



**MINUTES
REGULAR MEETING
BOARD OF DIRECTORS
ORANGE COUNTY POWER AUTHORITY**

September 14, 2021

1. CALL TO ORDER

Chair Carroll called to order the regular meeting of the Orange County Power Authority Board of Directors at 10:04 a.m. on September 14, 2021.

The 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. The board and staff assembled in the Pico Conference Room at Irvine City Hall. Due to the nature of the teleconference, all votes were cast via roll call. In an effort to protect public health there was no location for in-person audience attendance. Members of the public were able to provide live comments on agenda items using Zoom. The agenda items were considered in the order presented.

2. PLEDGE OF ALLEGIANCE

Director Posey led the Pledge of Allegiance

3. ROLL CALL

Present:	Director Farrah N. Khan	City of Irvine
	Director Mike Posey	City of Huntington Beach
	Director Susan Sonne	City of Buena Park
	Vice Chair Fred Jung	City of Fullerton
	Chair Mike Carroll	City of Irvine
Also Present:	Brian Probolsky	Chief Executive Officer
	Antonia Castro-Graham	Chief Operating Officer
	Ryan Baron	General Counsel, Best Best and Krieger

4. PRESENTATION

Chair Carroll introduced Tiffany Law, the OCPA's newly-appointed Chief Financial Officer, and shared her previous experience, especially at 3CE, Central Coast Community Energy. He listed Ms. Law's duties with OCPA.

Ms. Law summarized her qualifications and expertise in financial controllership, compliance, data analytics and information management. She will focus on building a high-quality finance team, increasing the number of energy provider contracts, and reducing transaction costs.

5. CONSENT CALENDAR

MINUTES OF THE REGULAR OCPA BOARD MEETING HELD AUGUST 10, 2021

ACTION: Director Posey made a motion, seconded by Director Sonne, and unanimously carried,

To approve the Minutes of August 10, 2021, as submitted.

6. REGULAR CALENDAR ITEMS 1 – 5

1. RESOLUTION 2021-08 APPROVING A CREDIT FACILITY AUTHORIZING THE CHIEF EXECUTIVE OFFICER AND GENERAL COUNSEL TO FINALIZE AND EXECUTE A CREDIT AGREEMENT AND RELATED DOCUMENTS. (MUFG, Union Bank)

Chief Executive Probolsky presented a staff report recommending that OCPA enter into an agreement with MUFG (Union Bank) for a \$35 million credit line and a lockbox arrangement. MUFG was one of four firms that responded to an April 5, 2021, RFP prepared by PFM Financial Advisors. At a previous meeting, the Authority directed staff to negotiate an agreement with JP Morgan for the credit facility and an agreement with River City Bank for banking services.

Ryan Baron, OCPA General Counsel, and Glen Price, Counsel, Best Best and Krieger, reported that during the due diligence process, the credit and risk managers at JP Morgan changed their initial proposal by asking for a \$10,000,000 cash infusion and to delay advancing credit until OCPA had additional staff. Due to JP Morgan's demands, the negotiating team called the next in line, MUFG Union Bank. MUFG offered lower fees than JP Morgan and asked for cash collateral of \$5 million instead of \$10 million. MUFG also asked for the lockbox contract.

Glen Price explained the lockbox agreement and added that OCPA's banking contract will remain with River City.

Glen Price responded to Director Sonne's questions about MUFG's experience.

Director Khan requested that the CFO review the credit agreement and asked questions about rate setting, reserves, and termination provisions.

Glen Price responded, stating MUFG will not be able to influence rate setting, He explained the reserve requirement of \$17 million by 2025, and the termination

provisions, also in the joint powers agreement, that prevent a city from withdrawing from the Authority without paying their fair share of current obligations,

Director Jung clarified that JP Morgan's change in position was not the fault of OCPA. During negotiations, things change; markets change, and the process is fluid.

Chair Carroll opened the floor to public comments.

