

MINUTES

**California Pollution Control Financing Authority
915 Capitol Mall, Room 587
Sacramento, California
April 19, 2016**

1. CALL TO ORDER & ROLL CALL

Mr. John Chiang, Chairperson, called the California Pollution Control Financing Authority (CPCFA or Authority) meeting to order at 10:43 a.m.

Members Present: John Chiang, State Treasurer
Anne Baker for Betty Yee, State Controller
Eraina Ortega for Michael Cohen, Director of Finance

Staff Present: Reneé Webster-Hawkins, Executive Director

Quorum: The Chairperson declared a quorum

2. MINUTES

Mr. John Chiang asked if there were any questions or comments concerning the meeting minutes from the meeting held March 15, 2016. There were none.

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

The item was passed by the following vote:

Eraina Ortega for the Director of Finance	Aye
Anne Baker for the State Controller	Aye
John Chiang, State Treasurer	Aye

3. EXECUTIVE DIRECTOR'S REPORT

Ms. Reneé Webster-Hawkins reported there was a lot of positive program activity moving forward. The Bond Program volume for initial resolutions and final resolutions has been steady, and staff is working on improving the model documents. Volume in all CalCAP programs has continued to rise, and the annual report will be presented to the legislature and the Board. In addition, staff is conducting monitoring and evaluation in the CALReUSE program.

Ms. Reneé Webster-Hawkins reported on her delegated authority, stating that on March 22, 2016 she signed a request by Waste Management Inc. to reappoint Merrill Lynch, Pierce, Fenner & Smith as the remarketing agent for the Series 2003 bonds.

4. BUSINESS ITEMS

A. REQUEST TO APPROVE INITIAL RESOLUTION REFLECTING OFFICIAL INTENT TO ISSUE REVENUE BONDS

UrbanX Renewables Group, Inc. and/or its Affiliates
Presented by: Lyudmila Farbitnikova

Staff introduced Mark Holmstedt of Westhoff, Cone & Holmstedt

UrbanX Renewables Group, Inc. and/or its Affiliates requested approval of an Initial Resolution for an amount not to exceed \$63,875,000 to finance the acquisition and conversion of an existing crude oil refinery into a facility that will process a variety of waste fats, oils, and grease.

The company will acquire an existing crude oil refinery, which includes 18 acres of land, buildings, and existing equipment located in the City of Long Beach. The refinery is currently owned by Alon USA Energy, Inc.

UrbanX plans to convert the refinery into a facility that will process a variety of waste fats, oil and grease including waste cooking oils and trap waste, scraped grease, vegetable oil and animal fats into synthetic crude oil, which will then be refined into renewable diesel fuel and naphtha. The company's targeted production volume is 5,000 barrels per day.

Staff recommended approval of Initial Resolution No. 16-06 for UrbanX Renewables Group, Inc. and/or its Affiliates for an amount not to exceed \$63,875,000.

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

Mr. John Chiang asked if there were any questions or comments from the Board or public. There were none.

The item was passed by the following vote:

Eraina Ortega for the Director of Finance	Aye
Anne Baker for the State Controller	Aye
John Chiang, State Treasurer	Aye

B. REQUEST TO APPROVE FINAL RESOLUTION AUTHORIZING THE ISSUANCE OF REVENUE NOTES, SMALL BUSINESS ASSISTANCE FUND (SBAF) COSTS OF ISSUANCE ASSISTANCE AND TAX-EXEMPT VOLUME CAP ALLOCATION

Mottra Corporation dba CalMet Services, Inc., and/or its Affiliates
Presented by: Andrea Gonzalez

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Staff introduced Mark Holmstedt of Westhoff, Cone & Holmstedt, and Robert Feyer of Orrick, Herrington, & Sutcliffe

Mottra Corporation dba CalMet Services, Inc. and/or its Affiliates requested approval of a Final Resolution and Volume Cap Allocation for an amount not to exceed \$8,250,000.

Mottra Corporation dba CalMet Services, Inc. provides refuse collection and disposal services to the cities of Downey, Pico Rivera, Cerritos, Paramount, Lomita, Commerce, Seal Beach, Bell Gardens, Montebello, Long Beach, Los Angeles, and unincorporated areas of Los Angeles County. The company is a small business and was organized in California in 1999. The company has approximately 366 employees.

Note proceeds will be used for the acquisition of residential CNG-fueled automated side-loaders and commercial front-loaders for the collection, processing, recycling, transportation, and disposal of solid waste. All of the trucks to be purchased will be operated and maintained at the Paramount City facility and will service additional sites throughout Los Angeles County. The project also includes the purchase of residential carts and cart assembly, delivery and removal.

