

**CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY
BOND FINANCING PROGRAM
Meeting Date: September 19, 2017**

*Request to Approve Final Resolution Authorizing the Issuance of Revenue
Notes for New Money Purposes, Small Business Assistance Fund (SBAF)
Costs of Issuance Assistance and Tax-Exempt Volume Cap Allocation*

Prepared by: *Kris Luoma*

Applicant:	ABEC Holdco I, LLC, ABEC #3, LLC dba Lakeview Dairy Biogas, California Bioenergy LLC and/or Their Affiliates	Amount Requested:	\$1,373,000
		Application No.:	895(SB)
		Final Resolution No.:	564
		Prior Actions:	IR Approved September 20, 2016
Project Location:	City of Bakersfield (Kern County)		

Summary. ABEC Holdco I, LLC, ABEC #3, LLC dba Lakeview Dairy Biogas, California Bioenergy LLC and/or their Affiliates (collectively the “Company” or “ABEC”) request approval of a Final Resolution to issue revenue notes, Volume Cap Allocation for an amount not to exceed \$1,373,000 to finance the acquisition and construction of an anaerobic dairy digester and assistance from SBAF in an amount not to exceed \$151,968 for costs of issuance assistance.

Borrower. ABEC #3, LLC was organized in California in 2011. ABEC #3, LLC is solely owned by California Bioenergy LLC, which was organized in California in 2006. The Company has entered into a “Lease and Feed Stock Supply Agreement” with Lakeview Farms and Lakeview Farms Dairy, each a California General Partnership. The lease allows ABEC Holdco I, LLC, ABEC #3, LLC to build, own and operate an anaerobic digester facility on the Lakeview Farms and Lakeview Farms Dairy and to utilize the biogas for renewable electricity generation and to export excess electricity (after internal use in the digester) to Pacific Gas & Electric Company (PG&E). The lease requires Lakeview Farms and Lakeview Farms Dairy to supply its manure to the anaerobic digester and to receive back and dispose of the processed manure effluent from the digester. The Company is a small business and has approximately three employees.

The principal Owners of ABEC #3 dba Lakeview Dairy Biogas are as follows:

John Bidart	32.29%
Unigy Holdings LLC (N. Ross Buckenham)	26.79%
Go Ventures, LLC	25.54%
Neil Black	1.25%
MT-Energie USA, Inc.	9.16%
Various (less than 3% each)	4.97%
Total:	<u>100.00%</u>

Legal Status Questionnaire. The Staff has reviewed the Company's responses to the questions contained in the Legal Status Questionnaire portion of the Application. No information was disclosed in the Legal Status Questionnaire portion of the Application that raises questions concerning the financial viability or legal integrity of this applicant.

TEFRA. The TEFRA hearing was held on April 13, 2017. There were no comments received in support of or in opposition to this Project.

Fees. The Company has paid an application fee of \$1,500 and will pay an administrative fee of \$1,246 at closing.

SBAF Assistance. The Company is a small business eligible for assistance from the SBAF in an amount not to exceed \$151,968.

Prior Financings. None

Project Description. The Company will utilize note proceeds to finance the acquisition and construction of an anaerobic digester which will convert waste cow manure into biogas. The biogas will be stored under an inflatable cover located over lagoons and converted into renewable electricity that will be exported and sold to PG&E. The lease requires Lakeview Farms and Lakeview Farms Dairy to supply its manure to the anaerobic digester and to receive back and dispose of the processed manure effluent from the digester. In the future, the biogas may be upgraded to bio-methane and used as a fuel or for pipeline injection.

ABEC #3, LLC entered into a design/build contract on August 25, 2016 for the construction of the Lakeview Dairy Digester, which is a double-cell covered lagoon digester. The Company will use \$1,345,540 from note proceeds for reimbursement of qualifying costs incurred under the contract by the Company within the time period required by the Internal Revenue Service (which is 60 days prior to the date the CPCFA Initial Resolution was passed or September 20, 2016).

The Company has entered into two additional contracts to cover the conversion of solid waste to a valuable product used for crop fertilization and for the production of electricity that will be sold to Pacific Gas and Electric Company. None of the costs incurred in the production of fertilizer or electricity may be financed with CPCFA note proceeds.

The anticipated project and issuance costs are listed below:

Site Preparation	\$35,000
Construction of New Facilities	\$1,215,000
Engineering/Architecture	\$95,540
Note Issuance Expenses	<u>\$27,460</u>
Total	<u>\$1,373,000</u>

Note: The project costs reported in the Borrower's application and shown here in staff's report are estimated costs. At the time this financing closes, the estimated project costs will be finalized and stated in the Tax Certificate. Variations from the costs shown in the application and in this report may occur prior to the closing due to increased costs of certain components of the project from original estimates, and other reasons. In addition, such costs may

Agenda Item 4.C.3

vary after closing due also to increased costs, as well as common design and equipment modifications during construction, differences in equipment due to future changes in law or regulation or for other reasons. However, the Borrower confirms, through submission of a signed application and will confirm through covenants and representations in various bond documents, that all assets purchased with bond proceeds will qualify for tax exempt financing, that they will be used to complete the project as described, and that the average life tests required by federal law and described in the Tax Certificate will continue to be met. Tax-exempt financing may be only one source out of multiple sources of financing for a given project.

