

MINUTES

**California Pollution Control Financing Authority
901 P Street, Room 102
Sacramento, California
April 16, 2024**

Public Participation Call-In Number (877) 853-5257: Meeting ID: 987 6693 6958 and Participant Code 560284

1. Call to Order & Roll Call

Khaim Morton, Deputy Treasurer, called the California Pollution Control Financing Authority (CPCFA or Authority) meeting to order at 10:57 a.m.

Members Present: Khaim Morton for Fiona Ma, CPA, State Treasurer
David Oppenheim for Malia M. Cohen, State Controller
Michele Perrault for Joe Stephenshaw, Director of Finance

Staff Present: Shela Tobias-Daniel, Executive Director
Christina Sarron (remotely), Deputy Executive Director
Ted Ballmer, Senior Attorney
Doreen Smith, CalCAP Section Manager
Deanna Hamelin (remotely), Bonds and Grants Section Manager
Lauren Dominguez, SSBCI Program Manager
Solomita Malko, Bond Program Manager
Morgan Matz, Staff Services Analyst
Robert Salls-Morneau, Associate Governmental Program Analyst
Ryan Dannewitz, Staff Services Analyst
JoOnna Trushkov (remotely), Staff Services Analyst
Theodore Hoffman, Office Technician

Quorum: The Chairperson declared a quorum

2. Minutes (Action Item)

Deputy Treasurer Morton asked the Board members if there were any questions or comments concerning the meeting minutes from the March 19, 2024, board meeting. There were none.

Deputy Treasurer Morton asked if there were any public comments. There were none.

Mr. Oppenheim moved approval of the minutes; Ms. Perrault provided the second.

The minutes were approved.

The item was passed by the following vote:

David Oppenheim, for the State Controller	Aye
Michele Perrault, for the Director of Finance	Aye
Khaim Morton for the State Treasurer	Aye

**3. Executive Director’s Report (Information Item)
Presented by Shela Tobias-Daniel, Executive Director**

Ms. Tobias-Daniel stated Outreach and stakeholder engagement continue to be a major focus for CPCFA. CPCFA continues to stay busy coordinating with program teams to develop and continuously update collateral/media, along with hosting meetings, webinars, and workshops, while also attending, presenting, and speaking at events.

Ms. Tobias-Daniel mentioned the Outreach Team’s preparation and submission of the CPCFA 2024-23 Zero-Emission Vehicle Agency Action Plan to GO-Biz. For the first time, GO-Biz combined the one year’s results with the next year’s plans in one document. Though the most recent versions are not yet published, she implored those interested to use search term “go-biz agency ZEV action plans” to see the current versions.

Ms. Tobias-Daniel also highlighted her and CPCFA’s CalCAP SSBCI Program Manager attending a lender event at the Black Small Business Association (BSBA), which was also attended remotely by the CPCFA Outreach Manager and analyst. She also spoke about her and the CPCFA Outreach Manager attending the National Diversity Coalition’s twenty-first annual economic development conference. She noted that CPCFA was able to connect with several financial institutions serving SEDI customers that are interested in CalCAP.

Ms. Tobias-Daniel also mentioned the CalCAP SSBCI Program Manager attended the Black Small Business Association roundtable, which is the monthly consortium for that organization. The roundtable is important because they provide valuable technical assistance to Socially and Economically Disadvantaged Individual (SEDI) borrowers through their economic boost program.

Ms. Tobias-Daniel continued by noting CPCFA co-hosted a webinar about California’s SSBCI credit enhancements for technical assistance providers receiving Capital Readiness Grants from the Minority Business Development Agency (MBDA). The CPCFA Outreach Manager and analyst and the CalCAP SSBCI Program Manager co-hosted with staff from the California Infrastructure and Economic Development Bank (IBank). She mentioned that webinars for technical assistance providers receiving funding through The California Office of the Small Business Advocate (CalOSBA) will be organized and hosted by CalOSBA’s designee, the California Association for Micro Enterprise Opportunity (CAMEO), with CPCFA and IBank invited to present.

She went on to say that on April 13, 2024, CalCAP Program analysts Jasmine Barron and Amiana Godoy hosted a vendor table while attending the Uptown Business Expo

in Long Beach, organized by Office of Councilmember Al Austin II in partnership with the Office of Councilmember Dr. Joni Ricks Oddie. The resource booth included materials for CalCAP for Small Business, CalCAP Collateral Support, and CAEATFA's GoGreen program.

