

MINUTES

**California Pollution Control Financing Authority
915 Capitol Mall, Room 587
Sacramento, California
March 17, 2015**

1. CALL TO ORDER & ROLL CALL

Alan Gordon, Chairperson, called the California Pollution Control Financing Authority (CPCFA or Authority) meeting to order at 11:37 a.m.

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

Staff Present: René Webster-Hawkins, Executive Director

Quorum: The Chairperson declared a quorum

2. MINUTES

Mr. Gordon asked if there were any questions or comments concerning the meeting minutes from the meeting held February 17, 2015. There were none.

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

The item was passed by the following vote:

Alan Gordon for the State Treasurer	Aye
Anne Baker for the State Controller	Aye
Eraina Ortega for the Director of Finance	Aye

3. EXECUTIVE DIRECTOR'S REPORT

Ms. Webster-Hawkins reported on several bond related items that required action taken under her delegated authority. She approved a change in remarketing agent request for seven bond transactions including: A&M Farms Project, Series 2004; Boss Farms Project, Series 2001; Brolee Beef, LLC Project, Series 2001; JDS Ranch Project, Series 2003; Milk Time Dairy Farms Project, Series 2002; John B. and Ann M. Thereway Project, Series 2003; and Western Sky Project, Series 2001. The remarketing agent change is from WR Taylor to Raymond James & Associates. Ms. Webster-Hawkins signed this consent on February 20, 2015.

On February 19, 2015, Ms. Webster-Hawkins also used her delegated authority to waive a notice requirement regarding the conversion of outstanding Series 2005A bonds on behalf of Waste Management, Inc.

Waste Management, Inc. also submitted a request to appoint Bank of America Merrill Lynch as remarketing agent for the Series 2005A bonds. Ms. Webster-Hawkins signed that approved consent on March 13, 2015.

4. BUSINESS ITEMS

A. REQUEST FOR APPROVAL OF A RESOLUTION TO MODIFY REMARKETING RESTRICTIONS FOR CERTAIN BONDS

Presented by: John Weir, Associate Treasury Program Officer

Staff requested a modification to the remarketing restrictions for its 2005A Series bond issue as a result of the company's upgraded long-term credit rating of "A-". The company's rating at the time of issue was "BBB", which resulted in a stipulation that for a restricted period, the remarketing of the bonds must be limited to Qualified Institutional Buyers in minimum denominations of \$250,000 pursuant to the Authority's Bond Issuance Guidelines.

Under the Indenture, Waste Management, Inc. may request the Authority terminate the Restricted Period at any time and the Authority may consider this request if there is evidence the Bonds are rated "A-" or higher. It was in December of 2013 that Standard & Poor's (S&P) upgraded Waste Management's long-term credit rating to an "A-". The company anticipated that the bonds would be remarketed in April of this year with an "A-" rating as evidenced by a confirming rating letter by S&P.

Staff recommended approval of the request to modify the remarketing restrictions and to terminate the Restricted Period set forth in the Indenture for this issue based on the upgraded credit rating of Waste Management to "A-".

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

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

The item was passed by the following vote:

Alan Gordon for the State Treasurer	Aye
Anne Baker for the State Controller	Aye
Eraina Ortega for the Director of Finance	Aye

B. REQUEST FOR APPROVAL OF AMENDMENT TO THE INTERAGENCY AGREEMENT WITH THE CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT REGARDING THE CALREUSE PROGRAM TO IMPLEMENT PROVISIONS OF THE HOUSING AND EMERGENCY SHELTER TRUST FUND ACT (PROPOSITION 1C)

Presented by: Ethan Wieser, Associate Treasury Program Officer

Staff requested Authority approval to amend Interagency Agreement 07-1-016 (Agreement) between CPCFA and the California Department of Housing and Community Development (HCD).

The California Recycle Underutilized Sites (CALReUSE) Remediation Program was funded through the Housing and Emergency Shelter Trust Fund Act of 2006, and was administered in consultation with HCD through this Agreement.

The amendment extended the expiration date of the Agreement from June 30, 2015 to January 1, 2018; made available an additional \$1,356,403.64 to CPCFA from a repaid loan, and the reallocation of a portion of HCD's administrative funds; and also specified the liquidation dates associated with certain funds.

These provisions allowed the Agreement to remain consistent with recent statutory amendments, extending the encumbrance, and liquidation dates under the Act.

Staff recommended approval of the attached Resolution to authorize the Executive Director to execute the amended Interagency Agreement 07-1-016, extending the term through January 1, 2018, with the revised budget and liquidation dates as described.

Ms. Ortega questioned the allocation of funds.

Ms. Webster-Hawkins explained that CPCFA hopes to use the funds for project costs, but may use them for administrative costs if needed.

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

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

The item was passed by the following vote:

Alan Gordon for the State Treasurer	Aye
Anne Baker for the State Controller	Aye
Eraina Ortega for the Director of Finance	Aye

C. REQUEST TO APPROVE THE INTERAGENCY AGREEMENT WITH THE CALIFORNIA ENERGY COMMISSION TO ESTABLISH THE ELECTRIC VEHICLE CHARGING STATION FINANCING PROGRAM UNDER THE CALCAP INDEPENDENT CONTRIBUTOR PROGRAM

Presented by: Jason L. Bradley, Treasury Program Manager I

Staff introduced Larry Rillera of the California Energy Commission (Energy Commission).