Anticipated Project Timeline. The construction and installation of the anaerobic digester is expected to be completed at the beginning of October, 2017 with the facility coming on line on the same date.

Local Government. The Company has received letters of support from Rudy Salas, Jr., Assembly Member, 32nd Assembly District (Attachments A and B); Jean Fuller, Senator Sixteenth District (Attachment C), Seyed Sadredin, Executive Director/APCO for the San Joaquin Valley Air Pollution Control District (Attachment D).

Pollution Control and/or Environmental Benefits. The Company represents the project will generate the pollution control and environmental benefits described below.

Air Quality. The improvements to the digester facility will reduce methane, hydrogen sulfide and odor emissions.

Water Quality. The digester is a Tier 1 double lined containment system that is designed to prevent the leakage of water containing manure

Energy Efficiency. Methane captured by the digester will be used to generate electricity which will be used to power the project, with the excess electricity created sold to the local utility company.

Recycling of Commodities. 100% of the digested water contaminated by manure will be recycled back to the dairy for use as fertilizer for dairy feed crops.

Safety and Compliance. The project will be operated in compliance with the Air Resources Board, the Regional Water Quality Control Board and with other permits and will have a written safety plan to be followed by system operators.

Jobs. Upon completion, the facility will require three new employees. During the construction period, the Company will contract with an additional 23 employees.

Taxes Revenues. The Company anticipates that the following approximate tax revenues will be generated by the project:

Payroll Taxes, State and Federal -	\$39,000 annually
Personal & Property Taxes -	\$40,000 annually
Sales Tax -	\$50,000 (one time)

Permitting and Environmental Approvals.

- The Planning and Community Development Department of Kern County has completed its review and has determined that the proposed project design is consistent with the criteria specified in the County’s ordinance, zoning approval for building permits to implement such a development. Section 19.12.020.E stipulates that the proposed use is “permitted” use in the “A” district. As such, the type of facilities are a “ministerial” use with regards to the County’s area of jurisdiction (i.e., land use approval and issuance of building permits).
- The San Joaquin Valley Air Pollution Control District has performed engineering evaluations for the project. Based upon the Districts review, the project involves negligible expansion of the existing use, and the activity is not expected to have a significant impact on the environment. Therefore, the activity is categorically exempt from the provisions of California Environmental Quality Act of 1970 (CEQA) pursuant to CEQA Guideline 15031 (Existing Facilities).
- The San Joaquin Valley Air Pollution Control District has issued to ABEC #3 LLC dba Lakeview Dairy Biogas an “Authority to Construct” a anaerobic digester system consisting of a covered lagoon anaerobic digester cell(s) with pressure/vacuum valve(s) and an air injection system for control of hydrogen sulphides (H₂s).

Financing Details. The Company anticipates a direct purchase of negotiated, fixed rate tax-exempt notes by Caterpillar Financial Services Corporation which is an Institutional Accredited Investor as defined in paragraph (1), (2) or (3) of subsection (a) of Section 501 of Regulation D promulgated under the Securities Act of 1933, as amended (an Institutional Accredited Investor). Subsequent to the initial issuance of such notes, such notes may only be redeemed or otherwise transferred, in minimum denominations of \$250,000 or any integral multiple of \$5,000 in excess thereof. Additionally, such notes will have a restriction on transfer to QIBs or other Institutional Accredited Investors and require an investor letter. The target date for financing is October 10, 2017.

Financing Team.

- Placement Agent:** The Frazer Lanier Company
- Note Counsel:** Law Offices of Leslie M. Lava
- Issuer’s Counsel:** Office of the Attorney General
- Trustee:** The Bank of New York Mellon Trust Company, N.A.
- Note Purchaser:** Caterpillar Financial Services Corporation

Staff Recommendation. Staff recommends approval of Final Resolution No. 564 and Volume Cap Allocation Resolution No.14-147-09 for an amount not to exceed \$1,373,000, and a SBAF Resolution in an amount not to exceed \$151,968 for ABEC Holdco I, LLC, ABEC #3, LLC dba Lakeview Dairy Biogas, California Bioenergy LLC and/or their Affiliates.

Attachment A

STATE CAPITOL
P.O. BOX 942849
SACRAMENTO, CA 94249-0032
(916) 319-2032
FAX (916) 319-2132

Assembly
California Legislature



RUDY SALAS, JR.
ASSEMBLYMEMBER, THIRTY-SECOND DISTRICT

WestStarNorthDairy_7912

COMMITTEES
ACCOUNTABILITY AND
ADMINISTRATIVE REVIEW
GOVERNMENTAL ORGANIZATION
VETERANS AFFAIRS

SELECT COMMITTEES
CHAIR, REGIONAL APPROACHES
TO ADDRESSING THE STATE'S
WATER CRISIS
CHAIR, WORKFORCE AND
VOCATIONAL DEVELOPMENT IN
CALIFORNIA
CALIFORNIA'S HIGH TECHNOLOGY
COMMUNITY COLLEGES
PRIVACY

