

MINUTES

**California Pollution Control Financing Authority
801 Capitol Mall, Room 150
Sacramento, California
May 19, 2020**

1. CALL TO ORDER & ROLL CALL

Fiona Ma, Chairperson, called the California Pollution Control Financing Authority (CPCFA or Authority) meeting to order at 10:35 a.m.

Members Present: Fiona Ma, CPA, State Treasurer
Members on the phone: Anne Baker for Betty T. Yee, State Controller
Gayle Miller for Keely Martin Bosler, Director of Finance

Staff Present: Janae Davis, Deputy Executive Director

Quorum: The Chairperson declared a quorum

2. MINUTES

Treasurer Ma asked if there were any questions or comments from the Board or public concerning the meeting minutes from the meeting held April 21, 2020. There were none.

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

The item was passed by the following vote:

Gayle Miller for the Director of Finance	Aye
Anne Baker for the State Controller	Aye
Fiona Ma, CPA, State Treasurer	Aye

3. EXECUTIVE DIRECTOR'S REPORT

Ms. Davis began her report with information regarding Small Business outreach. She said that California Pollution Control Financing Authority (CPCFA) staff are continuing to receive inquiries from small businesses affected by COVID-19 and that the administrative and California Capital Access Program (CalCAP) teams are directing business owners to our CalCAP participating lender lists and to the COVID-19 resources available on the State Treasurer's Office's homepage. Ms. Davis then discussed CPCFA's virtual outreach activities. She said that CPCFA outreach activities have ramped up since the Board last met. On May 4, 2020 Ms. Davis shared information about CalCAP during the Santa Cruz County Chamber's COVID-19 Small Business Webinar co-hosted by Treasurer Ma.

On May 14, 2020 by way of several virtual platforms, Ms. Davis provided information about CalCAP at three separate online convenings and she described the following convenings:

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Go-Biz's weekly Small Business Update for COVID-19 Webinar; the Campbell Chamber's COVID-19 Small Business Town Hall, co-hosted by Treasurer Ma; and throughout the day her pre-recorded informational session on the CalCAP Electric Vehicle Changing Station Financing Program was available to attendees of this year's virtual Sustainable Facilities Forum program.

Ms. Davis moved to CalCAP Program updates. She stated that on April 14, 2020 she signed the Interagency Agreement (IA or Agreement) Amendment between CPCFA and the California Air Resources Board (CARB) for the Heavy-Duty Vehicle Air Quality Loan Program, which CPCFA refers to as CalCAP CARB. The CalCAP CARB Program began in 2009 to specifically provide financial assistance to owners of heavy-duty vehicles affected by CARB's Statewide In-Use Truck and Bus Regulation and the Heavy-Duty Vehicle Greenhouse Gas Emission Reduction Program. The CPCFA Board had approved the request at the December 10, 2019 meeting but minor details were still being worked out at that time. Ms. Davis said that specifically, the IA Amendment increases the Agreement's dollar amount of \$25.6 million by \$48 million and the total maximum amount of this agreement is now \$73.6 million. The IA Amendment also extended the Agreement end date of June 30, 2020 by 12 months to June 30, 2021. She went on to say that the IA Amendment amends the scope of work by limiting eligibility of enrollment in the program to financing of vehicles registered in California substantiated by California Department of Motor Vehicle registration.

Ms. Davis informed the Board that as administrator of the CalCAP CARB Program, in order to implement the revised scope of work, CPCFA staff plan to bring updated emergency regulations to the Board for approval at the next CPCFA meeting in June.

Ms. Davis then moved on to legislative updates. She said Assembly Bill (AB) 2504 (Assemblymember Nazarian) will make various changes to the California Capital Access Program (CalCAP) Seismic Safety Financing Program to incentivize more lending institutions and property owners to participate. Ms. Davis said that AB 2504 was introduced on February 19, 2020 and that AB 2504 was re-referred to the Assembly Banking and Finance Committee on May 5 but did not go to hearing.

Then Ms. Davis went on to say that Senate Bill (SB) 804 (Senator Weiner) would further expand the definition of publicly owned utilities authorized to issue rate reduction bonds to finance or refinance utility projects for the provision of generation, transmission, or distribution electrical service. The updated status for this bill is that Senator Weiner amended SB 804 on March 16, 2020, it was re-referred to the Senate Governance and Finance Committee but has since been rescinded due to the shortened 2020 Legislative calendar.

Ms. Davis then moved to discuss actions taken under the Executive Director/Deputy Executive Director's delegated authority. She said that on May 18, 2020 Ms. Davis signed a contract for the State Personnel Board (SPB) to contract with a third-party security contractor to provide unarmed security guards for building security at 801 Capitol Mall, CPCFA and California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) maintain offices on the second floor. She said the Contract Number CPCFA 03-19 was for \$18,240.59 for security services for the period of September 1, 2019 through August 31, 2020. The next

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step is for CPCFA to initiate an Interagency Agreement with CAEATFA for reimbursement of its pro-rata share of these security costs.

