



# **ANNUAL REPORT 2024**

**to the California State  
Legislature**

**TAX-EXEMPT PRIVATE  
ACTIVITY BOND AND  
PUBLICLY-OWNED  
UTILITY RATE  
REDUCTION BOND  
FINANCING  
PROGRAMS**



**MARCH 2025**

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# California Pollution Control Financing Authority (CPCFA)

## **Mission Statement:**

As public servants, we are committed to implementing the tools and funding entrusted to us to fulfill the goals of fostering economic prosperity and promoting climate-friendly projects in California with an array of programs and diverse participants and stakeholders.

Since its creation in 1972, CPCFA has been dedicated to helping businesses access capital for projects that support state and federal environmental and economic objectives. Initially focused on pollution control, CPCFA has evolved to include a broad range of programs that foster sustainable development, support small businesses, and revitalize communities, specifically:

- The Tax-Exempt Private Activity Bond program helps private companies, non-profits, and public/private partnerships access public finance markets by issuing tax-exempt bonds for qualified projects;
- Established in 1994, the California Capital Access Program (CalCAP) provides credit enhancement to encourage financial institutions to lend to small businesses;
- The California Recycle Underutilized Sites Program (CALReUSE) transformed contaminated sites into vibrant housing and infill developments that enhance communities; and
- The California Investment & Innovation Program (Cal IIP) provides grants to federally certified Community Development Financial Institutions to enhance their capacity in offering services such as technical assistance and capital access to economically disadvantaged communities across California.

This annual report to the Legislature describing the Tax-Exempt Private Activity Bond Financing Program and the Publicly owned Utility Rate Reduction Bond Program is prepared pursuant to the California Pollution Control Financing Authority Act, Health and Safety Code Section 44538 and Government Code Section 6588.7(b)(8), respectively.

## **CPCFA Board consists of:**

Fiona Ma, CPA, Chairperson  
*State Treasurer*

Malia M. Cohen  
*State Controller*

Joe Stephenshaw, Director  
*Department of Finance*

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# Tax-Exempt Private Activity Bond Financing Program

## 2024 Annual Report

### *Program Summary*

The CPCFA Tax-Exempt Private Activity Bond Financing Program (PAB Program) allows California private companies, non-profits, and public/private partnerships to meet their climate change mitigation goals, growth, and capital needs. CPCFA administers categories defined by federal and state law, including solid waste, water furnishing, wastewater, and carbon dioxide capture. Financing obtained this way can offer lower interest rates compared to commercial lending, or allow investors to participate in unique projects, enabling project owners to secure financing that might otherwise be unavailable.

The securities issued in the form of bonds or notes pay for acquisition, construction, or installation of qualified facilities and equipment. Projects meeting climate-related goals can be issued as Green Bonds, as part of CPCFA's commitment to sustainability. CPCFA began taking action in March 1973, and between 1973-2024 the PAB Program has issued more than \$17.4 billion for 764 projects.

In addition, the PAB Program maintains a Small Business Assistance Fund (SBAF) to pay for the qualified costs of the issuance of tax-exempt bonds issued on behalf of eligible small businesses and non-profits. SBAF can pay for letter of credit fees, transaction fees, and other costs associated with the issuance of bonds or notes, reducing the net cost of financing tax-exempt bonds/notes for small businesses and non-profits. The SBAF has provided more than \$22.8 million in assistance since 1973.

# Report of 2024 Activities

Pursuant to Health and Safety Code Section 44538 CPCFA submits this report of activities for its Tax-Exempt Private Activity Bond Financing Program for the calendar year ending December 31, 2024.

