

**MINUTES OF THE  
CALIFORNIA INFRASTRUCTURE AND  
ECONOMIC DEVELOPMENT BANK**

For the meeting held on  
Tuesday, October 23, 2018 at 2:00 p.m.  
1325 J Street, Suite 1300  
Sacramento, California 95814

Acting Chair Augustin Jimenez called the meeting of the California Infrastructure and Economic Development Bank (IBank) Board to order at approximately 2:00 p.m.

**1. Call to Order and Roll Call**

The following Board members were in attendance:

Acting Chair, Augustin Jimenez for the Secretary of the California State Transportation Agency  
Tim Schaefer for the State Treasurer's Office, and  
Kari Krogseng for the Director of the Department of Finance

IBank staff members in attendance were

Teveia Barnes, Nancee Trombley, Stefan Spich and William Pahland

**Information Item**

**2. Executive Director's Report**

Acting Chair Jimenez asked that Executive Director Teveia Barnes deliver the Executive Director's Report. Ms. Barnes said there was no update this month on the Jump Start program due to limited activity. Ms. Barnes said she expected IBank to have busy agendas for the upcoming November and December meetings and asked the Board to consider which designees would attend during this period.

**Consent Item**

**3. Approve minutes from the meeting held on September 25, 2018**

Acting Chair Jimenez opened up discussion of the previous month's minutes. Acting Chair Jimenez confirmed that while Mr. Schaefer did not attend the prior meeting, Mr. Schaefer discussed the matter with Mr. Blake Fowler (who was present) who advised Mr. Schaefer that the draft minutes were accurate and complete. Acting Chair Jimenez confirmed that he and Ms. Krogseng were present at the prior meeting. Mr. Schaefer moved to approve minutes and Ms. Krogseng seconded the motion. After asking for and receiving no public comment, the Board voted unanimously to approve the September 25, 2018 Meeting Minutes.

**Action Items**

**4. Resolution No. 18-14 approving lending Infrastructure State Revolving Fund Program funds to the Stallion Springs Community Services District in an amount not to exceed \$510,000 to finance an eligible project known as the New Wastewater Lift Station project located in the City of Tehachapi.**

Ms. Lina Benedict, Municipal Finance Specialist, introduced Resolution 18-14. Ms. Benedict then introduced Mr. Al White, Public Service Supervisor of Stallion Springs Community Service District. Acting Chair Jimenez asked the Board members if they had any initial comments or questions, and they did not. He then invited comments from Mr. White. Mr. White briefly discussed the waste water lift project and its importance in protecting the community's water resources. Acting Chair Jimenez asked whether the IBank financing would cover the entire project cost. Mr. White responded that the District would cover a portion of the total and thanked IBank for its assistance. Acting Chair Jimenez then asked for public comment. Hearing none, Mr. Schaefer moved for approval of the resolution and Ms. Krogseng seconded. The Board voted unanimously to pass Resolution 18-14.

#### **5. Resolution No. 18-15 approving IBank 2018 Investment Policy.**

Jeffery Ingles, Deputy Director of Compliance, introduced IBank's 2018 Investment Policy and Resolution 18-15. Mr. Ingles noted that the Policy was subject to annual Board review and was being presented to the Board as recently amended. Ms. Barnes added that the Policy had originally been presented to the Board in August with only date changes. Comments from Board members at the time caused IBank to pull the item and undertake further review. Ms. Barnes noted that the Policy had been updated in response to the comments, with no other substantive changes.

Mr. Schaefer thanked Ms. Barnes for the updates. He discussed the need to clarify to which "buckets" of IBank funds the Policy applied. Ms. Barnes agreed and noted that the Policy applied to both funds held by trustees and by the State. Mr. Schaefer wanted to be sure IBank investments in the Surplus Money Investment Fund (SMIF) were managed in harmony with State Treasurer policies. Ms. Barnes agreed with the need for concordance and responded that IBank had not directed SMIF investments and therefore Treasurer's policy should apply in such circumstances. Mr. Pahland briefly discussed the requirements of the Government Code and related IBank compliance. Mr. Schaefer appreciated the discussion and asked that certain bullet points in the Policy be rearranged to clarify intent. He also noted concern of a possible future conflict between IBank and Treasurer's policy, and asked that annual revisions to the IBank Policy be synchronized with annual revisions to the Treasurer's Policy. Ms. Barnes thanked Mr. Schaefer for pointing out these possible conflicts and agreed on the importance of coordination.

Ms. Krogseng sought to clarify whether the Policy under consideration included the State Treasurer's recent edits and also addressed incompatible activities and conflicts of interest. Ms. Barnes responded that it did. Acting Chair Jimenez then questioned whether the Policy addressed all the various "buckets" of IBank funds and directed them to prudent investments. Mr. Pahland responded that the IBank Act, IBank's indentures and the IBank Policy all directed IBank's investments, but that IBank routinely used the SMIF for investment of excess funds. As an example, Ms. Barnes noted IBank had recently returned funds from its trustee, as specifically permitted under the indenture for administrative expenses, and invested these funds in the SMIF. Ms. Barnes then confirmed Ms. Krogseng's understanding that the Policy continues to apply to funds invested with the trustee, but that general practice was to place fee income and funds to cover up to 18 months of IBank administrative expenses in the SMIF.

Acting Chair Jimenez concluded the discussion by confirming that Mr. Schaefer's motion to approve Resolution 18-15 included the rearranged bullet points in the Policy, as discussed. Acting Chair Jimenez then asked for public comment. Hearing none, Mr.

Schaefer moved for approval of the resolution and Ms. Krogseng seconded. The Board voted unanimously to pass Resolution 18-15.

### **Reporting/Non-Action Business**

Acting Chair Jimenez then asked Ms. Barnes to report on any reporting/non-action items. Ms. Barnes directed the Board's attention to the SBFC Monthly Investment Transaction Report for the month ending August 30, 2018.

### **Public Comment**

There was no further public comment.

### **Adjournment**

Acting Chair Jimenez declared the meeting adjourned at approximately 2:35 p.m.