February 17, 2015

Honorable Karen Ross
Secretary, California Department of Food and Agriculture
1220 N Street
Sacramento, CA 95814

RE: CDFA Dairy Digester Research and Development Program

Dear Secretary Ross:

I am writing to express my support for California Bioenergy LLC (CalBio) in its role as project developer on multiple submissions to the California Department of Food and Agriculture's *Dairy Digester Research and Development Program*. CalBio, a dairy biogas developer, has built partnerships with a number of the largest and most innovative dairy farms in the 32nd Assembly district, which I represent. Together, these project teams are seeking grant funding to construct four double-lined lagoon digester projects in California's Central Valley. CalBio has assembled a team proven in developing California dairy digesters bringing together each of the following projects to enhance industry knowledge:

- Carlos Echevarria & Sons Dairy Biogas Project
- Lakeview Farms Dairy Biogas
- Stockdale Dairy Biogas
- West Star North Dairy Biogas Project

These projects are CEQA and shovel-ready and will support economic development and job creation in some of California's most disadvantaged communities. CalBio deploys a proven team and, as a result of the concentrated geography, the projects will bring economies of scale to their operations and management.

For all of the foregoing reasons, I strongly support the proposed projects. This groundbreaking effort is a unique opportunity to dramatically accelerate the commercialization of dairy digester technology in California. If you have any questions regarding my support, please do not hesitate to contact me at (916) 329-3032.

Sincerely,

RUDY SALAS
Assemblymember, 32nd AD

RS/tm

DISTRICT OFFICE: KERN COUNTY DISTRICT 1430 TRUXTUN AVENUE, SUITE 803 • BAKERSFIELD, CA 93301 • (661) 335-0302 • FAX (661) 335-0361
KINGS COUNTY DISTRICT 113 COURT STREET, SUITE 201 • HANFORD, CA 93230 • (559) 585-7170 • FAX (559) 585-7175



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Attachment B

STATE CAPITOL
P.O. BOX 942849
SACRAMENTO, CA 94249-0032
(916) 319-2032
FAX (916) 319-2132

Assembly
California Legislature



RUDY SALAS, JR.
ASSEMBLYMEMBER, THIRTY-SECOND DISTRICT

COMMITTEES
CHAIR: ACCOUNTABILITY AND
ADMINISTRATIVE REVIEW
AGRICULTURE
GOVERNMENTAL ORGANIZATION
VETERANS AFFAIRS

SELECT COMMITTEES
CHAIR: REGIONAL APPROACHES TO
ADDRESSING THE STATE'S WATER CRISIS
CHAIR: WORKFORCE AND VOCATIONAL
DEVELOPMENT IN CALIFORNIA
CYBERSECURITY
DIGITAL DIVIDE IN RURAL CALIFORNIA
EXPANDING ACCESS TO CALIFORNIA'S
NATURAL RESOURCES
LOCAL EMERGENCY PREPAREDNESS
RAIL
WASTE REDUCTION AND RECYCLING IN THE
21ST CENTURY CALIFORNIA

September 29, 2016

Ms. Renee Webster-Hawkins
Executive Director
California Pollution Control Financing Authority
801 Capitol Mall, room 150
Sacramento, CA 95814

RE: CDFA Dairy Digester Research and Development Program

Dear Ms. Webster-Hawkins,

I am writing to express my support for California Bioenergy LLC (CalBio) in its role as project developer on multiple submissions to the California Pollution Control Financing Authority. CalBio, a dairy biogas developer, has built partnerships with a number of the largest and most innovative dairy farms in the 32nd Assembly district, which I represent. CalBio has assembled a team proven in developing California dairy digesters bringing together each of the following projects to enhance industry knowledge:

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- Lakeview Farms Dairy Biogas
- West Star North Dairy Biogas Project

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For all of the foregoing reasons, I strongly support the proposed projects. This groundbreaking effort is a unique opportunity to dramatically accelerate the commercialization of dairy digester technology in California. If you have any questions regarding my support, please do not hesitate to contact me at (916) 319-2032.

Sincerely,

RUDY SALAS
Assemblymember, 32nd AD

RS/im

DISTRICT OFFICE: KERN COUNTY DISTRICT 1430 TRUXTUN AVENUE, SUITE 803 • BAKERSFIELD, CA 93301 • (661) 335-0302 • FAX (661) 335-0361
KINGS COUNTY DISTRICT 113 COURT STREET, SUITE 201 • HANFORD, CA 93230 • (559) 585-7170 • FAX (559) 585-7175



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Attachment C

LEGISLATIVE CAUCUSES:
 AVIATION CAUCUS
 CHAIR
 OUTDOOR SPORTING CAUCUS
 CO-CHAIR
 INLAND SOUTHERN
 CALIFORNIA CAUCUS
 RURAL CAUCUS
 VALLEY CAUCUS
 WOMEN'S CAUCUS
 BOARDS:
 WILDLIFE CONSERVATION
 BOARD
 STATE ALLOCATION BOARD

