



CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY

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State Controller

MICHAEL COHEN
Director of Finance

EXECUTIVE DIRECTOR
Reneé Webster-Hawkins

MEMORANDUM

To: Interested Parties

From: Reneé Webster-Hawkins, Executive Director

Date: March 10, 2017

Re: **California Pollution Control Financing Authority (CPCFA) Bond Program
Reimbursement for Out-of-Pocket Costs from Withdrawn/Cancelled Final Resolutions
Applications**

Applicants for final resolution (FR) and volume cap allocation for pollution control tax-exempt bonds are subject to Title 4 of the California Code of Regulations, which, among other things, provides that an applicant must reimburse the California Pollution Control Financing Authority (CPCFA) for expenses that the authority incurs in pursuing the proposed financing. Pursuant to Section 8034(c) of CPCFA Regulations:

***Section 8034. General Fees.** (c) The applicant shall also reimburse the Authority for all reasonable and necessary out of pocket expenses which the Authority may incur at the applicant's request and all other expenses direct or indirect, properly allocable to the proposed financing...."*

Beginning with Fiscal Year 2016-17, CPCFA will seek reimbursement for out-of-pocket costs from any FR applicant which withdrew and/or cancelled its application prior to the CPCFA Board meeting, or which obtained Board approval of the FR or volume cap, but did not issue bonds. For each FR application initiated, CPCFA is required to pay certain costs imposed by other state agencies and entities, including but not limited to the Public Finance Division of the State Treasurer's Office and the Attorney General's Office. While the administrative fee collected by CPCFA at the close of a successful bond issuance typically covers the out of pocket expense, withdrawn or cancelled applications result in unremunerated costs incurred by CPCFA.

Beginning with invoices CPCFA has received on or after July 1, 2016 from outside entities in support of FR applications which did not result in a successful financing, CPCFA will invoice the respective applicant for reimbursement of these costs accompanied by proof of the out of pocket expense incurred by CPCFA. The invoice will be directed directly to the applicant, and prompt payment is appreciated.

Should you have any questions or concerns, please do not hesitate to contact Deanna Hamelin, Bond Program Manager, by email at dhamelin@treasurer.ca.gov.