Ayn Craciun, Climate Action Campaign spoke about rates, reserves and financial documents.

Kathleen Treseder, UCI, shared her opinion on financial regulations and suggested the vote be delayed.

Glen Price, Counsel, stated the MUFG agreement does not determine how OCPA sets rates, reserve requirements are common to all CCAs, MUFG received current financial data, and there was no violation of the law.

CEO Probolsky said that directors were briefed individually by the banking team so as not to violate the Brown Act.

General Counsel Baron spoke about JP Morgan's funding relationship with the Los Angeles CCE and reminded the Board that J P Morgan's offer to OCPA is still on the table.

ACTION: Director Khan made a motion, seconded by Director Posey, and unanimously carried to:

Adopt the resolution approving a Credit Facility with MUFG Union Bank N.A.(MUFG) in an amount not to exceed \$35,000,000, and approving MUFG to administer a lockbox collateral account for OCPA power providers, and authorizing the Chief Executive Officer and General Counsel to finalize and execute a credit agreement and related documents.

2. PRESENTATION ON COMMUNITY PROGRAM SUBMITTAL FOR THE CALIFORNIA PUBLIC UTILITIES COMMISSION (CPUC)

Chief Operations Officer Castro-Graham presented a detailed staff report recommending submittal of Energy Efficiency program proposals to the California Public Utilities Commission for the Elect to Administer (ETA) and Apply to Administer (ATA) funding pathways. She introduced Laurel Rothschild, Vice President, and Julie Castro, Program Manager of The Energy Coalition who joined her in holding several community workshops and other outreach efforts to gain feedback on the proposed programs.

Laurel Rothschild outlined the four criteria for selecting programs: help lower customer bills, spur local economic development, choose programs designed for member communities, and meet CPUC requirements. She explained the CPUC requirements including cost-benefit effectiveness.

Julie Castro summarized each of the program offerings proposed during the outreach process and the community feedback received.

Laurel Rothschild explained which programs would be submitted under the two pathways and why. She informed the Board of programs being administered by other CCAs. As a next step, staff will develop the one to three programs for the Elect to Administer pathways and begin on the seven applications that may be submitted under the Apply to Administer funding pathway.

The Chief Operating Officer explained that staff will bring all programs back to the Board for review, continue to explore funding opportunities, and seek additional community input.

Shannin Ziemer of the Community Advisory Committee said she appreciated the community events and was glad to be moving forward with the funding applications.

ACTION: Chair Carroll made a motion, seconded by Director Posey, and unanimously carried to:

Approve staff's recommendation on the submittal of seven Energy Efficiency Customer Programs to the California Public Utilities Commission for the Elect to Administer and Apply to Administer funding pathways.

3. AWARD OF CONTRACT FOR DATA MANAGEMENT AND CUSTOMER CALL CENTER SERVICES (Calpine Energy Solutions)

Chief Executive Officer Antonia Castro-Graham reported that at their June 22, 2021, meeting the Board authorized staff to negotiate a contract with Calpine Energy Solutions for data management and customer call center services and reiterated why Calpine had earned first position in the RFP review process.

ACTION: Director Posey made a motion, seconded by Director Khan, and unanimously carried to:

Approve the data management agreement with Calpine Energy Solutions, LLC for a term of five years and a total amount of \$12,900,000.

4. APPROVAL OF MASTER POWER PURCHASE AND SALE AGREEMENTS WITH PACIFIC GAS AND ELECTRIC COMPANY, SOUTHERN CALIFORNIA EDISON COMPANY, AND MORGAN STANLEY CAPITAL GROUP

Ryan Baron, General Counsel, presented a series of master power purchase and sale agreements for the purchase of renewable energy, system power and resource adequacy. The agreements govern the individual transactions between the parties, including buyer and seller obligations, defaults, collateral requirements, indemnities and other legal provisions. Ultimately, OCPA will have about ten to twenty of these agreements.

