

**Golden State Finance  
Authority (GSFA)  
Executive Committee Meeting**



**Wednesday, July 15, 2020  
11:00 A.M.**

**1215 K Street, Suite 1650  
Sacramento CA 95814**

**Golden State Finance Authority (GSFA)  
Executive Committee Meeting  
1215 K Street, Suite 1650  
Sacramento, CA 95814  
July 15, 2020 – 11:00 a.m.**

In accordance with Executive Orders N-25-20 and N-29-20, the July 15, 2020 GSFA Executive Committee meeting will be held virtually.

**MEMBERS OF THE PUBLIC MAY NOT ATTEND THIS MEETING IN PERSON**

The July 15, 2020 GSFA Executive Directors Meeting will be facilitated virtually through Zoom. Members of the public can watch or listen to the meeting using one of the following methods:

1. Join the Zoom meeting application on your computer, tablet or smartphone:

Go to: <https://rcrcnet.zoom.us/j/91839327359>

Enter Password: 106156

2. Call-in and listen to the meeting:

Dial +1 (669) 900-9128

Enter meeting ID: 918 3932 7359

Enter password: 106156

**PUBLIC COMMENT USING ZOOM:** Members of the public who join the Zoom meeting, either through the Zoom app or by calling in, will be able to provide live public comment at specific points throughout the meeting.

**EMAIL PUBLIC COMMENT:** One may also email public comment to [mdemelo@rcrcnet.org](mailto:mdemelo@rcrcnet.org) before or during the meeting. All emailed public comments will be forwarded to all GSFA Executive Committee members.

**DISABLED ACCOMMODATION:** If you have a disability which requires an accommodation or an alternative format to assist you in observing and commenting on this meeting, or an alternative agenda document format, please contact GSFA at (916) 447-4806 or by email at [mdemelo@rcrcnet.org](mailto:mdemelo@rcrcnet.org) by 11:00 a.m. Tuesday, July 14<sup>th</sup> to ensure arrangements for accommodation.

Executive Committee Members:

Supervisor Kevin Cann, Mariposa County  
Supervisor Daron McDaniel, Merced County  
Supervisor Stacy Corless, Mono County  
Supervisor Dan Miller, Nevada County  
Supervisor Matt Kingsley, Inyo County

Supervisor Gerry Hemmingsen, Del Norte County  
Supervisor Lee Adams, Sierra County  
Supervisor Denise Carter, Colusa County  
Supervisor Jack Garamendi, Calaveras County  
Supervisor Kuyler Crocker, Tulare County

**Agenda**

**I. Call to Order and Determination of Quorum**

*Chair, Supervisor Kevin Cann, Mariposa County*

*Vice Chair, Supervisor Bob Williams, Tehama County*

**II. Approval of Minutes of the May 20, 2020 Meeting**

*(Executive Committee Members absent from the meeting will be recorded as abstained unless the Executive Committee Member indicates otherwise)*

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**III. Public Comment**

*At this time any member of the public may address the Committee. Speakers are asked to state their name for the record. Comments are usually limited to no more than 3 minutes per speaker.*

- IV. Quarterly Reports for GSFA** (Discussion and possible action relative to)  
*Lisa McCargar, Chief Financial Officer*  
*Milena De Melo, RCRC Controller*
- a. GSFA Budget v. Actual Report (May 31, 2020)** **Page 5**
  - b. GSFA Investment Report (May 31, 2020)** **Page 8**
  - c. GSFA Condensed Balance Sheet (May 31, 2020)** **Page 10**
- V. Business and Administrative Matters** (Discussion and possible action relative to)
- a. GSFA Revolving Loan Fund for Member Counties Update – Information Only** **Page 12**  
*Greg Norton, Executive Director*  
*Craig Ferguson, Deputy Director*
- VI. Program Updates** (Discussion and possible action relative to)  
*Craig Ferguson*
- VII. Economic Development Update**
- a. Rural Broadband Update – Information Only**  
*Greg Norton*  
*Barbara Hayes, RCRC Chief Economic Development Officer*
- VIII. Adjournment**

Meeting facilities are accessible to persons with disabilities. By request, alternative agenda document formats are available to persons with disabilities. To arrange an alternative agenda document format or to arrange aid or services to modify or accommodate persons with a disability to participate in a public meeting, contact Milena De Melo by calling (916) 447-4806 at least 48 hours before the meeting.

