

MINUTES OF THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK

For the meeting held telephonically on
Wednesday, July 28, 2021, at 2:00 p.m.

Due to the COVID-19 impacts in Sacramento County, IBank modified its Board meeting procedures in accordance with Governor Newsom's Executive Order N-29-20 by waiving specified public access and notice requirements under the Bagley-Keene Open Meeting Act.

Consistent with the Executive Order, this meeting was conducted by publicly accessible electronic and telephonic means only. There was no physical meeting accessible to the public and none of the locations from which Board Members participated were open to the public.

Mary Hoang acted as the moderator of this call and Chair Dee Dee Myers, Director of the Governor's Office of Business and Economic Development, started by providing technical instructions to participants regarding participation and public comment.

Chair Myers 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 attended by electronic means:

Chair, Dee Dee Myers, Director of the Governor's Office of Business and Economic Development,
Richard Gillihan for the Department of Finance,
Carlos Quant for the State Transportation Agency,
Blake Fowler for the State Treasurer, and
Marc Steinorth, Governor's Appointee

IBank staff members attended by electronic means:

Scott Wu, Mary Hoang, William Pahland, Jr. and Stefan Spich

Information Item

2. Executive Director's Report

Scott Wu, IBank's Executive Director, delivered the Executive Director's Report.

Mr. Wu began by noting that on this day in 1914 World War I began, following the assassination of the Archduke Ferdinand and Austria-Hungary declaring war on Serbia. This war caused 40 million casualties, killing more people and leaving more damage than any previous war in history.

Mr. Wu then noted that on this same day the following year, 330 US marines landed at Port-au-Prince, Haiti following the assassination of Haiti's President, and started a 19-year occupation of the Caribbean nation.

Mr. Wu lamented that ever since Columbus' first landing on the island in 1492, Haiti has endured a tragic history. Its lush land and resources were fought over by Spain and France, and later by Britain, Germany, and the US. Vast numbers of slaves were imported from

Africa to provide labor to extract sugar, coffee, and other riches from this tiny nation that at one point was among the richest in the world.

Mr. Wu then recounted the history that made Haiti the first and only state formed by a successful slave rebellion in world history, the first independent nation of Latin America and the first nation to abolish slavery, from the original 1791 slave rebellion through the defeat of Napoleon's military 13 years later. Mr. Wu noted that Haiti's independence had been tragic; marred by political instability, brutal dictatorships and corruption while enduring disabling foreign interference and ostracism. Fearful of the precedent set by the slave revolt, the US did not recognize Haiti for nearly 60 years following its independence, and Haiti continued to pay massive reparations to France until 1947. Mr. Wu noted this instability continued: earlier this month, Haitian President Moise had been assassinated at his residence in the middle of the night. The world is still trying to decipher the motive and mastermind behind this shocking murder of a Head of State.

Mr. Wu then recounted his own visit to Haiti in 2014, 4 years after a devastating earthquake killed a quarter million citizens, followed by a cholera outbreak triggered by UN peacekeepers that infected 800,000. The earthquake destroyed what little there was of the country's infrastructure. He recalled seeing the tent cities and unpassable roads in the middle of the city and his heart sinking as he stared at the National Cathedral in ruins. The historic and opulent National Palace, former home to Haiti's leaders back to its initial President, was last rebuilt in 1920 during the US occupation by the Army Corp of Engineers, sat ominously in rubble. Neither has been rebuilt to date.

Mr. Wu wondered what it took for people who endured such an arduous history, to maintain their perseverance, grace, and hopeful outlook. Mr. Wu had been in Haiti to advise USAID projects on innovating a full spectrum of infrastructure - everything from basic toilets to an advanced tech assembly plant, from solar-powered food production to human waste-to-energy technologies and creating charcoal from ag waste in a greatly deforested area. He recalled visiting the Partners in Health hospital in Cange. When he signed the guest book at a school visit the name before his was Bill Gates. They pointed out where his helicopter landed, which Mr. Wu wryly noted was probably more comfortable than his overland journey.

