

**Golden State Finance
Authority (GSFA)
Board of Directors Meeting**



**Wednesday, August 12, 2020
11:00 a.m.**

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

Golden State Finance Authority (GSFA)
Board of Directors Meeting
Wednesday, August 12, 2020
11:00 a.m.
1215 K Street Suite 1650
Sacramento, CA 95814

In accordance with Executive Orders N-25-20 and N-29-20, the August 12, 2020 GSFA Board of Directors meeting will be held virtually.

MEMBERS OF THE PUBLIC MAY NOT ATTEND THIS MEETING IN PERSON

The August 12, 2020 GSFA Board of 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/98981019126>

Enter Password: 602316

2. Call-in and listen to the meeting:

Dial +1 (669) 900-9128

Enter meeting ID: 989 8101 9126

Enter password: 602316

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 before or during the meeting. All emailed public comments will be forwarded to all GSFA Board of Directors 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 by 11:00 a.m. Tuesday, August 11th to ensure arrangements for accommodation.

AGENDA

1. Call to Order & Determination of Quorum

Chair, Supervisor Kevin Cann, Mariposa County

Vice Chair, Supervisor Bob Williams, Tehama County

2. Approval of Minutes – June 17, 2020 Board Meeting

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

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3. Member County Concerns

4. Public Testimony

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

5. GSFA Resolution 20-08: Revising the Revolving Loan Fund Eligibility Criteria for Public Projects in Member Counties – ACTION **Page 8**

*Greg Norton, Executive Director
Craig Ferguson, Deputy Director*

6. Other Budget Matters / “Business Decisions” Report – Information Only **Page 11**

Greg Norton

7. Program Updates

Craig Ferguson

8. Economic Development Activity Updates

a. Golden State Natural Resources Update

Barbara Hayes, RCRC Chief Economic Development Officer

b. Rural Broadband Update

Barbara Hayes

9. 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 participant in a public meeting, please call Milena De Melo at (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.



**Golden State Finance Authority
Board of Directors Meeting
June 17, 2020
10:00 a.m.
1215 K Street, Suite 1650
Sacramento CA 95814**

MINUTES

Call to Order & Determination of Quorum

The meeting was called to order at 10:11 a.m. by GSFA Chair, Supervisor Kevin Cann, Mariposa County. A quorum was determined at that time. Those present:

<u>Supervisor</u>	<u>County</u>
David Griffith	Alpine
Brian Oneto	Amador
Doug Teeter	Butte
Jack Garamendi	Calaveras
Denise Carter	Colusa
Gerry Hemmingsen	Del Norte
Lori Parlin	El Dorado
John Viegas	Glenn
Rex Bohn	Humboldt
Michael Kelly	Imperial
Matt Kingsley	Inyo
Eddie Crandall	Lake
Aaron Albaugh	Lassen
Kevin Cann	Mariposa
Carre Brown	Mendocino
Daron McDaniel	Merced
Geri Byrne	Modoc
Stacy Corless	Mono
Chris Lopez	Monterey
Diane Dillon	Napa
Dan Miller	Nevada
Jim Holmes	Placer
Les Baugh	Shasta
Lee Adams	Sierra
Michael Kobseff	Siskiyou
Mat Conant	Sutter
Bob Williams	Tehama
Jeremy Brown	Trinity
Kuyler Crocker	Tulare
Sherri Brennan	Tuolumne

Randy Fletcher Yuba

Absent

David Rogers Madera
Kevin Goss Plumas
Gary Sandy Yolo

Others in Attendance

Supervisor Miles Menetrey, Mariposa County
Supervisor Terry Woodrow, Alpine County
Supervisor Susan Hock, Nevada County
Jeff Thorsby, Nevada County Economic Development
Crystal Crawford, Ygrene Energy Fund
Randy Hanvelt, Associated CA Loggers
Paul A. Smith, RCRC Vice President Governmental Affairs
Barbara Hayes, RCRC Chief Economic Development Officer
Terrance Rodgers, RCRC Economic Development Officer
Mary-Ann Warmerdam, RCRC Senior Legislative Advocate
Tracy Rhine, RCRC Legislative Advocate
Staci Heaton, RCRC Senior Regulatory Affairs Advocate
John Kennedy, RCRC Legislative Advocate
Leigh Kammerich, RCRC Legislative Analyst
Arthur Wylene, RCRC General Counsel
Milena DeMelo, RCRC Controller
Maggie Chui, RCRC Senior Governmental Affairs Coordinator
Sarah Bolnik, RCRC Economic Development Specialist
Layne Frederiksen, RCRC IT Manager
Dorothy Poole, RCRC External Affairs Coordinator

