

AGENDA

ORANGE COUNTY POWER AUTHORITY MEETING OF THE BOARD OF DIRECTORS

**Wednesday, March 15, 2023
10:00 a.m.**

This meeting will proceed as an in-person meeting at the **Travelers Building, 3333 Michelson Dr., Irvine, CA 92612 in the Palm Room**. In addition, as a convenience to the public, the Orange County Power Authority is also providing an option for members of the public to remotely view and participate in the meeting. Further details are below. Please note that, in the event of a technical issue causing a disruption in the remote participation option, the meeting may continue unless otherwise required by law.

Note: Any member of the public may provide comments to the Orange County Power Authority Board of Directors on any agenda items by requesting to speak during Item 4, or on any matter not appearing on the agenda but within the jurisdiction of the Board by requesting to speak during Item 5. When providing comments to the Board, it is requested that you provide your name and city of residence for the record. Commenters are requested to address their comments to the Board as a whole through the Chair. Comments may be provided in the following manner:

To provide comments during the meeting, in-person attendees, please fill out the public speaker slip and provide it to the clerk at the beginning of the meeting. Before Items 4 and 5, the Chair or Clerk will ask members of the public to join the queue to provide public comment. The queue will remain open for a reasonable amount of time to allow members of the public sufficient time to request to speak and inform the Board of the number of speakers. After such time, the queue will be closed and the members of the public who have joined the queue to speak will be recognized at the appropriate time may speak. To join the queue on Zoom video conference by computer or mobile phone, use the “Raise Hand” feature. If joining the meeting using the Zoom dial-in number, you can raise your hand and join the queue by pressing *9. Members of the public will not be shown on video but will be able to speak when called upon.

Comments shall generally be limited to three minutes when speaking, provided that the Chair may equally reduce each speaker’s time to accommodate a large number of speakers or a large number of agenda items. If you have anything that you wish to be distributed to the Board, please provide it via comments@ocpower.org, who will distribute the information to the Members.

The public may participate using the following remote options:

ZOOM WEBINAR

Please click the link below to join the webinar:

[Launch Meeting - Zoom](#)

Dial-in: 1-669-900-6833

Webinar ID: 891 5932 0449

1. **CALL TO ORDER**

2. **PLEDGE OF ALLEGIANCE**

3. **ROLL CALL**

4. **PUBLIC COMMENTS ON AGENDA ITEMS**

Opportunity for members of the public to address the Board on any items on the agenda.

5. **PUBLIC COMMENTS ON NON-AGENDA ITEMS**

Opportunity for members of the public to address the Board on any items not on the agenda but within the jurisdiction of the Board.

6. **DIRECTOR ANNOUNCEMENTS**

Board Members may briefly provide information to other members of the Board and the public, ask questions of staff, or report on conferences, events, or activities related to Authority business. There is to be no discussion or action taken on comments made by Board Members unless authorized by law.

7. **STAFF REPORT**

Staff may briefly provide information to the Board and the public. The Board may engage in discussion if the specific subject matter of the report is identified, but the Board may not take any action. There is to be no other discussion or action taken unless authorized by law.

8. **CONSENT CALENDAR**

All items listed under the Consent Calendar are considered to be routine and may be 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 will be heard. There will be no separate action unless members of the Board of Directors request specific items be removed from the Consent Calendar.

1. **MINUTES FOR THE SPECIAL BOARD MEETING OF FEBRUARY 10, 2023**

Recommended Action:

Approve as submitted.

2. **MINUTES FOR THE REGULAR BOARD MEETING OF FEBRUARY 15, 2023**

Recommended Action:

Approve as submitted.

3. **TREASURER'S REPORT – FISCAL YEAR ENDED DECEMBER 31, 2022**

Recommended Action:

Receive and file the Treasurer's Report ending December 31, 2022.

4. APPROVE ORANGE COUNTY POWER AUTHORITY'S FINANCIAL POLICIES

Recommended Action:

Approve the following Orange County Power Authority (OCPA) Financial Policies:

- Policy Number 018: Investment
- Policy Number 019: Reserve

9. REGULAR CALENDAR

The following items call 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 is so inclined.

1. CONSIDER DRAFT BYLAWS AND THIRD AMENDMENT TO JOINT POWERS AGREEMENT (Chair Jung)

Recommended Action:

1. Review draft Bylaws and Third Amendment to Joint Powers Agreement.
2. Direct staff to provide Member Agencies with a copy of the proposed Bylaws and Third Amendment and place the Bylaws and Third Amendment on a future agenda for final approval.

2. OCPA DRAFT IMPROVEMENT PLAN

Recommended Action:

Discuss OCPA Draft Improvement Plan and provide direction.

3. APPROVE FISCAL YEAR 2022-2023 MID YEAR OPERATING BUDGET

Recommended Action:

Approve Fiscal Year 2022-2023 Mid-Year Operating Budget.

4. ENERGY MARKETS UPDATE

Recommended Action:

Receive and file.

5. APPOINTMENT OF TWO AT-LARGE MEMBERS TO THE COMMUNITY ADVISORY COMMITTEE

Recommended Action:

Discuss and consider recommendation on appointment of two at-large members to the Community Advisory Committee (CAC).

10. ADJOURNMENT

Compliance with the Americans with Disabilities Act

Board of Directors meetings comply with the protections and prohibitions of the Americans with Disabilities Act. Individuals with a disability who require a modification or accommodation, including auxiliary aids or services, in order to participate in the public meeting may contact 949-263-2612. Requests for disability-related modifications or accommodations require different lead times and should be provided at least 72-hours in advance of the public meeting.

Availability of Board Documents

Copies of the agenda and agenda packet are available at www.ocpower.org. Late-arriving documents related to a Board meeting item which are distributed to a majority of the Board prior to or during the Board meeting are available for public review as required by law. Late-arriving documents received during the meeting are available for review by making a verbal request to the Board Secretary in the Zoom meeting room.

ORANGE COUNTY POWER AUTHORITY
Staff Report – Item 7

To: Orange County Power Authority Board of Directors

From: Brian Probolsky, Chief Executive Officer

Subject: CEO’S REPORT

Date: March 15, 2023

Orange County Power Authority Rates Update

Orange County Power Authority (OCPA) rate design is dependent on Southern California Edison’s (SCE’s) generation rates and the Power Charge Indifference Adjustments (PCIA). Historically, SCE adjusted their generation rates five to six times a year. Shortly after its January 1, 2023 rates change, SCE filed a rate change request with the California Public Utilities Commission (CPUC) to be effective March 2023 due to an update to their cost of capital. This change request causes a reduction in delivery and generation revenue requirements. The change will reduce SCE’s generation rates approximately 0.1% and reduce PCIA rates approximately 1%. The net financial impact on OCPA revenue is extremely small: an increase of about \$5,000 for FY2022/23. Staff will work with Calpine to update their billing system and anticipate that the new rates will become effective on April 1, 2023. Staff will also update our website including the rates comparison calculation accordingly. Staff will provide the OCPA rates schedule effective April 1, 2023 in the April CEO’s report.

Orange County Power Authority Ongoing Net Energy Metering Enrollments

The next Net Energy Metering (NEM) Enrollment phase is occurring in April. Two pre-enrollment notices and one Courtesy Letter have already been sent out to these customers. This phase includes around 3,200 NEM customers. NEM customers are being enrolled every other month based on their “true up” date with SCE. This allows these customers to enjoy the full benefit of their NEM program. OCPA will continue to enroll residential NEM customers through August 2023.

OCPA offers many benefits to NEM customers such as a 10% increase in SCE’s Net Surplus Compensation (NSC) rate, a true up month in April, and monthly billing instead of annual. NEM customers are encouraged to visit <http://www.ocpower.org/nem> to learn more about the benefits OCPA offers to NEM customers.

Staffing Update

Orange County Power Authority continues to have open recruitments for Energy Contracts and Compliance Analyst and Power Resources Director.

OCPA is currently reviewing applications for the Energy Programs Analyst Position and plans to conduct interviews later this month.

OCPA plans to begin recruitments for several additional positions in accordance with the staffing plan approved in December 2022. These positions include but are not limited to a Human Resources Analyst and an IT specialist.

Request for Proposals

Orange County Power Authority currently has two active Request for Proposals (RFP). The first is for General Counsel Services. Submissions are due by March 17, 2023 with an anticipated award date at the April 19, 2023 with the contract beginning May 1, 2023. The second is an RFP for Marketing, Communications, Strategy, Public Engagement Digital and Graphic Design. Proposals are due by April 4, 2023 with an anticipated award date of May 17, 2023 and the contract beginning July 1, 2023. Both current RFP's and future RFP's can be found at both <https://www.ocpower.org/resources/rfps/> and <https://www.bidnetdirect.com/california/orangecountypowerauthority>

Legislative Update

Orange County Power Authority is currently monitoring 92 bills out of the 2,638 bills that were introduced. The bills being tracked fall into the following categories: interconnection and transmission (10), zero-emission vehicles (23), energy program reviews and energy planning (10), governance such as changes to the Brown Act and ex parte rules (6), and resource specific procurement targets, goals, and mandates (17). Many of the bills are still in spot form. Most policy committees will start to hear bills in late March and continue through the month of April.