Ms. Tobias-Daniel gave an update on legislation, stating AB 2731, introduced by Assembly Member Wendy Carrillo and sponsored by Treasurer Ma, would add another category, carbon dioxide capture, to federal tax-exempt categories in which CPCFA can issue private activity bonds. This category was added to the federal tax code in 2021 and as of yet, no state-level entity has been assigned to it.

Ms. Tobias-Daniel then moved on to the Tax-Exempt Conduit Bond Program, noting the Bond team recently received responses to the Request for Information for a Legal Services Contract for Issuer's Counsel and other bond related services, and is in the process of evaluating them. In addition, the Bond team has begun working with the contracted auditor, Richardson & Company, on the SB 99 Audit, which requires transparency and accountability of conduit Issuers and is due to the State Controller's Office by June 30, 2024.

Ms. Tobias-Daniel then spoke about the California Investment & Innovation Program (Cal IIP), mentioning that after a very busy six months with the program's first-ever applications, awards, and annual report, the Cal IIP team is documenting lessons learned and preparing updates to the application, and awards processes.

As for the California Recycle Underutilized Sites (CALReUSE) Program, Ms. Tobias-Daniel stated there are currently no new requests from grantees.

Ms. Tobias-Daniel then gave updates on the California Capital Access Programs (CalCAP) mentioning the CalCAP team is very busy with the various stages of rolling out the CalCAP Zero-Emission Programs. This is in addition to the two programs which are receiving SSBCI funding, CalCAP for Small Business, and CalCAP Collateral Support. She stated that under SSBCI guidelines, there is an opportunity for CPCFA to add a third type of program to CalCAP that would also be funded by SSBCI, the model called Loan Participation. The CalCAP team is developing a proposal to be reviewed by U.S. Treasury. Once it is determined to meet SSBCI guidelines by the U.S. Treasury, it can be brought to the CPCFA Board to consider incorporating it into regulations.

Simultaneously, the CalCAP team is engaged with the State Treasurer's Office Information Technology Division team to procure and implement a technology solution for CalCAP loan enrollments, reports to U.S. Treasury and other entities, and data analysis.

Ms. Tobias-Daniel gave updates on hiring and personnel, noting the addition of a new Office Technician, Theodore Hoffman. She also mentioned interviewing candidates for the Executive Assistant position, and an announcement regarding the position to be forthcoming at the next Board Meeting.

Ms. Tobias-Daniel stated that since the last Board Meeting in March, she has taken no new actions under her delegated authority.

This concluded Ms. Tobias-Daniel's Executive Director's report.

Mr. Oppenheim requested materials related to the BSBA and their Economic Boost program, which Ms. Tobias-Daniel agreed to send over.

4. Business Items (Action Items)

A. Request to Approve a Final Resolution Authorizing the Issuance of Tax-Exempt Revenue Notes for New Money Purposes

Presented by: Morgan Matz, Bond Analyst

Joined remotely by: Mark Holmstedt, Managing Director, Piper Sandler & Co.; John Wang, Note Counsel, Orrick, Herrington & Sutcliffe; Jesse Albani, Note Counsel, Orrick, Herrington & Sutcliffe; Derek Carlson, Vice President, MarBorg Industries

MarBorg Industries and/or its affiliates requested approval of a Final Resolution (FR) for an amount not to exceed \$44,500,000 in tax-exempt notes. The note proceeds will be used for the construction of a new operations depot, development and expansion of vehicle/equipment yard storage, purchase of collection vehicles powered by compressed natural gas (CNG) as additions to the Borrower's current fleet, the purchase of bins and containers to be distributed to customers throughout Santa Barbara County, and the purchase, upgrade, and improvement of an existing solid waste recycling and processing facility located at 1850 W. Betteravia Road in Santa Maria (currently owned by Waste Management) (the "Project").

Staff recommended the approval of Final Resolution #24-01-621 in a total amount not to exceed \$44,500,000 in new money tax-exempt notes for the MarBorg Industries Project.

Deputy Treasurer Morton then asked if any of the representatives would like to make any comments on behalf of the Item. There were none.