California State Senate



JEAN FULLER
 SENATOR, SIXTEENTH DISTRICT

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 STANDING COMMITTEES:
 RULES
 VICE CHAIR
 ENERGY, UTILITIES &
 COMMUNICATIONS
 VICE CHAIR
 PUBLIC EMPLOYMENT
 RETIREMENT SYSTEM
 NATURAL RESOURCES &
 WATER
 SELECT COMMITTEES:
 AUTISM & RELATED
 DISORDERS
 CALIFORNIA PORTS &
 GOODS MOVEMENT
 CLIMATE CHANGE & AB 32
 IMPLEMENTATION
 DEFENSE & AEROSPACE
 EMERGING TECHNOLOGY,
 BIOTECHNOLOGY & GREEN
 ENERGY JOBS
 THE SACRAMENTO-
 SAN JOAQUIN DELTA
 SUBCOMMITTEES:
 ENERGY, UTILITIES &
 COMMUNICATIONS:
 SUBCOMMITTEE ON GAS &
 ELECTRIC INFRASTRUCTURE
 SAFETY
 JOINT COMMITTEES:
 LEGISLATIVE AUDIT
 RULES
 BUDGET

February 17th, 2015

Honorable Karen Ross
 Secretary, California Department of Food and Agriculture
 1220 N Street
 Sacramento, CA 95814

RE: CDFA Dairy Digester Research and Development Program

Dear Secretary Ross:

As the California Department of Food and Agriculture continues its review of Dairy Digester Research and Development Program, I wanted to communicate my support of California Bioenergy LLC (CalBio) in its role as a project developer. CalBio, a dairy biogas developer, has built partnerships with a number of the largest and most innovative dairy farms in my district. Together, these project teams are seeking grant funding to construct four shovel-ready, double-lined lagoon digester projects in California's Central Valley. CalBio has assembled a team proven in developing California dairy digesters and each project will also enhance industry knowledge:

Carlos Echevarria & Sons Dairy Biogas Project, in Bakersfield, will produce approximately 7.6 million kWh per year of electricity with planned export to PG&E. In addition, the project will demonstrate a Combined Heat and Power (CHP) system that will use engine waste heat, via an absorption chiller, to cool milk.

Lakeview Farms Dairy Biogas, in Bakersfield, located roughly eight miles from the Carlos Echevarria & Sons Dairy, will convert an estimated 785,120 pounds of manure per day into approximately 6.7 million kWh per year of electricity exported to PG&E. It will also help anchor a planned centralized Renewable Compressed Natural Gas (RCNG) facility that will serve a cluster of Bakersfield dairies, integrating electricity generation and fuel production into a stronger financial and environmental offering.

Stockdale Dairy Biogas is a defunct dairy digester facility in Bakersfield, California that currently vents 60,000 scf per day of renewable biogas. This project will restore functionality to the digester by replacing the failed generator with a 600-kW engine to export 1.1 to 1.6 million kWh of renewable electricity per year to PG&E. This facility is a "super peaker" plant that will store

CAPITOL OFFICE: STATE CAPITOL, ROOM 3063 • SACRAMENTO, CA 95814 • TEL (916) 651-4018 • FAX (916) 651-4918
 DISTRICT OFFICE: 5701 TRUXTUN AVE., SUITE 150 • BAKERSFIELD, CA 93309 • TEL (661) 323-0643 • FAX (661) 323-0440
 SENATOR.FULLER@SEN.CA.GOV

WestStarNorthDairy_7912

biogas under its expandable digester cover. It will then concentrate electricity production based on when it is needed by the grid, reflecting the Time of Delivery schedule.

West Star North Dairy Biogas Project, in nearby Buttonwillow, will export an estimated 7.6 million kWh per year of electricity to PG&E. The facility will demonstrate a double-cell lagoon digester specially designed to prepare the facility for co-digestion. In addition, the project is being designed to compete in the utilities' 2016 AB2514 energy storage solicitations, turning dairy biogas into an asset to complement intermittent solar and wind.

These projects are CEQA- and shovel-ready and will support economic development and job creation in some of California's most disadvantaged communities. CalBio deploys a proven team and, as a result of the concentrated geography, the projects will bring economies of scale to the operations and management. The four projects additionally provide nutrient-rich irrigation water in an improved plant-absorbable form and virtually eliminate methane emissions, converting waste to renewable energy.

I strongly encourage CDFA's support of CalBio and these proposed projects. This groundbreaking effort is a unique opportunity to dramatically accelerate the commercialization of dairy digester technology in California. If you have any questions at all about my support for this project, please contact me.

Sincerely,



Jean Fuller
California State Senate
16th District

JF:jaf

Attachment D



November 5, 2014

Robert B. Weisenmiller, Ph.D.
California Energy Commission
1516 Ninth Street, 1st Floor
Sacramento, California 95814

**RE: Demonstrating Bioenergy Solutions That Support California's Industries,
the Environment, and the Grid (PON-14-305)**

Dear Dr. Weisenmiller,

The challenges faced by the San Joaquin Valley with respect to air quality are unmatched by any other region in the state of California. The Valley's topography, climate, geography, and the presence of two major transportation corridors connecting Northern and Southern California all contribute to the region's air quality problem. A number of Valley communities are highly impacted by both pollution burden and socioeconomic challenges. In fact, 23 out of the top 30 California disadvantaged communities identified through the newly released version of CalEnviroScreen are located in the San Joaquin Valley. These communities lack the resources necessary to effectively compete for state resources and as such have not received the amount of state investment as wealthier more urban areas have. In order to meet attainment of increasingly stringent federal and state air quality standards the San Joaquin Valley Air Pollution Control District (District) has developed a Technology Advancement Program to identify, support, and fund advances in technologies necessary to help meet these important health based standards.