Agenda items will be taken as close as possible to the schedule indicated. Any member of the general public may comment on agenda items at the time of discussion. In order to facilitate public comment, please let staff know if you would like to speak on a specific agenda item. The agenda for this meeting of the Executive Committee of the Golden State Finance Authority was duly posted at its offices, 1215 K Street, Suite 1650, Sacramento, California, 72 hours prior to the meeting.

**Golden State Finance Authority (GSFA)  
Executive Committee Meeting  
1215 K Street, Suite 1650 Board Room  
Sacramento, CA 95814  
May 20, 2020 – 10:30 a.m.**

Executive Committee Members:

Supervisor Kevin Cann, Mariposa County  
Supervisor Daron McDaniel, Merced County  
Supervisor Stacy Corless, Mono County  
Supervisor Dan Miller, Nevada County  
Supervisor Matt Kingsley, Inyo County

Supervisor Gerry Hemmingsen, Del Norte County  
Supervisor Lee Adams, Sierra County  
Supervisor Denise Carter, Colusa County  
Supervisor Jack Garamendi, Calaveras County  
Supervisor Kuyler Crocker, Tulare County

**Minutes**

**Call to Order and Determination of Quorum**

GSFA Chair, Supervisor Kevin Cann, Mariposa County called the GSFA Executive Committee meeting to order at 11:50 a.m. A quorum was determined at that time. Those present were as follows:

<b><u>Supervisors in Attendance</u></b>	<b><u>County</u></b>
Jack Garamendi	Calaveras
Denise Carter	Colusa
Gerry Hemmingsen	Del Norte
Matt Kingsley	Inyo
Kevin Cann	Mariposa
Daron McDaniel	Merced
Stacy Corless	Mono
Dan Miller	Nevada
Lee Adams	Sierra
Bob Williams	Tehama
Kuyler Crocker	Tulare

**Absent Members**

None

**Others in Attendance**

Greg Norton, Executive Director  
Craig Ferguson, Deputy Director  
Lisa McCargar, Chief Financial Officer  
Barbara Hayes, RCRC Chief Economic Development Officer  
Terrance Rodgers, RCRC Economic Development Officer  
Sarah Bolnik, RCRC Economic Development Specialist  
Paul A. Smith, RCRC Vice President Governmental Affairs  
Arthur Wylene, RCRC General Counsel  
Maggie Chui, RCRC Senior Governmental Affairs Specialist  
Milena De Melo, RCRC Controller  
Sanjay Lee, RCRC Financial Analyst

Liz Jensen, RCRC Assistant Controller  
Staci Heaton, RCRC Senior Legislative Advocate  
Layne Frederiksen, RCRC IT Director  
Supervisor Les Baugh, Shasta County

**Approval of Minutes of the February 19, 2020 Meeting**

*(Board Members absent from the meeting will be recorded as abstained unless the Board Member indicates otherwise)*

**Supervisor Daron McDaniel, Merced County, motioned to approve the minutes of the February 19, 2020 GSFA Executive Committee Meeting. Supervisor Gerry Hemmingsen, Del Norte County, seconded the motion. Motion approved by a roll call vote:**

**AYE: Calaveras, Colusa, Del Norte, Inyo, Mariposa, Merced, Mono, Nevada, Sierra, Tehama, Tulare**

**NAY: None**

**Abstain: None**

**Absent: None**

**Public Comment**

None

**Approval of the 2019 GSFA Audited Financial Statements**

Lisa McCargar, Chief Financial Officer, and Milena De Melo, RCRC Controller, presented the GSFA Executive Committee with the 2019 Audited Financial Statements. The GSFA Executive Committee reviewed the financial statements and Ms. De Melo answered questions the committee had.

**Recommendation**

It is recommended that the GSFA Executive Committee, acting in their capacity as the Audit Committee, review and approve the 2019 audited financial statements and communication letter as presented, for presentation and adoption by the GSFA Board of Directors.