The Governor submitted an energy reliability budget proposal to the Legislature that focuses on three areas important to CCAs:

- Central procurement. The budget trailer bill creates a process to facilitate procurement beyond LSE procurement to increase the state's energy security and socialize the costs to all benefitting LSEs. The proposal authorizes the CPUC to identify the need for these resources but does not provide criteria for identification; it does, however, require DWR to focus on projects that do not compete with projects planned and disclosed by LSEs. The bill also clarifies that the CPUC may direct IOUs to procure these resources and allows the CPUC to authorize DWR to fulfill this role; the bill does not recognize CCAs as potential central procurement entities. Finally, while the bill permits POUs to purchase from DWR projects, it does not extend the permission to other LSEs.
- RA Deficiency "Penalty". The bill requires RA-deficient LSEs to make a capacity payment to DWR's Strategic Reserve if the DWR resources are used during the month the LSE is deficient. The capacity payments would be in addition to CPUC RA deficiency penalties. While the bill prescribes an initial capacity payment based on DWR costs, it gives the CPUC uncapped authority to modify the payment subject only to the CEC's concurrence.
- IRP Enforcement. The trailer bill amends both RA and IRP statutes, in overly broad language, to reinforce the Commission's CPUC's IRP compliance and enforcement

authority. Any ambiguity in the CPUC's current authority over CCAs is likely a target of these changes.

On March 8, I attended the CalCCA legislative lobby day in Sacramento.

Regulatory Update

Provider of Last Resort (POLR) – R.21-03-011 – A workshop is scheduled for March 21, 2023 to develop uniform assumptions on the FSR calculation examples.

Attachment

OCPA Contract Tracker as of February 28, 2023

**Orange County Power Authority Contracts
As of February 28, 2023**

No.	Vendor	Start Date	End Date	NTE Amount	Amount Paid	Amount for Work Performed and Invoiced but Not Yet Paid	Remaining NTE Amount	Notes	Contract Approved by the Board?	Contract Reported to the Board?	RFP to be Issued?
1	Baker Tilly (Management Partners, Inc.)	7/1/2021	6/30/2023	100,000.00	80,134.83	65.00	19,800.17	HR Consulting Support		Yes	Yes - RFP to be issued in Q2 2023
2	Newgen Strategies & Solutions	7/1/2022	6/30/2023	121,525.00	59,902.50	-	61,622.50	Rates Strategies, Budget and Projection Modeling, and FP&A Services		Yes	Yes - RFP to be issued in Q2 2023
3	Orange County Printing Company	7/1/2022	6/30/2023	657,201.60	408,020.11	5,071.97	244,109.52	Print House Services	Yes		See Remark below
4	Balance Public Relations	1/1/2023	9/30/2023	121,500.00	13,500.00	-	108,000.00	Strategic Consulting and Audit Compliance Advisory Services		Yes	
5	Maier Accountancy	1/1/2023	12/31/2023	231,000.00	36,000.00	-	195,000.00	Accounting Service and Annual Financial Audit Support	Yes		Yes - RFP to be issued in Q3 2023
6	Method Technologies	2/1/2023	1/31/2024	See Notes	-	1,605.35	See Notes	IT Support - Initial term 1 Year with 1-Year renewal term. No NTE as costs include monthly fees that will vary month to month as services and subscriptions will be added/removed due to the change of active users and hourly service rates that will be billed by time and materials.		No as contract value < \$50k	
7	Golden Communications	3/1/2022	2/29/2024	120,000.00	30,539.00	-	89,461.00	Digital Services - Strategic Marketing, Branding, Communications, and Public Education and Outreach Campaign/Program, Website Development Svc	Yes		RFP was issued on 3/7/2023 with proposals due on 4/4/2023 and Board approval on 5/17/2023
8	Reveille, Inc.	3/1/2022	2/29/2024	590,000.00	403,006.15	-	186,993.85	Strategic Marketing and Branding Material, PR and Social Media Support	Yes		RFP was issued on 3/7/2023 with proposals due on 4/4/2023 and Board approval on 5/17/2023
9	Zodiac Solutions LLC	3/1/2022	2/29/2024	260,000.00	64,110.00	7,350.00	188,540.00	Project Management - Strategic Marketing, Branding, Communications, and Public Education and Outreach Campaign/Program	Yes		RFP was issued on 3/7/2023 with proposals due on 4/4/2023 and Board approval on 5/17/2023
10	Pacific Energy Advisors, Inc.	6/9/2021	12/31/2024	1,716,800.00	818,690.00	75,000.00	823,110.00	Portfolio Management Services	Yes		
11	The Energy Authority	4/1/2022	9/3/2026	770,960.00	172,560.00	13,600.00	584,800.00	Scheduling Coordinator, Day Ahead Load Forecasting, and CRR Management Services. Full Service from Commencement Date to 9/3/2026. Amendment to add the load forecast service for \$12,160.	Yes	Yes - For the additional service scope of forecast service fee for \$12,160.	
12	Calpine Energy Solutions	9/14/2021	9/13/2026	See Notes	236,694.97	191,851.06	See Notes	Data Management & Call Center Services. NTE and Amount Paid depend on the number of active accounts during the month.	Yes		
13	Best Best & Krieger	12/16/2020	See Notes	See Notes	1,322,749.50	66,279.00	See Notes	General Counsel, Financial & Power Procurement, Regulatory, Labor Related, and Special Legal Services. No NTE amount and contract end date. Costs are variable (time and materials).	Yes		RFP was issued on 2/24/2023 with proposals due on 3/17/2023 and Board approval on 4/26/2023
14	Hana Park Place	2/9/2021	See Notes	See Notes	189,725.71	-	See Notes	Month to month lease with one month termination option	Yes		
15	Littler Mendelson P.C.	8/10/2022	12/31/2023	125,000.00	42,061.88	-	82,938.12	Labor and Employment Legal Services		Yes	
16	Pisenti & Brinker	See Notes	See Notes	84,044.00	25,644.00	-	58,400.00	External Financial Audit Services. Amendment to extend the terms through the issuance of the final audit report for FY23/24 and increase the contract amount to \$79,400 (FY21/22 \$21k, FY22/23 \$29k, FY23/24 \$29.4k). Further amendment to increase the contract amount by \$4,644 for the FY21/22 audit services due to unexpected out-of-scope work in connection to the member agency and state audits. The total NTE has been adjusted from \$79,400 to \$84,044.		Yes	
17	San Diego Gas & Electric	7/27/2022	See Notes	See Notes	-	-	See Notes	CCA Service Agreement. Contract term from 7/27/2022 to CCA termination date. Billing provided by SDG&E is set forth in SDG&E's community choice aggregation tariff, as stated in SDG&E's Electric Rule 23 and SDG&E's rate schedules.		Yes	
18	Southern California Edison	3/28/2021	See Notes	See Notes	279,883.72	-	See Notes	CCA Service Agreement. Contract term from 3/28/2021 to CCA termination date. Billing provided by SCE is set forth in SCE's community choice aggregation tariff, as stated in SCE's Electric Rule 23 and SCE's rate schedules.		Yes	

Remark: Since the initial enrollment periods have ended, staff project that the need for high volume printing services will decline and; therefore the next contract will likely be at or below \$50,000.



**MINUTES
SPECIAL MEETING
BOARD OF DIRECTORS
ORANGE COUNTY POWER AUTHORITY
Friday, February 10, 2023**

1. CALL TO ORDER

Chair Jung called to order the Special Meeting of the Orange County Power Authority Board of Directors at 9:05 a.m. on Friday, February 10, 2023.

The meeting was conducted using teleconference and electronic means in accordance with Government Code Section 54953(e). There was no location for in-person attendance. Due to the nature of the teleconference, all votes were cast via roll call. In an effort to protect public health, members of the public were able to provide live comments on agenda items using Zoom.

2. ROLL CALL

Present:	Director Jose T. Castañeda	City of Buena Park
	Director Tammy Kim	City of Irvine
	Director Casey McKeon	City of Huntington Beach
	Director Donald P. Wagner	County of Orange
	Vice Chair Kathleen Treseder	City of Irvine
	Chair Fred Jung	City of Fullerton

3. PLEDGE OF ALLEGIANCE

Vice Chair Treseder led the Pledge of Allegiance.

4. PUBLIC COMMENTS ON AGENDA ITEMS ONLY

The following spoke in Public Comments on items on the agenda: Walter Norbrega.

