

**ORANGE COUNTY POWER AUTHORITY
MEETING OF THE BOARD OF DIRECTORS**

MINUTES

April 13, 2021

This meeting was conducted utilizing teleconference and electronic means consistent with public health orders and guidelines in California and in accordance with the Governor's Executive Orders N-25-20 and N-29-20. There was no location for in-person attendance. Due to the nature of the teleconference, all votes were cast via roll call.

The Board Minutes are prepared and ordered to correspond to the Board Agenda. Agenda Items can and may be taken out of order during the meeting.

The Agenda Items were considered in the order presented.

1. CALL TO ORDER

Chair Carroll called the meeting to order at 10:03 a.m.

2. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Director Khan

3. ROLL CALL

Present: 5 Members

Director Khan (Irvine)
Director Posey (Huntington Beach)
Director Sonne (Buena Park)
Vice Chair Jung (Fullerton)
Chair Carroll (Irvine)

Also present: CEO Brian Probolsky
COO Antonia Castro-Graham
Ryan Baron, General Counsel (Best Best and Krieger, LLP)

4. CONSENT CALENDAR

All items listed under the Consent Calendar were considered to be routine and enacted by one motion. Prior to the motion to consider any action by the Board of Directors, any public comments on any of the Consent Items was heard. There was no separate action and no members of the Board of Directors requested specific items be removed from the Consent Calendar.

MOTION: Motioned by Director Posey, second by Director Khan, to approve the Consent Calendar as submitted.

MOTION CARRIED BY THE FOLLOWING VOTE:

Ayes: Director Khan, Director Posey, Director Sonne, Vice Chair Jung, Chair Carroll
Noes: None
Abstained: None
Absent: None

A. MINUTES FOR REGULAR BOARD MEETING OF FEBRUARY 23, 2021 AND THE SPECIAL BOARD MEETING OF MARCH 9, 2021

Action: Approved as submitted.

B. ADOPTION OF RECORDS RETENTION POLICY

Action: Adopted Administrative Policy Number 007: Records Management and Retention Policy and Schedule.

C. ADOPTION OF COMPUTER USE AND EMAIL MANAGEMENT POLICY

Action: Adopted Administrative Policy Number 008: Computer Use and Email Management Policy.

5. REGULAR CALENDAR

The following items called for discussion or action by the Board of Directors. The Board may discuss and/or take action on any item listed below if the Board was so inclined.

A. CITIZEN'S ADVISORY COMMITTEE UPDATE AND NEXT STEPS

Chief Operating Officer Castro-Graham ("COO") presented the report and outlined a framework for forming a Citizens Advisory Committee ("CAC"). She noted each member City has the ability to appoint two Committee Members, and that two at-large members are also proposed. Ms. Castro-Graham stated staff's goal of receiving applications and selecting at-large members for the Board's consideration in June, and requested Directors notify staff when their direct, City representatives are selected. She further stated the goal of the Committee is to implement and advocate Board policies within their communities.

Director discussion ensued regarding the total number of future members, whether the committee should be comprised of an even or odd number, and how new agencies will be allocated membership on the committee.

The following members of the public offered comment:

Jose Trinidad Castaneda, Fullerton resident, Climate Action Campaign, expressed support for the committee and stated his belief new City members to the Authority should be allowed to appoint representatives to the CAC.

Linda Kramer, no residence given, expressed her support for CCA in general and stated that she would like to attract additional member cities through the advocacy efforts of a CAC. She noted

that negative messaging can be harmful to the mission of CCA's and that successful CCA enterprises use positive programs to attract customers.

Danny Gray, Dana Point resident, noted the correlations between other committee's he's been involved in and the potential positive work a CAC can accomplish.

Dee Fox, no residence given, inquired when the costs of opting in to the OCPA CCA will be available.

Ayn Cracium, Irvine resident, thanked the Board for putting this item on the agenda, noting that communities are rich in expertise and it would greatly benefit the CCA effort to marshal that expertise.

Kathleen Treseder, no residence given, stated the importance to ensuring communities disproportionately affected by pollution and other environmental factors are represented within the CAC.

Board discussion continued, with Chair Carroll expressing the Board's appreciation to staff and the public for putting the CAC at the top of the list of priorities.

MOTION: Motion by Director Posey, second by Vice Chair Jung, to approve staff's recommendation of two direct appointees per member agency, with two additional at-large members, and with the direction to clarify the mission of the committee to include language that the Citizen's Advisory Committee serves at the pleasure of the Board and is in place to support Board policies. Director Posey further asked that Directors keep those thoughts in mind as they select their individual representatives.

MOTION CARRIED BY THE FOLLOWING VOTE:

Ayes: Director Khan, Director Posey, Director Sonne, Vice Chair Jung, Chair Carroll

Noes: None

Abstained: None

Absent: None

B. AGREEMENT FOR PORTFOLIO MANAGEMENT AND POWER PROCUREMENT SERVICES WITH THE ALLIANCE FOR COOPERATIVE ENERGY SERVICES POWER MARKETING LLC

CEO Probolsky presented the report and introduced Joe Montuliak from the Alliance for Cooperative Energy Services ("ACES"), who spoke regarding the firm's qualifications and long standing efforts in providing public power. Responding to Board inquiry, CEO Probolsky stated that the process for purchasing power, whether through a CCA, a City, JPA, etc., was the same, regardless of the procurement partner used. He noted that there were two other proposers that responded to OCPA's Request for Proposal, however what he felt set ACES apart was that they did not work for their own portfolios. They worked strictly for the benefit of their public power clients.