Mr. Wu suggested we can take infrastructure for granted, but while he'd been to many countries devoid of adequate or even basic infrastructure, Haiti stands alone as the least developed country in the western hemisphere. This highlights how societal development is predicated on honest governance leading to economic advancement and wise investments in public infrastructure and services, and the consequences of what happens in its absence.

Even in the context of its volatile history, at this very moment absent a functioning government, Haiti teeters on the precipice. Mr. Wu continued that given all the harm done to this land less than 600 miles off our shores - self-inflicted harm, damage by mother nature, and harm perpetrated by the global powers - we now have another opportunity to step up and help in a critical time of need. This beautiful island with its resilient people deserves better and simply cannot be left behind.

Mr. Wu then reported IBank had recently wrapped-up its 2020-21 Fiscal Year. IBank was currently compiling financial reporting for the year and at next month's board meeting Mr. Wu hoped to present some preliminary results. He noted it was already clear that during perhaps the most challenging year in our lifetime, IBank and our staff stepped up to the challenge. With the assistance of our Board, the Governor, the Legislature, and the Federal Government, IBank received unprecedented support to help address the demands of our times. Mr. Wu warned that we're not out of the woods on the COVID crisis or the climate

crisis, so IBank will keep our foot on the gas to do more to serve the communities of this state.

Mr. Wu then concluded with a few staffing announcements, including promotions and new hires.

The Promotions include:

- Megan Hodapp, promoted to SBFC Manager
- Ella Clinton, promoted to Staff Services Analyst
- Tina Choung, promoted to Sr. Accounting Officer
- Betty Bian, promoted to Loan Officer

The New Hires include:

- Pa Thao, Accounting Analyst
- Aastha Segal, Sr. Accounting Officer
- Karen Naungayan, Deputy Director of External Affairs
- Richard Nesbitt, Loan Officer

Mr. Wu warmly welcomed all the new members of the IBank family. He ended by noting IBank still has several open positions, so please spread the word.

Chair Myers thanked Mr. Wu for the discussion of global events and how they connect to IBank's commitment to public service.

Consent Item

3. Approve minutes from the meeting held June 23, 2021

Chair Myers opened up discussion of the previous meeting's minutes. Mr. Steinorth moved to approve the minutes, and Mr. Gillihan seconded the motion. Mr. Quant and Mr. Gillihan stated they would abstain from voting on the matter. After asking for and receiving no public comment, the remaining Board members unanimously approved the June 23, 2021, Meeting Minutes.

Action Item

4. Resolution 21-12 approving the issuance of fixed rate tax-exempt and/or taxable revenue bonds, in both Senior Lien and Subordinate Lien Bond format, in an amount not to exceed \$93,000,000 for the benefit of Equitable School Revolving Fund, LLC to finance an eligible project located in the Counties of Los Angeles, Sacramento, and San Mateo.

Steven Wright, Loan Officer, introduced Resolution 21-12 and thanked Equitable School Revolving Fund (ESRF) for coming back to IBank for its new issuance. He then introduced the ESRF representative Michael McGregor, Chief of Staff, and Sean Yates and Eugene Clark-Herrera, Bond Counsel (Orrick). Chair Myers welcomed the representatives and asked them to comment on the project.

Mr. McGregor thanked the IBank Board for its consideration. He noted this was ESRF's third issuance at the IBank, and that it was good to see familiar faces and continue this strong partnership. He discussed ESRF's operations and goals, noting its focus on reducing the operating expenses of high performing charter school operations. Mr. McGregor noted the prior issuances had resulted in over \$100M of investment into California charter schools. The newly issued funds would be used to reimburse or fund new loans across California, with approximately \$15m of projected savings in operation

costs for the operators, which funds can be redirected for educational uses while helping ensure financial sustainability.

Chair Myers thanked Mr. McGregor and then asked for any other public comment. Hearing none, Mr. Steinorth moved for approval of the resolution and Mr. Fowler seconded. The Board voted unanimously to pass Resolution 21-12.

Reporting/Non-Action Business

Public Comment and Adjournment

Chair Myers then asked for a final general public comment. Hearing none, Chair Myers declared the meeting adjourned at approximately 2:19 p.m.