5. BOARD MEMBER INITIATED ITEMS

1. UPDATE THE ANNUAL ENERGY USE AND RESULTING VOTING SHARES EXHIBITS TO THE ORANGE COUNTY POWER AUTHORITY JOINT POWERS AGREEMENT (Vice Chair Treseder)

Action Taken:

As authorized by Section 3.9.3 of the Orange County Power Authority Joint Powers Agreement (JPA Agreement), (1) approve an adjustment to Exhibit B of the JPA Agreement to show the “Annual Energy Use” defined as the annual electricity usage, expressed in kWh, of accounts within the jurisdiction of each party to the JPA Agreement that are served by the Authority, and (2) approve an adjustment to Exhibit C of the JPA Agreement to show the current voting shares of each party to the JPA Agreement.

Vice Chair Treseder requested an update in accordance with the JPA agreement.

The item discussion was paused and then taken out of order to allow for staff to provide the information that Vice Chair Treseder requested.

ACTION

Director Castañeda made the motion, seconded by Director Wagner to:

Table this item until November 2023, which will give a full year of data.

The motion failed by 3 to 2, 1 abstention vote as follows:

Ayes:	Chair Jung, Director Wagner, Director Castañeda
Noes:	Vice Chair Treseder, Director Kim
Abstain:	Director McKeon
Absent:	None

ACTION

Vice Chair Treseder made the motion, seconded by Director Kim to:

Continue this item to the February 15, 2023, Board Meeting.

The motion passed by 4 to 1, 1 abstention vote as follows:

Ayes:	Chair Jung, Vice Chair Treseder, Director Kim, Director Castañeda
Noes:	Director Wagner
Abstain:	Director McKeon
Absent:	None

2. ENGAGEMENT OF SPECIAL COUNSEL FOR PERSONNEL MATTERS (Vice Chair Treseder)

Vice Chair Treseder made a motion to have an ad hoc committee of two board members to select and hire special counsel that will advise on personnel matters. Director Kim second the motion.

General Counsel Norvell clarified the procurement policy and contract policy for the input that the two board members would have since the contract would be under \$125,000 and would fall under the CEO's authority.

ACTION

Vice Chair Treseder made the motion, seconded by Director Kim to:

Authorize a sub-committee consisting of two Board Members to select and hire a special counsel to evaluate and advise on personnel matters.

Acting General Counsel Norvell clarified the procurement policy on items that in the excess of \$125,000, this contract he assumed would be less and would fall under the authority of the CEO; therefore, the two Board Members would have input in letting the CEO know who they prefer he hired, as per the procurement and contract policies.

Director Wagner stated his concerns with this item and provided the use for a special labor counsel. He does not feel that this is the proper time or need for this item.

Chair Jung stated that the Board would need to agendize an item to provide staff direction if they want to hire additional counsel before they relinquish their right to hire someone. He also does not feel that this is the proper time or need for this item.

ACTION

Director Wagner made an amended motion, seconded by Chair Jung to:

If the item passed, allow the Chair to appoint the two members to the adhoc committee.

The motion failed unanimously by the following vote:

Ayes:	None
Noes:	Chair Jung, Vice Chair Treseder, Director McKeon, Director Kim, Director Castañeda, Director Wagner
Abstain:	None
Absent:	None

ACTION

Vote for the original motion made by Chair Treseder and seconded by Director Kim:

Authorize a sub-committee consisting of two Board Members to select and hire a special counsel to evaluate and advise on personnel matters.

The motion failed by 1 to 5 vote as follows:

Ayes:	Vice Chair Treseder
Noes:	Chair Jung, Director McKeon, Director Kim, Director Castañeda, Director Wagner
Abstain:	None
Absent:	None

3. BOARD APPOINTMENTS (Director Castañeda)

Director Castañeda provided a brief summary of the need for these two committees to further the engagement and education.

Acting General Counsel Norvell requested clarification on standing or ad hoc committees. Standing committees need to follow the Brown Act.

ACTION

Director Castañeda made the motion, seconded by Director Kim:

To create the two standing committees and to defer to the Chair for the appointment of the two Board Members.

The motion carried by the following vote:

Ayes: Chair Jung, Vice Chair Treseder, Director Wagner,
Director Kim, Director Castañeda
Noes: None
Abstain: Director McKeon
Absent: None

4. DISCUSS & PROVIDE DIRECTION ON ISSUING AN REQUEST FOR QUALIFICATIONS (RFQ) FOR GENERAL COUNSEL PROFESSIONAL SERVICES AGREEMENT (Director Castañeda)

Director Castañeda stated that for who would provide the motion, the Board Members need to know: who will be assigned the work to prepare and process the RFP/RFQ, when the RFP/RFQ should be published, when the RFP/RFQ to close, and the judging criteria for the RFP/RFQ should be.

Chair Jung stated that if the Board moved forward with an RFQ there needed to be a concise timeline to comply with best practices. The process should be transparent. The Board would need to provide additional direction on the RFQ to move forward.

ACTION

Director Castañeda made the motion; no second was made; therefore, motion failed due to lack of a second.

Direct the CEO to draft and publish an RFQ for a professional service agreement related to general counsel services to the Board. That the RFQ be published no later than next week and be posted on the website Friday, February 17, 2023, and for the deadline to receive the proposals be Friday, March 10, 2023. The Board will review all proposals at the same time and set the judge them as to the best qualified at the March 15, 2023 Board meeting. For Firms to provide the information for all services they provide.

6. CLOSED SESSION

Recess to Closed Session

At 9:58 a.m., Chair Jung called on Counsel Norvell to recess the Board to closed session. Acting General Counsel Norvell announced the Board was recessing to closed session. The following Board Members were present: Castañeda, Kim, McKeon, Wagner, Treseder, and Jung. Also present was Board Counsel Norvell, CEO Probolsky, CFO Law, Director of Communications & External Affairs Mosca, and Controller Lee.

- 1. AUDIT BY CALIFORNIA STATE AUDITOR'S OFFICE**
Pursuant to Government Code Section § 54956.75
- 2. PUBLIC EMPLOYEE APPOINTMENT**
Pursuant to Government Code Section 54957
Title: Interim General Counsel

Reconvene

At 11:15 a.m., the Special Meeting of the Orange County Power Authority reconvened with the following present: Directors Castañeda, Kim, McKeon, Wagner, Treseder, and Jung.

General Counsel Norvell reported out of Closed Session that for item 6.1 there was no reportable action and for item 6.2 it was deferred to the February 15, 2023 Board Meeting.

Director McKeon wanted to follow up on his request from the prior meeting to obtain the mix of energy sources that have been procured; therefore, the mix of energy resources that have been delivered to customers to be scheduled for the next meeting. He also requested to understand the Board's decision-making process for the payment of the fine last year in lieu of providing the required resource adequacy for discussion at the next scheduled meeting.

Vice Chair Treseder would also like power procurement information. She was willing to sign an NDA to see that information.

Chair Jung stated that he would be looking forward to a robust CEO report at the February 15, 2023, meeting.

7. ADJOURNMENT

At 11:17 a.m. Chair Jung adjourned the February 10, 2023, Special Meeting of the OCPA Board of Directors.

Submitted by:

Brian S. Probolsky, Authority Secretary



**MINUTES
REGULAR MEETING
BOARD OF DIRECTORS
ORANGE COUNTY POWER AUTHORITY
Wednesday, February 15, 2023**

1. CALL TO ORDER

Chair Jung called to order the Regular Meeting of the Orange County Power Authority Board of Directors at 10:01 a.m. on Wednesday, February 15, 2023.

The meeting was conducted using teleconference and electronic means in accordance with Government Code Section 54953(e). There was no location for in-person attendance. Due to the nature of the teleconference, all votes were cast via roll call. In an effort to protect public health, members of the public were able to provide live comments on agenda items using Zoom.

2. PLEDGE OF ALLEGIANCE

Director Kim led the Pledge of Allegiance.

3. ROLL CALL

Present:	Director Jose T. Castañeda	City of Buena Park
	Director Tammy Kim	City of Irvine
	Director Casey McKeon	City of Huntington Beach
	Vice Chair Kathleen Treseder	City of Irvine
	Chair Fred Jung	City of Fullerton
Absent:	Director Donald P. Wagner	County of Orange

4. PUBLIC COMMENTS ON AGENDA ITEMS

The following spoke in public comments regarding February 15, 2023, agenda items:

Ayn Craciun
Doug Elliott
Linda Kramer

5. PUBLIC COMMENTS ON NON-AGENDA ITEMS – NONE

6. DIRECTOR ANNOUNCEMENTS – NONE

7. STAFF REPORT

CEO Probolsky deferred to the written staff report. He further clarified that the SCE green rate sign-up had been removed from their website. Announced that the recruitment for the Energy Contracts and Compliance Analyst had been posted on the OCPA website.