Deputy Treasurer Morton then asked if any of the board members would like to make any comments on behalf of the Item. Mr. Oppenheim commented that MarBorg appears to be excellent company for the state to work with, pointing to the financing of several MarBorg projects dating back to 2000. He also stated that a program like CPCFA's Bond program is one to be replicated throughout the state, and one that he is very supportive of. Deputy Treasurer Morton then asked if any of the board members would like to make any additional comments on behalf of the Item. There were none.

Deputy Treasurer Morton then asked if there were any public comments. Mark Holmstedt, municipal advisor to MarBorg, stated that because of CPCFA and its board, many small businesses in the state have been able to grow. He then thanked the board and CPCFA for their support of MarBorg, and said he looked forward to bringing additional transactions through CPCFA. Deputy Treasurer Morton then asked if there were any other public comments. There were none.

Mr. Oppenheim moved approval of the item; there was a second from Ms. Perrault.

The item was passed by the following vote:

David Oppenheim, for the State Controller	Aye
Michele Perrault, for the Director of Finance	Aye
Khaim Morton, for the State Treasurer	Aye

B. Request to Approve a Contract with the Southern California Edison Company (SCE) Regarding the California Capital Access Zero-Emission Truck, Bus, & Infrastructure Financing Program (ZETBIF Program)

Presented by: Robert Salls-Morneau, CalCAP Analyst

Joined by: Aaron Dyer, Senior Manager for Southern California Edison

The California Pollution Control Financing Authority (“CPCFA”) requested to enter into an agreement with the Southern California Edison Company (“SCE”) under the California Capital Access Loan Program (“CalCAP”) to administer a new Zero- Emission Truck, Bus, & Infrastructure Financing Program (ZETBIF Program). This item seeks board approval to approve Contract Number R12-23 between CPCFA and SCE in the amount of \$20 million.

In support of California’s climate change policy goals, SCE agrees to participate in CalCAP as an Independent Contributor, and to commit up to \$20 million to CalCAP to support the ZETBIF Program in order to help businesses acquire electric vehicles and charging equipment. The CPCFA shall establish the ZETBIF Program under its existing CalCAP program framework, with the cooperation and assistance of SCE. The Program shall offer loan loss reserve contributions as a credit enhancement to participating financial institutions that enroll qualified loans.

Funding for the ZETBIF Program was generated by SCE’s Low Carbon Fuel Standard (LCFS) Credit proceeds and shall be transferred from SCE to support CPCFA’s efforts in developing, implementing, and administering the ZETBIF Project. Entities generating LCFS credits using electricity pathways are required to use the proceeds from those LCFS credits to benefit their customers and EV drivers, and to promote transportation electrification in California.

CPCFA and SCE sought approval of an Agreement for CPCFA to administer the ZETBIF Program.

CPCFA staff recommended the approval of Resolution No. 24-02-003 to authorize the Executive Director or Deputy Executive Director to execute Agreement R12-23 in the amount of \$20 million.

Deputy Treasurer Morton asked if there were any comments from the representative. Mr. Dyer stated that he had been working with Mr. Salls-Morneau, CalCAP Section Manager Doreen Smith, and other CPCFA staff for three years to get the item to this point, and that SCE was very excited to add this program to better serve their customers.

Deputy Treasurer Morton noted that he was pleased SCE was able to use the LCFS proceeds in a combined manner to drive much more investment out to consumers, and hoped this would lead the way for others to make similar investments.

Deputy Treasurer Morton then asked if there were any other questions or comments from the Board. Ms. Perrault echoed Deputy Treasurer Morton's statement, also saying that she believes it is going to take a lot of partnerships to achieve the goals set out for the state of California, so it is good to see programs like ZETBIF coming together.

Deputy Treasurer Morton then asked if there were any questions or comments from the public. There were none.

Ms. Perrault moved approval of the item; there was a second from Mr. Oppenheim.

The item was passed by the following vote:

David Oppenheim, for the State Controller	Aye
Michele Perrault, for the Director of Finance	Aye
Khaim Morton, for the State Treasurer	Aye

5. **Public Comment**

Deputy Treasurer Morton asked if there were any comments from the public on matters that were not on the agenda. There were none.

6. **Adjournment**

There being no further business, public comments, or concerns, the meeting adjourned at 11:19 a.m.

Respectfully submitted,

A handwritten signature in black ink that reads "Shela Tobias-Daniel". The signature is written in a cursive style with a long, sweeping underline that extends to the right.

Shela Tobias-Daniel

Executive Director