## 1. APPLICATIONS RECEIVED

CPCFA received 11 (eleven) new applications for a total dollar amount of \$118,225,500. (See [Table 1](#))

## 2. INITIAL RESOLUTIONS ADOPTED (Identification as Eligible Projects)

CPCFA took initial action on 11 (eleven) applications for a total dollar amount of \$118,225,500. (See [Table 2](#))

## 3. FINAL RESOLUTIONS ADOPTED (Applications Accepted for Financing)

CPCFA took final action to approve the sale of bonds/notes on three applications for a total dollar amount of \$76,525,500. (See [Table 3](#))

## 4. BONDS SOLD

CPCFA sold two issuances for a total of \$68,000,000 in new money tax-exempt and refunding bonds/notes. (See [Table 4](#))

## 5. PROJECTED NEEDS AND REQUIREMENTS FOR 2024

CPCFA's tax-exempt private activity bond program is self-supporting and has sufficient funds to operate for the coming year.

## 6. CHANGE IN CASH BALANCE FOR FISCAL YEAR ENDED JUNE 30, 2024

CPCFA's cash balance for FY 23-24 increased by \$1,360,156.03. CPCFA's ending balance for FY 23-24 is \$18,670,411.46. (See [Table 5](#))

# 2024 Project Highlights

## Solid Waste Disposal

### MarBorg Industries

On May 22, 2024, CPCFA issued a total of \$44,500,000 in tax-exempt solid waste disposal revenue notes for MarBorg Industries (MarBorg). 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 MarBorg's current fleet, the purchase of bins and containers for distribution to customers throughout Santa Barbara County, and the purchase, upgrade, and improvement of an existing solid waste recycling and processing facility in Santa Maria (currently owned by Waste Management).



MarBorg Industries, which was organized in 1974 in California, is in the business of residential and commercial solid waste collection, recycling and waste management, construction site services, portable sanitation, and temporary fencing. MarBorg is a family-owned corporation that holds its real estate in separate LLCs owned by members of the company or family. MarBorg Industries is a small business that employs approximately 430 employees.





## **Napa Recycling & Waste Services, LLC**

On October 10, 2024, CPCFA issued a total of \$23,500,000 in tax-exempt solid waste disposal revenue notes to Napa Recycling & Waste Services, LLC. The note proceeds will be used for the purchase of organic waste processing and transportation equipment as well as the expansion and improvement of an existing organics processing facility within the Yolo County Central Landfill (YCCL).



YCCL and Northern Recycling LLC have received a \$10 million grant from CalRecycle to expand its composting facility, which was first launched in 2022. The expansion will increase the facility's capacity by 50,000-60,000 tons per year, supporting Yolo County's sustainability goals and meeting the state's increasing demand for organic waste processing. The facility expansion aims to accommodate all collected tons and excess materials from waste haulers that are currently turned away due facility capacity constraints. The compost facility expansion is expected to divert an additional 600,000 tons of organic waste from landfills over the next decade and reduce greenhouse gas emissions by an estimated 114,000 metric tons of CO2 equivalents.



# CPCFA Tax-Exempt Bond Program Achievements

## 1973-2024 Bond Financing

- Issued more than \$17.4 billion
- Financed 764 projects
- Awarded more than \$22.8 million to small businesses through SBAF

## 2024 Bond Financing

- Issued \$68 million in new money tax-exempt bonds/notes
- Financed two projects for \$68 million

## Green Bonds Issued

- Issued more than \$476 million in green bonds over program lifetime
- Financed five Issuances supporting three projects

## Helping California

- Achieve a recycling rate of more than 50%
- Have the benefit of cleaner air and water
- Increase renewable energy use
- Maintain state-of-the-art waste collection and disposal systems
- Keep harmful materials out of the environment
- Create renewable and sustainable sources of energy through biomass conversion
- Divert organic waste from landfills
- Reduce methane emissions
- Support innovative and sustainable community development projects