Chair Treseder requested clarification and the process for the contract from the last CEO report.

CEO Probolsky stated that the contract was sole sourced due to their specialty in audit services.

8. CONSENT CALENDAR

Chair Jung removed item 8.2 for separate discussion.

Director Castañeda removed item 8.6 for staff presentation.

ACTION

Director Kim made the motion, seconded by Vice Chair Treseder to:

Approve consent calendar items 8.1, 8.3 through 8.5.

The motion carried by the following vote:

Ayes:	Chair Jung, Vice Chair Treseder, Director McKeon, Director Kim, Director Castañeda
Noes:	None
Absent:	Director Wagner

1. FINDINGS NECESSARY FOR REMOTE PARTICIPATION IN PUBLIC MEETINGS

Action Taken:

Declared that the findings made in Resolution No. 2022-02, “Resolution of the Orange County Board of Directors Making Findings Necessary for Remote Participation in Public Meetings” remain valid and applicable, so as to allow remote participation in public meetings for the next 14 days.

2. IN-PERSON MEETINGS AND TELECONFERENCING OPTIONS UNDER THE BROWN ACT AND AB 2449

ACTION

Chair Jung moved, seconded by Director Kim to:

1. Recommended to the Board of Directors, when a state-proclaimed State of Emergency is not in place, to hold Board and Committee meetings beginning March 1, 2023, under the Default Teleconferencing Rules.

- 2 Adopted Resolution No. 2023-02, amending the Board's 2023 regular meeting schedule to include in-person meeting locations.
3. Allow for Zoom Public Comments.

The motion carried by the following vote:

Ayes: Chair Jung, Vice Chair Treseder, Director McKeon,
Director Kim, Director Castañeda
Noes: None
Absent: Director Wagner

3. MINUTES FOR THE REGULAR BOARD MEETING OF JANUARY 17, 2023

Action Taken:

Approved as submitted.

4. MINUTES FOR THE SPECIAL BOARD MEETING OF JANUARY 20, 2023

Action Taken:

Approved as submitted.

5. APPROVE OCPA'S FINANCIAL POLICIES

Action Taken:

Approved the following Orange County Power Authority (OCPA) Financial Policies:

- Policy Number 015: Accounting
- Policy Number 016: Capitalization
- Policy Number 017: Budget

6. UPDATE ON COMMUNITY ADVISORY COMMITTEE

Director of Communications & External Affairs Mosca provided a brief summary of this item.

Director Castañeda asked what kind of announcement was made in the local media.

Director of Communications & External Affairs Mosca stated that a press release was sent out to all media in Orange County that cover us.

Action Taken:

Received and filed update on Community Advisory Committee.

9. REGULAR CALENDAR

1. AMEND THE ORANGE COUNTY POWER AUTHORITY ORGANIZATIONAL STRUCTURE, JOB DESCRIPTION, SALARY SCHEDULE TO INCLUDE THE CHIEF OPERATING OFFICER POSITION

CEO Probolsky provided a brief summary of this item.

Acting General Counsel Norvell reported the Brown Act requirements for the establishment of salary schedules.

Chair Jung stated his support for this item.

Vice Chair Treseder requested that the dotted line from the legal counsel to the CEO be removed.

Director Castañeda lauded staff for their work and for the provision of the salary ranges of other entities. He stated that communication is vital between all staff members and does not agree to remove the dotted line.

Vice Chair Treseder stated the reasons for the removal.

Director Kim asked if a hiring firm had been acquired for the recruitment of this position.

ACTION

Chair Jung moved, seconded by Director Kim to:

1. Amend organizational structure, and salary schedule to include the Chief Operating Officer.
2. Approve the job description for the Chief Operating Officer.
3. Create the hiring process for this position.

The motion carried by the following vote:

Ayes: Chair Jung, Vice Chair Treseder, Director McKeon,
Director Kim, Director Castañeda

Noes: None

Absent: Director Wagner

2. 2022 MARKETING & COMMUNICATIONS RECAP AND 2023 PREVIEW

Director of Communications & External Affairs Mosca provided a brief summary of this item and introduced consultants, Brenda Springer and Brenda Deeley, from Reveille.

Ms. Springer and Ms. Deeley provided a PowerPoint Presentation with the history and update on marketing and communications they had developed and disseminated.

Chair Jung requested that there be better transparency on the OCPA website. The more information that can be provided through the website, the better informed the public will be.

Vice Chair Treseder thanked Reveille for their work and their weekly director's update.

Director Castañeda also thanked Reveille for their incredible work product.

Director Kim requested additional information on their multi-cultural media and who attended that briefing. She requested the list of their multi-cultural media outlets especially the Korean and Chinese markets.

Action Taken:

Received and filed 2022 Marketing & Communications Recap and 2023 Preview.

3. DEVELOPMENT OF A BROAD-BASED MARKETING, COMMUNICATIONS, AND PUBLIC OUTREACH PROGRAM

Director of Communications & External Affairs Mosca provided a brief summary of this item.

Chair Jung stated that it is imperative to have timely and plenty of communication. He asked Director Mosca if a three-member team was enough staff to roll out the communication plan.

Director of Communications & External Affairs Mosca stated that he was in the process of recruiting a new member that would help the team. If after this new member was onboarded, he would be able to assess the need for additional team members.

Director Castañeda stated that he felt that the sponsorships with various stakeholders would only enhance those partnerships. He volunteered to assist in the creation of a robust strategic marketing plan. He also supported additional funding for the creation of a state-of-the-art video for marketing.

Vice Chair Treseder fully supported this item and asked the what the budget was for this item.

Director of Communications & External Affairs Mosca stated that the RFP would establish a fair market value for the scope of services for this item.

Director Kim would like to see in the plan how OCPA partnered with non-profit organizations and trusted partners. Creation of these partnerships was vital for OCPA.

Action Taken:

Discuss and provide direction on the development of a broad-based Marketing, Communications, and Public Outreach Program.

10. BOARD MEMBER INITIATED ITEMS

(Continued from February 10, 2023, Board Special Meeting.)

1. UPDATE THE ANNUAL ENERGY USE AND RESULTING VOTING SHARES EXHIBITS TO THE ORANGE COUNTY POWER AUTHORITY JOINT POWERS AGREEMENT (Vice Chair Treseder)

Vice Chair Treseder stated that the annual energy use schedules needed to be updated per the rules of the JPA. She asked if the projected energy use data would change or hold steady for the entire year.

Director Castañeda stated his disdain for the use of power from the Irvine Board Members to control the OCPA Board of Directors and the Agency.

Chair Jung clarified that the weighted vote was used in other agencies he had served in. The agency was actively recruiting and could potentially send the wrong message if the Board did not allow new entities to have a vote.

Director Kim agreed and supported Chair Jung comments. She would also like to give the Board Members that are going above and beyond credit.

Acting General Counsel Norvell stated the requirements from the JPA, the deadline for the update was March 1st.

Director Castañeda appreciated the comments from Chair Jung and Director Kim on helping the smaller member agencies to feel heard. He stated he could support the item as procedural and requested that it be placed annually on the consent calendar at every February meeting.

Director Castañeda and Chair Treseder discussed with each other the issue of the weighted vote being requested on the agenda items.

ACTION

Vice Chair Treseder moved, seconded by Director Kim to:

As authorized by Section 3.9.3 of the Orange County Power Authority Joint Powers Agreement (JPA Agreement), (1) approve an adjustment to the actual use set of Exhibit B of the JPA Agreement to show the “Annual Energy Use” defined as the

annual electricity usage, expressed in kWh, of accounts within the jurisdiction of each party to the JPA Agreement that are served by the Authority, and (2) approve an adjustment to Exhibit C of the JPA Agreement to show the current voting shares of each party to the JPA Agreement, and (3) Staff return at the April meeting an Amendment to the JPA.

The motion carried by the following vote:

Ayes: Chair Jung, Vice Chair Treseder, Director McKeon,
Director Kim, Director Castañeda

Noes: None

Absent: Director Wagner

2. CONSIDER DRAFT BYLAWS (Chair Jung)

ACTION

Director Kim moved, seconded by Director Castaneda to continue this item to the next meeting.

The motion carried by the following vote:

Ayes: Chair Jung, Vice Chair Treseder, Director McKeon,
Director Kim, Director Castañeda

Noes: None

Absent: Director Wagner

3. OVERVIEW OF POWER SOURCE ACCOUNTING (Director McKeon)

Consultant, Kirby Duxel from Pacific Energy Advisors provided a brief PowerPoint on this item.

Action Taken:

Receive and filed.

11. CLOSED SESSION

Recess to Closed Session

At 12:40 p.m., Chair Jung called on Counsel Norvell to recess the Board to closed session. Acting General Counsel Norvell announced the Board was recessing to closed session. The following Board Members were present: Castañeda, Kim, McKeon, Treseder, and Jung; Wagner was absent. Also present was Board Counsel Norvell.

