Fund, California Lending for Energy and Environmental Needs, 501(c)(3) Revenue Bond, Industrial Development Revenue Bond, Exempt Facility Revenue Bond, and Governmental Bond programs, Small Business Loan Guarantee Program, Farm Loan Program, Jump Start Loan Program, and Disaster Relief Loan Program.

Ms. Davis informed the Board that prior to her time at IBank, Ms. Robles managed CPCFA's California Capital Access Program (CalCAP) and Collateral Support Program, and was also a Treasury Program Manager II with the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) at the Treasurer's Office.

Ms. Davis then recommended approval of a Resolution to appoint Ms. Robles as the Executive Director of CPCFA. This Resolution will remain in effect until the Authority revokes it.

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

Treasurer Ma asked if there were any questions or comments from the Board or public. There were none.

Treasurer Ma then conducted the swearing-in ceremony for Ms. Robles as Executive Director of CPCFA.

The item was passed by the following vote:

Anne Baker for the State Controller	Aye
Gayle Miller for the Director of Finance	Aye
Fiona Ma, CPA, State Treasurer	Aye

B. RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR AND DEPUTY EXECUTIVE DIRECTOR, IN THE EXECUTIVE DIRECTOR'S ABSENCE, TO EXECUTE CONTRACTS AND INTERAGENCY AGREEMENTS NOT TO EXCEED \$300,000

Presented by: Janae Davis

Ms. Davis presented a resolution delegating authority for the newly appointed Executive Director to execute contracts and interagency agreements for amounts up to \$300,000. Ms. Davis noted that the blanket authorization amount of \$300,000 does not represent an increase in the Authority's current delegated authorization level. The Executive Director, and the Deputy Executive Director in her absence, will report to the Authority Board on any contracts for amounts of \$10,000 or more up to \$300,000 that they have executed.

Ms. Davis recommended approval of the Resolution and noted that this Resolution will remain in effect until the Authority revokes it.

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

Treasurer Ma asked if there were any questions or comments from the Board or public. There were none.

The item was passed by the following vote:

Anne Baker for the State Controller	Aye
Gayle Miller for the Director of Finance	Aye
Fiona Ma, CPA, State Treasurer	Aye

C. REQUEST TO APPROVE FINAL RESOLUTION AUTHORIZING THE ISSUANCE OF REFUNDING REVENUE BONDS

Presented by: Andrea Gonzalez

Ms. Gonzalez stated that American Water Capital Corp. requested approval of a Final Resolution to issue refunding revenue bonds in an amount not to exceed \$35,000,000, to refund previously issued Series 2010 Bonds.

Ms. Gonzalez explained that the proceeds from the Series 2010 Bonds were used to finance water-furnishing projects throughout Monterey and Sacramento counties. The target date for the financing is August 18, 2020, but that date is subject to change based on market conditions.

Ms. Gonzales shared staff's recommendation that the Board approve Resolution Number 20-01-599 for American Water Capital Corp. and/or its affiliates for an amount not to exceed \$35,000,000.

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

Treasurer Ma asked if there were any questions or comments from the Board or public. There were none.

The item was passed by the following vote:

Gayle Miller for the Director of Finance	Aye
Anne Baker for the State Controller	Aye
Fiona Ma, CPA, State Treasurer	Aye

D. REQUEST FOR CONSIDERATION AND APPROVAL OF AMENDMENTS TO THE REGULATIONS FOR THE CALIFORNIA CAPITAL ACCESS PROGRAM REGARDING THE CALIFORNIA AIR RESOURCES BOARD (CARB) ON-ROAD HEAVY-DUTY VEHICLE AIR QUALITY LOAN PROGRAM, THE CALIFORNIA CAPITAL ACCESS PROGRAM FOR SMALL BUSINESS AND THE COLLATERAL SUPPORT PROGRAM

Presented by: Doreen Smith

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Ms. Smith stated that staff was requesting Board approval to adopt emergency regulations necessary to refine and clarify CalCAP regulations specific to the California Air Resources Board On-Road Heavy-Duty Vehicle Air Quality Loan Program (CalCAP/CARB), the California Capital Access Program for Small Business (CalCAP SB) Program, and the Collateral Support Program. The proposed regulations provide additional loan enrollment criteria pursuant to the contract with the California Air Resources Board. Upon the Board's approval, staff will file the emergency regulations with the Office of Administrative Law (OAL).

Ms. Smith explained that proposed regulations include: revising the definition regarding Change In Terms for both the CalCAP SB and CalCAP/CARB programs to enable lenders to extend the maturity date of a loan for up to 18 months; amending the recapture threshold by reverting it back to 15%; changing in the definition of qualified loan to remove the term of loss coverage; and updating the definition that applies specifically to CalCAP/CARB requiring that a vehicle must be registered in California with the Department of Motor Vehicles in order to be enrolled in the Program. Additionally, the proposed regulations clarify the eligible contribution amounts and loan terms for the Collateral Support Program.