The District understands California Bioenergy LLC (CalBio), the project developer of Lakeview Farms Dairy Biogas (Lakeview Project), is proposing an innovative solution to the use of dairy biogas under PON-14-305. As a hybrid of electricity generation with biogas to fuel, the Lakeview Project has the opportunity to demonstrate an important option for dairy biogas. The District considers the use of biogas as a renewable vehicle fuel one of the best uses of the gas from an air quality perspective, and are pleased to learn that CalBio is proposing to use 25 to 33 percent of the biogas produced by the Lakeview Project as fuel.

Seyed Sadredin
Executive Director/Air Pollution Control Officer

Northern Region
4800 Enterprise Way
Madesto, CA 95358-8718
Tel: (209) 667-8400 FAX: (209) 667-8475

Central Region (Main Office)
1990 E. Gattysburg Avenue
Fresno, CA 93728-0244
Tel: (559) 230-6000 FAX: (559) 230-8061

Southern Region
34946 Flyover Court
Bakersfield, CA 93308-8726
Tel: 801-392-5600 FAX: 801-392-5666

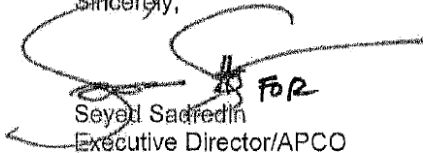
www.valleyair.org www.healthyairliving.com

Robert B. Weisenmiller, Ph.D.
Demonstrating Bioenergy Solutions That Support California's Industries, the Environment, and the Grid
(PON-14-305)
November 5, 2014
Page 2 of 2

As the leading agricultural region in the country, a significant potential for biogas production will necessitate technological advancements to ensure that the capture and use of that potential does not hinder the District's efforts to attain important health based air quality standards. One California Energy Commission (CEC) publication estimates a potential generation of 450 MW of electricity from dairy digesters in the Valley. Even when using the Best Available Control Technology (BACT) for electricity generation the result would be an increase of approximately 2.7 tons of NO_x emissions per day. If such growth in electricity production from dairy digesters were to occur it would offset many other investments made by Valley residents and businesses to reduce those emissions, and potentially delay attainment of national ambient air quality standards and the concomitant health benefits from attaining these standards. The District strongly supports projects and technologies that provide alternative options for the use of biogas that prevent the emissions from electric power production.

The Lakeview project provides an opportunity to advance this hybrid electricity/fuel design since it is in a cluster of large dairies, and multiple dairies provide the economies of scale potentially needed to implement large scale biogas projects. It is also our understanding that CalBio has advanced the conversation with California Dairies, Inc., the largest California dairy coop, who work with milk truckers, the planned vehicle fuel users. A site along the I-5 is also being made available to the project by one of the CalBio partners. In addition to the avoided emissions from electricity generation, the replacement of diesel trucks with renewable natural gas powered trucks will reduce toxic diesel particulate matter and NO_x, much of which occur in disadvantaged communities. The proposed project will demonstrate an important, cleaner option than electricity generation and encourage cleaner freight, thus the District strongly supports its selection for this funding opportunity.

Sincerely,



FOR
Seyed Sadredin
Executive Director/APCO

**Final Resolution No. 564
Application No. 895(SB)**

**FINAL RESOLUTION OF THE
CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY
AUTHORIZING THE ISSUANCE OF REVENUE NOTES FOR
NEW MONEY PURPOSES FOR THE
SOLID WASTE DISPOSAL FACILITIES AND EQUIPMENT
OF ABEC HOLDCO I, LLC AND/OR ITS AFFILIATES**

September 19, 2017

WHEREAS, the California Pollution Control Financing Authority (the “Authority”) has received the application of ABEC Holdco I, LLC (the “Borrower”) for financial assistance to finance or refinance the acquisition, construction and/or installation of facilities and equipment for a dairy manure digester and renewable energy facility, located at 17702 Bear Mountain Blvd., Bakersfield, Kern County, California, all as more particularly described in the Term Sheet attached hereto as Exhibit A and incorporated herein (the “Term Sheet”) (collectively, the “Project”); and

WHEREAS, the Borrower has requested the Authority to issue its revenue notes from time to time in an amount not to exceed \$1,373,000 to assist in the financing or refinancing of the Project; and

WHEREAS, the proceeds of such revenue notes will be loaned to the Borrower under the hereinafter referred loan agreement with the Authority; and

WHEREAS, final approval of the terms of such revenue notes and certain documents relating to such revenue notes is now sought; and

WHEREAS, the Borrower has provided documentation to the Authority demonstrating that the Project has complied with Division 13 (commencing with Section 21000) of the Public Resources Code, or is not a project under that division;

NOW, THEREFORE, BE IT RESOLVED by the California Pollution Control Financing Authority, as follows:

Section 1. The Project constitutes a “project” and the Borrower is a “participating party” within the meaning of the California Pollution Control Financing Authority Act (the “Act”).