1. PUBLIC EMPLOYEE APPOINTMENT

Pursuant to Government Code Section 54957

Title: Interim General Counsel

Reconvene

At 1:02 p.m., the Special Meeting of the Orange County Power Authority reconvened with the following present: Directors Castañeda, Kim, McKeon, Wagner, Treseder, and Jung.

General Counsel Norvell reported out of Closed Session that Director Castaneda made the motion, seconded by Vice Chair Treseder to appoint Nicholas Norvell as interim General Counsel, the motion passed unanimously with Director Wagner absent.

Chair Jung reported that direction as given to staff to issue an RFP for general counsel services and that would be effective within a week.

12. ADJOURNMENT

There being no further business to come before the Board, Chair Jung adjourned the meeting at 1:03 p.m. The next OCPA Board of Directors Regular meeting will on March 15, 2023.

Submitted by:

Brian S. Probolsky, Authority Secretary

ORANGE COUNTY POWER AUTHORITY
Staff Report – Item 8.3

To: Orange County Power Authority Board of Directors

From: Tiffany Law, Chief Financial Officer

Subject: TREASURER’S REPORT – FISCAL YEAR ENDED DECEMBER 31, 2022

Date: March 15, 2023

RECOMMENDED ACTION

Receive and file the Treasurer’s Report ending December 31, 2022.

BACKGROUND

The Treasurer’s Report is the financial statement of the Orange County Power Authority and should be presented to the governing body periodically. The report is created in accordance with accounting principles generally accepted in the United States of America. The Treasurer’s Report comprises the statement of net position and the related statement of revenues, expenses, and changes in net position, and the statement of cash flows for the period ending December 31, 2022. To adhere to the adopted budget policy, the future Treasurer’s Reports will be presented to the Board of Directors in a quarterly format instead of monthly.

FISCAL IMPACT

There is no financial impact from approving the report.

ATTACHMENT

Treasurer’s Report ending December 31, 2022



ACCOUNTANTS' COMPILATION REPORT

Management
Orange County Power Authority

Management is responsible for the accompanying financial statements of Orange County Power Authority (a California Joint Powers Authority) which comprise the statement of net position as of December 31, 2022, and the related statement of revenues, expenses, and changes in net position, and the statement of cash flows for the period then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the accompanying statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, conclusion, nor provide any assurance on these financial statements.

Management has elected to omit substantially all of the note disclosures required by accounting principles generally accepted in the United States of America in these interim financial statements. Orange County Power Authority's annual audited financial statements include the note disclosures omitted from these interim statements. If the omitted disclosures were included in these financial statements, they might influence the user's conclusions about the Authority's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to the Authority because we performed certain accounting services that impaired our independence.

Maher Accountancy

San Rafael, CA
January 30, 2023

ORANGE COUNTY POWER AUTHORITY
STATEMENT OF NET POSITION
As of December 31, 2022

ASSETS

Current assets

Cash	\$ 8,609,377
Restricted cash	6,000,000
Investments	147,809
Accounts receivable, net of allowance	15,559,229
Accrued revenue	12,687,279
Other receivables	20,714,606
Prepaid expenses	26,334
Deposits	1,358,972
Total current assets	<u>65,103,606</u>

LIABILITIES

Current liabilities

Accrued cost of electricity	38,129,864
Accounts payable	454,181
Other accrued liabilities	590,225
User taxes and energy surcharges due to other governments	837,823
Accrued interest and financing costs	83,190
Total current liabilities	<u>40,095,283</u>

Noncurrent liabilities

Note payable	17,350,000
Loan payable	7,541,380
Total noncurrent liabilities	<u>24,891,380</u>
Total liabilities	<u>64,986,663</u>

NET POSITION

Unrestricted (deficit)	116,943
Total net position	<u><u>\$ 116,943</u></u>

**ORANGE COUNTY POWER AUTHORITY
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
Six Months Ended December 31, 2022**

OPERATING REVENUES

Electricity sales, net	\$ 118,586,879
------------------------	----------------

OPERATING EXPENSES

Cost of electricity	115,175,251
Contract services	2,065,614
Staff compensation	813,970
General and administration	333,241
Total operating expenses	118,388,076
Operating income (loss)	198,803

NONOPERATING REVENUES (EXPENSES)

Investment income	7,493
Interest and financing expense	(299,055)
Nonoperating revenues (expenses), net	(291,562)

CHANGE IN NET POSITION

	(92,759)
Net position at beginning of period	209,702
Net position at end of period	\$ 116,943

ORANGE COUNTY POWER AUTHORITY
STATEMENT OF CASH FLOWS
Six Months Ended December 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 116,465,964
Receipts from market settlements	13,181,242
Payments to suppliers for electricity	(133,022,496)
Payments for goods and services	(2,216,770)
Payments to employees for services	(776,739)
Payments of taxes and energy surcharges to other governments	(2,371,083)
Net cash provided (used) by operating activities	<u>(8,739,881)</u>

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

Proceeds from note payable	31,600,000
Principal payments on loan payable	(111,000)
Principal payments on note payable	(21,900,000)
Interest and related expense payments	<u>(339,419)</u>
Net cash provided (used) by non-capital financing activities	<u>9,249,581</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest income received	<u>7,270</u>
Net cash provided (used) by investing activities	<u>7,270</u>

Net change in cash	516,970
Cash at beginning of period	<u>14,092,407</u>
Cash at end of period	<u><u>\$ 14,609,377</u></u>

Reconciliation to the Statement of Net Position

Cash (unrestricted)	\$ 8,609,377
Restricted cash	<u>6,000,000</u>
Cash	<u><u>\$ 14,609,377</u></u>

ORANGE COUNTY POWER AUTHORITY
STATEMENT OF CASH FLOWS (continued)
Six Months Ended December 31, 2022

**RECONCILIATION OF OPERATING INCOME (LOSS) TO NET
CASH PROVIDED (USED) BY OPERATING ACTIVITIES**

Operating income (loss)	\$ 198,803
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities	
Revenue adjusted for allowance for uncollectible accounts	1,501,100
(Increase) decrease in:	
Accounts receivable	(6,059,010)
Other receivables	(18,841,690)
Accrued revenue	(177,127)
Prepaid expenses	5,777,567
Deposits	(1,134,396)
Increase (decrease) in:	
Accrued cost of electricity	9,528,697
Accounts payable	(129,570)
Other accrued liabilities	352,706
User taxes and energy surcharges due to other governments	243,039
Net cash provided (used) by operating activities	<u>\$ (8,739,881)</u>



ACCOUNTANTS' COMPILATION REPORT

Board of Directors
Orange County Power Authority

Management is responsible for the budgetary comparison schedule of Orange County Power Authority (OCPA), a California Joint Powers Authority, for the period ended December 31, 2022, and for determining that the budgetary basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the accompanying statement nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any assurance on this special purpose budgetary comparison statement.

The special purpose statement is prepared in accordance with the budgetary basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. This report is intended for the information of the Board of Directors of OCPA.

Management has elected to omit substantially all of the note disclosures required by accounting principles generally accepted in the United States of America in these interim financial statements. OCPA's annual audited financial statements include the note disclosures omitted from these interim statements. If the omitted disclosures were included in these financial statements, they might influence the user's conclusions about the Authority's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to OCPA because we performed certain accounting services that impaired our independence.

Maher Accountancy

San Rafael, CA
January 30, 2023

ORANGE COUNTY POWER AUTHORITY
BUDGETARY COMPARISON REPORT
Six Months Ended December 31, 2022

	YTD Actual	YTD Budget	YTD Budget Variance (Under) Over	YTD Actual as a Percent of Budget	Annual Budget	Annual Budget Remaining
OPERATING REVENUES						
Electricity Sales, net	\$ 118,586,879	\$ 146,374,478	\$ (27,787,599)	81.0%	\$ 301,750,000	\$ (183,163,121)
OPERATING EXPENSES						
Cost of Energy	115,175,251	148,494,370	(33,319,119)	77.6%	285,342,000	(170,166,749)
Data Manager	89,414	368,721	(279,307)	24.2%	1,839,000	(1,749,586)
Utilities Service Fees	306,135	304,585	1,550	100.5%	532,000	(225,865)
Staffing Costs	813,970	1,752,693	(938,723)	46.4%	4,046,000	(3,232,030)
Contract Services	515,294	704,916	(189,622)	73.1%	1,302,000	(786,706)
Legal Services	497,182	290,000	207,182	171.4%	580,000	(82,818)
Marketing and Customer Enrollment	651,282	1,173,500	(522,218)	55.5%	1,597,000	(945,718)
Other G&A	333,241	452,819	(119,578)	73.6%	844,000	(510,759)
Energy Programs	6,307	242,542	(236,235)	2.6%	500,000	(493,693)
Total operating expenses	118,388,076	153,784,146	(35,396,070)		296,582,000	(178,193,924)
Operating income (loss)	198,803	(7,409,668)	7,608,471		5,168,000	(4,969,197)
NONOPERATING REVENUES (EXPENSES)						
Investment and miscellaneous income	7,493	-	7,493	N/A	1,000	6,493
Interest and financing expense	(299,055)	(164,904)	(134,151)	181.4%	(329,000)	29,945
Capital Outlay		(50,000)	50,000	0.0%	(110,000)	110,000
Nonoperating revenues (expenses), net	(291,562)	(214,904)	(76,658)		(438,000)	146,438
CHANGE IN NET POSITION	\$ (92,759)	\$ (7,624,572)	\$ 7,531,813		\$ 4,730,000	\$ (4,822,759)