Officers in Attendance

Greg Norton, Executive Director
Craig Ferguson, Deputy Director
Lisa McCargar, Chief Financial Officer

Approval of Minutes – March 11, 2020 Board Meeting

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

Supervisor David Griffith, Alpine County motioned to approve the minutes of the March 11, 2020 GSFA Board of Directors Meeting. Supervisor Mat Conant, Sutter County, seconded the motion. Motion passed by a roll call vote:

AYE: Alpine, Amador, Butte, Calaveras, Colusa, Del Norte, El Dorado, Glenn, Humboldt, Imperial, Inyo, Lake, Lassen, Mariposa, Mendocino, Merced, Modoc, Mono, Napa, Nevada, Placer, San Benito, San Luis Obispo, Shasta, Sierra, Sutter, Tehama, Trinity, Tulare, Tuolumne, Yuba

NAY: None

ABSTAIN: Siskiyou

ABSENT: Madera, Plumas, Yolo

Member County Concerns

None.

Public Comment

None

GSFA 2019 Audited Financial Statements

Milena DeMelo, RCRC Controller, informed the GSFA Board of Directors that Moss Adams LLP, independent auditors, concluded its audit in April. Moss Adams issued financial statements and a communication letter which contained a clean audit opinion. Ms. DeMelo reported that the financial statements and communication letter had been reviewed and approved by the GSFA Executive Committee, in their capacity as the Audit Committee, at their May 20, 2020 meeting.

Recommendation:

It is recommended that the GSFA Board of Directors approve and adopt the 2020 audited financial statements and communication letter as presented.

Supervisor Carre Brown, Mendocino County, motioned to approve the 2019 GSFA Audited Financial Statements and Communication Letter as presented. Supervisor Stacy Corless, Mono County, seconded the motion. Motion passed by a roll call vote:

AYE: Alpine, Amador, Butte, Calaveras, Colusa, Del Norte, El Dorado, Glenn, Humboldt, Imperial, Inyo, Lake, Lassen, Mariposa, Mendocino, Merced, Modoc, Mono, Napa, Nevada, Placer, San Benito, San Luis Obispo, Shasta, Sierra, Siskiyou, Sutter, Tehama, Trinity, Tulare, Tuolumne, Yuba

NAY: None

ABSTAIN: None

ABSENT: Madera, Plumas, Yolo

Financial Update

Lisa McCargar, Chief Financial Officer, provided a financial update of GSFA. Ms. McCargar reviewed the April 30, 2020 GSFA Balance Sheet. Additionally, Lisa noted that the entity has established a set of internal controls to ensure that GSFA's financial position remains strong.

Appointment of GSNR Board Member

GSFA Chair, Supervisor Kevin Cann, informed the GSFA Board of Directors that Supervisor Jack Garamendi, Calaveras County, submitted a letter of resignation from his position on the GSNR Board of Directors.

Greg Norton, Executive Director, thanked Supervisor Garamendi for his time and support of the GSNR organization.

Mr. Norton noted that Supervisor Kobseff expressed his interest to GSNR Chair Cann in serving as a Director.

Supervisor Griffith, Alpine County, stated that going forward, GSNR board nominees' background and experience in starting and/or operating businesses should be considered. It was agreed that this was an important consideration.

At the request of the Chair, Supervisor Kobseff, Siskiyou County, reviewed his business background consisting of 30+ years in the restaurant industry and formally expressed his desire to be considered for nomination as a GSNR Director.

Recommendation

It is recommended that the GSFA Board designate two members to serve on the GSNR Board of Directors for a one-year term.

