

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



**Wednesday, October 14, 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**

October 14, 2020 – 11:00 a.m.

In accordance with Executive Orders N-25-20 and N-29-20, the October 14, 2020 GSFA Executive Committee meeting will be held virtually.

MEMBERS OF THE PUBLIC MAY NOT ATTEND THIS MEETING IN PERSON

The October 14, 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/95973668459?from=msft>

Enter Password: 956030

2. Call-in and listen to the meeting:

Dial +1 (669) 900-9128

Enter meeting ID: 959 7366 8459

Enter password: 956030

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 11:00 a.m. Tuesday, October 13th 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 Bob Williams, Tehama County
Supervisor Kuyler Crocker, Tulare County

Agenda

I. Call to Order and Determination of Quorum

Chair, Supervisor Kevin Cann, Mariposa County

II. Approval of Minutes of the July 15, 2020 Meeting

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

III. Public Comment

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.

IV. Business and Administrative Matters (Discussion and possible action relative to)

a. Release of Building Funds from Reserve Designation - Page 4 Information Only

*Greg Norton, Executive Director
Milena De Melo, RCRC Controller*

V. Program Updates (Discussion and possible action relative to)

Craig Ferguson, Deputy Director

VI. Economic Development Update

a. Golden State Natural Resources Update

*Greg Norton, Executive Director
Barbara Hayes, RCRC Chief Economic Development Officer*

b. GSFA Closed Session

Closed Session: Initiation of Litigation – Conference with Legal Counsel pursuant to Government Code section 54956.9 subdivision (d)(4). One case.

c. Report of any Action taken under Item VI.b. Pursuant to Section 54957.1 of the Government Code.

d. Matters Related to Federal Communication Commission Page 6 Auction 904 – ACTION

*Barbara Hayes
Craig Ferguson*

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
(916) 447-4806**

July 15, 2020 – 11:00 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 Bob Williams, Tehama County
Supervisor Kuyler Crocker, Tulare County

Minutes

Call to Order and Determination of Quorum

GSFA Chair, Supervisor Kevin Cann, Mariposa County, called the meeting of the Golden State Finance Authority Executive Committee to order at 11:05 a.m. A quorum was determined at that time. Those present were as follows:

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

Officers in Attendance

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

Others in Attendance

Paul A. Smith, RCRC Vice President Governmental Affairs
Barbara Hayes, RCRC Chief Economic Development Officer
Arthur Wylene, RCRC General Counsel
Milena De Melo, RCRC Controller
Maggie Chui, RCRC Governmental Affairs Coordinator

Mary-Ann Warmerdam, RCRC Senior Legislative Advocate
Layne Fredericksen, RCRC IT Manager
Liz Jensen, RCRC Controller
Sanjay Lee, RCRC Financial Analyst
Carolyn Sunseri, RCRC Marketing Director

Approval of Minutes of the May 20, 2020 Meeting

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

Supervisor Bob Williams, Tehama County, motioned to approve the minutes of the May 20, 2020 GSFA Executive Committee Meeting. Supervisor Dan Miller, Nevada County, seconded the motion. Motion passed unanimously with a roll call.

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

Nay: None

Abstain: None

Absent: None

Public Comment

None

GSFA Quarterly Reports

Lisa McCargar, Chief Financial Officer and Milena De Melo, RCRC Controller, presented the GSFA Quarterly Investment Report, Budget v. Actual Report, and Condensed Balance Sheet for period ending May 31, 2020.

Business and Administrative Matters

GSFA Revolving Loan Fund for Member Counties Update

Craig Ferguson provided an update on the status of the Infrastructure Revolving Loan Fund available to RCRC members for the purpose of providing liquidity to begin projects for which federal or state project funds have been approved, including proposed changes to expand eligibility to public entities in member counties. He noted that an updated resolution will be presented to the Board of Directors at next Board of Directors meeting for action to broaden eligible applicants to include special districts within member counties.

Program Updates

Craig Ferguson provided an update on the existing Housing and Energy Programs.

Economic Development Activity Update

a. Rural Broadband Update

Barbara Hayes stated that GSFA submitted an RDOF Short Form application as a member of the RDOF USA Consortium on July 14, 2020. Background on the expertise associated with the Consortium partners and what other entities are

members of the RDOF USA Consortium were discussed. It was emphasized that while the Short Form has been filed, a lot of work remains to be done before a decision can be made on whether or how GSFA will participate in the RDOF Reverse Auction. Supervisors Garamendi and Crocker inquired about the timeline and if any assistance was needed from the Executive Committee and board members. Hayes responded that RCRC Governmental Affairs was working on legislative language that would allow the program model to be implemented and, at present, no assistance was needed. She further acknowledged the offer of support and stated that board members would be engaged as soon as it was necessary.

Adjournment

Supervisor Kevin Cann, Mariposa County, adjourned the meeting of the GSFA Executive Directors at 11:48 a.m.



