

MINUTES OF THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK

For the meeting held telephonically on
Wednesday, March 23, 2022, at 2:00 p.m.

Due to the COVID-19 impacts in Sacramento County, IBank modified its Board meeting procedures in accordance with State law that permits public meetings held under the Bagley-Keene Open Meeting Act be 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.

Jaymie Lutz 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.

1. Call to Order and Roll Call

Chair Myers called the meeting of the California Infrastructure and Economic Development Bank (IBank) Board to order at approximately 2:02 p.m.

The following Board members attended by electronic means:

Chair, Dee Dee Myers, Director of the Governor's Office of Business and Economic Development,
Gayle Miller for the Director of the Department of Finance,
Carlos Quant for the Secretary of 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, Jaymie Lutz, 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 today, March 23rd, was a notable day in the history of authoritarianism.

On this day in 1919, Benito Mussolini founded the Fascist movement, rooted in Italian nationalism, and reminiscing the conquests of the Roman Empire. He noted the movement later joined forces with German Nazism, with the Fascist government recognizing Italians as having Nordic heritage to align with the Nazi focus on Aryanism.

Mr. Wu continued that on this day in 1933, Germany passed the Enabling Act paving the way for a western democracy to transform in short order into a totalitarian dictatorship. Mr. Wu recounted that shortly after becoming Chancellor, Adolph Hitler blamed a fire in the Reichstag on the communists and evoked absolute, unchecked emergency powers. Communists and labor union leaders were the first groups he targeted to be interned in concentration camps. While both movements were defeated at the conclusion of WWII,

Mr. Wu warned that the legacy of Fascism and Nazism still influence world events to this day.

Mr. Wu then balanced this picture by noting that March 23rd is also notable for major setbacks to authoritarianism.

On this day in 1996, Mr. Wu's home country of Taiwan held its first presidential election. Since then, it has burgeoned into a leading democracy that earns high marks for its rule of law and for protecting civil and political rights, despite operating under the shadow of an increasingly belligerent China. Mr. Wu noted that President Xi recently secured a constitutional change abolishing term limits enabling him to serve indefinitely. Mr. Wu lamented that his family in Taiwan continues to live under the looming threat of an uncertain ultimate resolution for the island nation's status and way of life.

Mr. Wu continued that on this day in 2019, the US-backed Syrian Democratic Forces declared military victory over ISIL, bringing an end to a Caliphate that ruled by authoritarian terror. Mr. Wu noted it will require a tremendous undertaking for that region to recover from the devastation and horrors of that war, and that the international community must not forget or ignore this need.

Mr. Wu completed his comparison by noting that on this day in 1976, the International Covenant on Civil and Political Rights finally went into effect. Mr. Wu called the Covenant an awe-inspiring and historic agreement; ratified by 173 nations that commit to guarantee individual rights regardless of race, gender or other status. These rights include the right to life, to privacy, to vote, to due process and to be treated with dignity; it ensures freedom of religion, speech, assembly, movement and the right of all peoples to self-determination. These principles embodied in the Covenant were first proposed at the 1945 San Francisco Conference, which led to the founding of the UN itself.

Mr. Wu then related this history to current events, noting that although China remains notably absent from the Covenant, Russia was among its earliest signatories. Mr. Wu commented this would be an opportune moment for President Putin to review the Covenant, and to dispense of his false pretext of Ukrainian denazification or his grand vision to restore Russia to its former Soviet grandeur.

Mr. Wu continued that during our last IBank Board meeting, he noted that Russian troops had started rolling into the Ukraine, with a full-scale invasion starting the following day. Now, a full month later, Mr. Wu surmised that few would have predicted how challenging this invasion would be for Russia or expected the courage and determination of the Ukrainians and their leader. Meanwhile, certain markets and currencies hang in the balance as the global economy is reshaped.

Mr. Wu grounded this discussion by highlighting the daily statements from brave Ukrainian citizens, young and old, women and men, that speak to their willingness to confront overwhelming odds to defend their country, their freedom and their way of life. Mr. Wu reflected on this universal human courage and found it fitting that it was on this day in 1775 that Patrick Henry issued his famous rallying cry, "give me liberty or give me death" to convince the Second Virginia Convention to send troops for the Revolutionary War.

Mr. Wu concluded that the flame that fans the necessity for people from all reaches of earth to live with the dignity of freedom and self-determination will never be extinguished. Authoritarians will come and go, but we stand for human rights, and know that liberty will ultimately prevail.

Mr. Wu then turned to a few information items.

He first introduced Nicola Kerslake, who joined IBank as a special consultant to implement the prospective state venture capital program for the underrepresented. Nicola grew up in the UK, graduated from Oxford and spent nearly 20 years in institutional investments in Europe, Asia and the US. He noted that since 2013, she's been the investment manager for Nevada's venture capital fund under the SSBCI program. Chair Myers and the Board welcomed Ms. Kerslake.

