

## MINUTES

**California Pollution Control Financing Authority  
915 Capitol Mall, Room 587  
Sacramento, California  
December 12, 2006**

### **1. CALL TO ORDER & ROLL CALL**

Laurie Weir, acting Chairperson, called the California Pollution Control Financing Authority (CPCFA) meeting to order at 10:36 a.m.

Members Present: Laurie Weir for Phil Angelides, State Treasurer  
Winnie Scott for Steve Westly, State Controller  
Molly Arnold for Michael Genest, Director, Department of Finance

Staff Present: Kirsten Snow Spalding, Executive Director  
Eileen Marxen, Deputy Executive Director

Quorum: The Chairperson declared a quorum

### **2. MINUTES**

The minutes for the October 24, 2006 meeting were adopted as submitted.

### **3. EXECUTIVE DIRECTOR'S REPORT**

Ms. Spalding reported that at this Authority meeting staff would present one Initial Resolution totaling \$14,280,000; one Initial Resolution amendment and restatement totaling \$59,600,000; and one Initial Resolution Extension totaling \$200,000,000. There are two Final Resolutions—Garden City Sanitation, Inc. and Valley Vista Services, Inc.—totaling \$30,405,000. She also noted one Final Resolution amendment for Mid-Valley Disposal totaling \$7,120,000, which is also pending bond issuance for the same amount. To date in 2006, the Authority has issued 13 tax-exempt bonds totaling \$209,235,000.

### **4. BUSINESS ITEMS**

#### **A. CPCFA TENTATIVE MEETING CALENDAR FOR FIRST QUARTER OF 2007**

Eileen Marxen presented the proposed First Quarter Meeting Calendar: February 6, 2007 and March 20, 2007 at 10:30 a.m. Staff will propose a full calendar year's schedule at the February Authority meeting.

Winnie Scott moved to approve the item; upon a second, the item passed unanimously.

**B. REQUEST TO APPROVE INITIAL RESOLUTION AUTHORIZING THE ISSUANCE OF REVENUE BONDS**

- 1) **Waste Connections, Inc. and/or its Affiliates** requested approval of Initial Resolution No. 06-14 for an amount not to exceed \$14,280,000 in tax-exempt funds to finance the acquisition of new California Air Resources Board (CARB) compliant collection vehicles and solid waste collection containers. Staff report presented by Kim Oakley.

Winnie Scott asked what changes were made on the amended staff summary. Kim Oakley responded that the two prior bond issues stricken out on the staff summary did not relate to Waste Connections, Inc.

Winnie Scott moved to approve the item; upon a second, the item passed unanimously.

**C. REQUEST TO APPROVE AMENDMENT AND RESTATEMENT OF INITIAL RESOLUTION AUTHORIZING THE ISSUANCE OF REVENUE BONDS**

- 1) **The Ratto Group of Companies, Inc. and/or its Affiliates** requested approval of an amendment and restatement of Initial Resolution Nos. 02-18 and 04-19 for an amount not to exceed \$59,600,000. The company requested that the amended Initial Resolution combine the two previously approved Initial Resolutions and increase the requested bond amount from a combined total of \$36,210,000 to \$59,600,000. Additionally, the company requested amendment to the Project description. Staff report presented by Doreen Carle.

Molly Arnold moved to approve the item; upon a second, the item passed unanimously.

**D. REQUEST TO APPROVE EXTENSION OF INITIAL RESOLUTION AUTHORIZING THE ISSUANCE OF REVENUE BONDS**

- 1) **Pacific Gas and Electric Company and/or its Affiliates** requested approval of a one-year extension of Initial Resolution No. 83-21 to preserve its right to issue tax-exempt bonds for the additional \$200,000,000 of qualified costs. The proposed extension would preserve the “lookback” provision allowed by the IRS for tax purposes.

The company owns and operates two generating units at the Diablo Canyon Nuclear Power Plant. An Initial Resolution for a pollution control at the Diablo Canyon facility was adopted in December 1983 for a total of \$1.410 billion. In 1996, the Initial Resolution was then further extended through 2006. Between 1983 and the present, the company requested and received approval for several final resolutions to fund qualified costs. From those requests, the Authority issued bonds of approximately \$1,210 billion leaving a balance of \$200 million on the original Initial Resolution available to fund remaining qualified costs, which include solid waste disposal facilities, and certain sewage disposal facilities and also certain air, and water pollution control facilities.

Because the Initial Resolution is due to expire on December 31, 2006, the company requested to further extend its Initial Resolution to preserve its right to issue tax-exempt bonds for the additional \$200,000,000 of qualified costs. The advice of Bond Counsel and Issuer's Counsel is that extending the Initial Resolution is the least complicated way of preserving the lookback for tax purposes. Staff report presented by Janet Haynes.

Molly Arnold moved to approve staff's recommendation based on the contingencies expressed in the executive summary; upon a second, the item passed unanimously.