Staff recommended approval of Final Resolution No. 555 and Volume Cap Allocation Resolution No. 13-111-03 for an amount not to exceed \$8,250,000, and a SBAF Resolution in an amount not to exceed \$132,000 for Mottra Corporation dba CalMet Services, Inc. and/or its Affiliates.

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

Mr. John Chiang asked if there were any questions or comments from the Board or public. There were none.

The item was passed by the following vote:

Eraina Ortega for the Director of Finance	Aye
Anne Baker for the State Controller	Aye
John Chiang, State Treasurer	Aye

C. REQUEST TO APPROVE FINAL RESOLUTION AUTHORIZING THE ISSUANCE OF NEW AND REFUNDING REVENUE NOTES, AND SMALL BUSINESS ASSISTANCE FUND (SBAF) COSTS OF ISSUANCE ASSISTANCE

Tri-City Economic Development Corporation dba Tri-CED Community Recycling and/or its Affiliates

Presented by: Kris Luoma

Staff introduced Robert Feyer of Orrick, Herrington, & Sutcliffe, Mangep Austria of Tri-CED Recycling, and Rick Devine, Financial Advisor to the Borrower

Tri-City Economic Development Corporation dba Tri-CED Community Recycling

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and/or its Affiliates requested approval of a Final Resolution for an amount not to exceed \$5,250,000, and assistance from the Small Business Assistance Fund (SBAF) in the amount of \$190,590. The company is a non-profit 501(c)(3) corporation and therefore CDLAC allocation is not required in order to issue tax-exempt notes.

The company intends to refund two Solid Waste Disposal Revenue Notes previously issued in 2005 and 2007 by CPCFA for an amount not to exceed \$1,475,000. New note proceeds for an amount expected not to exceed \$3,786,899 will be used to purchase compressed natural gas (CNG) side loaders, a utility pickup truck, other equipment and a truck scale, upgrades to the existing security system, fleet management software and all office equipment and work stations, and pay for costs of issuance and capitalized interest.

Staff recommended approval of Final Resolution No. 554 for an amount not to exceed \$5,250,000, and a SBAF Resolution in an amount not to exceed \$190,590 for Tri-City Economic Development Corporation dba Tri-CED Community Recycling and/or its Affiliates.

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

Mr. John Chiang asked if there were any questions or comments from the Board or public. There were none.

The item was passed by the following vote:

Eraina Ortega for the Director of Finance	Aye
Anne Baker for the State Controller	Aye
John Chiang, State Treasurer	Aye

D. REQUEST TO UNENCUMBER THE ALLOCATION FOR THE CALIFORNIA RECYCLE UNDERUTILIZED SITES (CALReUSE) ASSESSMENT PROGRAM AND AUTHORIZING THE CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY TO UTILIZE RETURNED PROGRAM FUNDS FOR OTHER PROGRAM AND ADMINISTRATIVE EXPENDITURES

Presented by: Greg Martin

Staff requested Board approval of a resolution to unencumber the remaining allocation in the amount of \$3,600,000 for the California Recycle Underutilized Sites Assessment Program and authorizing the California Pollution Control Financing Authority to utilize funds in the amount of \$5,204,336 million that were returned to CPCFA as a result of Program activity for other program and administrative expenditures.

Mr. Greg Martin summarized the information in the written staff summary. Mr. Martin also gave some historical background of the CALReUSE program, along with some major program milestones.

Staff recommended Board approval of a resolution to unencumber the remaining allocation in the amount of \$3,600,000 for the Program and authorizing the CPCFA to

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utilize funds in the amount of \$5,204,336 million that were returned to CPCFA as a result of Program activity for other program and administrative expenditures.

Ms. Eraina Ortega had a question regarding the total dollar amount in the recommendation.

Ms. Reneé Webster-Hawkins explained that the \$3.6 million was the amount remaining of the original \$10 million allocation to the program. The \$5.2 million has been returned to CPCFA and deposited into the Admin account. The request is to make the funds free and available to CPCFA for administrative expenditures.

Ms. Eraina Ortega and Anne Baker both requested a presentation on CPCFA's budget and how the money would be spent at a future meeting.

Ms. Webster-Hawkins stated that staff will work on this for a future presentation to the Board.

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

Mr. John Chiang asked if there were any additional questions or comments from the Board or public. There were none.