Comments received during a lender webinar with the Air Resources Board and CalCAP/CARB participating lenders on January 16, 2020, as well as those received from lenders since were considered in drafting the proposed regulations before the Board.

On July 13, 2020, staff posted a Notice of Emergency Regulations to provide the required opportunity for the public, including stakeholders, to comment on the proposed text of the regulations and the finding of emergency for five working days. Upon the Board's adoption of these amendments to the existing regulations as proposed, emergency and regular rulemaking packages will be filed with OAL according to the established rulemaking process.

Ms. Smith requested approval of Resolution Number 20-02-001 to authorize staff to undertake emergency and regular rulemaking proceedings and other related actions for the California Capital Access Program to implement and administer the California Air Resources Board On-Road Heavy-Duty Vehicle Air Quality Loan Program, the California Capital Access Program for Small Business, and the Collateral Support Program.

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

Treasurer Ma asked if there were any questions or comments from the Board or public. There were none.

The item was passed by the following vote:

Gayle Miller for the Director of Finance	Aye
Anne Baker for the State Controller	Aye
Fiona Ma, CPA, State Treasurer	Aye

3. DEPUTY EXECUTIVE DIRECTOR'S REPORT

- Program Updates (Bond, CalCAP, CALReUSE)
- Legislative Updates
- Report on Actions Under the Deputy Executive Director's Delegated Authority

Ms. Davis began her report with a CalCAP program update. On June 24, 2020, Ms. Davis presented information on CalCAP on June 24, 2020 at the well-attended North Bay COVID-19 Relief Small Business Resource Webinar co-hosted by Treasurer Ma and the Sonoma County Economic Development Board.

Ms. Davis shared that she was happy to report that the independent financial audit of the Bond Program pursuant to Senate Bill 99 was completed on time and submitted to the State Controller's Office by the June 30, 2020 deadline. She reported that there were no findings in the audit for the seventh year in a row.

During Ms. Davis' CALReUSE update, she reported that the 2018-19 CALReUSE Annual Report was completed and submitted to the Legislature on June 29, 2020. Copies of the Annual Report were sent to the Board members and the report is posted on CPCFA's website.

Ms. Davis then moved on to actions related to her delegated authority. Since the Board's last meeting, she approved one item under her delegated authority. On June 19, 2020 Ms. Davis approved an Initial Resolution (IR) of official intent to issue tax-exempt and taxable bonds and bond anticipation notes for an amount not to exceed \$70 million for Mission Rock Utilities, Inc. This IR covers \$15 million in tax-exempt bonds, \$25 million in taxable bond anticipation notes and \$30 million in taxable bonds to finance the development and construction of a Blackwater Recycling System plant and a District Energy System Plant at the Mission Rock development located in San Francisco.

During her legislative update, Ms. Davis focused on four Federal legislative proposals that staff is monitoring due to its potential impact on CPCFA's bond program and program participants. The bills she mentioned were: H.R. 2772 or the Investing in Our Communities Act; S. 4129 the Local Infrastructure Act; H.R. 2 also referred to as the Moving Forward Act, the Investing in a New Vision for the Environment and Surface Transportation in America Act and the Invest in America Act; and S. 4203 the American Infrastructure Bonds Act of 2020.

Ms. Davis stated that it is not likely that these bills will become law during this Congress given that the extraordinary need to help states with funding for COVID-19 response does not leave much left for infrastructure funding. She noted however, that the financing issues addressed in these bills are gaining traction across both sides of the aisle and they are likely to be reconsidered in the 117th Congress.

Ms. Davis closed her report by informing the Board that on June 30, 2020, Treasurer Ma sent a letter to Speaker Nancy Pelosi to request funding for a new version the State Small Business Credit Initiative (SSBCI) to help meet the capital needs of California's small

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businesses so profoundly affected by the declining economy triggered by the COVID-19 pandemic.

Ms. Davis offered to take questions then turned the floor over to CPCFA's new Executive Director, Ms. Robles, to say a few words.

Ms. Robles thanked Treasurer Ma and stated that she was thrilled to be back at CPCFA and did not imagine when she began her state career that she would return as the Executive Director. Then, she thanked Ms. Davis and Patricia Crowson, who led CPCFA in the absence of an Executive Director and thanked them for their help so far.

5. PUBLIC COMMENT

Treasurer Ma asked if there were any questions or comments from the Board or public. There were none.

6. ADJOURNMENT

There being no further business, public comments, or concerns, the meeting adjourned at 10:53 a.m.

Respectfully submitted,

(originally signed by)

Janae R. Davis

Deputy Executive Director