CALIFORNIA EDUCATIONAL
FACILITIES AUTHORITY (CEFA)
5th Floor Conference Room
915 Capitol Mall, Room 587
Sacramento, California 95814

April 24, 2008

Deputy State Treasurer Patricia Wynne, serving as chair, called the meeting to order at 1:35 p.m.

Roll Call

Members Present:	Patricia Wynne for Bill Lockyer, State Treasurer, Chair Michael Carter for John Chiang, State Controller, Vice Chair Anne Sheehan for Michael C. Genest, Director, Department of Finance Sylvia Scott-Hayes
Member Absent:	Michael Jackson
Staff Present:	Barbara J. Liebert, Executive Director Ronald Washington, Deputy Executive Director

The Chair declared a quorum present.

Approval of Minutes

The minutes from the California Educational Facilities Authority's (CEFA) February 28, 2008, meeting were approved. Anne Sheehan moved for approval of the minutes, Michael Carter seconded the motion. The motion was adopted with a 4-0 vote.

Executive Director's Report

The Executive Director's Report was presented for March 31, 2008. Barbara Liebert reported that as of March 31, 2008, CEFA had issued total bonds of approximately $7,889,208,538 and currently had $3,613,938,596 in bonds outstanding. Bond activity included the closings of Occidental College and the University of La Verne. The CEFA fund balance as of March 31, 2008 was $4,934,167.

Barbara Liebert reported that as of March 31, 2008, the Student Loan Program had issued approximately $265,372,500 in bonds, with $31,435,000 in bonds currently outstanding. The Student Loan Program Fund balance as of March 31, 2008, was $7,315,146.10.

Item #4 — **Mills College**
Amended Resolution No. 227

Martha Maldonado of staff introduced Ms. Therese Leone, General Counsel, and Mr. Brian Harrington, Architectural Assistant, Campus Facilities and Planning, both from Mills College.

Barbara Liebert stated that Mills College was requesting to amend the use of previously issued bond proceeds in amount not to exceed $10,000,000. (Resolution No. 227 approved at the April 28, 2005 meeting.) Staff recommended approval to amend the Resolution to change the use of bond proceeds in an amount not to exceed $10,000,000 for Mills College, subject to all prior provisions and conditions remaining unchanged and in full effect.

Ms. Leone stated that Mills College had a very successful capitol campaign, raising 30% more for their science building than anticipated and wished to reallocate bond funds to other necessary capitol projects, including the Graduate School of Business as well as major renovations of a music building and concert hall and the renovation of the President's House.

Sylvia Scott-Hayes asked if there would be any sustainable or renewable environmental benefits associated with the change of bond proceeds.

Mr. Harrington stated that the new Graduate School of Business would be built and certified "Gold" LEED standards and the new science building was built and certified LEED "Platinum". Mr. Harrington stated that the two renovation projects were being made to historic buildings and would not expand the college.

Ms. Leone responded that Mills College was one of the open green spaces in the Oakland Community and the college was committed to it.

Michael Carter congratulated the College on their fundraising efforts and asked if the college had a strategic plan.

Ms. Leone stated that the college has several events planned and would continue their fundraising efforts.

Anne Sheehan moved for adoption of the Amended Resolution and Sylvia Scott-Hayes seconded the motion. The motion was adopted with a 4-0 vote.

Item #5 **University of Redlands**
Resolution No. 254

Summer Nishio of staff introduced Mr. Phillip Doolittle, Executive Vice President, University of Redlands; Mr. Rich DeProspo, Managing Director, Underwriter, Wedbush Morgan Securities; and Ms. Stephanie Shepherd, Esq, Bond Counsel, Squire, Sanders & Dempsey.

Barbara Liebert stated that the University of Redlands was requesting $24,500,000 in bond proceeds for various improvement projects. Staff recommended approval in an amount not to exceed $24,500,000 for the University of Redlands subject to a bond rating of at least an "A" by a nationally recognized rating agency and meeting the standard bond issuance guidelines for "A" rated debt.

Mr. Doolittle said the focus of the construction was on improving the University's fine arts program and that the first phase would include the construction of a new Center of the Arts building as well as the expansion of the Theatre Arts Program and adding a black box theatre to the campus. Two of the other components of the project would include the renovation of the library plus infrastructure improvements to the University's co-generation plant. The projects would result in several environmental benefits. The Center for the Arts and the expansion of the theatre would be built to LEED "Silver" certification standards and the infrastructure improvements would reduce the campus' carbon emission footprint by approximately 30%.

Patricia Wynne asked for clarification of a black box theatre.

Mr. Doolittle responded that it is a very flexible spaced theatre that can be refigured and moved around.

Michael Carter asked if there was any cost savings associated in the reduction of the carbon emission footprint.