**Supervisor Gerry Hemmingsen, Del Norte County, motioned to approve the GSFA 2019 Audited Financial Statements and Direct the Executive Director to make a formal recommendation to the Full GSFA Board of Directors. Supervisor Denise Carter, Colusa County, seconded the motion. Motion passed by a roll call vote:**

**AYE: Calaveras, Colusa, Del Norte, Inyo, Mariposa, Merced, Mono, Nevada, Sierra, Tehama, Tulare**

**NAY: None**

**Abstain: None**

**Absent: None**

**GSFA Quarterly Reports**

Milena De Melo, RCRC Controller, presented the GSFA Quarterly Investment Report, the Budget Report, and the Liquidity Report for the period ending March 31, 2020.

**Self-Generation Incentive Program (SGIP)**

Craig Ferguson, Deputy Director, provided background on new program that would utilize existing MIST program funds (ARRA-originated) to provide interim financing for residential energy storage installations for households that have experienced two or more PSPS events and have been deemed medical-dependent households or households that rely on wells. Once a household has been qualified under SGIP by the CPUC and assignment of program reimbursement to GSFA complete, interim financing would allow for installation and permitting of energy storage units without any out-of-pocket expense being provided by the homeowner. Once reimbursement of interim financing has been received from CPUC, the interim financing revolves back to the fund for use on additional properties.

**Recommendation:**

It is recommended that the GSFA Executive Committee recommend to the GSFA Board of Directors authorization of GSFA utilizing internal resources of up to \$5MM in a revolving fund to leverage the existing MIST funds and enhance the SGIP gap funding program currently being developed by GSFA, the CEC and the CPUC once the program is operating successfully.

**Supervisor Stacy Corless, Mono County, motioned to approve the recommendations above, and Direct the Executive Director to make a formal recommendation to the Full GSFA Board of Directors. Supervisor Matt Kingsley, Inyo County, seconded the motion. Motion passed by a roll call vote:**

**AYE: Calaveras, Colusa, Del Norte, Inyo, Mariposa, Merced, Mono, Nevada, Sierra, Tehama, Tulare**

**NAY: None**

**Abstain: None**

**Absent: None**

**GSFA Revolving Loan Fund**

Craig Ferguson, Deputy Director, proposed a new revolving fund program that would provide interim financing to public projects in RCRC member counties so that projects with approved funding sources that provide funding on a reimbursement basis could be initiated if the local government does not have means to cover initial costs. Once the project begins and reimbursements are received, the interim financing is repaid and

available for the next project. It was agreed by Executive Committee members that this would be a necessary and valuable tool for local governments. It was also agreed that parameters should be established for project qualifications and that perhaps a small fee could be charged to cover program overhead.

**Recommendation:**

It is recommended that the GSFA Executive Committee recommend to the GSFA Board of Directors authorization of GSFA committing up to \$3MM in a revolving fund from its own existing set-aside resources, to develop a program to provide short term “bridge” financing to Member Counties for eligible projects.

**Supervisor Dan Miller, Nevada County, motioned to approve the recommendations above, and Direct the Executive Director to make a formal recommendation to the Full GSFA Board of Directors. Supervisor Daron McDaniel, Merced County, seconded the motion. Motion passed by a roll call vote:**

**AYE: Calaveras, Colusa, Del Norte, Inyo, Mariposa, Merced, Mono, Nevada, Sierra, Tehama, Tulare**

**NAY: None**

**Abstain: None**

**Absent: None**

**Program Updates**

Craig Ferguson informed the GSFA Executive Committee that yesterday, May 21, 2020, the Monterey County Board of Supervisors voted to join GSFA as a full voting member. Sonoma County remains the only RCRC member that is not a full member of GSFA.

**Economic Development Update**

Barbara Hayes, RCRC Chief Economic Development Officer, provided an update on recent Economic Development activity to the GSFA Executive Committee.

**Adjournment**

GSFA Chair, Supervisor Kevin Cann, Mariposa County, adjourned the meeting of the GSFA Executive Committee at 12:43 p.m.



