

MINUTES OF THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK

For the meeting held telephonically on
Wednesday, August 25, 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 Orders 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,
Fiona Ma, 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 1916 the US Congress created the National Park Service. California is home to 9 of America's 63 national parks, and 28 overall including national monuments. From the volcanic ash of Mount Lassen to the lush forests of the Redwood and Sequoia, the sands of the Mojave to the untamed coast at Point Reyes, the depths of Death Valley to the summit of Half Dome at Yosemite-the nation's first national park, Mr. Wu called the NPS an unmatched national treasure. He noted that during the COVID lockdown, we needed to look no further than our coffee table picture books, the art adorning our walls, computer screen savers and zoom backdrops to find a pristine image from a national park.

Our national parks receive over 330 million visits a year, generating over \$30 billion of economic activity. However, Mr. Wu warned that many of these national treasures are increasingly threatened by wildfires, rising oceans, drought, extreme heat and other conditions brought on by climate change. Half of Lassen Volcanic National Park is currently burning in the Dixie Fire. IBank remains conscious of the important role it can play; from financing the next biomass facility to aggregate and clear forest waste, to the next hydrogen ferry to reduce polluting emissions on our waterways, to capitalizing our Climate Catalyst Fund for projects that reduce the effects of human activity to the nature that we cherish and seek to preserve.

Mr. Wu noted a sad update to his ED Report at the last board meeting regarding Haiti. His report had highlighted a litany of disasters; storms, earthquakes, disease, and political violence that has left a country teetering on the edge. Sadly, 11 days ago Haiti was hit by another 7.2 earthquake, followed only two days later with the early stages of Hurricane Grace to hamper any rescue and recovery efforts. USAID and other international relief agencies are on the ground providing essential services, but the proud people of Haiti continue to test the limits of human misery. Mr. Wu called for the entire international community to come together to provide humanitarian assistance.

Mr. Wu then noted that 20 years ago we had invaded Afghanistan in search of the perpetrators of the 9/11 terrorist attacks. The resulting human toll and refugee crisis caused Mr. Wu to become involved with the US Committee for Refugees and Immigrants (USCRI), serving as their Chair or on their Board ever since. Mr. Wu noted that over the prior days, we've all witnessed the tragic final chapter of America's longest war. He reported the USCRI is deploying staff to Fort Lee and Fort McCoy to assist with the processing and resettlement of SIV's that make it here, those that risked their lives to support our troops, in pursuit of a better life.

Mr. Wu contrasted this moment against the chaotic evacuations during the fall of Saigon. While that was clearly a low point in US foreign policy, the aftermath is less definitive. In the years after the war, more than a million Vietnamese refugees and immigrants resettled in the US. Mr. Wu noted this was due in part to the efforts of the USCRI and achieved despite how deeply unpopular such activities were at the time. Mr. Wu proudly reported this population has successfully integrated into all facets and corners of American society with nearly 40% living here in California and enriching our communities both economically and culturally. Mr. Wu provided the perspective that, while it took two decades, we now have a warm relationship with Vietnam and its thriving capitalist economy. Few could have imagined this on April 30, 1975, seven days after President Ford announced the war was finished, as the last helicopters rushed from the US Embassy with throngs below desperate to leave. Mr. Wu offered that although Afghanistan is currently shrouded in darkness, there is always an opportunity for a brighter outcome.

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

Mr. Wu reported to the Board that, pursuant to Resolution 21-11 approved at the June Board meeting, a recent financing agreement had been amended to reduce the interest rate for a long-term borrower. Fresno Metropolitan Flood Control District, our 8th ISRF program borrower out of 140, was eligible to refinance their loan and approached IBank about their options. Mr. Wu reported that the Loan Servicing staff conducted analysis and determined that IBank could absorb a reduced rate without violating any covenants, and that we could offer a mutually beneficial interest rate reduction. Accordingly, Loan Servicing received approval from IBank's credit/risk committee, prior to reaching agreement with the District.

Mr. Wu then discussed IBank's financial reports and their presentation the Board. For consistency in reporting and to provide reports that are informative and desired, Mr. Wu recommended that IBank Board receive the quarterly Small Business Finance Center (SBFC) investment report as opposed to the monthly SBFC transaction report. In his time at IBank, Mr. Wu noted the monthly delivery of the SBFC transaction report at each Board meeting, but the origins of this practice, after inquiry and research, remain unknown. Mr. Wu reported that no member of the staff can recall an occasion when such a report was a subject of board discussion. Therefore, Mr. Wu proposed that we suspend the distribution of the monthly SBFC transaction report, which would remain available upon request, and instead present the quarterly SBFC investment report in conjunction with the quarterly IBank investment report. Mr. Wu noted that given the substantial increased balances in our investment accounts and the precipitous decline of market interest rates, he found this report of much greater value. Mr. Wu asked the Board for their opinion.

Mr. Steinorth noted that IBank's communication with the Board had always been good. Quarterly reports were fine with him. He continued that any questions could be answered by responsive IBank staff. Mr. Wu thanked Mr. Steinorth. Chair Myers responded that she personally agreed and then asked if any other members of the Board had a different opinion or saw any conflict. Hearing no further comments, Chair Myers responded quarterly SBFC reports were ok with the Board.

Mr. Wu concluded his report by introducing Karen Naungayan, who joined IBank as Deputy Director of External Affairs. Mr. Wu noted she has devoted much of her career to addressing disadvantaged communities, particularly with affordable housing. Ms. Naungayan then introduced herself to the Board, noting her prior state service at the Department of Housing and Community Development. She briefly discussed her prior work on community infrastructure projects and that she was drawn to IBank due to the commitment and sense of purpose she saw in IBank's executive team.

Mr. Wu then introduced and welcomed two additional new IBank hires: Pa Thao, and Aastha Seghal, both in Accounting. Ms. Benedict also noted Richard Nesbit had joined her origination team as a Loan Officer.

The Board welcomed all the new faces to the IBank family.

Chair Myers thanked Mr. Wu for the report.

Consent Item

3. Approve minutes from the meeting held July 28, 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. After asking for and receiving no public comment, the Board unanimously approved the July 28, 2021, Meeting Minutes.

Action Item

4. Resolution 21-13 approving lending Infrastructure State Revolving Fund Program funds to the City of Los Banos, in an amount not to exceed \$14,000,000 to finance an eligible project known as the Los Banos Police Station Project located in the City of Los Banos.

Lina Benedict, Loan Original Manager, introduced Resolution 21-13 and discussed the project. She then introduced the City's representatives, Sonya Williams (Finance Director), and Jason Hedden (Interim Police Chief). Chair Myers welcomed the representatives and asked them to comment on the project.

Ms. Williams began by thanking IBank for working with them on this important project. She noted this project had been years in the making, and had taken lots of hard work. The City had first acquired the property, and now they had the financing to make the project a reality. She thanked Lina for her help and noted she had been very helpful throughout the application and underwriting process. Mr. Hedden then addressed the Board and thanked them for their consideration. He noted this long-term project had many public benefits, including the consolidation of public safety operations from multiple locations to a centralized police station. He noted this would improve operations and provide better community service.

Chair Myers thanked Ms. Williams and Mr. Hedden and then asked for any other public comment. Hearing none, Mr. Steinorth moved for approval of the resolution and Ms. Ma seconded. The Board voted unanimously to pass Resolution 21-13.

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 2:21 p.m.