Supervisor Dan Miller, Nevada County, motioned to approve the appointment of the GSFA Board Members Supervisor Kevin Cann, Mariposa County, and Supervisor Michael Kobseff, Siskiyou County, to the GSNR Board for a one-year term. Supervisor Randy Fletcher, Yuba County, seconded the motion. Motion passed by a roll call vote:

AYE: Alpine, Amador, Butte, Calaveras, Colusa, Del Norte, El Dorado, Glenn, Humboldt, Imperial, Inyo, Lake, Lassen, Mariposa, Mendocino, Merced, Modoc, Mono, Napa, Nevada, Placer, San Benito, San Luis Obispo, Shasta, Sierra, Siskiyou, Sutter, Tehama, Trinity, Tulare, Tuolumne, Yuba

NAY: None

ABSTAIN: None

ABSENT: Madera, Plumas, Yolo

GSFA Resolution 20-05: Authorizing Applications to the Federal Communications Commission for Rural Digital Opportunity Fund Support

Barbara Hayes, RCRC Chief Economic Development Officer, provided an overview of the Economic Development priorities for 2020, which includes rural broadband. Ms. Hayes discussed the significant lack of rural broadband in California and how the COVID-19 pandemic is further illuminating the significant disparities between those that have access to broadband and those that do not. After a review of national broadband programs, a model resulting in an open-access, public-benefit network that leverages public dollars with private investment and invites the participation of internet service providers, creating competition resulting in choice for rural residents and businesses has been identified. It is a model that is scalable, sustainable, and can be built with capacity for future technology applications.

Ms. Hayes described the opportunity presented by the Federal Communication Commission's Rural Digital Opportunity Fund (RDOF), a \$20+ billion program to support the development of broadband for "unserved" (service delivery of 25/3 or less) areas of the United States. This is a program that could be layered into the proposed program of work and potentially provide significant resources to serve the more remote, more expensive areas of RCRC's 37-member county area. The first step in competing for RDOF resources

is the submission of a Short Form application by July 15, 2020. The submission of a Short-Form application does not obligate an applicant to compete for RDOF funds, but without filing a Short Form application, the applicant is not qualified/permitted to compete for RDOF funds.

In response to questions from Supervisor Cann, Mr. Norton and Ms. Hayes clarified that the proposed action would approve submission only of the Short Form application by GSFA, and that further Board approval would be sought before participating in the RDOF auction.

Recommendation

It is recommended that the GSFA Board of Directors review and approve GSFA Resolution 20-05: Authorizing Applications to Federal Communications Commission for the Rural Development Opportunity Fund Support.

Supervisor Randy Fletcher, Yuba County, motioned to approve GSFA Resolution 20-05. Supervisor Michael Kobseff, Siskiyou County, seconded the motion. Motion passed by a roll call vote:

AYE: Alpine, Amador, Butte, Calaveras, Colusa, Del Norte, El Dorado, Glenn, Humboldt, Imperial, Inyo, Lake, Lassen, Mariposa, Mendocino, Merced, Modoc, Mono, Napa, Nevada, Placer, San Benito, San Luis Obispo, Shasta, Sierra, Siskiyou, Sutter, Tehama, Trinity, Tulare, Tuolumne, Yuba

NAY: None

ABSTAIN: None

ABSENT: Madera, Plumas, Yolo

Self-Generation Incentive Program (SGIP) Bridge Financing Program

Craig Ferguson, Deputy Director, discussed the self-generation incentive program (SGIP). He noted that the impact of Public Safety Power Shut-off (PSPS) events on vulnerable populations in California is significant, and the California Public Utility Commission (CPUC) is working on mitigating those impacts. GSFA approached CPUC and CEC staff regarding a new use for the accumulated MIST funds as a bridge finance mechanism for residential ratepayers looking to participate in the SGIP. The goal of the proposed program is to provide short term “bridge” financing to qualified ratepayers to alleviate up-front funding constraints and allow more ratepayers to participate in the program.

Recommendation:

It is recommended that the GSFA Board of Directors take the following actions:

- Authorize GSFA to offer the SGIP bridge financing program as set forth in this memo.
- Authorize GSFA to utilize up to \$5MM of internal GSFA resources in a revolving fund to leverage the existing MIST funds and enhance the SGIP bridge financing program.
- Authorize the Executive Director or designee to establish SGIP bridge financing program terms and approve program contracts and implementing documents consistent with this memo.

Supervisor Diane Dillon, Napa County, motioned to approve the recommendations listed above. Supervisor Randy Fletcher, Yuba County, seconded the motion. Motion passed by a roll call vote:

AYE: Alpine, Amador, Butte, Calaveras, Colusa, Del Norte, El Dorado, Glenn, Humboldt, Imperial, Inyo, Lake, Lassen, Mariposa, Mendocino, Merced, Modoc, Mono, Napa, Nevada, Placer, San Benito, San Luis Obispo, Shasta, Sierra, Siskiyou, Sutter, Tehama, Trinity, Tulare, Tuolumne, Yuba

NAY: None

ABSTAIN: None

ABSENT: Madera, Plumas, Yolo

GSFA Resolution 20-06: Authorizing the Implementation of a Revolving Loan Fund to Support Short Term Loans for Member Counties

Craig Ferguson discussed the common gap of funding affecting multiple member counties and the progression of their infrastructure projects. Mr. Ferguson explained in detail the grants awarded to these counties to fund these crucial projects. In many cases, the funding is received by the counties months after the project's completion. This project would allow GSFA to front these funds to member counties to complete their projects while they wait for the state and federal funding to be received.