Section 2. Pursuant to the Act, revenue obligations of the Authority, designated as the “California Pollution Control Financing Authority Solid Waste Disposal Revenue Notes (ABEC Holdco I, LLC Project) Series 2017” (the “Notes”), or such alternate designation as may be approved by the Executive Director of the Authority, in an aggregate principal amount not to

exceed \$1,373,000, are hereby authorized to be issued. The Notes may be issued at one time, or from time to time, in one or more series or sub-series separately or differently identified, and may be issued in a tax-exempt mode, all in accordance with the Indenture (as hereinafter defined) as finally executed. The proceeds of the Notes shall be used to make a loan to the Borrower to finance or refinance the Project (including without limitation, reimbursing the Borrower for qualifying costs incurred for the Project prior to the issuance of the Notes) and to pay certain costs of issuance of the Notes.

Section 3. The Treasurer of the State of California (the “Treasurer”) is hereby authorized to sell the Notes, at one time or from time to time on or before December 31, 2017, by negotiated sale, at such price and at such interest rate or rates as he may determine, such determination to be as set forth in the hereinafter referred to Purchase Contract. Delivery of the Notes at such times to be determined by the Authority pursuant to documents approved in Section 4 hereof, is hereby approved.

Section 4. The following documents:

(i) a loan agreement relating to the Notes (the “Loan Agreement”) between the Authority and the Borrower;

(ii) an indenture relating to the Notes (the “Indenture”) between the Authority and the trustee named in the Term Sheet (the “Trustee”); and

(iii) a note purchase contract relating to the Notes (the “Purchase Contract”) among the Authority, the Treasurer of the State of California, as agent for sale, and the lender named in the Term Sheet, as purchaser (the “Purchaser”), and as approved by the Borrower;

are hereby approved in substantially the forms on file with the Authority prior to this meeting, with such insertions, deletions or changes therein in substantial conformance with the Term Sheet as the officer(s) executing and/or delivering the same may require or approve, such approval to be conclusively evidenced by execution and delivery thereof.

Section 5. The Authority understands and agrees that pursuant to the terms of the Loan Agreement, the obligations of the Borrower may, under some circumstances, be carried out or assumed by a successor or assignee entity, or by an Affiliate of the Borrower. For purposes of this Resolution, an “Affiliate” of the Borrower means any person or entity which meets the definition of “Participating Party” in the Act and controls, is controlled by, or is under common control with, the Borrower, as shown by the possession, directly or indirectly, of the power to direct or cause the direction of its management or policies, whether through majority equity ownership, contract or otherwise.

Section 6. The dates, maturity dates, interest rate or rates, interest payment dates, denominations, forms, registration privileges, place or places of payment, terms of redemption and other terms of the Notes shall be as provided in the Indenture, as finally executed.

Section 7. The Notes shall be executed by the manual or facsimile signature of the Chairman or any Deputy to the Chairman and the seal of the Authority shall be affixed thereon (or a facsimile reproduced thereon) in the form set forth in and otherwise in accordance with the Indenture. The Notes, when executed, shall be delivered to the Trustee under the Indenture for authentication by the Trustee. The Trustee is hereby requested and directed to authenticate the Notes by executing the Trustee's certificate of authentication appearing thereon. The Trustee is hereby requested and directed to deliver the Notes, when duly executed and authenticated, to the Purchasers in accordance with written instructions executed on behalf of the Authority, which instructions are hereby approved. Such instructions shall provide for the delivery of the Notes to the Purchasers upon payment of the purchase price thereof.

Section 8. The Authority hereby dedicates and confirms its allocation to the Notes of \$1,373,000 of a portion of its private activity bond limit, as previously received, carried forward or to be received from the California Debt Limit Allocation Committee, to finance or refinance certain costs of the Project and to pay certain costs of issuance of the Notes, so as to satisfy the requirements of Section 146(e) of the Internal Revenue Code of 1986, with respect to the Notes.

Section 9. Each officer of the Authority, acting alone, is hereby authorized and directed, to do any and all ministerial acts that the officer may deem necessary or advisable in order to consummate the issuance, sale or delivery of the Notes, and otherwise to effectuate the purposes of this Resolution and the Indenture, the Loan Agreement and the Purchase Contract. The Authority hereby approves any and all documents to be delivered in furtherance of the foregoing purposes, including without limitation, any certifications, including, a tax certificate.

Section 10. The provisions of the resolution of the Authority entitled "Resolution of the California Pollution Control Financing Authority Delegating Certain Powers and Authorizing Certain Actions Related to Bond Financings" adopted by the Authority on January 19, 2016, apply to the documents and actions approved in this Resolution, and the provisions of such resolution are incorporated herein by reference.

Section 11. The Authority hereby approves and ratifies each and every action taken by its officers, agents, members and employees prior to the date hereof in furtherance of the purposes of this Resolution.