To: GSFA Executive Committee
From: Greg Norton, Executive Director
Milena De Melo, RCRC Controller
Date: October 8, 2020
Re: Release of Building Funds from Reserve Designation – Information Only

Summary

In 2008, GSFA sold the building at 801 12th Street in Sacramento. The net proceeds of the sale, roughly \$7.4 million, were designated by the board to be held in a reserve account for a potential future building purchase. GSFA/RCRC and affiliates entered a 10-year lease at 1215 K Street in Sacramento in 2008 and extended the lease for another 10-years in 2018. The current office lease will expire in May 2029. Based on continued occupancy at the K street building now for roughly 12 years and current lease expiration extending out more than 8 additional years, there remains no current purpose for maintaining these funds in separate accounts. At the time of the sale of the building, the future long-term office location had a higher level of uncertainty. With the current certainty and benefits of the current location, the separate reserve account for building related matters is no longer necessary. The current balances, following years of earnings, of these accounts follow:

Investments in CalTRUST include two accounts, as follows:

- GSFA Short Term Building Fund – approximate balance as of October 10 - \$744.86
- GSFA Mid Term Building Fund – approximate balance as of October 10 - \$8,784,000

Management has transferred the separate funds of roughly \$8.79 million from the reserve designation to the GSFA general operations account. This memo is to inform the Executive Committee of the action which will also be reported to the GSFA Board of Directors.

Guidance under Generally Accepted Accounting Principles (GAAP)

GSFA is accounted for as an enterprise fund and its financial statements are prepared on the accrual basis of accounting. As an enterprise fund, the revenues are reported

by major sources and expenses are classified in essentially the same manner as those of similar business organizations, functions, or activities. Net position is to be displayed in three components:

1. Net investment in capital assets,
2. Restricted (distinguishing between major categories of restrictions),
3. Unrestricted.

Additionally, the components of net position should be reported as restricted when constraints placed on net position use are either:

- a. Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments.
- b. Imposed by law through constitutional provisions or enabling legislation.

While as we noted above, at the time of the sale of the property, funds were “designated by the board to be held in a reserve account for a potential future building purchase” no restrictions were placed on the funds, in that the funds were not required under GAAP to be reported separately as restricted. As such the release of funds from reserve designation is appropriate.

Recommendation:

Action not necessary. No restrictions were placed on the funds under the legal and accounting guidance noted above. Staff has exercised their authority to move the funds and utilize in general operations without Board approval.



To: GSFA Executive Committee
From: Barbara Hayes, RCRC Chief Economic Development Officer
Craig Ferguson, Deputy Director
Date: October 8, 2020
Re: Matters Related to Federal Communication Commission Auction 904 -
ACTION

Summary

At the June 17, 2020 GSFA Board of Directors meeting, the Board adopted Resolution No. 20-05, authorizing submission of the Short Form application to the Federal Communication Commission for participation in the Rural Digital Opportunity Fund (RDOF) Program. Participation in the RDOF Program culminates in a nationwide Reverse Auction (Auction 904) competition for funds that commences on October 29, 2020. While not obligated to participate in Auction 904 through the filing of the Short Form application, should the decision be made to do so, specific deadlines and requirements will need to be met.

At the September 16, 2020 GSFA Board of Directors meeting, the Board adopted Resolution No. 20-09, authorizing the delegation of authority to the GSFA Executive Committee for matters related to FCC – Auction 904.

As the deadline for Auction 904 approaches, it is recommended that the GSFA Executive Committee approve the actions enumerated below, as necessary to keep open the opportunity to participate in Auction 904 should the final decision be made to do so, and/or grant the authority for approval of certain actions to the GSFA Executive Director.

Recommendation

It is recommended that the GSFA Executive Committee approve those actions determined necessary or appropriate by the Executive Committee relating to GSFA's participation in RDOF – Auction 904, or delegate approval authority to the Executive Director. These actions may include any or all of the following:

- formation of a nonprofit corporation to facilitate operation of broadband infrastructure funded in whole or in part through Auction 904, including designation of the initial board of directors, and submission of application(s) for exemption from income taxation on behalf of such corporation(s),

- assignment of any winning bids obtained by GSFA during Auction 904 to the nonprofit corporation,
- submission of an application to the California Public Utilities Commission for a Certificate of Public Convenience and Necessity on behalf of the nonprofit corporation,
- extension of a grant or loan from GSFA to the nonprofit corporation, not to exceed \$100,000, as necessary to meet financial qualifications for a Certificate of Public Convenience and Necessity,
- authorization to apply for and accept grant or loan funding on behalf of the nonprofit corporation for the financing, construction, or operation of broadband infrastructure in member counties,
- establishment of the parameters for any bids submitted by GSFA during Auction 904,
- other actions determined necessary or appropriate by the Executive Committee related to the foregoing.