Recommendation:

Approve GSFA Resolution 20-06, which would:

- Authorize 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.
- Authorize the Executive Director or designee to establish loan financing program terms and approve program contracts and implementing documents consistent with this memo.

Supervisor David Griffith, Alpine County, motioned to approve GSFA Resolution 20-06. Supervisor Mat Conant, Sutter County, seconded the motion. Motion passed by a roll call vote:

AYE: Alpine, Amador, Butte, Calaveras, Colusa, Del Norte, El Dorado, Glenn, Humboldt, Imperial, Inyo, Lake, Lassen, Mariposa, Mendocino, Merced, Modoc, Mono, Napa, Nevada, Placer, San Benito, San Luis Obispo, Shasta, Sierra, Siskiyou, Sutter, Tehama, Trinity, Tulare, Tuolumne, Yuba

NAY: None

ABSTAIN: None

ABSENT: Madera, Plumas, Yolo

GSFA Resolution 20-07: Acceptance of GSFA Associate Members

Craig Ferguson requested the board to ratify the current list of member counties and associate members and acknowledged that Monterey County recently voted 5-0 to become

a full member of GSFA. Mr. Ferguson thanked Supervisor Chris Lopez, Monterey County for his assistance in this endeavor.

Supervisor Kuyler Crocker, Tulare County, asked that associate members joining GSFA be identified in future board packets, as information item.

Recommendations

It is recommended that the GSFA Board of Directors:

1. Review, approve, and adopt GSFA Resolution 20-07;
2. Ratify the current list of member counties and associate members per the attached list.

Supervisor Diane Dillion, Napa County, motioned to approve GSFA Resolution 20-07. Supervisor Jeremy Brown, Trinity County, seconded the motion. Motion passed by a roll call vote:

AYE: Alpine, Amador, Butte, Calaveras, Colusa, Del Norte, El Dorado, Glenn, Humboldt, Imperial, Inyo, Lake, Lassen, Mariposa, Mendocino, Merced, Modoc, Mono, Napa, Nevada, Placer, San Benito, San Luis Obispo, Shasta, Sierra, Siskiyou, Sutter, Tehama, Trinity, Tulare, Tuolumne, Yuba

NAY: None

ABSTAIN: None

ABSENT: Madera, Plumas, Yolo

Program Updates

Craig Ferguson provided an update on the existing Housing and Energy Programs. GSFA has been busy with the Platinum Program during COVID-19. The interest-only program has seen increased activity in the past four months.

Economic Development Activity Update

Barbara Hayes provided an update on the CARES Act funding available through the California Housing and Community Development Department to non-entitlement jurisdictions. RCRC provided comment on the distribution of these dollars on a formulaic basis rather than competitively with the intent of establishing a smoother, faster process to get dollars to local governments. Ms. Hayes noted that applications need to be submitted by August 31st, 2020. If there are funds left over after that date, remaining funds will be awarded to those jurisdictions with previously approved applications. These funds are specifically for COVID-19 related activities.

Adjournment

Supervisor Kevin Cann, Mariposa County, adjourned the meeting of the GSFA Board of Directors at 11:45 a.m.



To: GSFA Board of Directors
From: Greg Norton, Executive Director
Craig Ferguson, Deputy Director
Date: August 5, 2020
Re: GSFA Resolution 20-08: Revising the Revolving Loan Fund Eligibility
Criteria for Public Projects in Member Counties – **ACTION**

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.

An updated Resolution confirming these revisions is presented for Board consideration. In the interim, the Executive Director has utilized his authority to implement business decisions, as provided during the annual budget process, to approve one such public entity loan in the amount of \$136,856 for installation of solar equipment by a Recreation and Parks District in a member county.