Section 12. This Resolution shall take effect immediately upon its passage. The adoption by the Authority of this final resolution for the Borrower shall not be referred to in any application before any government agency as evidence of the feasibility, practicality or suitability of the Project or in any application for any required permission or authority to construct or operate the Project.

EXHIBIT A

TERM SHEET

Name of Issue: California Pollution Control Financing Authority Solid Waste Disposal Revenue Notes (ABEC #3, LLC Project) Series 2017 (the “Notes”)

Maximum Amount of Issue: \$1,373,000 (tax-exempt)

Issuer: California Pollution Control Financing Authority (the “Authority”) Sacramento, California

Borrower: ABEC Holdco I, LLC Sacramento, California

Purchaser: Caterpillar Financial Services Corporation Nashville, Tennessee

Note Counsel: Leslie M. Lava, Esq. Tiburon, California

Trustee: The Bank of New York Mellon Trust Company, N.A. Birmingham, Alabama

Underwriter: Not applicable

Remarketing Agent: Not applicable

Project: Finance or refinance the acquisition, construction and/or installation of facilities and equipment for a dairy manure digester and renewable energy facility, located at 17702 Bear Mountain Blvd., Bakersfield, Kern County, California.

Maximum Note Term: Not to exceed 21 years

Type of Sale: Negotiated sale; direct purchase by Purchaser

Agenda Item 4.C.3

Description of Minimum Denominations:	\$250,000 or any integral multiple of \$5,000 in excess thereof subsequent to the initial issuance of notes.
Financing Structure:	Fixed rate notes; transferrable by Purchaser to either an affiliate of the Purchaser or, upon delivery of a letter of representation, a “Qualified Institutional Buyer”, as defined in Rule 144A of the Securities Act of 1933, as amended (the “Securities Act”), or an Institutional Accredited Investor as defined in paragraphs (1) through (3) of subsection (a) of Section 501 of Regulation D promulgated under the Securities Act
Maximum Interest Rate:	Lesser of 12% or the maximum rate permitted by law
Letter of Credit:	Not applicable
Other Credit Enhancement:	Not applicable
Anticipated Note Rating:	Unrated
Type of Financing:	Solid waste disposal revenue notes
Prepared by:	Leslie M. Lava, Esq. Law Offices of Leslie M. Lava (415) 331-6464

**RESOLUTION OF THE CALIFORNIA
POLLUTION CONTROL FINANCING AUTHORITY
RELATING TO ASSISTANCE FROM THE SMALL
BUSINESS ASSISTANCE FUND FOR
ABEC HOLDCO I, LLC
AND/OR ITS AFFILIATES**

September 19, 2017

WHEREAS, the California Pollution Control Financing Authority (the “Authority”) has approved the application of ABEC Holdco I, LLC (the “Borrower”), for financial assistance to finance or refinance the acquisition, construction and/or installation of facilities and equipment for a dairy manure digester and renewable energy facility, located at 17702 Bear Mountain Blvd., Bakersfield, Kern County, California, as more particularly described in Application No. 895(SB) of the Borrower (the “Project”) and has adopted its Resolution No. 564 (the “Final Resolution”) authorizing the issuance of revenue notes to provide such financial assistance; and

WHEREAS, the Authority has established the Small Business Assistance Fund (the “Fund”) to assist small businesses to obtain pollution control financing through the issuance of tax-exempt revenue bonds or notes (the “Notes”); and

WHEREAS, the Authority has received and accepted an application from the Borrower for assistance from the Fund; and

WHEREAS, Borrower is a “Small Business” as classified pursuant to Title 13 Code of Federal Regulations, Part 121, Subpart A (1-1-94 Edition) or it has 500 employees or less, and is otherwise eligible for assistance from the Fund; and

WHEREAS, the Project constitutes a “project” within the meaning of the California Pollution Control Financing Authority Act; and

WHEREAS, the Borrower has demonstrated a financial capability to make loan payments to the satisfaction of the purchaser of the Notes, as named in the Final Resolution; and

WHEREAS, authorization of assistance from the Fund is now sought;

NOW, THEREFORE, BE IT RESOLVED by the California Pollution Control Financing Authority, as follows:

Section 1. The Authority hereby authorizes and approves up to \$151,968 of assistance from the Fund to the Borrower to be used for payment of certain costs of issuance of the Notes. The actual amount of assistance shall be determined by the Executive Director of the Authority based upon the final terms of the sale of the Notes and based on the financing amount eligible for allocation of volume cap pursuant to California Code of Regulations, Title 4, Section 8042(c).

Section 2. The Executive Director of the Authority is hereby authorized and directed to do any and all ministerial acts and to execute and deliver a contract for financial assistance with the Borrower in conformance with the terms of this resolution, which he or she may deem necessary or advisable in order to provide the assistance from the Fund and otherwise to effect the purposes of this resolution.

Section 3. This resolution shall take effect immediately upon adoption hereof. The adoption by the Authority of this resolution for the Borrower shall not be referred to in any application before any government agency as evidence of the feasibility, practicality or suitability of the Project or in any application for any required permission or authority to construct or operate the Project.

