

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

MINUTES

Wednesday, March 15, 2006

The meeting was called to order at 10:00 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: Laurie Weir, 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 February 15, 2006, were approved as submitted, 3-0.

APPROVAL OF PMIB DESIGNATION NO. 1681

Mr. Bill Dowell of the State Treasurer's Office presented the portfolio Summary Report as of March 7, 2006. On that day, the portfolio stood at \$52.969 billion. The effective yield was 4.102%, the quarter-to-date yield was 4.007% and the year-to-date yield was 3.579%. The average life of the portfolio was 181 days and AB 55 Loans approved stood at \$7.247 billion with \$2.211 billion having been disbursed. The Local Agency Investment Fund had deposits totaling \$16.597 billion with 2,653 participants.

Designation No. 1681 was approved, 3-0.

APPROVAL OF SURPLUS MONEY DECLARATION/REDUCTION

Mr. Dowell presented the changes in the Surplus Money Investment Fund for the period February 1, 2006 through February 28, 2006. During that month \$6.028 billion was declared surplus in various special funds, while \$6.657 billion was declared to be a reduction in surplus.

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

APPROVAL OF SURPLUS MONEY INVESTMENT FUND REQUESTS

Mr. Dowell presented a Special Deposit Fund request to participate in the SMIF from the Department of Consumer Affairs for the Asset Forfeiture Account (Fund Number 0942156). Mr. Dowell said that staff had reviewed the request and recommended its approval.

The Board accepted staff's recommendation and approved the request, 3-0.

APPROVAL OF COMMERCIAL PAPER ISSUER

On behalf of the Investment Division of the State Treasurer's Office, Ms. Cathy DiSalvo presented Park Avenue Receivables Company, LLC (Park Avenue) as a potential new asset backed commercial paper issuer for the PMIA. She stated that the Investment Division staff of the STO recommended approval of Park Avenue for the PMIA. Established in 1997, Park Avenue is rated A-1/F-1/P-1 by Standard and Poor's, Fitch and Moody's, respectively. It is a special-purpose Limited Liability Company that is administered by JPMorgan Chase Bank.

Park Avenue is authorized to issue \$17.0 billion of commercial paper and currently has approximately \$8.78 billion outstanding. Ms. DiSalvo said that approval of this new asset backed program would add diversity at competitive yields to the PMIA. Ms. Cindy Aronberg inquired about the eligibility of LLCs, pointing out that such investments had been prohibited at one time. Ms. DiSalvo said that LLCs became an eligible structure for PMIA commercial paper programs during 2005. Ms. Sheehan recalled the legislation that was passed last year and Mr. Dowell noted that it contained an urgency clause, making LLCs eligible in June 2005.

The Board approved the addition of Park Avenue Receivables Company, LLC, 3-0.

APPROVAL OF AB 55 LOANS

Mr. Glen Mercer of the Public Finance Division of the State Treasurer's Office presented 12 loan requests as shown in the following table. He noted that the first three loans (7a. – 7c.) were for general obligation programs while the remaining nine loans (7d. – 7l.) were for lease revenue programs.

Agenda Item	Loan Number	Type	Department/Program	Adjusted Loan Amount
7.a.	0560127	GO/Renewal	Hastings College of the Law Kindergarten-University Public Education Facilities Bond Act of 2002 (Hi-Ed)	\$10,874,375.01
7.b.	0560128	GO/Renewal	California State University Class Size Reduction K-U Public Education Facilities Bond Act of 1998 (Hi-Ed)	\$24,089,000.00

APPROVAL OF AB 55 LOANS (Continued)

Agenda Item	Loan Number	Type	Department/Program	Adjusted Loan Amount
7.c.	0560129	GO/Renewal	Water Resources Control Board Safe Drinking Water, Clean Water, Watershed Protection and Flood Protection Bond Act of 2000	\$233,012,494.00
7.d.	0560130	REV/Renewal	Department of Corrections and Rehabilitation SPWB Lease Revenue Bonds Ironwood State Prison, Correctional Treatment Center, Phase II	\$3,847,466.00
7.e.	0560131	REV/Renewal	California Conservation Corps SPWB Lease Revenue Bonds Camarillo Satellite Relocation/Construction	\$3,200,000.00
7.f.	0560132	REV/Renewal	Department of Mental Health SPWB Lease Revenue Bonds Atascadero State Hospital-Multi-Purpose Building	\$13,614,000.00
7.g.	0560133	REV/Renewal	Department of Forestry and Fire Protection SPWB Lease Revenue Bonds Stevens Creek Forest Fire Station	\$1,292,107.00
7.h.	0560134	REV/Renewal	Department of Forestry and Fire Protection SPWB Lease Revenue Bonds Lassen Lodge Forest Fire Station	\$2,274,000.00
7.i.	0560135	REV/Renewal	California State University SPWB Lease Revenue Bonds San Marcos Campus-Academic Hall II, Building 13	\$24,966,000.00
7.j.	0560136	REV/Renewal	California State University SPWB Lease Revenue Bonds Monterey Bay Library	\$12,000,000.00
7.k.	0560137	REV/Renewal	Department of Food and Agriculture SPWB Lease Revenue Bonds Truckee Inspection Station-Relocate Truckee Inspection Station	\$13,106,435.00
7.l.	0560138	REV/Renewal	University of California SPWB Lease Revenue Bonds UC Irvine-UCIMC Replacement Hospital	\$129,268,137.00

Mr. Mercer said that all loans were recommended for approval as presented and that the impact on the Pool would be to increase the loan portfolio by \$223,243,033.61.

All 12 loan requests were approved as recommended by staff, 3-0.

PUBLIC COMMENT

None.

In the absence of further business, the meeting was adjourned at 10:08 a.m.

Respectfully submitted,

Laurie Weir
Executive Secretary