Kirby Dusel, Vice President of Pacific Energy Advisors (PEA) updated the Board on the transactions that OCPA has been selected for. He explained the mandated minimum purchase requirements imposed by the State of California and how these transactions would partially fulfill those requirements. These agreements represent the purchase of the highest value, highest cost renewable energy products as well as addressing state requirements for resource adequacy.

General Counsel Baron explained why the agreements were partially redacted.

Ayn Craciun, Climate Action Campaign, spoke to the complexity of the agreements and complimented the board on involving Pacific Energy Advisors.

Ryan Baron, Glen Price and Kirby Dusel answered questions about their experience in negotiating these types of agreement.

ACTION: Director Posey made a motion, seconded by Director Sonne, and unanimously carried to:

1. Adopt Resolution No. 2021-05, a Resolution of the Board of Directors of Orange County Power Authority Approving a Master Power Purchase and Sale Agreement and Collateral Annex with Pacific Gas and Electric Company, and Authorizing the Chief Executive Officer to Execute the Agreement.
2. Adopt Resolution No. 2021-06, a Resolution of the Board of Directors of Orange County Power Authority Approving a Master Power Purchase and Sale Agreement, Collateral Annex, and Certificate of Authority with Southern California Edison Company, and Authorizing the Chief Executive Officer to Execute the Agreement.
3. Adopt Resolution No. 2021-07, a Resolution of the Board of Directors of Orange County Power Authority Approving a Master Power Purchase and Sale Agreement with Morgan Stanley Capital Group, and Authorizing the Chief Executive Officer to Execute the Agreement in Substantially Similar Form, with approval to form by the General Counsel.

5. AWARD OF CONTRACT FOR FINANCIAL AUDIT SERVICES

Chief Operating Officer Antonia Castro-Graham reported on the RFP process for selecting a firm to perform the annual independent audit. The only proposer, Piseni and Brinker, LLP, will provide general audit services for the period November 20, 2020, through July 30, 2021. They expect a ninety-day completion.

ACTION: Director Posey made a motion, seconded by Director Sonne, and unanimously carried to

Approve a professional service agreement with Piseni and Brinker, LLP, for audit services in the amount of \$7500.

7. PUBLIC COMMENTS

Dave (no last name given) spoke regarding blogs and CEO Brian Probolsky.

Ayn Craciun, Climate Action Campaign, commented on the impacts of Board decisions.

Shannin Zeimer of the Community Advisory Committee (CAC) requested that the CAC appear on each agenda and that the Board fill the at-large committee seats.

Kelly Peters commented on hiring the new CFO, and CEO Brian Probolsky.

Ashton Gilbert, CSUF student and Tustin resident, complimented staff and Pacific Energy Advisors, and asked the Board to exceed minimum requirements.

Branda Lin, Irvine resident, read a response letter from the OCPA regarding public records requests.

General Counsel Baron confirmed that OCPA is in compliance with the California Public Records Act.

8. DIRECTOR COMMENTS

Director Sonne asked for copies of the applications for the vacant at-large CAC positions, supported placing the CAC on the agenda, and requested the Board to change to an evening meeting time.

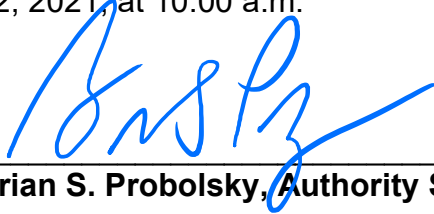
9. STAFF REPORTS

CEO Probolsky spoke about the progress made at this meeting and said that additional master power agreements will be forthcoming.

COO Castro-Graham gave an update on the CAC and stated the new OCPA website will be complete by October 18.

10. ADJOURNMENT

At 12:10 p.m. Director Posey made a motion, seconded by Director Sonne, and unanimously carried, to adjourn the regular meeting of the OCPA to Tuesday, October 12, 2021, at 10:00 a.m.



Brian S. Probolsky, Authority Secretary