**~~E. REQUEST TO APPROVE FINAL RESOLUTION AUTHORIZING THE ISSUANCE OF REVENUE BONDS~~**

**~~1) GreenWaste Recovery, Inc. and/or its Affiliates -- WITHDRAWN~~**

**F. REQUEST TO APPROVE FINAL RESOLUTIONS AUTHORIZING THE ISSUANCE OF REVENUE BONDS AND CORRESPONDING RESOLUTIONS AUTHORIZING SMALL BUSINESS ASSISTANCE FUND (SBAF) COSTS OF ISSUANCE ASSISTANCE**

- 1) **Garden City Sanitation, Inc. and/or its Affiliates** requested approval of (i) Final Resolution No. 460 for an amount not to exceed \$22,445,000 to finance vehicle and equipment purchases, land acquisition and the renovation of an existing building, and (ii) a SBAF Resolution in an amount not to exceed \$250,000. Staff report presented by Doreen Carle.

Winnie Scott moved to approve the item; upon a second, the item passed unanimously.

**~~2) California Waste Solutions, Inc. and/or its Affiliates -- WITHDRAWN~~**

- 3) **Valley Vista Services, Inc. and/or its Affiliates** requested approval of (i) Final Resolution No. 452 in an amount not to exceed \$7,960,000 in tax-exempt funds to finance the acquisition of new California Air Resources Board (CARB) compliant alternative fuel waste collection vehicles and loaders which will replace older diesel waste collection vehicles, new trailers, barrels, carts, and bins; and, (ii) a SBAF Resolution in an amount not to exceed \$250,000. Staff report presented by Kim Oakley.

Winnie Scott moved to approve the item; upon a second, the item passed unanimously.

**G. REQUEST TO APPROVE AMENDMENT OF FINAL RESOLUTION AUTHORIZING THE ISSUANCE OF REVENUE BONDS AND CORRESPONDING RESOLUTION AUTHORIZING SMALL BUSINESS ASSISTANCE FUND (SBAF) COSTS OF ISSUANCE ASSISTANCE**

- 1) **Mid-Valley Disposal and/or its Affiliates** requested approval of an amendment to Final Resolution No. 458 for an amount not to exceed \$7,120,000 and an amendment to the SBAF Resolution for an amount not to exceed \$243,920.

On October 26, 2004, the Authority approved the Initial Resolution to build a Material Recovery Facility in Kerman and to purchase collection vehicles, equipment and drop boxes, bins and containers. On August 22, 2006, the Final Resolution and a SBAF Resolution were approved for amounts not to exceed \$5,800,000 and \$222,800, respectively. Subsequent to these actions, the company identified the need to acquire additional waste collection vehicles and various containers to support its activities so now desired to amend its previously approved Final Resolution to request an additional \$1,320,000 for a total amount of \$7,120,000. The increase in the amount requested also increased the SBAF assistance amount from \$222,800 to \$243,920. The company also clarified the legal name of the company as Mid-Valley Disposal not Mid Valley Disposal, Inc. as previously reported. Staff report presented by Michael Smith.

Winnie Scott asked if the leases noted in the staff summary were mentioned at the initial resolution stage. Michael Smith responded that in 2004 CPCFA was not aware of these leases. Winnie Scott asked if the leases would present problems in executing bond documents and issuing the bonds. Michael Smith responded negatively.

Molly Arnold questioned the timing of the first final resolution and asked if these were new leases, since August 2006. Tony Cone, Westhoff, Cone and Holmstedt, responded that the Kalpakoff's Properties, LLC, which owns the property in Kerman, was recently formed; but he did not recall the exact date. He stated that Kalpakoff's Properties, LLC may have been formed about the time of the final resolution. He further stated that at the time of the first final resolution, the owners had not decided whether Kalpakoff's Properties, LLC would own the property in Kerman or if the principal, Mid-Valley Disposal Company, would own it.

Winnie Scott asked if the language in the staff summary under the heading of "Type of Business" stating that the company owns an unimproved 10-acre site in the City of Kerman is correct or does it have something to do with the lease.

Tony Cone responded that the three principals of the LLC currently own the property. Kirsten Spalding noted that Kalpakoff Properties, LLC is an affiliate of Mid-Valley Disposal and that the same owners control both companies.

Molly Arnold moved to approve the item; upon a second, the item passed unanimously.

## H. REQUEST APPROVAL TO CONTRACT FOR STRATEGIC PARTNERS FOR THE CALREUSE PROGRAM

Staff requested the Authority's approval of a Resolution to (1) execute and enter into contracts for amounts not to exceed \$0 with the entities listed below to serve as Strategic Partners for the California Recycle Underutilized Sites (CALReUSE) Program and (2) allocate the amounts listed below to each Strategic Partner for funding loans under the program:

Emeryville Redevelopment Agency	\$ 150,000
City of Oakland	\$1,000,000
City of Bakersfield	\$ 500,000
San Diego Redevelopment Agency	\$1,000,000
City of Berkeley	\$ 400,000
Center for Creative Land Recycling (CCLR)	<u>\$2,000,000</u>
<b>Total:</b>	<b><u>\$5,050,000</u></b>

Contracts will have terms of two years with an allowance for a one-year extension. Staff report presented by Sherri Wahl.

Winnie Scott moved to approve the item; upon a second, the item passed unanimously.

### 5. PUBLIC COMMENT

Laurie Weir congratulated Kirsten Spalding and her staff for their hard work over the year.

Laurie Weir asked if there were any other public comments. Hearing none, she moved for adjournment.

### 6. ADJOURNMENT

There being no further business, public comments, or concerns, the meeting was adjourned at 11:46 a.m.

Respectfully submitted,



Kirsten Snow Spalding  
Executive Director