

**MINUTES**

**California Pollution Control Financing Authority  
801 Capitol Mall, Room 150  
Sacramento, California  
Tuesday, November 17, 2020**

**1. CALL TO ORDER & ROLL CALL**

Treasurer 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: Mary-Ann Warmerdam for Betty T. Yee, State Controller  
Gayle Miller for Keely Martin Bosler, Director of Finance

Staff Present: Nancee Robles, Executive Director

Quorum: The Chairperson declared a quorum

**2. MINUTES**

Treasurer Ma asked if there were any questions or comments concerning the meeting minutes from the meeting held October 20, 2020. There were none.

Ms. Warmerdam moved approval of the minutes; upon a second, the minutes were unanimously approved.

The item was passed by the following vote:

Gayle Miller for Keely Martin Bosler, Director of Finance	Aye
Mary-Ann Warmerdam for Betty T. Yee, State Controller	Aye
Fiona Ma, CPA, State Treasurer	Aye

**3. EXECUTIVE DIRECTOR'S REPORT**

Ms. Robles began her report by informing the Board on staff outreach activities. Staff will be virtually attending the Port of Los Angeles Board meeting November 19, 2020 and the Port of Long Beach Board meeting November 23, 2020. She also said that Janae Davis will be presenting on the California Capital Access Program (CalCAP) to the Sacramento Hispanic Chamber Workshop on November 20<sup>th</sup>.

Ms. Robles then moved on to tell the Board about the Best of California legislative education tour she attended hosted by the California Foundation on the Environment and the Economy (CFEE) between October 10<sup>th</sup> and 16<sup>th</sup>. She joined State Treasurer Fiona Ma and California Advanced Energy and Transportation Financing Authority (CAEATFA) Executive Director Derek Chernow at GILLIG, an electric bus manufacturer that has been in business since the

1800's. GILLIG is an early adopter, regularly evolving its business to the needs of the environment and economy. Ms. Robles then listed other locations of the tour, including: Moss Landing, a landmark battery storage project that PG&E and Tesla are working on together, the Diablo Canyon Power Plant, High Speed Rail construction sites, the State Water Project, the Nature Conservancy's Dangermond Preserve, and the Port of Long Beach. She said that one of her takeaways from the trip was that all of these organizations take great pride in the work they have done to reduce greenhouse gas emissions and in their continued efforts to provide services while diligently working to reduce their carbon footprint even further.

Ms. Robles then reported on actions taken under her delegated authority. She approved an Initial Resolution for Garaventa Enterprises, Inc., in the amount of \$25,000,000 to be used to purchase new equipment including collection vehicles and construct site improvements. Additionally, she approved an amendment to the indenture for California Waste Solutions Inc. to allow for the optional redemption of notes to occur on any business day.

Ms. Robles concluded her report with a legislative update. She said that at the federal level there is legislation being prepared to form a clean energy and sustainability accelerator, formerly known as the National Climate Bank Act. The legislation fits nicely into President-elect Joe Biden's climate plan and was endorsed by Vice President-elect Kamala Harris as Senator. If passed, this legislation could provide \$20 billion to green banks throughout the nation to fund new programs and existing programs related to climate improvement and sustainability. Several of the California State Treasurer's Office's Boards, Commissions, and Authorities qualify under the definition of a green bank. The Coalition for Green Capital is assisting by accumulating letters of intent and program proposals from California's State Treasurer and from all states seeking funding through this initiative.

#### **4. BUSINESS ITEMS**

##### **A. REQUEST TO APPROVE A FINAL RESOLUTION AUTHORIZING THE ISSUANCE OF SOLID WASTE DISPOSAL REVENUE NOTES, AND REQUEST TO APPROVE A RESOLUTION FOR THE DEDICATION OF A VOLUME CAP ALLOCATION AND A RESOLUTION FOR SMALL BUSINESS ASSISTANCE FUND (SBAF) COSTS OF ISSUANCE ASSISTANCE**

Presented by: Solomita Malko, Staff Services Analyst

Ms. Malko started her report by informing the Board that Blue Line Transfer, Inc., and/or its affiliates requested approval of a Final Resolution for an amount not to exceed \$8,000,000 in tax-exempt notes. The borrower also requested approval of a resolution for the dedication of volume cap allocation in the amount of \$8,000,000 and a Small Business Assistance Fund (SBAF) Resolution in the amount of \$138,000. The borrower is a small family owned business that provides waste disposal and collection services to businesses and residents in the Bay Area.

