

**POOLED MONEY INVESTMENT BOARD**  
**915 Capitol Mall, Room 587**  
**Sacramento, CA 95814**

**MINUTES**

Wednesday, September 16, 2009

The meeting was called to order at 10:00 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  
Catherine Brown, Attorney General's Office  
Mark Paxson, State Treasurer's Office

**MINUTES**

The Minutes for the August 19 and August 21, 2009, meetings were approved, 3-0.

**PMIB DESIGNATION**

Mr. Bill Dowell of the State Treasurer's Office presented a Summary Report as of August 31, 2009. On that day, the portfolio stood at \$62.440 billion. The effective yield was 0.784%, the quarter-to-date yield was 0.977% and the year-to-date yield was 0.977%. The average life of the portfolio was 203 days. AB 55 Loans approved stood at \$4.421 billion, with \$1.243 billion having been disbursed. The Local Agency Investment Fund had deposits totaling \$23.473 billion, with 2,767 participants.

Designation No. 1723 was approved, 3-0.

**AUTHORIZATION FOR GENERAL FUND INTERNAL BORROWING:**

Mr. Dowell presented this document, which authorizes the General Fund to borrow from internal sources to meet its cash needs during periods of shortfall, for the period beginning October 1, 2009, through December 31, 2009. Mr. Dowell said the amount available from various internal funds was estimated to be up to \$20.003 billion.

The Authorization for General Fund Internal Borrowing, for the period October 1, 2009, through December 31, 2009, in the amount of up to \$20.003 billion 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, 2009, through August 31, 2009. During the month, \$12.000 billion was declared surplus in various special funds, while \$10.783 billion was declared to be a reduction in surplus.

The Surplus Money Declaration/Reduction for the month of August, 2009 was approved, 3-0.

## **SURPLUS MONEY INVESTMENT FUND REQUESTS**

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

### **Department of Public Health**

Special Deposit Fund  
Internal Departmental Quality  
Improvement Account  
Fund Number 0942222

### **Department of Food and Agriculture**

Special Deposit Fund  
2009 Aquaculture Program –  
ARRA Fund  
Fund Number 0942230

### **Department of Industrial Relations**

Car Wash Worker Restitution Fund  
Fund Number 3071000

Car Wash Worker Fund  
Fund Number 3072000

Occupational Safety & Health Fund  
Fund Number 3121000

Special Deposit Fund  
Public Contractors Escrow Account  
Fund Number 0942229

Mr. Tom Sheehy noted there were no representatives from the Department of Industrial Relations in attendance and suggested their request be put forward to the next PMIB meeting, when they might be present to respond to questions. The Board accepted the staff recommendations of the State Controller's Office and the State Treasurer's Office and approved the other two requests, 3-0.

## **INVESTMENT POLICY**

Mr. Dowell explained it is required by law for the Treasurer present to the Board the Investment Policy for the PMIA on an annual basis. He said the only change this year was the addition of the Negotiable Order of Withdrawal (NOW) account as an eligible investment for the PMIA. The Investment Policy had been updated to reflect its recently enacted addition to the Government Code. Mr. Dowell reminded the Board of the application of the NOW account as a cash management tool to help smooth fluctuations in cash flow as well as the competitive yields available in the marketplace. He concluded by saying the entire document is available on the State Treasurer's Office web site.

This item was presented as an Information Item and no action was required by the PMIB.

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

Ms. Julie Giordano of the State Treasurer’s Office Public Finance Division presented the staff recommendations.

**Loan Renewal Requests:** Staff recommended approval of the 19 AB 55 loan renewal requests (Items 8.a-s) on the agenda in the amounts shown on column g of Exhibit A. The recommended amounts are for either the amount of the existing adjusted loan amount, a decrease requested by the department, or an increase necessary to pay accrued interest and/or costs authorized by the Department of Finance’s Budget Letter 09-09.

**AB 55 Loan Disbursement Freeze:** Staff recommended the PMIA continue the freeze on disbursements for approved AB 55 loans, except for disbursements authorized by the Department of Finance’s Budget Letter 09-09.

<b>Agenda Item</b>	<b>Loan Number</b>	<b>Department/Program</b>	<b>Adjusted Loan Amount</b>
a.	0900035	California Community Colleges Kindergarten-University Public Education Facilities Bond Act of 1998 (Hi-Ed)	\$325,000.00
b.	0900036	California Community Colleges Kindergarten-University Public Education Facilities Bond Act of 2002 (Hi-Ed)	\$675,000.00
c.	0900037	California State University Kindergarten-University Public Education Facilities Bond Act of 2002 (Hi-Ed)	\$1,300,000.00
d.	0900038	California Transportation Commission Highway Safety, Traffic Reduction, Air Quality and Port Security Bond Act of 2006	\$85,000.00
e.	0900039	California Department of Transportation Highway Safety, Traffic Reduction, Air Quality and Port Security Bond Act of 2006	\$33,350,000.00
f.	0900040	State Controller’s Office Highway Safety, Traffic Reduction, Air Quality and Port Security Bond Act of 2006	\$3,500,000.00
g.	0900041	State Allocation Board Office of Public School Construction Kindergarten-University Public Education Facilities Bond Act of 2002 (K-12)	\$100,000.00
h.	0900042	State Allocation Board Office of Public School Construction Kindergarten-University Public Education Facilities Bond Act of 2004 (K-12)	\$13,700,000.00

i.	0900043	California Housing Finance Agency CalHFA Revenue Bond Program Loan Warehousing Program (Revolving)	\$140,000,000.00
j.	0900044	Department of Corrections and Rehabilitation SPWB Lease Revenue Bonds CCC Susanville: Wastewater Treatment Plant Modifications	\$27,177,394.00
k.	0900045	Department of Corrections and Rehabilitation SPWB Lease Revenue Bonds Chuckawalla Valley State Prison: Heating, Ventilation, and Air Conditioning System	\$41,673,026.00
l.	0900046	Department of Corrections and Rehabilitation SPWB Lease Revenue Bonds CCI Tehachapi: Wastewater Treatment Plant Renovation	\$23,165,480.00
m.	0900047	Department of Forestry and Fire Protection SPWB Lease Revenue Bonds Altaville Forest Fire Station: Replace Facility	\$676,420.00
n.	0900048	Department of Forestry and Fire Protection SPWB Lease Revenue Bonds Altaville Forest Fire Station: Replace Auto Shop	\$70,426.00
o.	0900049	Department of Forestry and Fire Protection SPWB Lease Revenue Bonds Cuyamaca Forest Fire Station: Relocate Facility	\$714,995.00
p.	0900050	Department of Forestry and Fire Protection SPWB Lease Revenue Bonds San Mateo/Santa Cruz Unit Headquarters: Relocate Auto Shop	\$116,759.00
q.	0900051	Department of Forestry and Fire Protection SPWB Lease Revenue Bonds Higgins Corner Forest Fire Station: Replace Facility	\$67,015.00
r.	0900052	Department of Forestry and Fire Protection SPWB Lease Revenue Bonds Garden Valley Forest Fire Station: Replace Facility	\$64,677.00
s.	0900053	Department of General Services SPWB Lease Revenue Bonds Central Plant Renovation	\$220,764,797.00

All 19 renewal loan requests and a continuation of the Disbursement Freeze were approved, as recommended by staff, 3-0.

**PUBLIC COMMENT**

None.

**ADJOURNMENT**

In the absence of further business, the meeting was adjourned at 10:20 a.m.

Respectfully submitted,

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Bettina Redway  
Executive Secretary