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**To:** GSFA Executive Committee  
**From:** Lisa McCargar, Chief Financial Officer  
Milena De Melo, RCRC Controller  
**Date:** July 7, 2020  
**Re:** GSFA Budget v. Actual Report (May 31, 2020)

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**Summary**

The Statement of Revenues and Expenses for GSFA provides a budget to actual comparison for the five months ended May 31, 2020.

**Attachment**

- GSFA Statement of Revenues and Expenses, Budget vs. Actual, for the Five Months Ended May 31, 2020.



**GOLDEN STATE FINANCE AUTHORITY**

**2020 BUDGET v. ACTUAL**

**May 31, 2020**

	<b>2020 ANNUAL Budget</b>	<b>Five Months Ended May 31, 2020 Budget</b>	<b>Five Months Ended May 31, 2020 Actual</b>	<b>Variance Favorable/ (Unfavorable)</b>	<b>Percent Favorable/ (Unfavorable)</b>
<b>Income:</b>					
Housing Program Revenue	\$ 12,538,750	\$ 5,224,480	\$ 5,193,593	\$ (30,887)	-0.6%
Energy Program Revenue	600,000	250,000	307,951	57,951	23.2%
Grant Reimbursed Costs	200,000	83,335	82,232	(1,103)	-1.3%
Interest and Dividend Income	850,000	354,165	408,472	54,307	15.3%
Capital Gains / (Losses)	20,000	8,335	292,379	284,044	3407.8%
Ongoing Issuer Fees	85,000	35,415	27,346	(8,069)	-22.8%
2nd Mortgage Interest	200,000	83,335	70,341	(12,994)	-15.6%
Bond & Program Residual Funds	1,500	625	57,766	57,141	9142.6%
<b>Total Income</b>	<b>\$ 14,495,250</b>	<b>\$ 6,039,690</b>	<b>\$ 6,440,080</b>	<b>\$ 400,390</b>	<b>6.6%</b>
<b>Expenditures:</b>					
Accounting & Auditing	\$ 40,000	\$ 16,665	\$ 30,974	\$ (14,309)	-85.9%
Bank Fees	1,000	415	-	415	100.0%
Bus Dev & Expansion	200,000	83,335	67,230	16,105	19.3%
CDLAC fees	100,000	41,665	-	41,665	100.0%
Custodian/Trustee	30,000	12,500	-	12,500	100.0%
Consultants	415,000	172,915	185,261	(12,346)	-7.1%
Contract Performance Fee	1,629,000	678,750	-	678,750	100.0%
Dues, Fees & Subscriptions	20,000	8,335	8,250	85	1.0%
Grant Cost	200,000	83,335	82,232	1,103	1.3%
Insurance	41,000	17,085	17,281	(196)	-1.1%
Legal Services	200,000	83,335	7,286	76,049	91.3%
Loan Losses	80,000	33,335	(11,600)	44,935	134.8%
Miscellaneous	-	-	1,696	(1,696)	100.0%
Energy Servicing Programs	180,000	75,000	74,900	100	0.1%
Gift Program (DPA)	4,000,000	1,666,665	720,840	945,825	56.7%
Pipeline Services	100,000	41,665	37,500	4,165	10.0%
DPA Program Management	1,000,000	416,665	461,729	(45,064)	-10.8%
Paid Insurance Programs	-	-	4,268	(4,268)	100.0%
Postage	4,000	1,665	293	1,372	82.4%
Printing and Duplication	1,000	415	350	65	15.7%
Professional Fees	200	85	45	40	47.1%
Promotion and Marketing	-	-	296	(296)	100.0%
Rent	102,600	42,750	39,795	2,955	6.9%
Contract Support Services	5,548,000	2,311,665	2,311,666	(1)	0.0%