Ms. Malko continued by saying the note proceeds will be used to install new equipment and construct site improvements, including system upgrades and paving at the

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borrower's Materials Recovery Facility (MRF); acquire equipment for collecting, processing, transferring and recycling solid waste; and make improvements, such as landscaping, lighting, paving and fencing at a leased property that is used for the borrower's solid waste operations.

Ms. Malko concluded her report by saying that staff recommended approval of Final Resolution No. 20-01-604 and Volume Cap Allocation Resolution No. 19-073-05 in an amount not to exceed \$8,000,000 and SBAF Resolution No. 20-01-01 in an amount not to exceed \$138,000 for Blue Line Transfer, Inc., and/or its affiliates.

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

Ms. Miller moved approval; there was a second.

The item was passed by the following vote:

Gayle Miller for Keely Martin Bosler, Director of Finance	Aye
Mary-Ann Warmerdam for Betty T. Yee, State Controller	Aye
Fiona Ma, CPA, State Treasurer	Aye

**B. REQUEST TO APPROVE A FINAL RESOLUTION AUTHORIZING THE ISSUANCE OF TAX-EXEMPT REVENUE NOTES FOR NEW MONEY PURPOSES AND REQUEST TO APPROVE A RESOLUTION FOR THE DEDICATION OF A PARTIAL VOLUME CAP ALLOCATION**

Presented by: Solomita Malko, Staff Services Analyst

Ms. Malko reported that Organic Energy Solutions, LLC, requested approval of a Final Resolution for an amount not to exceed \$29,000,000 in tax-exempt notes. The borrower is also requesting approval of a resolution for the dedication of a Volume Cap Allocation in the amount of \$5,322,776. The remaining allocation in the amount of \$23,677,224 has been requested from California Debt Limit Allocation Committee (CDLAC) and will be presented at its November 18, 2020 Board meeting.

Ms. Malko stated the borrower has developed an anaerobic digestion/renewable energy system. Note proceeds will be used for pre-development expenses and for the acquisition and installation of anaerobic digester equipment for the system to accept approximately 300 tons per day of food waste. The project is very close to completion and full operational status is anticipated within the next several months.

Ms. Malko concluded her report stating that staff recommended the approval of the Final Resolution No. 20-01-602 in an amount not to exceed \$29,000,000 and a Volume Cap Allocation Resolution No. 19-073-06 in the amount of \$5,322,776 for Organic Energy Solutions, LLC, and/or its affiliates.

Treasurer Ma asked if there were any questions or comments from the Board or public.

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Ms. Warmerdam asked Mark Holmstedt, of Westhoff, Cone and Holmstedt, if the project addresses waste issues at-large or if it will be specific to food waste. She also asked if it will accommodate yard waste in the future.

Mr. Holmstedt replied that this specific project is oriented to food waste and added that Rialto Waste Distribution receives 700 tons of food from Orange and Los Angeles counties.

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

Ms. Warmerdam moved approval; there was a second.

The item was passed by the following vote:

Gayle Miller for Keely Martin Bosler, Director of Finance	Aye
Mary-Ann Warmerdam for Betty T. Yee, State Controller	Aye
Fiona Ma, CPA, State Treasurer	Aye

**C. REQUEST TO APPROVE A FINAL RESOLUTION AUTHORIZING THE ISSUANCE OF TAX-EXEMPT REVENUE NOTES FOR NEW MONEY PURPOSES**

Presented by: Alison French-Tubo, Associate Treasury Program Officer

- 1.) Ms. French-Tubo stated that Mission Trail Waste Systems, Inc., and or its affiliates requested approval of a Final Resolution to issue tax-exempt revenue notes in an amount not to exceed \$25,000,000. The borrower provides collection and disposal services to customers in the City of Santa Clara and the City of Los Altos. The borrower's affiliate, Santa Clara Valley Industries, LLC, owns and operates a MRF located in the City of Santa Clara. The project will consist of new collection vehicles and carts for service in both cities and upgrades and improvements to the MRF. The MRF items will include vehicles for MRF operations, a fueling station upgrade, processing equipment for food-waste, and stormwater drainage improvements. The borrower has stated that the food-waste processing equipment will assist them in meeting the requirements of SB 1383 and increase diversion from local landfills.

