

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

For the meeting held on
Tuesday, June 23, 2015, at 2:00 p.m.
Department of Food and Agriculture
1220 N. Street, Auditorium
Sacramento, CA 95814

Chairman Mike Rossi 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:

Mike Rossi, Chairman
Todd Jerue, for the Director of the Department of Finance
Brian Annis, for the Secretary of the State Transportation Agency
Peter Luchetti, Governors Appointee, participated telephonically

State Treasurer's Office did not have a representative.

The IBank staff members in attendance:

Teveia Barnes, Diane Cummings, Marilyn Munoz

Information Item

2. Executive Director's Report.

The Executive Director, Ms. Teveia Barnes, introduced new employees John Weir and Steven Wright with the Bond Unit and Margrit Lockett with the Loan Unit.

Ms. Barnes spoke about IBank's growth in the last two years and recognized all staff who had been hired since she was appointed. She specifically recognized the Loan and Fiscal units. Ms. Barnes announced Nancee Trombley, Diane Cummings, and Marilyn Munoz's promotions to Deputy Director of their respective departments. Ms. Barnes also recognized the following employees who were with IBank when she arrived and stated she couldn't have done it without them: Tad Thomas, Chris Backlund, John Lee, John Belmont, Betty Daquioag-Correa, Tracey Thompson, Stacy Corcoran, Dan Apodaca, and Karen Kawada.

Ms. Barnes shared IBank's relevant accomplishments including the draft CLEEN Center Criteria, Priorities, and Guidelines that will be reviewed by the Board in August 2015. She mentioned that IBank was looking at a water program--the Integrated Water Management Program--to help finance related city/county water projects.

Mike Rossi acknowledged the accomplishments of IBank and Peter Luchetti commented on the improved quality of work done at IBank in the last year.

Consent Item:

3. Approve minutes from the meeting held on June 9, 2015.

Chairman Rossi called for questions or comments from the Board and the public on the minutes of the June 9, 2015, IBank Board meeting. Hearing no comments, Chairman Rossi entertained a motion to approve this consent item. Mr. Jerue moved to approve the minutes. Mr. Annis seconded the motion. The Secretary of the Board took the roll call vote and the Board unanimously approved the minutes.

4. Resolution No. 15-10 amending the Amended and Restated Criteria, Priorities, and Guidelines for the Selection of Projects for Financing under the Infrastructure State Revolving Fund Program (Criteria) to (i) remove outdated contact information, (ii) remove the words “Amended and Restated” from the title and (iii) delegate authority to the Executive Director to make non-substantive amendments to the Criteria.

Chairman Rossi called for questions or comments from the Board. Mr. Luchetti requested that the Executive Director include in her Executive Director’s Report all changes, regardless how minor, made to the Amended and Restated Criteria, Priorities, and Guidelines, at the Board meeting following the making of such changes. Chairman Rossi called for questions or comments from the public. Hearing no comments, the Secretary of the Board took a roll call vote and the Board unanimously approved Resolution No. 15-10.

Action Items:

5. Amendment of Resolution No. 14-06 extending the Board’s conditional approval through December 31, 2015, to lend Infrastructure State Revolving Fund Program funds to Theatre for Children, Inc. dba The B Street Theatre, in an amount not to exceed \$8,400,000, to provide funds to finance an eligible project known as the B Street Theatre Project located in the City of Sacramento.

Chairman Rossi stated that he was unwilling to extend the approval for another 180 days but that he would consider a 90 day extension. Mr. Blake, Managing Director of B Street Theatre, asked the Board to consider extending for 90 days to get the other parties to the table plus another 90 days to close. Chairman Rossi stated the Board would only commit 90 days at this time. Mr. Luchetti added that B Street could reasonably expect another 90 day extension if there were no material changes in B Street’s financial position. Mr. Blake was concerned how he would inform the investors of this decision. Mr. Luchetti stated that his comments would be in the minutes for reference. Mr. Rossi reiterated that he had no desire to give another 90 day extension and that any future extensions would depend on whether B Street’s financial condition looks then substantially as it looks today. Ms. Barnes added that IBank’s approval is already conditioned upon its verification of no adverse changes to B Street’s financial condition. City Councilman, Steve Hansen then spoke of the support for the Project from the City of Sacramento. Mr. Hansen stated that the City had approved and committed \$2.5 million to the Project. He also stated that Sutter Hospital had cut the ribbon on its project last week, such project having hindered B Street’s ability to begin construction on its Project. Mr. Hansen further stated that he had spoken to Sutter representatives, including the local CEO, who expressed profound commitment to the Project and

asked that Mr. Hansen relay that they will not let this Project fail, that they are preparing to make an announcement in relation to the Project, and that they hope to break ground before year-end.

Chairman Rossi called for questions or comments from the Board and the public. Hearing none, Chairman Rossi moved for approval subject to the condition that only a 90 day extension be given. Mr. Luchetti moved for conditional for another 90 days from June 30, 2015; Mr. Jerue seconded the motion. The Secretary of the Board took a roll call vote and the Board unanimously approved the Amendment of Resolution No. 14-06.

6. Resolution No. 15-11 approving the lending of Infrastructure State Revolving Fund Program funds to the City of Del Mar in the amount of \$3,535,354 to finance eligible project costs associated with (i) the construction of a sewerage force main pipeline and (ii) the rehabilitation and replacement of gravity-flow sewerage pipelines throughout the City of Del Mar.

Chairman Rossi called for questions or comments from the Board and the public.

Mr. Delin, City of Del Mar Assistant City Manager, informed the Board the City is working on two sewerage projects. He went into detail about how the projects will “reclaim” water and that the timing coincides with the City’s roadwork project. Mr. Delin praised IBank for their quick turnaround. Mr. Luchetti asked about Condition 6 on page 5 and expressed concerns regarding a recent lawsuit against the San Juan Capistrano regarding tier rate structures. Mr. Delin explained the City does not use a tiered rate structure and instead has a base fee and then a flat monthly fee. Mr. Luchetti agreed that this alleviated his concern. Mr. Luchetti added that in future staff reports he would like IBank staff to compare the sum of the median water bills and median wastewater bills to median household income.

Chairman Rossi called for further questions or comments from the Board and the public. Hearing none, Chairman Rossi moved for approval. There was no further public comment. Mr. Jerue moved to approve and Mr. Annis seconded. The Secretary of the Board took a roll call vote and the Board unanimously approved Resolution No. 15-11.

Public Comment.

Chairman Rossi called for any public comment; there was none.

Adjournment.

Chairman Rossi declared the meeting adjourned at approximately 2:45 p.m. The Secretary of the Board took a roll call vote and the Board unanimously adjourned the meeting.