THE CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY

RESOLUTION NO. 14-147-09

**A RESOLUTION TRANSFERRING A PORTION OF THE 2014 STATE CEILING
ON QUALIFIED PRIVATE ACTIVITY BONDS FOR AN
EXEMPT FACILITY PROJECT**

WHEREAS, the California Pollution Control Financing Authority (the “Authority”) has received an application (“Application”) from the ABEC Holdco I, LLC (“Project Sponsor”) for the dedication of a portion of the 2014 State Ceiling on Qualified Private Activity Bonds under Section 146 of the Internal Revenue Code of 1986, as amended, to finance a Project through the issuance of bonds or other obligations as specifically described in Exhibit A (“Project”) (capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Regulations of the California Debt Limit Allocation Committee (the “Committee”) implementing the Allocation of the State Ceiling on Qualified Private Activity Bonds);

WHEREAS, the Project Sponsor has represented and confirmed in its Application certain facts and information concerning the Project;

WHEREAS, in evaluating the Project and dedicating a portion of the State Ceiling on Qualified Private Activity Bonds to the Project Sponsor for the benefit of the Project, the Authority has relied upon the written facts and information represented in the Application by the Project Sponsor; and

WHEREAS, it is appropriate for the Authority to dedicate a portion of the 2014 State Ceiling on Qualified Private Activity Bonds in order to benefit such Project described in the Application;

NOW, THEREFORE, the California Pollution Control Financing Authority resolves as follows:

Section 1. There is hereby dedicated to the Project Sponsor an amount of the 2014 State Ceiling on Qualified Private Activity Bonds equal to **\$1,373,000** (“Allocation”). Such Allocation may be used only in connection with the issuance of bonds or other obligations to finance the Project, as specifically described in Exhibit A. All of the terms and conditions of Exhibit A are incorporated herein as though set forth in full (this resolution, together with Exhibit A are hereafter referred to collectively as this “Resolution”).

Section 2. The terms and conditions of this Resolution shall be incorporated in appropriate documents relating to the Bonds. The Project Sponsor, and all of its respective successors and assignees, will be bound by such terms and conditions. The Project shall be subject to the monitoring provisions of section 5144 of the Committee’s Regulations.

Section 3. The Allocation must be used within ninety (90) days from the date of this Resolution. The Committee may grant an extension of up to ninety (90) days. However, the extension will result in a forfeiture of the Project’s performance deposit.

Section 4. Within twenty-four (24) hours of using the Allocation to issue Qualified Private Activity Bonds to finance the Project, the Authority shall notify the Committee at CDLAC@treasurer.ca.gov that the Allocation has been used. This notice shall identify the Project Sponsor, the project, the date the Allocation was used, and the Allocation amount.

Section 5. Within fifteen (15) calendar days of the Bond closing, the Authority shall formally transmit to the Committee information regarding the issuance of the Bonds by submitting a completed Report of Action Taken in a form prescribed by and made available by the Committee.

Section 6. Any differences between the amount of Bonds issued and the amount of the Allocation in Section 1 of this Resolution shall automatically revert to the Authority.

Section 7. Authority staff is authorized and directed to transmit a copy of this Resolution to the Project Sponsor together with a request that the Project Sponsor retain a copy of this Resolution for the term of the Bonds. Authority staff is further directed to retain a copy of this Resolution in the files of the Authority for the same period of time.

Section 8. In consideration of the Allocation dedicated to the Project, the Project Sponsor shall comply with all of the terms and conditions contained in this Resolution and ensure that these terms and conditions are included in the documents related to the Bonds. Further, the Project Sponsor expressly agrees that the terms and conditions of this Resolution may be enforced by the Authority or the Committee through an action for specific performance or any other available remedy, provided however, that the Authority and the Committee agree not to take such action or enforce any such remedy that would be materially adverse to the Bondholders. In addition, the Project Sponsor shall ensure that the Bond documents, as appropriate, expressly provide that the Committee is a third party beneficiary of the terms and conditions set forth in this Resolution. The Committee may consent to changes in the terms and conditions set forth in this Resolution as changed circumstances may dictate.

Section 9. The Certification of Compliance II or equivalent form must be submitted by the Project Sponsor to the Authority by February 1, but no later than March 1st annually until the project's Certificate of Completion has been submitted to the Authority. The Authority is responsible for reporting to CDLAC by March 1 annually via the Online Compliance System until project completion. A copy of the Certification of Compliance II and Certificate of Completion form may be found at this website location: <http://www.treasurer.ca.gov/cdlac>. Failure to submit compliance may result in disqualification from future program participation.

Section 10. This Resolution shall take effect immediately upon its adoption.

RESOLUTION NO. 14-147-09
(EXEMPT FACILITY PROJECT)
EXHIBIT A

1. Application No.: 895(SB)
2. Project Sponsor ABEC Holdco I, LLC
3. Project User: ABEC #3, LLC dba Lakeview Dairy Biogas
4. Project Name: ABEC #3, LLC
5. Location: 17702 Bear Mountain Boulevard, Bakersfield, CA 93311
6. Amount of Allocation: \$1,373,000
7. Pursuant to Section 5145(d) of the CDLAC Regulations, CDLAC must be designated in the note documents to receive notice of changes in use and circumstances of Note Default and Qualifying Note Default.