Ms. French-Tubo recommended approval of Resolution No. 20-01-603 for Mission Trail Waste Systems, Inc., and/or its affiliates for an amount not to exceed \$25,000,000. She stated that CPCFA was requesting allocation from the CDLAC at its November 18, 2020 Board meeting.

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

Ms. Miller moved approval; there was a second.

The item was passed by the following vote:

Gayle Miller for Keely Martin Bosler, Director of Finance	Aye
Mary-Ann Warmerdam for Betty T. Yee, State Controller	Aye
Fiona Ma, CPA, State Treasurer	Aye

Presented by: Andrea Gonzalez, Associate Treasury Program Officer

- 2.) Ms. Gonzalez began by informing the Board that Garden City Sanitation, Inc., and/or its affiliates requested approval of a Final Resolution for an amount not to exceed \$42,500,000. The borrower provides waste collection and disposal services for residential and commercial customers in Alameda and Santa Clara counties. The borrower was recently awarded a 15-year extension to its San Jose Franchise Agreement and a 10-year extension to its Livermore Franchise Agreement. Note proceeds will be used to finance fuel station improvements, leasehold improvements, as well as the purchase of containers and trucks under the San Jose Franchise Agreement.

Ms. Gonzalez stated that the borrower will also be financing the acquisition of containers and trucks, and will make fuel station and leasehold improvements under the Livermore Franchise Agreement. All of the components of the project are to be located in the cities of Santa Clara and Livermore, or with customers within each respective city or county.

Ms. Gonzalez stated that CPCFA had submitted an application on behalf of the Borrower to be considered for volume cap allocation in the amount of \$64,000,000 from CDLAC at its November 18, 2020 Board Meeting. She concluded her report by stating that staff recommended approval of Final Resolution No. 20-01-605, in an amount not to exceed \$42,500,000, for Garden City Sanitation, Inc., and/or its affiliates.

Treasurer Ma asked about similarities between the Garden City Sanitation Inc. and the Mission Trail Waste Systems, Inc. projects.

Mr. Holmstedt replied that Garden City Sanitation, Inc. was created 15 years ago for waste services in the City of San Jose. He also said that nine years ago the City of Livermore separated from Garden City Sanitation, Inc., which formed Livermore Sanitation. The companies operate identically in two separate cities.

Ms. Warmerdam asked Mr. Holmstedt if Garden City Sanitation Inc. also meets SB 1383 requirements.

Mr. Holmstedt thanked Ms. Warmerdam for her question. He said that Livermore has increased in population; therefore, the facility requires updating to accommodate that growing population. He also mentioned that the systems prior

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to COVID-19 worked well and made it very easy to separate food waste. He added that commercial business has been down since the COVID-19 pandemic started and in-turn the amount of commercial waste amount is lower.

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

Ms. Miller moved approval; there was a second.

The item was passed by the following vote:

Gayle Miller for Keely Martin Bosler, Director of Finance	Aye
Mary-Ann Warmerdam for Betty T. Yee, State Controller	Aye
Fiona Ma, CPA, State Treasurer	Aye

**D. REQUEST TO APPROVE A FINAL RESOLUTION AUTHORIZING THE ISSUANCE OF TAX-EXEMPT REVENUE NOTES FOR NEW MONEY AND REFUNDING PURPOSES**

Presented by: Andrea Gonzalez, Associate Treasury Program Officer

Ms. Gonzalez stated that California Waste Solutions Inc. requested approval of a Final Resolution for a total amount not to exceed \$85,000,000. Of this \$21,000,000 will be used to refund previously issued Series 2015 CPCFA Notes and \$64,000,000 will be used for new money purposes. The new money portion of \$64,000,000 will be considered at the November 18, 2020 CDLAC Board meeting. California Waste Solutions Inc. collects and processes residential recyclables in the cities of Oakland and San Jose.