Mr. Montuliak responded to Board inquiry about their work in California, noting they were primarily working with municipal entities and were very selective about which CCAs they worked with. He stated the business model of OCPA matched their business philosophy.

Responding to Board inquiry, CEO Probolsky explained OCPA's start up consultant, EES Engineering, would slowly decrease their involvement in Authority operations as the Authority moved forward with the three prong approach to public power. He explained a procurement consultant, such as ACES, would buy the power. A Data Manager would obtain the meter reads from the Investor Owned Utility and apply the CCA rates before sending the data back to the Investor Owned Utility for billing. Finally, the Scheduling Coordinator would take the power contracts that ACES has secured and would schedule the power into the grid, taking into consideration real time factors such as weather and other natural phenomena.

Legal Counsel Ryan Baron explained the role of the portfolio manager, indicating it was one of the most important aspects of running a successful CCA. He stated he currently works with ACES with the Western Riverside Council of Governments ("WRCOG") CCA and commented on their nationwide expertise and staff placement to purchase power across the country.

Director Khan requested this item be tabled until the Board could view the proposals from the other firms.

Board discussion ensued.

The following members of the public offered comment:

Jose Trinidad Castaneda, Fullerton resident, Climate Action Campaign, stated his belief the proposed agreement had a very broad scope of work, and noted his concern that the agreement contained a clause permitting the use of renewal energy credits as opposed to 100% renewable energy.

MOTION: Motion by Vice Chair Jung, second by Chair Carroll, to schedule a special meeting of the Board in two weeks to compare the proposals submitted by the other firms responding to the RFP.

MOTION CARRIED BY THE FOLLOWING VOTE:

Ayes: Director Khan, Director Posey, Director Sonne, Vice Chair Jung, Chair Carroll

Noes: None

Abstained: None

Absent: None

C. AUTHORIZATION FOR LETTER OF CREDIT FOR FINANCIAL SECURITY REQUIREMENT

CEO Probolsky presented the report, noting that cash was not an option for meeting the financial security requirement of the California Public Utilities Commission. He stated the Authority would deposit money into a Certificate of Deposit or a Bond account, and the Authority's bank would issue a Letter of Credit.

MOTION: Motion by Chair Carroll, second by Director Posey, to authorize the Chief Executive Officer to secure a Letter of Credit in substantially similar form with review and approval by the General Counsel, from the Authority's financial institution in the amount of \$147,000, to meet

the Financial Security Requirement of the California Public Utilities Commission Decision 05-12-041.

MOTION CARRIED BY THE FOLLOWING VOTE:

Ayes: Director Khan, Director Posey, Director Sonne, Vice Chair Jung, Chair Carroll

Noes: None

Abstained: None

Absent: None

6. PUBLIC COMMENTS

The following members of the public offered comment:

Ayn Cracium, Irvine resident, commented on the qualifications of ACES and was happy to hear they have broad, nationwide experience. She noted the importance of using 100% renewable energy, and suggested the Authority Board have a discussion on guiding principles, to confirm its commitment to not using alternate energy sources such as natural gas, etc., in its energy plans.

Jose Castaneda, Fullerton resident, Climate Action Campaign, thanked the Board for their strong leadership, and requested that Board Members speak at upcoming meetings in cities considering joining the CCA, such as Stanton and Placentia so that the City Council's there have accurate, up to date information.

7. DIRECTOR COMMENTS

Director Sonne asked for feedback on what types of questions were being asked by cities considering membership in the CCA. She stated her appreciation for Ms. Cracium's comments and the need to have a discussion about guiding principles. Director Sonne asked about monies available from the Public Utilities Commission and requested information on how those funds may be used.

Director Khan requested the Board continue its discussion on policy for other cities joining the CCA.

Chair Carroll indicated the Board will be discussing new member cities at an upcoming meeting, however noted the need to finalize policies related to the operation of the CCA before new agencies were brought on board.

8. REPORT BY CHIEF EXECUTIVE OFFICER

CEO Probolsky expressed his appreciation for the meeting and the detailed feedback from the Board. He stated he would provide the Directors with the information requested by Director Sonne regarding new member cities and questions that they might have, as well as information regarding potential funding from the PUC noting he would have individual discussions and briefings with Directors. He reported staff was moving forward with finalizing procurement, data management, and scheduling, as well as bank funding. He stated contracts for these services would be forthcoming. He appreciated the detailed conversation about the Community Advisory Committee and that he would follow up with each Board Member to circulate applications as broadly as possible in anticipation of making appointments by June 15th. Lastly, he stated staff would bring

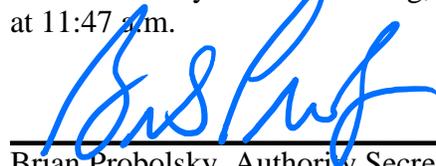
back a robust discussion and comparison of Portfolio Management and Power Procurement proposals at a special meeting to be held in two weeks.

9. REPORT BY GENERAL COUNSEL

General Counsel Baron had nothing to report.

10. ADJOURNMENT

On a motion by Vice Chair Jung, second by Director Sonne, Chair Carroll adjourned the meeting at 11:47 a.m.



Brian Probolsky, Authority Secretary