

**CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY
BOND FINANCING PROGRAM
Approval Date: August 27, 2020**

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

Prepared by: Solomita Malko

Applicant:	Renewable Sonoma LLC and/or its affiliates	Amount Requested:	\$38,000,000
Project Location:	City of Santa Rosa (Sonoma County)	Application No.:	913(SB)
		Initial Resolution No.:	17-13
		Prior Actions:	Original IR approved 9/19/2017 IR amendment approved 6/5/2018

Summary. Renewable Sonoma LLC and/or its affiliates (the “Company”) requests approval of a second amendment to Initial Resolution (IR) 17-13 for an extension of time for an additional three years due to the hardships that have come with the COVID-19 pandemic. The Company is working through the permitting process and finalizing engineering and cost assessments related to the project. The IR was originally approved by the CPCFA Board on September 19, 2017 for an amount not to exceed \$29,630,000 and an IR amendment was approved by the Executive Director on June 5, 2018 to increase the IR amount to \$38,000,000. The current IR is set to expire on September 19, 2020. Bond proceeds will be used to finance the acquisition and construction of anaerobic digesters that will process organic waste produced in Sonoma County (the “Project”). The scope of the Project remains the same as was approved in June of 2018. Approval of this request to extend the IR means it will expire on August 27, 2023.

Borrower. Renewable Sonoma LLC was organized on August 9, 2017 in California and is a small business with 25 employees. The Company is in the business of organic waste processing, biogas production and composting.

The principal stockholders of the Company are as follows:

Renewable Sonoma LLC:

Sonoma Compost Company LLC	<u>100%</u>
Total:	<u>100%</u>

Sonoma Compost Company LLC:

Alan Siegle	50%
William Bakx	<u>50%</u>
Total:	<u>100%</u>

Legal Status Questionnaire. 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 use bond proceeds to construct anaerobic digesters that will process approximately 120,000 tons per year of organic waste produced within Sonoma County and to produce compost for sale. The biogas produced will fuel an installed generator at the City of Santa Rosa's Laguna Treatment Plant. The Project will be located on land leased from the City of Santa Rosa at and/or adjacent to the Laguna Treatment Plant in the City of Santa Rosa. The Company will enter into a lease with the City of Santa Rosa for 20 years with four options to extend for five years each.

Volume Cap Allocation. The Company anticipates applying to the California Debt Limit Allocation Committee or the Authority for volume cap allocation upon completion of the CEQA process which is estimated to be completed during the third quarter of 2021.

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 the second amendment to the Initial Resolution No. 17-13 for Renewable Sonoma LLC and/or its affiliates extending the expiration date of the Initial Resolution to August 27, 2023.

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

**SECOND AMENDMENT OF
RESOLUTION OF OFFICIAL INTENT TO ISSUE BONDS TO
FINANCE SOLID WASTE DISPOSAL FACILITIES FOR
RENEWABLE SONOMA LLC AND/OR ITS AFFILIATES**

August 27, 2020

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;

WHEREAS, at the request of Renewable Sonoma LLC, a California limited liability company, and/or its affiliates (collectively, the “Company”), the Authority adopted Initial Resolution No. 17-13 on September 19, 2017 and an amendment to Initial Resolution No. 17-13 on June 5, 2018 (together, the “Initial Resolution”) in the amount not to exceed \$38,000,000 to assist in financing the acquisition and construction of facilities for the processing of organic waste described as the “Project” in the Initial Resolution; and

WHEREAS, the Company has requested the Authority to extend the effective date of the Initial Resolution;

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

Section 1. Section 7 of the Initial Resolution is hereby modified to provide that, subject to Section 6 of the Initial Resolution, the Initial Resolution shall cease to be effective on August 27, 2023 unless the Authority specifically adopts a further resolution extending the effective date of the Initial Resolution. The Authority will consider such extension upon receiving a specific request for such action from the Company, accompanied by any additional information requested by the Authority to supplement the Company’s application, and an explanation of the status of the Project.

Section 2. Except as set forth in Section 1 herein, 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.