

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

MINUTES

Wednesday, July 19, 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 June 21, 2006, were approved as submitted, 3-0.

APPROVAL OF PMIB DESIGNATION NO. 1685

Mr. Bill Dowell of the State Treasurer's Office presented the portfolio Summary Report as of June 30, 2006. On that day, the portfolio stood at \$63.338 billion. The effective yield was 4.788%, the quarter-to-date yield was 4.533% and the year-to-date yield was 3.873%. The average life of the portfolio was 152 days and AB 55 Loans approved stood at \$6.409 billion with \$2.929 billion having been disbursed. The Local Agency Investment Fund had deposits totaling \$16.392 billion with 2,635 participants.

Designation No. 1685 was approved, 3-0.

APPROVAL OF AUTHORIZATION FOR GENERAL FUND INTERNAL BORROWING:

Mr. Bill Dowell presented a document that authorizes the General Fund to borrow from internal sources, the special funds and accounts within the State Treasury, to meet its cash needs during periods of shortfall. The authorization presented at the meeting was for the period August 1, 2006 through October 31, 2006. He noted that the amount available from various internal funds was estimated to be up to \$12,446,000,000.00.

The Authorization for General Fund Internal Borrowing for the period August 1, 2006 through October 31, 2006 was approved, 3-0.

APPROVAL OF SURPLUS MONEY DECLARATION/REDUCTION

Mr. Dowell presented the changes in the Surplus Money Investment Fund for the period June 1, 2006 through June 30, 2006. During the month \$7,219,092,000.00 was declared surplus in various special funds, while \$9,435,040,000.00 was declared to be a reduction in surplus.

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

APPROVAL OF SURPLUS MONEY INVESTMENT FUND REQUESTS

Mr. Dowell presented one request to participate in the Surplus Money Investment Fund, as shown below:

California Institute for Regenerative Medicine
California Stem Cell Research and Cures Fund – Other Donations
(Fund Number 6047108)

Ms. Sheehan inquired if this fund was for moneys from the Bond Anticipation Note sale. Ms. Sue Griffith, of the State Controller's Office, responded that this fund was designated for other donations that were separate from the Bond Anticipation Note sale and that, based on the State Controller's Office evaluation, it was appropriate to establish a separate fund.

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

ASSET BACKED COMMERCIAL PAPER – INFORMATION ITEM

On behalf of the Investment Division of the State Treasurer's Office, Mr. Dowell explained that Preferred Receivables Funding Corporation, a PMIA approved Asset Backed Commercial Paper issuer, recently completed a conversion from a corporation to a Limited Liability Company. In connection with the conversion, it changed its name to Preferred Receivables Funding Company, LLC. Mr. Dowell told the Board that the issuer continues to meet the legal requirements of a PMIA eligible investment. He also said Moody's has confirmed the rating as P-1 and Standard & Poor's has confirmed the rating as A-1.

APPROVAL OF AB 55 LOANS

Ms. Tiffany Connelly, of the Public Finance Division of the State Treasurer's Office, presented eighteen loan requests as shown in the following table. She noted that the first nine loans (Items 8.a. – 8.i.) were for general obligation programs; the tenth loan (Item 8.j.) was for the California Housing Finance Agency, Loan Warehousing Program (Revolving). The remaining eight loans (Items 8.k. – 8.r.) were for other lease revenue programs.

APPROVAL OF AB 55 LOANS (CONTINUED)

Agenda Item	Loan Number	Type	Department/Program	Adjusted Loan Amount
8.a.	0670001	GO/Renewal	Department of Transportation Seismic Retrofit Bond Act of 1996	\$143,560,000.00
8.b.	0670002	GO/Renewal	California State University Kindergarten-University Public Education Facilities Bond Act of 2004 (Hi-Ed)	\$259,111,000.00
8.c.	0670003	GO/Renewal	University of California Kindergarten-University Public Education Facilities Bond Act of 2004 (Hi-Ed)	\$172,940,000.00
8.d.	0670004	GO/Renewal	State Allocation Board Office of Public School Construction Kindergarten-University Public Education Facilities Bond Act of 2004 (K-12)	\$2,624,119,444.00
8.e.	0670005	GO/Renewal	Department of Water Resources Safe Drinking Water, Clean Water, Watershed Protection and Flood Protection Bond Act of 2000	\$247,965,290.00
8.f.	0670006	GO/Renewal	Department of Water Resources Water Conservation Bond Law of 1988	\$2,330,000.00
8.g.	0670007	GO/Renewal	Resources Agency California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2002	\$366,804,000.00
8.h.	0670008	GO/Renewal	Department of Corrections and Rehabilitation New Prison Construction Bond Act of 1988	\$2,511,000.00
8.i.	0670009	GO/Renewal	California Community Colleges Kindergarten-University Public Education Facilities Bond Act of 2002 (Hi-Ed)	\$298,995,000.00
8.j.	0670010	REV/Renewal	California Housing Finance Agency CalHFA Revenue Bond Program Loan Warehousing Program (Revolving)	\$300,000,000.00
8.k.	0670011	REV/Renewal	California Conservation Corps SPWB Lease Revenue Bond Program Tahoe Base Center Relocation	\$473,000.00
8.l.	0670012	REV/Renewal	Department of Mental Health SPWB Lease Revenue Bond Program Metropolitan State Hospital, Construct New Kitchen and Remodel Existing Satellite Kitchens	\$11,558,000.00

APPROVAL OF AB 55 LOANS (Continued)

Agenda Item	Loan Number	Type	Department/Program	Adjusted Loan Amount
8.m.	0670013	REV/Renewal	Department of Mental Health SPWB Lease Revenue Bond Program Patton Hospital: EB Building – Fire/Safety/ Environmental Improvements Ph. 2 & 3, Renovate Admission Suite	\$2,396,000.00
8.n.	0670014	REV/Renewal	Department of Education SPWB Lease Revenue Bond Program School for the Deaf, Riverside: Multi- Purpose Building	\$640,200.00
8.o.	0670015	REV/Renewal	Department of Forestry and Fire Protection SPWB Lease Revenue Bond Program Harts Mill Forest Fire Station: Relocate Facility	\$2,337,210.00
8.p.	0670016	REV/Renewal	Department of Forestry and Fire Protection SPWB Lease Revenue Bond Program Sweetwater Forest Fire Station: Relocate Facility	\$3,489,460.00
8.q.	0670017	REV/Renewal	Department of Forestry and Fire Protection SPWB Lease Revenue Bond Program Springville Forest Fire Station: Relocate Facility	\$4,065,468.00
8.r.	0670018	REV/Renewal	Department of Forestry and Fire Protection SPWB Lease Revenue Bond Program Independence Forest Fire Station: Relocate Facility	\$3,053,649.00

Ms. Connelly said that all loans were recommended for approval as presented, and the impact on the Pool would be an increase to the loan portfolio of \$2,039,764,536.01.

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

PUBLIC COMMENT

None.

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

Respectfully submitted

Laurie Weir
Executive Secretary