

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



**Wednesday, July 14, 2021
10:00 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 14, 2021 – 10:00 a.m.**

In accordance with Executive Orders N-25-20 and N-29-20, the July 14, 2021 GSFA Executive Committee Meeting will be facilitated virtually through Zoom with limited in-person attendance. Members of the public may attend the meeting in-person, provided that the GSFA Executive Committee reserve the right to limit the number of people in attendance. Members of the public can also 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/94828947624?from=addon>
Enter Password: 009471

2. Call-in and listen to the meeting:
Dial +1 (669) 900-9128
Enter meeting ID: 948 2894 7624
Enter password: 009471

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 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 by 10:00 a.m. Tuesday, July 13th to ensure arrangements for accommodation.

Executive Committee Members:

Supervisor Bob Williams, Tehama County
Supervisor Daron McDaniel, Merced County
Supervisor Stacy Corless, Mono County
Supervisor Dan Miller, Nevada County
Supervisor Doug Teeter, Butte County

Supervisor Jack Garamendi, Calaveras County
Supervisor Denise Carter, Colusa County
Supervisor Gerry Hemmingsen, Del Norte County
Supervisor Michael Kelley, Imperial County
Supervisor Lee Adams, Sierra County

Agenda

I. Call to Order and Determination of Quorum

Chair, Supervisor Bob Williams, Tehama County

II. Approval of Minutes of the May 12, 2021 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 Condensed Balance Sheet (May 31, 2021)** **Page 4**
 - b. GSFA Investment Report (May 31, 2021)** **Page 6**
 - c. GSFA Budget v. Actual Report (May 31, 2021)** **Page 8**
- V. Program Updates** (Discussion and possible action relative to)
Craig Ferguson
- VI. Economic Development Update** **Page 10**
- a. Authorization for the Executive Director to Apply for and Accept a Broadband Strategic Plan and CEDS Development Grant from the U.S. Economic Development Administration - ACTION**
Barbara Hayes, RCRC Chief Economic Development Officer
- VII. 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 12, 2021 – 10:30 a.m.**

Executive Committee Members:

Supervisor Bob Williams, Tehama County
Supervisor Daron McDaniel, Merced County
Supervisor Stacy Corless, Mono County
Supervisor Dan Miller, Nevada County
Supervisor Doug Teeter, Butte County
Supervisor Jack Garamendi, Calaveras County
Supervisor Denise Carter, Colusa County
Supervisor Gerry Hemmingsen, Del Norte County
Supervisor Michael Kelley, Imperial County
Supervisor Lee Adams, Sierra County

Minutes

Call to Order and Determination of Quorum

Vice Chair, Supervisor Daron McDaniel, Merced County, called the meeting of the Golden State Finance Authority Executive Committee to order at 11:02 a.m. A quorum was determined at that time; those present were as follows:

<u>Supervisors in Attendance</u>	<u>County</u>
Daron McDaniel	Merced
Stacy Corless	Mono
Dan Miller	Nevada
Doug Teeter	Butte
Jack Garamendi	Calaveras
Denise Carter	Colusa
Michael Kelley	Imperial
Lee Adams	Sierra

Absent Members

Supervisor Bob Williams	Tehama County
Gerry Hemmingsen	Del Norte

Others in Attendance

Pat Blacklock, 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
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
Tracy Rhine, RCRC Senior Legislative Advocate
John Kennedy, RCRC Legislative Advocate
Layne Frederiksen, RCRC IT Director
Carolyn Jhaji, RCRC Communications Director
Kathleen Haff, Tuolumne County Supervisor and GSFA BOD Member

Approval of Minutes of the February 10, 2021 Meeting

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

Supervisor Dan Miller, Nevada County, motioned to approve the minutes of the February 10, 2021 GSFA Executive Committee Meeting. Supervisor Denise Carter, Colusa County, seconded the motion. Motion approved by a roll call vote:

AYE: Butte, Calaveras, Colusa, Imperial, Merced, Mono, Nevada, Sierra,
Nay: None
Abstain: None
Absent: Del Norte, Tehama

Public Comment

None

Approval of the Draft Audited Financial Statements – December 31, 2021

Lisa McCargar, Chief Financial Officer presented to the GSFA Executive Committee the 2020 Draft Audited Financial Statements. Ms. McCargar reviewed the financial statements, including the performance for the year, net position and performance compared to the budget. Ms. McCargar reminded the committee that Moss Adams will present during the Simultaneous meeting.

Recommendation

It is recommended that the GSFA Executive Committee, acting in their capacity as the Audit Committee, review and approve the draft 2020 audited financial statements and communication letter as presented, for presentation to and finalization and adoption by the GSFA Board of Directors.

