

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

**MINUTES**

Wednesday, September 17, 2008

The meeting was called to order at 10:04 a.m.

Roll: Francisco Lujano for State Treasurer Bill Lockyer  
Richard Chivaro for State Controller John Chiang  
Tom Sheehy for Director of Finance Michael C. Genest

Staff Present: Bill Dowell, State Treasurer's Office  
Mark Paxson, State Treasurer's Office  
Catherine Brown, Attorney General's Office

**MINUTES**

The Minutes for the August 20, 2008, meeting were approved as submitted, 3-0.

**PMIB DESIGNATION**

Mr. Bill Dowell of the State Treasurer's Office presented the portfolio Summary Report as of August 31, 2008. On that day, the portfolio stood at \$64.720 billion. The effective yield was 2.758%, the quarter-to-date yield was 2.783% and the year-to-date yield was 2.783%. The average life of the portfolio was 224 days and AB 55 Loans approved stood at \$11.415 billion, with \$3.554 billion having been disbursed. The Local Agency Investment Fund had deposits totaling \$23.301 billion, with 2,706 participants.

Mr. Dowell went on to note the PMIA does not hold any commercial paper or other investments in Lehman Brothers or Merrill Lynch. Both are broker dealers that show their offerings to the Investment Division on a daily basis. However, the Lehman bankruptcy and Merrill sale to Bank of America over the past weekend will not have an impact on any current holdings in the PMIA.

Designation No. 1711 was approved, 3-0.

**DECLARATION OF SURPLUS MONEY/REDUCTION OF SURPLUS MONEY**

Mr. Dowell presented the changes in the Surplus Money Investment Fund for the period August 1, 2008, through August 31, 2008. During that month, \$8.709 billion was declared surplus in various special funds, while \$8.966 billion was declared to be a reduction in surplus.

The Surplus Money Declaration/Reduction for the month of August, 2008, was approved, 3-0.

**SURPLUS MONEY INVESTMENT FUND REQUESTS**

Mr. Dowell presented two requests to participate in the Surplus Money Investment Fund:

State Treasurer's Office  
 Special Deposit Fund  
 GARVEE Bonds Rebate Fund  
 Fund Number 0942220

Department of Consumer Affairs  
 Enhanced Fleet Modernization Subaccount  
 Fund Number 3122

The Board accepted the staff recommendation of the State Controller's Office and the State Treasurer's Office and approved the requests, 3-0.

**AB 55 LOAN APPLICATIONS (Government Code § 16312)**

Mr. Glen Mercer presented eight loan requests as shown in the following table. He said the first three loan requests (Items a. – c.) were for general obligation programs. Item d was a revenue request and the remaining four loan requests (Items e. – h.), were for lease revenue programs.

<b>Agenda Item</b>	<b>Loan Number</b>	<b>Department/Program</b>	<b>Adjusted Loan Amount</b>
a.	0890040	California Community Colleges Kindergarten-University Public Education Facilities Bond Act of 2006 (Hi-Ed)	\$72,838,000.00
b.	0890041	Department of Water Resources for Department of Conservation Safe Drinking Water, Clean Water, Watershed Protection, and Flood Protection Act	\$428,195.29
c.	0890042	Water Resources Control Board Water Conservation & Water Quality Bond Law of 1986	\$4,922,511.00
d.	0890043	California Housing Finance Agency CalHFA Revenue Bond Program Loan Warehousing Program (Revolving)	\$350,000,000.00
e.	0890044	Department of Corrections and Rehabilitation SPWB Lease Revenue Bonds Deuel Vocational Institution: New Wastewater Treatment Plant	\$29,242,532.00

f.	0890045	Department of Corrections and Rehabilitation SPWB Lease Revenue Bonds California State Prison, San Quentin: Central Health Services Building	\$106,524,465.00
g.	0890046	Department of Education SPWB Lease Revenue Bonds California School for the Deaf, Riverside: Academic Support Cores, Bus Loop and Renovation	\$1,136,454.00
h.	0890047	Department of Forestry and Fire Protection SPWB Lease Revenue Bonds Growlersburg Conservation Camp: Replace Facility	\$2,795,042.00

Mr. Mercer said all loans were recommended for approval as presented and the impact on the Pool would be to increase the loan portfolio by \$98,717,855.83.

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

**PUBLIC COMMENT**

None.

**ADJOURNMENT**

In the absence of further business, the meeting was adjourned at 10:16 a.m.

Respectfully submitted,

---

Bettina Redway  
Executive Secretary