Recommendation:

It is recommended that the GSFA Board of Directors review and approve GSFA Resolution 20-08: Revising the Revolving Loan Fund Eligibility Criteria for Public Projects in Member Counties

Attachment:

- GSFA Resolution 20-08

GSFA RESOLUTION NO. 20-08

RESOLUTION OF THE BOARD OF DIRECTORS OF THE GOLDEN STATE FINANCE AUTHORITY REVISING THE REVOLVING LOAN FUND ELIGIBILITY CRITERIA FOR PUBLIC PROJECTS IN MEMBER COUNTIES

WHEREAS, 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; and

WHEREAS, it is desirable and appropriate to expand eligibility to include selected short-term loans to non-member public entities located within a GSFA member county; and

WHEREAS, making short-term loans to non-member public entities located within GSFA member counties is authorized by Government Code sections 6504, 6588, subdivision (j), and 26227, among other provisions of law.

NOW, THEREFORE, BE IT RESOLVED BY THE Board of the Authority as follows:

1. Section 1 of Resolution 20-06 is amended to read as follows:

GSFA is authorized to offer the revolving loan program to member counties and other public entities located within member counties as set forth in Resolutions 20-06 and 20-08 and the accompanying memos.

PASSED APPROVED AND ADOPTED by the Board of Golden State Finance Authority, the 12th day of August 2020, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Golden State Finance Authority

2020 Chair of the Board

I certify that the foregoing resolution is a true and accurate copy of GSFA Resolution No. 20-06, approved by the governing board of the Golden State Finance Authority on June 17, 2020 in Sacramento, California.

Date: August 12, 2020

Assistant Secretary

To: GSFA Board of Directors
From: Greg Norton, Executive Director
Date: August 5, 2020
Re: Other Budget Matters / "Business Decisions" Report - Information Only

Summary

Each year, in conjunction with the adoption of the GSFA Annual Budget, the GSFA Executive Director is granted the authority to make necessary business decisions up to \$500,000 per decision outside of the approved operating budget, and to proceed with necessary operating decisions due to changes in the market, economy or changing transactional requirements to avoid unnecessary delay and provide the necessary flexibility to effectively and timely implement and modify programs. Such expenditures and operational decisions are to be made in consultation with the GSFA Deputy Director, the GSFA Chair and the GSFA Vice Chair and are to be reported back to the Board with subsequent ratification, as necessary.

Golden State Natural Resources

On March 11, 2020, GSFA and the Board discussed necessary expenditures to continue the Golden State Natural Resources (GSNR) project's progress with the GSFA Board in conjunction with a potential loan to GSNR per GSFA Resolution 20-03. Mr. Norton proposed to use this authority to expend up to \$500,000, in addition to the amounts previously included in the GSFA budget, to keep the project moving forward, and that a future loan from GSFA to GSNR would reimburse GSFA for expenditures up to \$500,000.

This memorandum provides a status through July 31, 2020 whereby approximately \$215,000 of the \$500,000 authority has been expended, including approximately \$200,000 to consultants for feasibility and other property studies. GSFA will continue to provide updates regarding expenditures and the progress of efforts. The GSNR Board will be meeting a number of times over the next couple of months moving forward to key actionable items.

Revolving Loan Fund

On June 17, 2020, the GSFA Board of Directors approved Resolution 20-06, Authorizing the Implementation of a Revolving Loan Fund to Support Short Term Loans for Member Counties. In addition, GSFA will, at the August 12th Board Meeting, present an amendment, Resolution 20-08: Revising the Revolving Loan Fund Eligibility Criteria for Public Projects in Member Counties. During the time between Resolution 20-06 and Resolution 20-07, GSFA and The Weed Recreation and Parks District entered into a Memorandum of Understanding regarding an advancement of funds for public purposes in the amount of \$136,856. Because Resolution 20-07 had not yet been approved by the GSFA Board, the Executive Director, under the provision and authority described above, authorized payment to the Weed Recreation and Parks District and is reporting the payment for this expenditure to the Board. This expenditure has been communicated to the GSFA Chair, Vice Chair and Deputy Director as required.

Broadband

On June 17, 2020, the GSFA authorized Resolution 20-05: Authorizing GSFA to file an application to the Federal Communications Commission for Rural Development Opportunity Fund Support. As a part of that application, GSFA engaged with Quadra Partners and Fiber Rise Communications LLP to assist with the application process. The fee for the initial application, not in the original GSFA budget, is \$50,000. The Executive Director, under the provision and authority described above, has authorized the payment of such expenditure and is reporting it to the GSFA Board of Directors. This expenditure has been communicated to the GSFA Chair, Vice Chair and Deputy Director as required.