Agenda Item 4.C. and Agenda Item 4.D. pertain to the establishment of the Electric Vehicle Charging Station (EVCS) Financing Program.

CPCFA and Energy Commission have been in discussions for well over a year to develop a financing mechanism to expand California's electric vehicle charging station infrastructure.

The EVCS Financing Program will be a loan loss reserve program with a rebate component. The program is targeted at small businesses that want to make charging stations available to their employees, customers, or the general public. The Energy Commission will be an Independent Contributor in CPCFA's California Capital Access Program (CalCAP), as authorized by Health and Safety Code Section 44559.2. Under the Interagency Agreement, the Energy Commission will transfer \$2,000,000 to the Authority from the Alternative and Renewable Fuel and Vehicle Technology Program to support the Authority's efforts in developing and administering the program.

CPCFA and Energy Commission staff have solicited public participation in the EVCS Financing Program development process. On November 7, 2014, CPCFA and the Energy Commission conducted a joint public workshop for the proposed EVCS Financing Program to solicit feedback from key stakeholders regarding the program's features. Stakeholders were asked to submit questions or comments within the following thirty days. The comments received were considered and incorporated into the program as appropriate.

The Energy Commission and CPCFA jointly propose the EVCS Financing Program as a loan loss reserve program with a rebate component. The base loan loss reserve contribution for all enrolled loans will be 20% of the enrolled loan amount. The program offers an incentive of an additional 10% loan loss reserve contribution for loans that support the installation of electric vehicle charging stations in multi-unit dwellings or in disadvantaged communities, bringing the maximum loan loss reserve contribution to 30% of the enrolled loan amount.

The Energy Commission has defined which types of charging equipment and related costs are eligible uses of proceeds of loans enrolled in the program. They also desire to expand the definition of "Small Business" to 1,000 employees, per Health and Safety Code section 44559.1(m). The program will also offer a rebate to each borrower who has made timely payments on its loan at the time the loan is paid off or 48 months after the loan is made, whichever comes first. The rebate will equal 50% of the loan loss reserve contribution made on the specific loan.

The proposed Interagency Agreement was approved at the Energy Commission's business meeting on March 11, 2015. Upon approval by the Authority, CPCFA and the Energy Commission shall execute the Agreement and submit it to the Department of General Services for approval. The term of the agreement was 6 years from the effective date.

Staff recommended approval of Item 4.C. to enter into an Interagency Agreement with the California Energy Commission to participate as an Independent Contributor in

CalCAP and to establish and fund the EVCS Financing Program in an amount not to exceed \$2,000,000.

Mr. Rillera appreciated the efforts of CPCFA staff in helping this program progress. He recommended support for this item.

Ms. Baker asked questions regarding interest in the program and program outreach.

Mr. Bradley reported that the EVCS Financing Program will reach more participants than traditional grant programs and the distribution of funds will much faster.

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

Mr. Gordon 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:

Alan Gordon for the State Treasurer	Aye
Anne Baker for the State Controller	Aye
Eraina Ortega for the Director of Finance	Aye

D. CONSIDERATION AND APPROVAL OF ADOPTION OF EMERGENCY REGULATIONS IMPLEMENTING THE ELECTRIC VEHICLE CHARGING STATION FINANCING PROGRAM PURSUANT TO THE INTERAGENCY AGREEMENT BETWEEN THE CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY AND THE CALIFORNIA ENERGY COMMISSION.

Presented by: Jason L. Bradley, Treasury Program Manager I

Mr. Bradley called the Board Members' attention to the Emergency Regulations process. Staff posted the five day public notice on March 11, 2015 and that five day comment period will end at close of business on March 18, 2015. Staff proposed that the Board approve item 4.D., then adjourn and continue the meeting at a time, date, and location agreed upon by the Board. Continuance would give the Board an opportunity to hear the public comment if received by staff during the public comment period. If public comment is not received, staff will cancel the Board Meeting continuance and accept the outcome of the Board's vote.

Ms. Ortega moved to approve the adoption of the Emergency Regulations, and to continue the meeting until Thursday, March 19, 2015 at 10:00 a.m. in Conference Room 470 if needed to hear any public comment that may be received before the end of the public comment period. There was a second.

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

The item as moved was passed by the following vote:

Alan Gordon for the State Treasurer	Aye
Anne Baker for the State Controller	Aye
Eraina Ortega for the Director of Finance	Aye

5. PUBLIC COMMENT

Mr. Gordon asked if there were any general comments from the public. There were none.

6. ADJOURNMENT

There being no further business at this time, nor public comments or concerns, the meeting was adjourned at 11:58 a.m. to be reconvened at 10:00 a.m. on Thursday, March 19, 2015 in Conference Room 470.

7. CANCELLATION

The continuance of the board meeting was cancelled on Wednesday, March 18, 2015 at 5:05 p.m. per the attached cancellation notice.

Respectfully submitted,

Originally signed by

Reneé Webster-Hawkins
Executive Director