**Table 1**

# APPLICATIONS RECEIVED IN 2024

CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY

<b>App #</b>	<b>Date Received</b>	<b>Applicant Name</b>	<b>Project Type*</b>	<b>Amount</b>
<b>961</b>	06/07/2024	BRASIL DAIRY BIOGAS LLC	SWD	\$10,000,000
<b>962</b>	06/07/2024	SAN JOAQUIN VALLEY ENERGY LLC	SWD	\$14,000,000
<b>963</b>	06/07/2024	DOUBLE DJ DAIRY BIOGAS LLC	SWD	\$8,000,000
<b>964</b>	06/07/2024	MATOS DAIRY BIOGAS LLC	SWD	\$10,000,000
<b>965</b>	06/26/2024	NAPA RECYCLING & WASTE SERVICES LLC	SWD	\$23,500,000
<b>966</b>	07/12/2024	TRI-CITY ECONOMIC DEVELOPMENT CORPORATION DBA TRI-CED COMMUNITY RECYCLING	SWD	\$8,525,500
<b>967</b>	08/18/2024	KOCHERGEN FARMS COMPOSTING, INC.	SWD	\$5,200,000
<b>968</b>	09/12/2024	BLT ENTERPRISES OF FREMONT	SWD	\$12,000,000
<b>969</b>	09/27/2024	ATLAS DISPOSAL INDUSTRIES, LLC	SWD	\$18,000,000
<b>970</b>	10/24/2024	SECOND STREET ENERGY, LLC	SWD	\$6,000,000
<b>971</b>	10/24/2024	MEIRINHO WEST DAIRY BIOGAS LLC	SWD	\$6,000,000
			<b>TOTAL:</b>	<b>\$118,225,500</b>

\*(SWD) Solid Waste Disposal

**Table 2**

## **INITIAL RESOLUTIONS (IR) ADOPTED IN 2024\***

(Identification as Eligible Projects, not a Commitment to Issue Financing)

CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY

<b>IR #</b>	<b>Date Approved</b>	<b>Applicant Name</b>	<b>Amount</b>
<b>24-01</b>	07/11/2024	BRASIL DAIRY BIOGAS LLC	\$10,000,000
<b>24-02</b>	07/11/2024	SAN JOAQUIN VALLEY ENERGY LLC	\$14,000,000
<b>24-03</b>	07/11/2024	DOUBLE DJ DAIRY BIOGAS LLC	\$8,000,000
<b>24-04</b>	07/11/2024	MATOS DAIRY BIOGAS LLC	\$10,000,000
<b>24-05</b>	07/16/2024	NAPA RECYCLING & WASTE SERVICES LLC	\$23,500,000
<b>24-06</b>	08/26/2024	TRI-CITY ECONOMIC DEVELOPMENT CORPORATION DBA TRI-CED COMMUNITY RECYCLING	\$8,525,500
<b>24-07</b>	09/30/2024	KOCHERGEN FARMS COMPOSTING, INC.	\$5,200,000
<b>24-08</b>	10/11/2024	BLT ENTERPRISES OF FREMONT	\$12,000,000
<b>24-09</b>	10/25/2024	ATLAS DISPOSAL INDUSTRIES, LLC	\$18,000,000
<b>24-10</b>	11/18/2024	SECOND STREET ENERGY, LLC	\$6,000,000
<b>24-11</b>	11/18/2024	MEIRINHO WEST DAIRY BIOGAS LLC	\$6,000,000
		<b>TOTAL:</b>	<b>\$118,225,500</b>

\*All project types are Solid Waste Disposal (SWD) projects.

**Table 3**

## **FINAL RESOLUTIONS (FR) ADOPTED IN 2024\***

(Applications Accepted for Financing)

CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY

<b>FR #</b>	<b>Date Approved</b>	<b>Applicant Name</b>	<b>Amount</b>
<b>00621</b>	04/16/2024	MARBORG INDUSTRIES	\$44,500,000
<b>00622</b>	09/17/2024	NAPA RECYCLING & WASTE SERVICES LLC	\$23,500,000
<b>00623</b>	12/10/2024	TRI-CITY ECONOMIC DEVELOPMENT CORPORATION DBA TRI-CED COMMUNITY RECYCLING	\$8,525,500
		<b>TOTAL:</b>	<b>\$76,525,500</b>

\*All project types are Solid Waste Disposal (SWD) projects.