Supervisor Stacy Corless, Mono County, motioned to approve the Draft Audited Financial Statements – December 31, 2021, and Direct the Executive Director to make a formal recommendation to the Full GSFA Board of Directors. Supervisor Dan Miller, Nevada County, seconded the motion. Motion passed by a roll call vote:

AYE: Butte, Calaveras, Colusa, Imperial, Merced, Mono, Nevada, Sierra,

Nay: None
Abstain: None
Absent: Del Norte, Tehama

GSFA Quarterly Reports

Milena De Melo, RCRC Controller, presented the GSFA Condensed Balance Sheet, Investment Report, and the Budget v. Actual Report, as of and for the period ended March 31, 2021. Ms. McCargar noted that given the demand for GSFA's DPA programs we are utilizing cash at much faster rate than the previous few years.

Program Updates

Craig Ferguson provided an update on the existing GSFA programs. Mr. Ferguson noted that GSFA recently obtained a rating from Moody's, which may be utilized in possible debt issuance by GSFA.

Economic Development Update

Economic Development Resource Allocation

Barbara Hayes, RCRC Chief Economic Development Officer, provided an update on recent Economic Development activity and staff resources. Ms. Hayes summarized four areas of focus:

1. Forest Resiliency
2. Rural Broadband
3. Infrastructure
4. Traditional Economic Development

Rural Broadband

Ms. Hayes provided an update on GSFA and RCRC's efforts related to Broadband expansion. To advance the investment and delivery of robust broadband to rural California, RCRC has developed a proposed plan of work with different levels of service and deliverables, that will increase RCRC member county readiness to take advantage of broadband funding and investment opportunities. The proposed plan of work is divided into Levels as follows:

1. Level One – foundational readiness
2. Level Two - information-sharing and capacity-building that will result in increased awareness and involvement of local governments.
3. Level Three - Demonstration Project(s) modeled on an open-access, public-benefit, municipal model.

RCRC and GSFA are considering establishment of a steering committee comprising of member county Board of Supervisors members, County CIO's, and County CAO's.

Adjournment

GSFA Vice Chair, Supervisor Daron McDaniel, Merced County, adjourned the meeting of the GSFA Executive Committee at 12:03 a.m.



To: GSFA Executive Committee
From: Lisa McCargar, Chief Financial Officer
Milena De Melo, RCRC Controller
Date: July 9, 2021
Re: GSFA Condensed Balance Sheet (May 31, 2021)

Summary

The Condensed Balance Sheet provides an overview of the Net Position of GSFA as of May 31, 2021, compared to audited Net Position as of December 31, 2020 and 2019.

Attachment

- GSFA Condensed Balance Sheet as of May 31, 2021.

Golden State Finance Authority
Condensed Balance Sheet (Unaudited)
May 31, 2021

	<u>May 31, 2021</u>	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Current Assets			
Cash in banks *	\$ 9,099,970	\$ 10,553,884	\$ 10,002,362
Cash in CalTRUST and LAIF	5,292,843	5,281,468	69,020,903
Cash in securities brokerage account	61,544,469	64,406,257	8,703,987
Accounts receivable and other assets	1,399,044	1,645,419	974,932
Accounts receivable, proceeds from sale of securities **	133,632,190	151,806,488	8,346,153
Energy loans receivable	4,799,181	5,335,977	6,406,427
SGIP program loans receivable	1,279,231	163,525	-
Multi-family notes receivable	3,200,000	3,200,000	3,200,000
Notes receivable from affiliated entity	2,539,374	2,010,240	-
Revolving loans receivable	136,856	136,856	-
Second mortgages receivable, less loan loss allowance ***	23,341,403	19,289,719	3,256,223
Total Assets	\$ 246,264,561	\$ 263,829,832	\$ 109,910,987
Current Liabilities			
Accounts payable	\$ 1,883,057	\$ 4,846,171	\$ 2,398,928
Accounts payable, securities to be purchased, at fair value **	132,619,528	153,153,438	8,346,934
Accounts payable to California Energy Commission	10,274,488	10,234,209	10,159,463
Accounts payable to affiliated entities	479,428	2,604,637	1,154,144
Unearned revenue	-	-	185,912
Total Liabilities	\$ 145,256,501	\$ 170,838,455	\$ 22,245,382
Net Position, unrestricted	\$ 101,008,060	\$ 92,991,377	\$ 87,665,605

* Includes \$4,896,690, \$5,492,945 and \$4,749,134, as of May 31, 2021, December 31, 2020 and December 31, 2019, 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 \$1,012,662 (\$1,346,950) and (\$781), as of May 31, 2021, December 31, 2020 and December 31, 2019, respectively.

