

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

MINUTES

EMERGENCY MEETING

Tuesday, November 13, 2007

The meeting was called to order at 9:00 a.m.

Roll: Francisco Lujano for State Treasurer Bill Lockyer
Rick Chivaro for State Controller John Chiang
Vince Brown for Director of Finance Michael C. Genest

Staff Present: Bettina Redway, Executive Secretary, PMIB
Bill Dowell, State Treasurer's Office
Catherine Brown, Attorney General's Office
Mark Paxson, State Treasurer's Office

Determination regarding Existence of Emergency Situation, pursuant to Government Code Section 11125.5, subdivision (b).

Mr. Mark Paxson of the State Treasurer's Office explained on November 7, 2007, a container ship struck the San Francisco Bay Bridge, resulting in a significant oil spill. On November 9, 2007, due to the effects of the oil spill, Governor Schwarzenegger proclaimed a State of Emergency within the city and county of San Francisco and several other Bay Area counties. According to the Governor's State of Emergency proclamation, the spill continues to create conditions of extreme peril to the safety of persons and property in the area.

Mr. Paxson said Government Code Section 11125.5 provides that a state body may hold an emergency meeting without complying with the standard notice requirements if an emergency situation exists. An "emergency situation" means any of the following, as determined by a majority of the members of the state body: 1.) Work stoppage or other activity that severely impairs public health or safety, or both. 2.) Crippling disaster that severely impairs public health or safety, or both.

He concluded by saying that staff recommended the Pooled Money Investment Board adopt this Item by finding that an emergency situation exists, based upon the Governor's State of Emergency proclamation that the oil spill continues to create conditions of extreme peril to the safety of person and property in the area.

A Roll Call Vote was taken with the following results:

State Treasurer: Aye
State Controller: Aye
Director of Finance: Aye

The motion to establish an emergency existed was unanimously approved.

Consideration of AB 55 Loan Application (Government Code §16312), as referenced below:

Mr. Tim Aguirre of the State Treasurer’s Office presented the resolution authorizing a loan to 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. The Fund was established to provide emergency funds in the event of an oil spill. This resolution creates a line-of-credit of \$54,875,000.00 that may be drawn upon in the event of an oil spill. This resolution has been approved by the PMIB before and is being presented in substantially in the same format as previously approved. Staff recommended approval.

<u>PMIB Loan No.</u>	<u>Department & Bond Act</u>	<u>Amount</u>
a. 0780091	Oil Spill Response Trust Fund Lempert-Keene-Seastrand Oil Spill Prevention and Response Act	\$54,875,000.00

Mr. Vince Brown asked if it was known exactly how much money was in the Trust Fund. Mr. Blake Fowler of the State Treasurer’s Office responded by saying the Trust Fund’s cash component was fully funded at \$54,875,000. Mr. Fowler elaborated by saying the program is paid for by fees on crude oil and petroleum products and is managed by the Department of Fish and Game, the Administrator of the program. Amounts held in the Trust Fund may accumulate up to the Designated Amount, which is \$109,750,000. The Designated Amount is comprised of two components: Cash Component of \$54,875,000 and Financial Security Component of \$54,875,000. The Financial Security Component will be fulfilled by the Board’s loan commitment. He said the funds would only be drawn upon in the event there are insufficient funds from the party responsible for the oil spill and there are also insufficient funds from the federal old spill trust fund. Mr. Brown remarked that this resolution would actually create a third back-up.

Mr. Brown followed-up by asking to be assured that the proposed action would have no impact on the General Fund. Mr. Fowler agreed by saying that was correct.

A Roll Call Vote was taken with the following results:

State Treasurer	Aye
State Controller	Aye
Director of Finance	Aye

The motion to approve the resolution was unanimously approved.

Public Comment

None

Adjournment

In the absence of further business, the meeting was adjourned at 9:10 a.m.

Respectfully submitted,

Bettina Redway
Executive Secretary