The item was passed by the following vote:

Eraina Ortega for the Director of Finance	Aye
Anne Baker for the State Controller	Aye
John Chiang, State Treasurer	Aye

E. REQUEST TO AMEND THE BOARD RESOLUTION FOR THE CURTIS PARK VILLAGE PROJECT UNDER THE CALIFORNIA RECYCLE UNDERUTILIZED SITES REMEDIATION PROGRAM

Presented by: Greg Martin

Staff requested Board approval of a resolution amending the November 19, 2008, Board resolution for the Curtis Park Village Project under the California Recycle Underutilized Sites Remediation Program. Currently, Sections 1-6 of the resolution identify the "Chair or his designee" as the authorized person to take steps necessary with respect to the Applicant, to approve any changes in the Project, to draw money from the Proposition 1C funds allocated to the Program, and to do any and all things and to execute and deliver any and all documents in order to effectuate the purposes of the Resolution and related transactions. Staff requested amending the resolution to identify the California Pollution Control Financing Authority Executive Director as the authorized person in Sections 1-6 of the resolution.

Mr. Greg Martin went into detail and the history surrounding the previous Executive Director's conflict of interest with Curtis Park Village. He stated the current Executive

Director does not have any conflict of interest in this project.

Staff recommended adoption of a resolution amending the November 19, 2008, Board resolution for the Curtis Park Village Project to identify the CPCFA Executive Director as the authorized person to execute and deliver documents to effectuate the purposes of the grant, in Sections 1-6 of the resolution.

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

Mr. John Chiang asked if there were any additional questions or comments from the Board or public. There were none.

The item was passed by the following vote:

Eraina Ortega for the Director of Finance	Aye
Anne Baker for the State Controller	Aye
John Chiang, State Treasurer	Aye

F. REQUEST TO AMEND INFILL GRANT DOCUMENTS UNDER THE CALIFORNIA RECYCLE UNDERUTILIZED SITES REMEDIATION PROGRAM

Presented by: Ethan Wieser

Staff introduced John Raymond Executive Director of Carson Reclamation Authority and Sunny Soltani of Aleshire & Wydner, LLP, City Attorney (via phone).

The Carson Reclamation Authority and Affirmed Housing Group, Inc. (proposed co-grantee) requested an amendment to the Infill Grant Agreement to extend the term of the Infill Grant Agreement until June 30, 2021 under the CALReUSE Remediation Program, add Affirmed Housing Group, Inc. as a co-grantee, and amend the location and number of housing units to the Infill Development Project.

Mr. Ethan Wieser elaborated on the details and history of the project, including additional information reported in the written staff summary.

Staff was prepared to recommend that the Board take no action upon Carson Reclamation Authority's request to extend the Infill Grant Agreement and make the related amendments. However, the City of Carson made a last minute appeal to CPCFA that staff felt was reasonable, which Sunny Soltani, City Attorney for Carson further elaborated on via the telephone.

Ms. Sunny Soltani explained the history of the Carson Reclamation Authority, the property, and why their request for a 120-day extension is justified. She also explained that a lot of remediation progress has already been made on the property and additional development is in progress. Ms. Soltani said she had a conversation with Ms. Webster-Hawkins the previous day, and stressed that she is willing to work with staff for the future of the property, but needs an appropriate amount of time to do so.

Mr. John Raymond stated he has nothing additional to add.

Ms. Reneé Webster-Hawkins explained that while communication did take place between her and Ms. Sultani the previous day, nothing the City of Carson had officially submitted adds significant substantiated evidence that increases the conclusion as to whether it is reasonably likely that the Brownfield Development Project will be completed, or whether the Grantee can identify and complete an Infill Development Project promoted by the acquisition of the CALReUSE grant.

Ms. Reneé Webster-Hawkins acknowledged that even though nothing in the correspondence submitted provided anything substantive to change the staff's analysis it is her recommendation that the board accept the good faith intentions communicated by Ms. Sunny Sultani and Mr. John Raymond, and move for approval of the 120-day grant extension solely for the purpose of giving the project's new leadership the opportunity to provide proof that they can complete the qualifying projects.

In her proposed resolution, Ms. Reneé Webster-Hawkins stated that the Carson Reclamation Authority must submit an amended application for this Brownfield Development Project by July 15, 2016.

Ms. Eraina Ortega asked a question about the development site and whether or not another site could technically be the development site.

Ms. Reneé Webster-Hawkins answered that the program requires two developments. One that is referred to as the Brownfield Development Project, which can be mixed-used, but it needs to occur on the site where the contamination was remediated. The program also requires an Infill Development Project to include housing, and that can be located at another site or location. However, Ms. Webster-Hawkins clarified that no other grantees or applicants have requested that. Ms. Webster-Hawkins concluded by saying it is the applicant's responsibility to prove how the housing is promoted by the grant in this program.

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

Mr. John Chiang asked if there were any additional questions or comments from the Board or public. There were none.

The item was passed by the following vote:

Eraina Ortega for the Director of Finance	Aye
Anne Baker for the State Controller	Aye
John Chiang, State Treasurer	Aye

5. PUBLIC COMMENT

Mr. John Chiang 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 11:43 a.m.

Respectfully submitted,

Reneé Webster-Hawkins
Executive Director