Ms. Gonzalez stated that the San Jose City Council approved an extension of the borrower's franchise agreement by 15 years. The conditions of this franchise agreement extension requires California Waste Solutions Inc. to purchase additional equipment, rolling stock, containers and expanding and upgrading its sort line and truck fleet to be located throughout San Jose. Presently, California Waste Solutions Inc. also collects and processes residential recyclables for all of Oakland. Note proceeds will also be used to upgrade portions of its existing MRF and acquire property for the MRF in Oakland.

Ms. Gonzalez concluded that staff recommended approval of Final Resolution No. 20-01-607 for a total amount not to exceed \$85,000,000 to California Waste Solutions Inc., and/or its affiliates.

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

Ms. Miller moved approval; there was a second

The item was passed by the following vote:

Gayle Miller for Keely Martin Bosler, Director of Finance	Aye
Mary-Ann Warmerdam for Betty T. Yee, State Controller	Aye
Fiona Ma, CPA, State Treasurer	Aye

**E. REQUEST TO AMEND INFILL GRANT DOCUMENTS UNDER THE CALIFORNIA RECYCLE UNDERUTILIZED SITES (CALREUSE) REMEDIATION PROGRAM**

Presented by: Ethan Wieser, Associate Treasury Program Officer

Mr. Wieser began by stating that the grantee, MacArthur Transit Community Partners, LLC, requested an extension to the term of the Infill Grant Agreement from December 31, 2020 until June 30, 2023 to comply with additional soil vapor monitoring required by the San Francisco Bay Regional Water Quality Control Board (Water Board).

Mr. Wieser stated that in November 2008, the CPCFA Board approved a grant in the amount of \$2,981,000 for the remediation of a brownfield site that previously contained an automotive repair garage and two gas stations. In August 2016, the CPCFA Board approved modifications to the Infill Grant Agreement to change the number of housing units in the project from 312 units (94 affordable) to 377 units (89 affordable), and extended the term of the Infill Grant Agreement until December 31, 2020. Also in 2016, the grantee completed the affordable portion of the project, a 90 unit (89 affordable) mixed-use transit-oriented development located next to the MacArthur BART Station.

Mr. Wieser explained that the remaining market rate housing units were completed in 2019 and are currently being leased-up. Remediation of the project was completed, with the exception of soil vapor monitoring of parcel C1, as required by the Water Board. The monitoring period was original anticipated to end in mid-2020, however, the Water Board extended the monitoring period through December 2022, beyond the current grant expiration date.

Mr. Wieser concluded by saying that CPCFA staff is recommending approval of Resolution No. 20-03-003 to, extend the term of the Infill Grant Agreement until June 30, 2023, to allow the Grantee to continue the soil vapor monitoring as directed by the Water Board.

Treasurer Ma asked if there were any questions or comments from the Board or public.

Ms. Warmerdam asked what the Water Board's criteria and/or authority is to monitor the soil vapor further.

Marie Debor, Vice President of Development for Bridge Housing, responded that the reason for their monitoring is that the developer at the time of construction made the vapor barrier system and that monitoring is in place to make sure that the system can be proven to be effective and safe.

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In response to Treasurer Ma’s question as to whether the grant was fully dispersed for this project, Mr. Wieser replied that there is still a small allotment left on the grant and that the borrower has not asked for further assistance since the original award.

Ms. Miller moved approval; there was a second.

The item was passed by the following vote:

Gayle Miller for Keely Martin Bosler, Director of Finance	Aye
Mary-Ann Warmerdam for Betty T. Yee, State Controller	Aye
Fiona Ma, CPA, State Treasurer	Aye

**5. PUBLIC COMMENT**

Treasurer Ma 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 11:14 a.m.

**Respectfully submitted,**

(Originally signed by)

Nancee Robles  
Executive Director