Mr. Doolittle stated that the cost savings were quite significant, resulting in a seven to nine year payback on a 20 year life plant and from operational standpoint, the University expects an approximate $300,000, reduction per year in the cost of energy.

After some discussion, Anne Sheehan moved for adoption of the Resolution and Michael Carter seconded the motion. The motion was adopted with a 4-0 vote.

Item #6 **Stanford University**
Resolution No. 255

Martha Maldonado of staff introduced Ms. Odile Disch-Bhadkamkar, Director of Finance and Bondholder Relations, Stanford University; and Mr. Richard Hiscocks, Esq, Bond Counsel, Orrick, Herrington & Sutcliffe.

Barbara Liebert stated that Stanford University was requesting $300,000,000 to issue tax-exempt commercial paper notes to support various capital expenditures and improvements within the University. Staff recommended the approval in an amount not to exceed $300,000,000 to issue tax-exempt commercial paper for Stanford University, subject to the notes meeting the minimum Tax-Exempt Commercial Paper (TECP) program requirements. (As specified in Resolution Number 2002-02)

Ms. Disch-Bhadkamkar provided background on Stanford University's TECP note program and how it would be used to support the approximate 1,400 projects within the University, including a new complex and graduate residence, ten state of the arts science buildings, student services buildings, as well as other stores and new buildings featuring food services, convenience stores, conference and meeting rooms and administrative space. The projects would also consist of renovations and infrastructure improvements of existing facilities and will include implementing environmental benefits focusing on retaining sustainable resources. Ms. Disch-Bhadkamkar stated that as part of the University's capitol plan, the TECP will be used in association with the University's gift fund raising efforts to backstop the receipt of the gifts. In order to stay in compliance with tax regulations, gifts will immediately be applied to pay down the TECP so as to not create an arbitrage program. Commercial paper is a very flexible instrument and is the best instrument for the University, because it gives them about a 30 day window from the receipt or earmarking of the gift to repaying the debt. The University has also traditionally used the TECP to wrap up construction expenditures to avoid the negative carry associated with issuing bonds.

Patricia Wynne asked if the University was using recycled water.

Ms. Disch-Bhadkamkar responded that the University was using recycled water and had retrofitted the dorms with energy efficient showers and lighting.

Sylvia Scott-Hayes asked if the new buildings would be LEED certified.

Ms. Disch-Bhadkamkar stated that the University aims to be LEED certified.

Michael Carter asked for clarification on arbitrage and how it relates to this program.

Mr. Hiscocks responded that arbitrage concern would be between tax-exempt bond proceeds and the investment of those proceeds. Anticipated donor gifts on some of the capitol improvements are taken in to account as replacement proceeds and used as a timing window within which to retire the commercial paper thereby alleviating the arbitrage concern with respect to not only the proceeds of the TECP but also the gifts as they are received.

Anne Sheehan moved for adoption of the Resolution and Sylvia Scot-Hayes seconded the motion. The motion was adopted with a 4-0 vote.

Item #7 **Stanford University**
Resolution No. 2008-03

Barbara Liebert stated that this Resolution is a technical request to modify some of the timing requirements involved with remarketing procedures. Staff recommended the Authority approve the Resolution, subject to compliance with all terms and conditions concerning amendments of the affected documents. Representing the University: Ms. Odile Disch-Bhadkamkar, Director of Finance and Bondholder Relations, Stanford University; and Mr. Richard Hiscocks, Esq, Bond Counsel, Orrick, Herrington & Sutcliffe.

Mr. Hiscocks stated that Stanford University was requesting authorization to make amendments to certain documents to make minor adjustments to timing deadlines for processing notices and delivering funds between Stanford University, the remarketing agents, the dealers, the bond trustees, the issuing and paying agents, and the tender agents. Currently, timing requirements are different among various series of bonds and commercial paper. The proposed resolution would authorize amendments to individual documents in order to provide for consistent timing deadlines for the University and other financing participants. This request has no impact on CEFA operations and would only provide the University the benefit of a uniformed cash management process.

Patricia Wynne asked why specific times are reflected in the documents.

Mr. Hiscocks responded that modern documents allow the borrower to redesignate times as needed where the older documents were less friendly. This resolution would delegate the Authority to make these small changes more uniform without coming to the Board.

After some discussion, Anne Sheehan moved for adoption of the Resolution and Sylvia Scott-Hayes seconded the motion. The motion was adopted with a 4-0 vote.

Sylvia Scott-Hayes requested that in the future, staff reference Environmental Benefits on the front page of the staff reports.

No public comment, the meeting was adjourned at 2:00 p.m.

Respectfully submitted by,

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Barbara Liebert
Executive Director