ORANGE COUNTY POWER AUTHORITY
FORECAST COMPARISON REPORT
Six Months Ended December 31, 2022

	YTD Actual	YTD Forecast	YTD Forecast Variance (Under) Over	YTD Actual as a Percent of Forecast	Annual Forecast	Annual Forecast Remaining
OPERATING REVENUES						
Electricity Sales, net	\$ 118,586,879	\$ 125,809,259	\$ (7,222,380)	94.3%	\$ 290,071,323	\$ (171,484,444)
OPERATING EXPENSES						
Cost of Energy	115,175,251	135,303,233	(20,127,982)	85.1%	254,826,135	(139,650,884)
Data Manager	89,414	187,080	(97,666)	47.8%	1,271,409	(1,181,995)
Utilities Service Fees	306,135	392,520	(86,385)	78.0%	560,907	(254,772)
Staffing Costs	813,970	1,245,121	(431,151)	65.4%	3,538,289	(2,724,319)
Contract Services	515,294	672,834	(157,540)	76.6%	1,269,474	(754,180)
Legal Services	497,182	427,933	69,249	116.2%	717,933	(220,751)
Marketing and Customer Enrollment	651,282	1,173,500	(522,218)	55.5%	1,597,000	(945,718)
Other G&A	333,241	407,834	(74,593)	81.7%	800,328	(467,087)
Energy Programs	6,307	134,573	(128,266)	4.7%	500,000	(493,693)
Total operating expenses	118,388,076	139,944,629	(21,556,553)		265,081,476	(146,693,400)
Operating income (loss)	198,803	(14,135,370)	14,334,173		24,989,847	(24,791,044)
NONOPERATING REVENUES (EXPENSES)						
Investment and miscellaneous income	7,493	442	7,051	1,696.6%	1,102	6,391
Interest and financing expense	(299,055)	(275,909)	(23,146)	108.4%	(655,038)	355,983
Capital Outlay		(50,000)	50,000	0.0%	(110,000)	110,000
Nonoperating revenues (expenses), net	(291,562)	(325,468)	33,906		(763,936)	472,374
CHANGE IN NET POSITION	\$ (92,759)	\$ (14,460,838)	\$ 14,368,079		\$ 24,225,911	\$ (24,318,670)

Note: YTD Forecast is based on recent proforma as of December 9, 2022 and board approved 2023 OCPA rates

ORANGE COUNTY POWER AUTHORITY
FORECAST COMPARISON REPORT
Six Months Ended December 31, 2022

Forecast Item	Actual / Forecast %	Comment
Electric Sales, net	94.3%	Year-to-date energy sales are slightly lower than forecast by approx. \$784k or 5.7%. Sales revenue includes revenues actually billed to customers as well as estimated customer usage during the reporting period that is not yet billed.
Cost of Energy	85.1%	The variance is primarily due to the timing difference between projected and actual delivery of Renewable Energy Certificates (RECs) and fluctuating market prices. In addition, OCPA was able to sell the excess energy supply to the CAISO spot market for a gain of approx. \$9mil and made a downward adjustment of \$10.3mil for the estimated load consumption mistakenly reported by SCE for a commercial customer further reduced cost of energy .
Data Manager	47.8%	These fees are non-discretionary and are charged on a per customer basis. Calpine's monthly service fees incurred beginning November 2022 after crediting a full agreed-upon service fees waiver of \$750k to OCPA during the period of April to November 2022. Effective November 2022, Calpine began crediting another agreed-upon service fees waiver of \$1mil and the operational credit of \$400k to OCPA (both over 36-month period). The variance is due to the timing difference of the aforementioned credits.
Utilities Service Fees	78.0%	These are SCE fees charged on a per customer basis.
Staffing Costs	65.4%	Staffing expenses are under budget due to the timing delay of new hires.
Contract Services	76.6%	This category includes accounting, rates and financial & planning analysis, portfolio management, scheduling coordinator, HR and board clerk, and other
Legal Services	116.2%	This category includes outside legal costs for general counsel, energy procurement transactional support, labor, clerk support, regulatory, and RA appeal services. Actual costs exceeded budget due to the ad-hoc labor related investigation costs and high volume of regulatory and compliance filing services.
Marketing and Customer Enrollment	55.5%	This category includes customer noticing, advertising, and other customer communications.
Other G&A	81.7%	This category includes occupancy costs, industry membership dues, general business insurance, and other general and administrative costs.
Energy Programs	4.7%	Programs expenses have generally been delayed until future periods.
Interest and Financing Expenses	108.4%	This category includes interest and fees related to debt. Variance predominately due to the timing of loan draws and letters of credit posted for collateral for energy supply.

ORANGE COUNTY POWER AUTHORITY
SCHEDULE OF OUTSTANDING DEBT
As of December 31, 2022

CITY OF IRVINE

On January 2021, OCPA borrowed \$2,500,000 from the City of Irvine for working capital costs associated with OCPA's pre-launch. On September 2021, OCPA borrowed \$5,000,000 from the City of Irvine for cash collateral in the credit facility associated with OCPA's launch. The loan repayment date for the above is January 1, 2027. Interest is due on the loan in an amount based on the gross earnings for the respective quarter as reported in the City Treasurer's pooled investment portfolio report.

Also included as a loan payable are formation related costs - \$152,380 paid directly from the City to the vendors. OCPA will reimburse the City no later than January 1, 2027. Interest does not accrue on the formation costs advanced by the City. OCPA paid \$111,000 towards the outstanding principal on September 12, 2022.

Principal	Maturity	Interest Rate	Payments	Outstanding Principal
\$ 152,380	January 2027	0.00%	\$ -	\$ 41,380
		Variable - City		
		Treasurer's		
\$ 7,500,000	January 2027	report	\$ -	\$ 7,500,000

MUFG UNION BANK, N.A. CREDIT FACILITY

On September 2021, OCPA and MUFG Union Bank, N.A. entered into a Revolving Credit Agreement for a \$35 million credit facility. OCPA has borrowed \$17,350,000 as of December 31, 2022, of which \$1,000,000 was used as a reserve for the lockbox account.

MUFG, N.A. has also issued a \$2,611,947.50 Letter of Credit to Pacific Gas & Electric; a \$1,600,000.00 Letter of Credit to Southern California Edison Company; a \$3,500,000 Letter of Credit to Shell and a \$1,600,000 Letter of Credit to California ISO, and a \$2,597,157 Letter of Credit to Marsh Landing. This leaves an unused credit balance of \$5,740,896.

Credit Facility	Letter of Credit	Borrowing	Unused Credit
\$ 35,000,000	\$ 11,909,105	\$ 17,350,000	\$ 5,740,896

ORANGE COUNTY POWER AUTHORITY
Staff Report – Item 8.4

To: Orange County Power Authority Board of Directors

From: Brian Probolsky, Chief Executive Officer
Tiffany Law, Chief Financial Officer

Subject: APPROVE ORANGE COUNTY POWER AUTHORITY’S FINANCIAL POLICIES

Date: March 15, 2023

RECOMMENDED ACTION

Approve the following Orange County Power Authority Financial Policies:

- Policy Number 018: Investment Policy
- Policy Number 019: Reserve Policy

DISCUSSION

Investment Policy

The primary objectives of the investment activities of OCPA are:

- 1) Compliance - To be in compliance with all Federal, State and local laws as well as all OCPA policies and procedures.
- 2) Safety of Principal – Preservation of principal is the foremost objective of OCPA.
- 3) Liquidity – OCPA’s portfolio will remain sufficiently liquid to enable OCPA to meet its cash flow requirements.
- 4) Return on Investment – OCPA’s investment portfolio will be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, while considering the investment risk constraints and cash flow needs.

Reserve Policy

Expounds on the purposes of the reserves policy, target levels and goal, and how the reserves will be funded. Establishes conditions for use of the reserves, requirements for replenishment, recommends actions if reserve funds exceed the maximum level, renews process for the target goal, and reporting schedule.