*** Loan loss allowance of \$375,000 as of May 31, 2021 and December 31, 2020, and \$200,000 as of December 31, 2019, for all types of mortgages has been included as a reduction of amounts outstanding.



To: GSFA Executive Committee
From: Lisa McCargar, Chief Financial Officer
Milena De Melo, RCRC Controller
Date: July 9, 2021
Re: Investment Report for the Five Months Ended May 31, 2021

Summary

In accordance with GSFA's investment policy, we are providing the GSFA investment report. This report provides a summary of investment transactions from December 31, 2020 to May 31, 2021. Investment returns by investment type and a comparison to the 90-day Treasury Rate for the most recent period of May 31, 2021 have been included.

The CalTRUST yields are the funds' reported May 31st yields. The LAIF return is the fund's March 31st apportionment rate.

Attachment

- GSFA Investment Report as of May 31, 2021

GOLDEN STATE FINANCE AUTHORITY
Investment Report
For the Five Months Ended May 31, 2021

	Total	CalTRUST Short-Term	CalTRUST Medium-Term	LAIF
Balance 12/31/2020 *	\$ 5,289,139	\$ 1,018,382	\$ 834,531	\$ 3,436,226
Additions	-	-	-	-
Withdrawals	-	-	-	-
Interest (includes accrued)	5,830	879	1,197	3,754
Capital Gain/(Loss)	(3,443)	(1,008)	(2,435)	-
Balance 3/31/2021 *	\$ 5,291,526	\$ 1,018,252	\$ 833,294	\$ 3,439,980
Additions	-	-	-	-
Withdrawals	-	-	-	-
Interest (includes accrued)	920	407	513	-
Capital Gain/(Loss)	812	-	812	-
Balance 5/31/2021 *	\$ 5,293,258	\$ 1,018,659	\$ 834,619	\$ 3,439,980

Yield:

Annualized One Year
LAIF Apportionment Rate
Average Maturity (days)
90 Day Treasury Bill Rate

Reported as of			
May 31, 2021		March 31, 2021	
Short Term	Mid Term	LAIF	
0.55%	0.81%		N/A
N/A	N/A		0.44%
296	708		220
0.01%			

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 within 72 hours.

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:
- None.



To: GSFA Executive Committee
From: Lisa McCargar, Chief Financial Officer
Milena De Melo, RCRC Controller
Date: July 9, 2021
Re: GSFA Budget v. Actual Report (May 31, 2021)

Summary

The Statement of Revenues and Expenses for GSFA provides a budget to actual comparison for the period ended May 31, 2021.

Attachment

- GSFA Statement of Revenues and Expenses, Budget vs. Actual, for the Period Ended May 31, 2021.

GOLDEN STATE FINANCE AUTHORITY
2021 BUDGET vs. ACTUAL
For the period ended May 31, 2021