The final item Ms. Davis reported on is for the Bond Program. On May 8, 2020 Ms. Davis approved an amendment to California Waste Solutions, Inc. and/or its affiliates requested Initial Resolution 19-03 to amend the project description to include the construction and equipping of a new solid waste disposal facilities, including materials recovery facilities, and to increase the dollar amount from \$61,000,000 to an amount not to exceed \$169,595,000. The applicant expects to request tax-exempt allocation from California Debt Limit Allocation Committee (CDLAC) in the fourth quarter of 2020.

Ms. Davis asked if there were any questions. Treasurer Ma asked if CalWaste was the only group that will be requesting CDLAC allocation. Ms. Davis said there might be more projects in the fourth quarter.

Treasurer Ma asked if the rice straw project would be requesting allocation and Ms. Davis said we are still working on the details for that.

Treasurer Ma asked about the security contract and the other agencies that share the building at 801 Capitol Mall. Ms. Davis responded by saying the amount was our allocation based on the square footage of our space in the building.

Treasurer Ma asked if there were any questions from the Board or public. There were none.

4. BUSINESS ITEMS

A. REQUEST FOR APPROVAL OF AN 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)

Resolution No. 20-03-002 to amend Interagency Agreement No. 07-1-016, to extend the term of the contract through June 30, 2021.

Presented by: Ethan Wieser, Associate Treasury Program Officer

Mr. Wieser said that staff was requesting Board approval to amend Interagency Agreement 07-1-016 between the California Pollution Control Financing Authority and the California Department of Housing and Community Development. The amendment will extend the expiration date of the Agreement from June 30, 2020 to June 30, 2021 and extend the liquidation date of the \$60 million CALReUSE allocation to June 30, 2021.

Mr. Wieser then shared some background on the project. He said that the CALReUSE Remediation Program was funded with \$60 million from Proposition 1C, the Housing and Emergency Shelter Trust Fund Act of 2006. Of the \$60 million initial allocation, \$55 million was allocated to project costs and \$5 million was allocated to administrative costs.

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He also said the liquidation date has been extended several times, most recently with the Budget Act of 2017, which extended the liquidation date of funds until June 30, 2022.

Mr. Wieser went on to say that as of April 30, 2020 CPCFA had just under \$2 million (\$1,971,000) available for project costs, and \$659,000 available for administrative costs. The proposed one-year extension will allow CPCFA to continue using the remaining Prop 1C funds and Staff projects these funds will be expended within the next fiscal year.

Mr. Wieser concluded by saying that staff recommended approval of the attached Resolution 20-03-002 to authorize the Deputy Executive Director to execute amendment number five to the Interagency Agreement 07-1-016 extending the term of the Agreement from June 30, 2020 to June 30, 2021.

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

Treasurer Ma asked if there were any questions or comments from the Board or public. There were none.

The item was passed by the following vote:

Gayle Miller for the Director of Finance	Aye
Anne Baker for the State Controller	Aye
Fiona Ma, CPA, State Treasurer	Aye

B. REQUEST FOR APPROVAL TO AMEND A STANDARD AGREEMENT FOR LEGAL SERVICES

Resolution No. 20-04-002 to amend contracts with Law Offices of Leslie M. Lava; Orrick, Herrington & Sutcliffe LLP; and Stradling Yocca Carlson & Rauth with a time-only extension of one year.

Presented by: Nicholas Montalvo, Staff Services Analyst

Mr. Montalvo began his report by stating that staff was requesting approval to amend Standard Agreement No. CPCFA03-17 for Legal Services between the California Pollution Control Financing Authority and the Law Offices of Leslie M. Lava; Orrick, Herrington & Sutcliffe LLP; and Stradling Yocca Carlson & Rauth. He said the amendment would extend term of the agreement by one year, from May 31, 2020 to May 31, 2021.

Mr. Montalvo stated that this agreement is for outside legal services in the event that the Attorney General's Office is unable to provide services needed by CPCFA. The Agreement is for an amount not to exceed \$499,998, with each firm allocated an amount not to exceed \$166,666. To date, CPCFA has not used their services and no funds have been expended.

Mr. Montalvo went on to say that CPCFA was awaiting the written approval of the extension from the Attorney General's Office, who has notified us of a delay due to

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COVID-19 related staffing limitations. CPCFA anticipated receiving the approval within the next few weeks. To address this delay, staff inserted language within the proposed resolution to make the Authority's approval of this contract contingent on the consent of the Attorney General's Office.

Mr. Montalvo concluded by saying that Staff recommended approval of Resolution No. 20-04-002 to authorize the Deputy Executive Director to amend contracts with three firms; Law Offices of Leslie M. Lava; Orrick, Herrington & Sutcliffe LLP; and Stradling Yocca Carlson & Rauth for a time-only extension of one year.

Treasurer Ma commented that Ms. Davis explained to her that this contract is necessary even though we have not used their services it is helpful to have them on retainer in case we need them.

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

Treasurer Ma asked if there were any questions or comments from the Board or public. There were none.

The item was passed by the following vote:

Gayle Miller for the Director of Finance	Aye
Anne Baker for the State Controller	Aye
Fiona Ma, CPA, State Treasurer	Aye

5. PUBLIC COMMENT

Treasurer Ma asked if there were any questions or comments from the Board or public. There were none.

6. ADJOURNMENT

There being no further business, public comments, or concerns, the meeting adjourned at 10:50 a.m.

Respectfully submitted,

(Originally signed by)

Janae R. Davis
Deputy Executive Director