

POOLED MONEY INVESTMENT BOARD
915 Capitol Mall, Room 110
Sacramento, CA 95814

MINUTES

Wednesday, February 15, 2006

The meeting was called to order at 10:01 a.m.

Roll: Francisco Lujano for State Treasurer Philip Angelides
Cindy Aronberg for State Controller Steve Westly
Anne Sheehan for Director of Finance Michael C. Genest

Staff Present: Dennis Trujillo, Executive Secretary, PMIB
Bill Dowell, State Treasurer's Office
Patricia Pechtel, Attorney General's Office
Mark Paxson, State Treasurer's Office

APPROVAL OF MINUTES

The Minutes for the meeting of January 18, 2006, were approved as submitted, 3-0.

APPROVAL OF PMIB DESIGNATION NO. 1680

Mr. Bill Dowell of the State Treasurer's Office presented the portfolio Summary Report as of February 6, 2006. On that day, the portfolio stood at \$58.556 billion. The effective yield was 4.033%, the quarter-to-date yield was 3.967% and the year-to-date yield was 3.513%. The average life of the portfolio was 179 days and AB 55 Loans approved stood at \$7.443 billion with \$1.954 billion having been disbursed. The Local Agency Investment Fund had deposits totaling \$17.118 billion with 2,646 participants.

Mr. Doug Spittler of the Cash Management Division of the State Treasurer's Office presented a summary of the Forecast of Changes in Portfolio for the Pooled Money Investment Account for the period February 13, 2006, through April 21, 2006. He stated that over the ten-week period of the forecast there would be a reduction in the portfolio of \$402 million. Estimated receipts will exceed disbursements by \$874 million, but this will be more than fully offset by a decline in outstanding warrants of \$1.276 billion.

Mr. Spittler continued by highlighting several key receipts. He noted that the Sales, Liquor, and Utility Surcharge were expected to total \$6.627 billion and the Motor Vehicle Fuel Taxes were expected to total \$532 million. Personal Income and Bank & Corporation Taxes were expected to generate significant receipts: The week of March 13—\$1.625 billion; the week of April 10—\$1.628 billion; and the week of April 17—\$4.241 billion. Over the ten-week period of the forecast, the Personal Income and Bank & Corporation Taxes were expected to total \$13.172 billion. The Insurance Gross Premium Taxes were anticipated to be \$560 million and Proceeds from Sale of State Bonds were preliminarily estimated to be approximately \$750 million. For the ten-week period, \$39.437 billion was anticipated in receipts.

Ms. Sue Griffith of the State Controller's Office presented the Estimated Pooled Money Disbursements for the forecast period and highlighted several of the major disbursements. Public Schools and Community Colleges are expected to disburse \$7.875 billion and Social Services, \$3.108 billion. Health Care Services were estimated at \$4.257 billion and Payroll is anticipated at \$2.757 billion. Ms. Griffith said the total expected disbursements for the ten-week period is anticipated to be \$38.563 billion.

Designation No. 1680 was approved, 3-0.

APPROVAL OF SURPLUS MONEY DECLARATION/REDUCTION

Mr. Bill Dowell presented the changes in the Surplus Money Investment Fund for the period January 1, 2006, through January 31, 2006. During the month \$9.111 billion was declared surplus in various special funds, while \$9.047 billion was declared to be a reduction in surplus.

The Surplus Money Declaration/Reduction for the month of January 2006 was approved, 3-0.

APPROVAL OF SURPLUS MONEY INVESTMENT FUND REQUESTS

Mr. Bill Dowell said there were no requests for this month.

APPROVAL OF COMMERCIAL PAPER ISSUERS

On behalf of the Investment Division of the State Treasurer's Office, Mr. Bill Dowell presented Edison Asset Securitization, LLC (Edison) as a new asset backed commercial paper issuer. Established in 1997, Edison is rated A-1+ by Standard and Poor's and P-1 by Moody's. It is a special-purpose Limited Liability Company that is sponsored and administered by General Electric Capital Corporation. Edison is authorized to issue \$14.9 billion of asset-backed commercial paper and currently has approximately \$10.5 billion outstanding.

Mr. Dowell said approval of this new name would add diversity at competitive yields to the PMIA. Ms. Anne Sheehan asked how many LLCs are currently approved for the PMIA. Mr. Dowell estimated that the current Active Approved Commercial Paper list includes about six or seven programs that are organized as LLCs.

The Board approved the addition of Edison Asset Securitization, LLC, 3-0.

APPROVAL OF AB 55 LOANS

Mr. Taylor Urban of the Public Finance Division of the State Treasurer's Office presented four loan requests for this month as shown in the following table. He noted that the first loan (Item 7.a.) was for a general obligation bond program. The second (Item 7.b.) was for a revenue bond program to adopt a resolution authorizing a line of credit for the Oil Spill Response Trust Fund in the event money is needed to fulfill purposes of the Lempert-Keene-Seastrand Oil Spill Prevention and Response Act in the amount of \$54.875 million. The remaining two loan requests (Items 7.c. – d.) were for lease revenue bond programs.

Agenda Item	Loan Number	Type	Department/Program	Adjusted Loan Amount
7.a.	0560123	GO/Renewal	State Allocation Board Office of Public School Construction 1992 School Facilities Bond Act (November)	\$2,171,137.00
7.b.	0560124	REV/Renewal	Oil Spill Response Trust Fund Lempert-Keene-Seastrand Oil Spill Prevention and Response Act	\$54,875,000.00
7.c.	0560125	REV/Renewal	Department of Justice SPWB Lease Revenue Bonds Santa Rosa Replacement Laboratory	\$9,000,000.00
7.d.	0560126	REV/New	Department of Veterans Affairs SPWB Lease Revenue Bonds Greater LA & Ventura Counties Vet Home (GLAVC)	\$17,711,000.00

Mr. Urban said that all loans were recommended for approval as presented and stated that the impact on the Pool would be to increase the loan portfolio by \$26,398,137.00.

The four loan requests were approved as recommended by staff, 3-0.

PUBLIC COMMENT

None.

In the absence of further business, the meeting was adjourned at 10:13 a.m.

Respectfully submitted,

Laurie Weir
Executive Secretary