**Table 4**

## **BONDS SOLD IN 2024<sup>1</sup>**

CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY

<b>Closing Date</b>	<b>Bond/Note Name</b>	<b>New Money</b>	<b>Refunding</b>	<b>Total Par Amount</b>	<b>Initial Interest Rate/ Mode</b>
<b>05/22/24</b>	MARBORG INDUSTRIES	\$44,500,000	\$0	\$44,500,000	5.15/ MONTHLY
<b>10/10/24</b>	NAPA RECYCLING & WASTE SERVICES LLC	\$23,500,000	\$0	\$23,500,000	6.60/ WEEKLY
	<b>TOTALS:</b>	<b>\$68,000,000</b>	<b>\$0</b>	<b>\$68,000,000</b>	

<sup>1</sup>All transactions were tax-exempt and negotiated.

<sup>2</sup> All project types are Solid Waste Disposal (SWD) projects.

## CHANGE IN CASH BALANCE\* FISCAL YEAR ENDED JUNE 30, 2024

CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY

<b>BEGINNING CASH BALANCE</b>	<b>JULY 1, 2023</b>	<b>\$17,310,255.43</b>
ADDITIONS:		
	REVENUE/OPERATING REVENUE	34,332,904.11
DEDUCTIONS:		
	OPERATING EXPENDITURES	32,972,748.08
<b>ENDING CASH BALANCE</b>	<b>JUNE 30, 2024</b>	<b>\$18,670,411.46</b>

\*Notes to the table:

- The change in cash balance will be validated in the pending 2023-2024 Bond Program audit due June 30, 2025.
- The cash balance sheet reflects the balance of the CPCFA Bond Program only.
- The table does not include all CPCFA programs.

# Publicly-owned Utility Rate Reduction Bond Financing Program

## 2024 Annual Report

### *Program Summary*

CPCFA has the responsibility to review the issuance of certain rate reduction bonds to finance and/or refinance certain utility projects that are approved by joint powers authorities (JPAs). This responsibility was initiated with Assembly Bill 850 (Chapter 636, Statutes of 2013) for water utility projects, modified by Assembly Bill 305 (Chapter 225, Statutes of 2019) to include wastewater utility projects, and modified again by Assembly Bill 758 (Chapter 233, Statutes of 2021) to include electrical utility projects. AB 758 took effect January 1, 2022, and extended the repeal date of the program to December 31, 2036, while the requirement for CPCFA to report to the Legislature on utility rate reduction bonds was made indefinite by AB 305.

Rate Reduction Bond financing issuances allow California local agencies, that own and operate these types of utilities, to access low-cost financing through rate reduction bonds. The rate reduction bonds issued by JPAs for local agencies to finance or refinance a utility project are to be secured by utility project property and repaid through a separate utility project charge imposed on the utility ratepayers' bills.

However, issuances of any rate reduction bonds, subject to review by a ratepayer advocate or similar entity of the local government applying for the issuance, are not subject to review by CPCFA.

Government Code Section 6588.7(b)(8) requires CPCFA to annually report to the Legislature no later than March 31, on the issuance by JPAs of rate reduction bonds for utility projects. The annual report is required to include all of the following:

- A listing of the applications received.
- A listing of the proposed issuances.



- A report of the interest rates on the bonds, whether the bond sales were pursuant to public bid or were negotiated, and any rating given the bonds by a nationally recognized securities rating organization.
- A specification of proposed issuances qualified but not yet issued.
- A comparison of the interest rates and transactional costs on issuances qualified under this section with interest rates on comparable types of debt issuance occurring at or near the same time as the issuances.

In calendar year 2024, CPCFA did not receive any requests to review applications for Publicly-owned Utility Rate Reduction Bonds, nor has it in any previous year.