**GOLDEN STATE FINANCE AUTHORITY**

**2020 BUDGET v. ACTUAL**

**May 31, 2020**

	<b>2020 ANNUAL Budget</b>	<b>Five Months Ended May 31, 2020 Budget</b>	<b>Five Months Ended May 31, 2020 Actual</b>	<b>Variance Favorable/ (Unfavorable)</b>	<b>Percent Favorable/ (Unfavorable)</b>
<b>Income:</b>					
Sponsorships	100,000	41,665	18,500	23,165	55.6%
Board Member Travel & Reimbs	15,000	6,250	1,438	4,812	77.0%
Travel	105,000	43,750	5,031	38,719	88.5%
<b>Total Expenditures</b>	<b>\$ 14,111,800</b>	<b>\$ 5,879,910</b>	<b>\$ 4,065,261</b>	<b>\$ 1,814,649</b>	<b>30.9%</b>
<b>Net Revenues Over Expenditures</b>	<b>\$ 383,450</b>	<b>\$ 159,780</b>	<b>\$ 2,374,819</b>	<b>\$ 2,215,039</b>	<b>1386.3%</b>



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**To:** GSFA Executive Committee  
**From:** Lisa McCargar, Chief Financial Officer  
Milena De Melo, RCRC Controller  
**Date:** July 7, 2020  
**Re:** Investment Report for the Five Months Ended May 31, 2020

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**Summary**

In accordance with GSFA's investment policy, we are providing the GSFA investment report. This report provides a summary of investment transactions since last reported from December 31, 2019 to May 31, 2020. Investment returns by investment type and a comparison to the 90-day Treasury Rate for the most recent period of May 31, 2020 have been included.

The CalTRUST yields are the funds' reported May 31<sup>st</sup> yields. The LAIF return is the fund's May 31<sup>st</sup> apportionment rate.

**Attachment**

- GSFA Investment Report for the Five Months Ended May 31, 2020

**GOLDEN STATE FINANCE AUTHORITY**  
**Investment Report**  
**For the Five Months Ended May 31, 2020**

	Total	CalTRUST Short-Term	CalTRUST Medium-Term	LAIF
Balance 12/31/2019 *	\$ 69,334,947	\$ 7,909,497	\$ 12,714,621	\$ 48,710,828
Additions	-	-	-	-
Withdrawals	(5,000,000)	-	-	(5,000,000)
Interest (includes accrued)	327,402	35,414	60,673	231,315
Capital Gain/(Loss)	102,435	(23,703)	126,139	-
Balance 3/31/2020 *	64,764,784	7,921,208	12,901,433	43,942,143
Additions	-	-	-	-
Withdrawals	-	-	-	-
Interest (includes accrued)	51,199	16,460	34,739	-
Capital Gain/(Loss)	189,944	63,262	126,682	-
Balance 5/31/2020 *	\$ 65,005,927	\$ 8,000,929	\$ 13,062,855	\$ 43,942,143

Yield:	Reported as of May 31, 2020		
	Short Term	Mid Term	LAIF
Annualized One Year	2.02%	2.02%	N/A
Quarter to Date	N/A	N/A	1.89%
Average Maturity (days)	310	774	208
90 Day Treasury Bill Rate	0.14%		

All current cash investments are held in either California Treasurer's Local Agency Investment Fund (LAIF) or CalTRUST's Short-Term Fund or Medium-Term Fund. Cash in the LAIF fund and the CalTRUST Short-Term Fund may be accessed within 24 hours. Cash in the CalTRUST Medium-Term Fund may be accessed at the end of each month.

No members of the Investment Committee have any conflict of interest with any current investment firms.

\* Amounts shown include accrued interest at the end of the period.

Purpose of transactions in excess of \$1 million:

- \$5 million transfer from LAIF to GSFA's operating account to support increased housing program as approved by the GSFA Board of Directors.



Golden State Finance Authority (GSFA)  
1215 K Street, Suite 1650 · Sacramento, California 95814  
Phone: (855) 740-8422 · Fax: (916) 444-3219 · [www.gsfa.org](http://www.gsfa.org)

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**To:** GSFA Executive Committee  
**From:** Lisa McCargar, Chief Financial Officer  
Milena De Melo, RCRC Controller  
**Date:** July 7, 2020  
**Re:** GSFA Condensed Balance Sheet (May 31, 2020)

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**Summary**

The Condensed Balance Sheet provides an overview of the Net Position of GSFA as of May 31, 2020, compared to audited Net Position as of December 31, 2019 and 2018.