Mr. Wu then discussed that IBank had instituted a quarterly award for IBank staff who have gone above and beyond to contribute towards our success, the "Above and Beyond Award". He related that several managers had nominated our first recipient, Jaymie Lutz, for her eagerness to help, her positive disposition and her professionalism. Mr. Wu noted he had had the pleasure of working closely with Jaymie and observed her growth at IBank, continuously learning, improving and taking on new challenges. Mr. Wu and the Board then congratulated Ms. Lutz.

Mr. Wu asked if the Board members had any questions, and when they did not, he concluded his report.

Consent Item

3. Approve minutes from the meeting held February 23, 2022

Chair Myers opened-up discussion of the previous meeting's minutes. Ms. Miller moved to approve the minutes, and Mr. Steinorth seconded the motion. After asking for and receiving no public comment, the Board unanimously approved the February 23, 2022, Meeting Minutes.

Action Item

4. Resolution No. 22-05 approving the issuance of variable rate revenue bonds in an amount not to exceed \$67,000,000 for the benefit of the Colburn School to finance an eligible project located in the City of Los Angeles.

John Belmont, IBank's Public Finance Specialist, introduced Resolution 22-05. He discussed the project and introduced representatives from The Colburn School: Maesha Merchant, CFO and VP of Business Development, Glenn Casterline, Financial Advisor (BLX Group), Doug Brown and Giselle Valdez, Underwriters (Wells Fargo), Marc Bauer, Bond Counsel (Orrick). Chair Myers thanked Mr. Belmont, welcomed The Colburn School representatives, and asked them to comment on the project.

Ms. Merchant thanked the Board for its consideration and thanked IBank for its long and productive relationship across multiple financings. She then discussed the new project, its recent public announcement and all the positive responses. She noted this project was transformational for the school and for the City of Los Angeles. Ms. Merchant discussed the project design by the famous architect Frank Gehry. She noted the 1000 seat performance hall was a unique size for Los Angeles and would open a broader array of performances to both students and the wider community. She also discussed the new home for the dance school with multiple studios, and the impact the project would have on the school's financial aid and scholarship efforts.

The new project was discussed as a welcome addition to downtown Los Angeles' cultural corridor that included MOCA, the Broad, and Disney Hall. Ms. Merchant detailed the great financial support the community had provided for the project, noting the project was fully funded, the school's endowment remained healthy, and that Colburn would be able to keep a balanced debt load by paying off certain prior debts concurrently with this issuance. She concluded by noting that the project would break ground within 12 months and would be completed in late 2025 or early 2026.

Chair Myers then asked if the Board members had any questions on the matter, and they did not. She then asked for any other public comment. Hearing none, Mr. Steinorth moved for approval of the resolution and Ms. Miller seconded. The Board voted unanimously to pass Resolution 22-05. Chair Myers congratulated The Colburn School representatives and noted that, as a resident of Los Angeles, she appreciated the beautiful design and important cultural impact.

5. Resolution No. 22-06 approving lending Infrastructure State Revolving Fund Program funds to the City of Laguna Beach in an amount not to exceed \$7,500,000 to finance an eligible project known as the Six Wastewater Systems Project located in the City of Laguna Beach.

Lina Benedict, IBank's Loan Origination Manager, introduced Resolution 22-06. She discussed the project, noted this was the fourth financing between the city and IBank related to the wastewater system and introduced representatives from the City of Laguna Beach: Hannah Johnson, Senior Project Manager for Water Quality, and David Shissler, Director of Water Quality. Ms. Benedict concluded by noting this project would create 35 jobs during construction. Chair Myers thanked Ms. Benedict, welcomed the city's representatives, and asked them to comment on the project.

Mr. Shissler began by thanking the Board, Mr. Wu and Ms. Benedict for their consideration. He noted the city's long relationship with IBank and praised the teamwork and efficiencies of working together on financings. He recounted his early days working with the city to address regular sewage floods and the related bad impacts they had on the city and its marine environment. Thanks to multiple projects financed by IBank, the rate of sewage overflows had fallen precipitously from 2 spills every two weeks, to approximately 2 spills every six months. He concluded by noting the city expected to apply for a further \$8.5 million IBank loan for further system upgrades in the coming months.

Ms. Johnson then discussed project details, noting that projects like replacing lifts located at the beach and originally installed in the 1950s, would greatly reduce the risk of sewage spills impacting the beach. She also discussed other project elements, including pipeline and connection inspections, and the intertie with the South Coast Water Districts force main for emergency backup purposes. She concluded by thanking the Board.

Mr. Shissler then expressed his appreciation for IBank's use of a virtual meeting and for not having to fly up from Laguna Beach to attend in-person. He revealed that it would have been nice to see Ms. Myers again in person, but that the environment probably appreciated the reduction in miles flown.

Chair Myers then asked if the Board members had any questions on the matter, and they did not. She then asked for any other public comment. Hearing none, Mr. Steinorth moved for approval of the resolution and Ms. Miller seconded. The Board voted unanimously to pass Resolution 22-06. Chair Myers congratulated the City of Laguna

Beach, noted it was nice to see Mr. Shissler again, and joked that this project was good news for beach goers across the State.

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 2:28 p.m.