FISCAL IMPACT

There is no fiscal impact associated with approving these Financial Policies. Upon approval of the reserve policy, OCPA will factor a minimum reserve balance equal to 30% of total operating budget expenditures in future annual budgets and projections.

ATTACHMENTS

1. Financial Policy Number 018: Investment Policy
2. Financial Policy Number 019: Reserve Policy

Orange County Power Authority Policy 018: Investment Policy

Purpose

Orange County Power Authority (“OCPA”) shall invest public funds in such a manner as to comply with state and local laws; ensure prudent money management; provide for daily cash flow requirements; and meet the objectives of the Policy, in priority order of safety, liquidity and return on investment.

Standard of Care

The standard of prudence to be used by investment officials will be the “prudent investor” standard, which states that, “when investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency.”

Scope

This Investment Policy applies to all funds and investment activities and financial assets of OCPA. This Policy does not apply to the investment of bond proceeds, which would be governed by any applicable bond documents.

Objectives

The primary objectives, in priority order, of the investment activities of OCPA are:

With respect to all investments:

1. To be in compliance with all Federal, State and local laws as well as all OCPA policies and procedures.
2. All investments of OCPA shall be undertaken in a manner which seeks the preservation of principal.
3. To remain sufficiently liquid to enable OCPA to meet all operating requirements which might be reasonably anticipated.
4. To maximize return consistent with risk limitations identified herein and prudent investment principles.

With respect to short-term cash management objectives:

1. To accelerate receipt of all funds due to OCPA.
2. To accurately monitor and forecast expenditures and revenues, thus enabling OCPA to invest funds to the fullest extent possible.
3. The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs.

Delegation of Authority

The following individuals are authorized to sign investment documents and/or execute cash transfers and make investments of OCPA's funds:

- a. Chief Executive Officer
- b. Chief Financial Officer
- c. Director of Finance & Data Analytics
- d. Controller

OCPA may engage the support services of outside investment advisors in regard to its investment program, so long as these services are likely to produce a net financial advantage or necessary financial protection of OCPA's financial resources. OCPA may also delegate investment decision making and execution authority to an investment advisor. The advisor shall follow this Investment Policy and such other written instructions as are provided.

Ethics and Conflict of Interest

The authorized employees involved in the investment process will refrain from personal business activities that could conflict with proper execution of the investment program, or which could impair their ability to make impartial decisions.

Pursuant to OCPA's Conflict of Interest Code, the authorized employees will disclose any financial interests and investment holdings that could affect the performance of OCPA's portfolio or the individual's judgement or decisions regarding OCPA's portfolio.

Authorized Financial Dealers and Institution

The Chief Financial Officer will maintain a list of approved financial institutions authorized to provide investment services to OCPA. These may include "primary" dealers or regional dealers that qualify under Securities & Exchange Commission Rule 15C3-1 (uniform net capital rule). A determination should be made to ensure that all approved broker/dealer firms, and individuals covering OCPA, are reputable and trustworthy. In addition, the broker/dealer firms should have the ability to meet all of their financial obligations in dealing with OCPA. The firms, and individuals covering OCPA, should be knowledgeable and experienced in Public Agency investing and the investment products involved. No public deposit shall be made except in a qualified public depository as established by the established state laws. All financial institutions and broker/dealers who desire to conduct investment transactions with OCPA must supply the Chief Financial Officer with the following: audited financial statements, proof of NASD certification, trading resolution, proof of State of California registration, completed broker/dealer questionnaire, certification of having read the OCPA's investment policy and depository contracts.

An annual review of the financial condition and registrations of qualified bidders will be conducted by the Chief Financial Officer. A current audited financial statement is required to be on file for each financial institution and broker/dealer in which OCPA invests.

If OCPA utilizes an investment advisor, the investment advisor may use its own list of authorized broker/dealers to conduct transactions on behalf of OCPA.

Authorized Investments

OCPA is authorized by California Government Code Section 53600 et seq. to invest in the types of securities listed below. A security purchased in accordance with this section shall not have a forward settlement date exceeding 45 days from the time of investment.

Where this section specifies a percentage limitation for a particular security type, that percentage is applicable only on the date of purchase. Credit criteria listed in this section refer to the credit rating at the time the security is purchased. If an investment's credit rating falls below the minimum rating required at the time of purchase, the Chief Financial Officer will perform a timely review and decide whether to sell or hold the investment.

U.S. Treasury Obligations

United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.

U.S. Agency Obligations

Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.

Municipal Obligations

Registered state warrants or treasury notes or bonds of California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of California.

Registered treasury notes or bonds of any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states, in addition to California.

Bonds, notes, warrants or other evidence of indebtedness of a local agency within California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.

Bonds issued by OCPA, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by OCPA or by a department, board, agency, or authority of OCPA.

OCPA is prohibited from investing in any debt issued by member agencies of OCPA who are parties to the OCPA Joint Powers Agreement.

Deposits at Bank(s)

FDIC insured or fully collateralized demand deposit accounts, savings accounts, market rate accounts, time certificates of deposits ("TCDs") and other types of bank deposits in financial institutions located in California. The amount on deposit in any financial institution shall not exceed the shareholder's equity. To be eligible to receive OCPA's deposits, the financial

institution must have received a minimum overall satisfactory rating, under the Community Redevelopment Act, for meeting the credit needs of California Communities in its most recent evaluation. Bank deposits are required to be collateralized as specified under Government Code Section 53630 et seq. The Chief Financial Officer, at his/her discretion, may waive the collateralization requirements for any portion that is covered by federal deposit insurance. OCPA shall have a signed agreement with any depository accepting OCPA's funds per Government Code Section 53649. The maturity of TCDs may not exceed 5 years in maturity. There is no limit on the percentage of the portfolio that may be invested in bank deposits. However, a maximum of 50 percent of the portfolio may be invested in TCDs.

Banks eligible to receive deposits will be federally or state chartered and will conform to Government Code 53635.2.

Placement Service Deposits

Bank deposits placed with a private sector entity that assists in the placement of deposits with eligible financial institutions located in the United States. The full amount of the principal and the interest that may be accrued during the maximum term of each deposit shall at all times be insured by federal deposit insurance. Placement Deposits shall meet all of the requirements of Government Code Section 53601.8. Purchases of placement service deposits may not exceed 50% of OCPA's investment portfolio.

Local Agency Investment Fund (LAIF)

Funds may be invested in the Local Agency Investment Fund ("LAIF"). The LAIF was established by the California State Treasurer for the benefit of local agencies.

Commercial Paper

Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical rating organization ("NRSRO"). The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (1) or (2):

- (1) The entity meets the following criteria: (A) Is organized and operating in the United States as a general corporation. (B) Has total assets in excess of five hundred million dollars (\$500,000,000). (C) Has debt other than commercial paper, if any, that is rated in a rating category of "A" or its equivalent or higher by an NRSRO.
- (2) The entity meets the following criteria: (A) Is organized within the United States as a special purpose corporation, trust, or limited liability company. (B) Has program wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond. (C) Has commercial paper that is rated "A-1" or higher, or the equivalent, by an NRSRO.

Eligible commercial paper shall have a maximum maturity of 270 days or less. Purchases of eligible commercial paper shall not exceed 40% of OCPA's funds.

Medium Term Notes

Defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United

States or by depository institutions licensed by the United States or any state and operating within the United States. Notes eligible for investment under this subdivision shall be rated in a rating category of “A” or better by an NRSRO. Purchases of medium-term notes shall not exceed 30% of OCPA’s funds.

Negotiable Certificates of Deposits

Negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the California State Code), a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank. Purchases of negotiable certificates of deposits shall not exceed 30% of the OCPA’s funds.

Mortgage Pass-Through and Asset-Backed Securities

A mortgage pass-through security, collateralized mortgage obligation, mortgaged backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate or consumer receivable backed bond. Securities eligible for investment under this subdivision shall be rated in a rating category of “AA” or its equivalent or better by an NRSRO and have a maximum remaining maturity of five years or less. Purchase of securities authorized by this subdivision shall not exceed 20% of OCPA’s funds.

Supranational Obligations

United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated in a rating category of “AA” or better by an NRSRO and shall not exceed 30% of OCPA’s funds.

Joint Power Authority Pool

Shares of beneficial interest issued by a joint powers authority organized pursuant to Section 6509.7 that invests in the securities and obligations authorized in subdivisions (a) to (r), inclusive, of Government Code 53601. Each share shall represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority. To be eligible under this section, the joint powers authority issuing the shares shall have retained an investment adviser that meets all of the following criteria:

- (1) The adviser is registered or exempt from registration with the Securities and Exchange Commission.
- (2) The adviser has not less than five years of experience investing in the securities and obligations authorized in subdivisions (a) to (q), inclusive, of Government Code 53601.
- (3) The adviser has assets under management in excess of five hundred million dollars (\$500,000,000).