**Attachment**

- GSFA Condensed Balance Sheet, as of May 31, 2020.

**Golden State Finance Authority**  
**Condensed Balance Sheet (Unaudited)**  
**May 31, 2020**

	<u>May 31, 2020</u>	<u>December 31, 2019</u>	<u>December 31, 2018</u>
<b>Current Assets</b>			
Cash in Banks *	\$ 7,937,790	\$ 10,002,362	\$ 10,780,659
Cash in CalTRUST and LAIF	64,982,868	69,020,903	20,074,204
Cash in Securities Brokerage Account	9,697,892	8,703,987	62,803,628
Accounts Receivable and Other Assets	851,884	974,932	558,592
Accounts Receivable, Proceeds from Sale of Securities **	18,028,125	8,346,153	66,511,329
Energy Loans Receivable	5,951,345	6,406,427	7,660,887
Multi Family Notes Receivable	3,200,000	3,200,000	3,200,000
IO Strip Program	9,466,203	1,384,364	-
Second Mortgages Receivable, less Loan Loss Allowance ***	1,640,717	1,871,859	2,699,463
<b>Total Assets</b>	<b>\$ 121,756,823</b>	<b>\$ 109,910,987</b>	<b>\$ 174,288,763</b>
<b>Current Liabilities</b>			
Accounts Payable	\$ 2,357,762	\$ 2,398,928	\$ 3,048,523
Accounts Payable, Securities to be Purchased, at Fair Value **	18,263,672	8,346,934	66,907,273
Accounts Payable to California Energy Commission	10,194,969	10,159,463	12,539,526
Accounts Payable to Affiliated Entities	815,506	1,154,144	1,481,576
Unearned Revenue	84,490	185,912	406,274
<b>Total Liabilities</b>	<b>\$ 31,716,400</b>	<b>\$ 22,245,382</b>	<b>\$ 84,383,173</b>
<b>Net Position, unrestricted</b>	<b>\$ 90,040,423</b>	<b>\$ 87,665,605</b>	<b>\$ 89,905,590</b>

\* Includes \$6,077,260, \$4,749,134, and \$6,077,260, as of May 31, 2020, December 31, 2019, and December 31, 2018, respectively, of funds belonging to California Energy Commission and PG&E.

\*\* Balances offset each other for a net impact on Statement of Revenues, Expenses, and Changes in Net Position of (\$235,547), (\$781), and (\$395,944) as of May 31, 2020, December 31, 2019, and December 31, 2018, respectively.

\*\*\* Loan loss allowance of \$200,000 as of May 31, 2020, December 31, 2019 and December 31, 2018 for all types of mortgages has been included as a reduction of amounts outstanding.



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**To:** GSFA Executive Committee  
**From:** Greg Norton, Executive Director  
Craig Ferguson, Deputy Director  
**Date:** July 7, 2020  
**Re:** GSFA Revolving Loan Fund for Member Counties Update

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**Summary**

On June 17, 2020, the Board of Directors approved Resolution 20-06 establishing a Revolving Loan Fund to support short term loans for member counties. The Resolution authorized GSFA to utilize up to \$3MM of internal GSFA resources in a revolving fund to develop a program to provide short term financing to member counties to help cover the upfront costs associated with the delay in obtaining grants or other forms of funding from the State or other agencies.

During rollout of the Revolving Loan Fund program, GSFA identified a need to expand eligibility to include selected short-term loans to public entities located within a GSFA member county (e.g., special districts and cities). This would include loans to public entities that have received grant funding for projects that broadly benefit member county residents, and would require a recommendation from a GSFA member county Supervisor. GSFA has also clarified that the grant funding source (from which GSFA's loan would be repaid) may include nongovernmental organizations, such as public utilities.

GSFA will present an updated Resolution confirming these revisions at the August Board meeting. In the interim, the Executive Director may utilize his authority to implement business decisions, as provided during the annual budget process, to consider such public entity loans (not to exceed \$500,000, as set forth in the budget).

**Recommendation:**

Information only.