	Revised 2021 Budget	Period ended May 2021 Budget	Period ended May 2021 Actual	Variance Favorable / (Unfavorable)	Variance Favorable / (Unfavorable)
Income:					
Housing Program Revenue	\$ 47,420,000	\$ 19,758,335	\$ 20,001,513	\$ 243,178	1%
Energy Program Revenue	920,000	383,335	390,846	7,511	2%
Grant Reimbursed Costs	180,000	75,000	73,112	(1,888)	-3%
Interest and Dividend Income	600,000	250,000	13,806	(236,194)	-94%
Capital Gains / (Losses)	50,000	20,835	(2,631)	(23,466)	-113%
Ongoing Issuer Fees	80,000	33,335	30,250	(3,085)	-9%
2nd Mortgage Interest	175,000	72,915	37,470	(35,445)	-49%
Bond & Program Residual Funds	-	-	482	482	100%
Interest Income - Notes: GSNR	-	-	29,135	29,135	100%
Misc Income	-	-	-	-	0%
Total Income	\$ 49,425,000	\$ 20,593,755	\$ 20,573,983	\$ (19,772)	0%
Expenditures:					
Accounting & Auditing	\$ 43,000	\$ 17,915	\$ 26,585	\$ (8,670)	-48%
Bank Fees	1,000	415	639	(224)	-54%
Business Development	300,000	125,000	62,224	62,776	50%
Broadband	800,000	333,335	84,000	249,335	75%
CDLAC fees	-	-	-	-	0%
Custodian/Trustee	-	-	42	(42)	100%
Consultants	145,000	60,415	197,532	(137,117)	-227%
Contract Performance Fee	2,215,000	922,915	-	922,915	100%
Dues, Fees & Subscriptions	20,000	8,335	12,964	(4,629)	-56%
Grant Cost	180,000	75,000	73,112	1,888	3%
Grant Fund - CA Disaster Assistance	1,000,000	416,665	-	416,665	100%
Insurance	43,000	17,915	18,395	(480)	-3%
Legal Fees	-	-	1,535	(1,535)	100%
Loan Losses	100,000	41,665	-	41,665	100%
Miscellaneous	-	-	1,698	(1,698)	100%
Energy Servicing Programs	270,000	112,500	109,600	2,900	3%
Gift Program (DPA)	30,000,000	12,500,000	8,801,428	3,698,572	30%
Pipeline Services	100,000	41,665	48,750	(7,085)	-17%
DPA Program Management	1,750,000	729,165	957,245	(228,080)	-31%
Postage	1,500	625	150	475	76%
Printing & Duplication	1,000	415	92	323	78%
Professional Fees	-	-	-	-	0%
Promotion and Marketing	-	-	-	-	0%
Rent	103,200	43,000	39,276	3,724	9%
Contract Support Services	4,652,250	2,104,834	2,104,834	-	0%
Sponsorships	100,000	41,665	14,300	27,365	66%
Travel - Board Member Reimbs	5,000	2,085	-	2,085	100%
Travel	50,000	20,835	2,902	17,933	86%
Total Expenditures	\$ 41,879,950	\$ 17,616,364	\$ 12,557,303	\$ 5,059,061	29%
Net Revenues Over Expenditures	\$ 7,545,050	\$ 2,977,391	\$ 8,016,680	\$ (5,078,833)	-171%



To: GSFA Executive Committee
From: Barbara Hayes, Chief Economic Development Officer
Date: July 9, 2021
Re: Authorization for the Executive Director to Apply for and Accept a Broadband Strategic Plan and CEDS Development Grant from the U.S. Economic Development Administration - **ACTION**

SUMMARY

To advance the investment and delivery of robust broadband to rural California, RCRC has developed, and the Board of Directors has approved, a plan of work with different levels of service and deliverables. The service and deliverables range from activities that will increase RCRC member county readiness to take advantage of broadband funding and investment opportunities, to Demonstration Project(s) that will introduce a new model for broadband deployment in rural California.

The plan of work is divided into three levels. This item involves Executive Committee Action to advance Level One related work.

Level One

Level One is designed to assist member counties in achieving “foundational readiness” relative to accessing and inviting broadband investment into counties in a strategic manner that ultimately delivers broadband for all residents and businesses. This level of work includes arming all member counties who do not currently have a Broadband Strategic Plan, with the opportunity for development of such a plan. Broadband Strategic Plans are required to access many federal sources of funding for broadband deployment. Additionally, Broadband Strategic Plans will allow local governments to be informed and deliberate when directing and permitting investment by incumbent service providers.

With Executive Committee approval, Golden State Finance Authority will submit an application to the U.S. Department of Commerce Economic Development Administration (EDA) for a planning grant to develop broadband strategic plans for all member counties that are without a plan in place or under development, and “opt-in” to the grant opportunity. The following are the results of this effort:

- Received Letters of Support from twenty-six (26) member counties which have chosen to “opt-in” to the U.S. Department of Commerce EDA grant for the development of individual, county-wide, broadband strategic plans

- Received Letters of Support from two (2) member counties which have chosen to “opt-in” to the same U.S. Department of Commerce EDA grant for purpose of development of a Comprehensive Economic Development Strategy (CEDS)
- Memorandums of Understanding (MOUs) outlining the roles, responsibilities, and commitments of both the individual counties and GSFA relative to the grant have been distributed to all counties included in the grant application for review and approval by their elected bodies (All MOUs will be executed and received prior to grant submittal.)

This grant from the U.S. Department of Commerce EDA is made available by the American Rescue Plan Act, and, as such, requires a 20% match. The match for GSFA’s grant application will be affirmed prior to submittal and will be certified by GSFA’s Executive Director. Due to the high level of participation from member counties that have “opted-in” to the grant opportunity, the match certification will be at a level that exceeds the signing authority of the Executive Director. Only counties that have submitted executed MOUs will be included in the grant application.

RECOMMENDATION

It is recommended that the Executive Director be authorized to submit the grant application to the U.S. Department of Commerce EDA for the development of broadband strategic plans and CEDS for counties enumerated in the grant, and to execute all necessary documents to accept and implement the grant.