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April 21, 2021

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Treasurer Ma Announces CPCFA Board Approvals for more than $75 million in Tax-Exempt Notes for Three Clean Energy Projects

Sacramento – State Treasurer Fiona Ma announced the approval of three requests for tax-exempt financing that will benefit projects focused on making clean-energy improvements and upgrades, including a first-of-its-kind anaerobic digester that converts organically generated methane into a natural gas supply. The financing requests were approved by the California Pollution Control Financing Authority (CPCFA) Board, chaired by Treasurer Ma.

The approvals at Tuesday’s CPCFA’s meeting allow the borrowers to move on to the next step in tax-exempt financing: applying for debt allocation later this month.

SoCal Biomethane, LLC, and its affiliates were approved for tax-exempt notes not to exceed $13,000,000 for use in a project located at the Victor Valley Wastewater Reclamation Authority’s (VVWRA) wastewater treatment plant, called the VVWRA Organics Project. This will be the first wastewater treatment plant injecting into natural gas pipelines a renewable natural gas derived from co-digestion (food waste along with biosolids being digested together in the anaerobic digester).

“These projects speak to the determination of so many to reach the state’s environmental goals by using new and creative forms of green technology,” Treasurer Ma said. “It’s important we support the projects that help create cleaner communities through new energy and clean upgrades.”
Amador Valley Industries, LLC, and its affiliates’ request was approved for tax-exempt note financing not to exceed $13,085,000 to purchase additional State Air Resources Board (CARB)-compliant collection vehicles, make equipment upgrades, and refinance an existing 2018 CPCFA bond issuance. Lastly, Garaventa Enterprises, Inc., was approved for its tax-exempt note financing request not to exceed $55,205,000 to refinance an existing CPCFA 2016 bond issuance, construct improvements to its materials recovery facility, make stormwater system improvements, construct a new solid waste vehicle maintenance facility, purchase CARB-compliant solid waste collection vehicles, and more. “The one thing all three projects have in common is a desire to make changes that positively affect the surrounding communities specifically and our state in general,” CPCFA Interim Executive Director Derek Chernow said. “It’s exciting to see a new method for renewable natural gas being used in an anaerobic digester, cleaner equipment being purchased, and facility upgrades that will create more compliant and safer environments.”

Since 1972, CPCFA has provided low-cost innovative financing to California businesses with the objective of making California more economically prosperous and environmentally sound. As a government agency that issues private activity, tax-exempt and taxable bonds and notes, CPCFA assists qualified borrowers in obtaining lower interest rates than are available through conventional loans for qualified waste and recycling projects and other projects related to pollution control and improving water quality and supply.

Conduit revenue bonds and notes issued by CPCFA are special, limited obligations issued to raise capital for revenue-generating projects where the funds are used by the borrower to make payments to investors. Conduit financings are typically backed by either the borrower's credit or monies pledged to the project by outside investors. It is solely the borrower's responsibility to repay bondholders. CPCFA is not obligated to use any monies or assets of CPCFA for all or any portion of payment to be made pursuant to the bonds or notes.

Fiona Ma is California’s 34th State Treasurer. She was elected on November 6, 2018, with more votes (7,825,587) than any other candidate for treasurer in the state's history. She is the first woman of color and the first woman Certified Public Accountant (CPA) elected to the position. The State Treasurer’s Office was created in the California Constitution in 1849. It provides financing for schools, roads,
housing, recycling and waste management, hospitals, public facilities, and other crucial infrastructure projects that better the lives of residents. California is the world’s fifth-largest economy and Treasurer Ma is the state’s primary banker. Her office processes more than $2 trillion in transactions, within a typical year. She provides transparency and oversight for the government’s investment portfolio and accounts, as well as for the state’s surplus funds. Treasurer Ma oversees an investment portfolio of about $136 billion, $35 billion of which are local government funds. She serves as agent of sale for all State bonds and is trustee on outstanding debt of $93 billion.

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