Money Market Funds

Shares of beneficial interest issued by diversified management companies that are Money Market Funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940. These funds must either have attained the highest rating/ranking by at least two

NRSROs or have retained an investment advisor registered with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of five hundred million dollars (\$500,000,000).

Investments in this category will not exceed 20% of OCPA's funds and no more than 10% may be invested in any one money market fund.

Hedging Program

Staff may examine and recommend to the Board an investment strategy that is consistent with this policy, and which will hedge against revenue loss due to high PCIA or increased prices of natural gas commodity.

Reporting Requirements

The Chief Financial Officer will provide a year-to-date investment summary to the Board of Directors on a monthly basis. The summary will show the type of investment, the average balance of funds invested, and average annual percentage yield.

Investment Pools/Mutual Funds

A thorough investigation of the pool/fund is required prior to investing, and on a regular basis. Best efforts will be made to acquire the following information:

1. A description of eligible investment securities, and a written statement of investment policy and objectives.
2. A description of interest calculations and how it is distributed, and how gains and losses are treated.
3. A description of how the securities are safeguarded (including the settlement processes), and how often the securities are priced and the program audited.
4. A description of who may invest in the program, how often, what size deposit and withdrawal are allowed.
5. A schedule for receiving statements and portfolio listings.
6. Are reserves, retained earnings, etc. utilized by the pool/fund?
7. A fee schedule, and when and how is it assessed.
8. Is the pool/fund eligible for bond proceeds and/or will it accept such proceeds?

Collateralization

Collateralization will be required on certificates of deposit. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be 110% of market value for certificates of deposit.

Collateral will always be held by an independent third party with whom OCPA has a current custodial agreement. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the entity and retained. The right of collateral substitution is granted.

Maturity Limit

To the extent possible, OCPA will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, OCPA will not directly invest in securities maturing more than 5 years from the date of purchase unless the Board of Directors has provided

approval at least three months prior to the investment. For purposes of compliance with this section, an investment's term or remaining maturity shall be measured from the settlement date to final maturity. Reserve funds may be invested in securities exceeding 5 years if the maturity of such investments is made to coincide as nearly as practicable with the expected use of the funds.

Internal Control

The Chief Financial Officer is responsible for establishing and maintaining an internal control structure designed to provide reasonable assurance that the assets of OCPA are protected from loss, theft, or misuse.

The Chief Financial Officer or his/her designee shall arrange for an annual audit by an external CPA firm in compliance with the requirements of state law and generally accepted accounting principles as pronounced by the Governmental Accounting Standards Board. As part of the audit, investment transactions will be tested. The annual audit will be an integral part, but not the sole part of management's program of monitoring internal controls.

Safekeeping and Custody

All security transactions, entered into by OCPA shall be conducted on a delivery-versus-payment basis. Securities will be held by a third-party custodian and evidenced by safekeeping receipts.

Performance Standards

OCPA's portfolio shall be structured to achieve a market-average rate of return through various economic cycles, commensurate with the investment risk constraints and the cash flow needs. Investment performance will be calculated on a gross basis before fees and expenses and tracked monthly for internal use and monitoring.

Policy Review

The Investment Policy will be reviewed annually. Any changes to the Investment Policy will be submitted to the Board of Directors for approval.

Orange County Power Authority
Policy No. 19: Reserve Policy

Purpose

OCPA will prudently manage its operations in a manner that supports its long-term financial independence and stability while providing sufficient financial capacity to meet short term obligations.

Adequate reserves will enable OCPA to satisfy working capital requirements, procure energy at competitive rates, adhere to loan covenants, obtain and maintain an investment grade credit rating, cover unanticipated expenditures, and support rate stability.

Reserves are defined as the Net Position plus funds held in the Rates Stabilization Fund. The Net Position represents the difference between OCPA's assets and liabilities as defined by the Government Accounting Standards Board and consistent with Generally Accepted Accounting Principles.

The Reserve Policy outlines the appropriate types and target levels (minimum and maximum) of unrestricted/undesignated reserves as prescribed in the following policy.

The four most important purposes of a reserve policy are to:

1. **Plan for contingencies.** OCPA will maintain sufficient reserves to minimize rate increases due to market volatility (power supply shocks or maintain rate competitiveness), weather impacts on demands, economic downturns, emergencies (such as natural disasters), and regulatory changes.
2. **Maintain good standing with rating agencies.** OCPA will maintain sufficient reserves to obtain, maintain, or improve credit ratings.
3. **Avoid interest expense.** Having sufficient reserves avoids interest expense to cover short-term cash shortfalls using reserves instead of debt.
4. **Ensure cash availability when revenue is unavailable.** Reserves can be used to bridge times of the year that normally see temporary low levels of cash. Maintaining adequate reserves can balance intra-period differences in cash availability.

Policy

Reserve Target Levels

Starting FY2024/25, OCPA shall maintain a minimum reserve balance equal to 30% of total operating budget expenditures, with a goal of increasing the reserve to 50% of total operating budget expenditures. The maximum reserve is 75% of total operating budget expenditures.

Funding the Target Amount

Funding reserves will generally come from excess revenues over expenditures or one-time revenues.

Conditions for Use of Reserves

OCPA will strive to avoid the appropriation of reserve balance for recurring operating expenditures.

The reserve balance may be used to:

1. Provide revenues to make up for unanticipated revenue shortfall of spikes in power supply expenses.
2. Provide temporary resources in the event of an economic downturn while expenditure reductions and/or rate adjustments are implemented.
3. Provide resources to meet emergency expenditures.

Excess Reserves

If reserve funds exceed the maximum level, OCPA will consider enhancing programs expenditure, capital improvements, pay down existing debt, offset other long-term liabilities, and reduce rates.

Reserves between Minimum and Maximum

No other action by OCPA would be required if reserves are between the minimum and maximum level.

Periodic Review of Targets

If the risk factors behind the target are eliminated or new risk factors emerge as a result of changes in the industry, legislation, or economic conditions, the basis of the reserve will be reviewed, and the funding level may be adjusted accordingly.

Reporting

Reserve levels will be monitored during the fiscal year and reported in the annual budget review reports. The reserve target levels will be analyzed annually and over/under reserve determination shall be made in conjunction with year-end financial results. These results will be reports to the Boards as part of the year-end financial report presentation.

ORANGE COUNTY POWER AUTHORITY
Staff Report – Item 9.1

To: Orange County Power Authority Board of Directors

From: Nicholaus Norvell, Interim General Counsel

Subject: CONSIDER DRAFT BYLAWS AND THIRD AMENDMENT TO JOINT POWERS AGREEMENT

Date: March 15, 2023

RECOMMENDATIONS

1. Review draft Bylaws and Third Amendment to Joint Powers Agreement;
2. Direct staff to provide Member Agencies with a copy of the proposed Bylaws and Third Amendment and place the Bylaws and Third Amendment on a future agenda for final approval.

BACKGROUND

On February 15, 2023, the Board of Directors reviewed draft bylaws (“Bylaws”) to supplement OCPA’s Joint Powers Agreement (“JPA Agreement”) and provide supplemental procedures for the governance of OCPA. The Board’s comments included items that would require changes to certain provisions of the JPA Agreement, including provisions relating to the appointment of the Board Secretary and the timing for filling vacancies in the positions of Chair and Vice Chair.

Because the JPA Agreement requires OCPA to provide Member Agencies with at least 30 days’ advance written notice of the adoption or amendment of bylaws and amendments to the JPA Agreement, the Board continued consideration of the proposed Bylaws to the March meeting so they could be considered alongside proposed amendments to the JPA Agreement. Attached are a draft Third Amendment to the JPA Agreement and draft Bylaws.

Third Amendment to JPA Agreement

The proposed Third Amendment to the JPA Agreement are attached as Attachment 1 and would make the following changes:

1. Provide that the Board of Directors will appoint a qualified person who is not on the Board to serve as Secretary. (Under the current text of Sections 3.10.2 and 3.12 of the JPA Agreement, the Chief Executive Officer is designated to serve as Secretary.)
2. Add language providing that, upon a vacancy in the office of Chair or Vice Chair, the position will be filled at the next regular meeting of the Board held after such vacancy

occurs, or as soon as practicable thereafter. (The JPA Agreement is currently silent on how quickly a vacancy in the positions of Chair and Vice Chair must be filled.)

3. Establish that the term of office of Directors and alternate Directors is two (2) years *or until a successor is appointed*. (The current text of Section 3.3 of the JPA Agreement provides for a two (2) year term; this leaves open the possibility that the Board could experience multiple vacancies simultaneously, including the possibility of the Board lacking a quorum of appointed Directors (or alternate Directors) to hold meetings. The proposed change would maintain the general two (2) year term, while allowing appointed Directors and alternate Directors who remain on their respective governing bodies to serve until a successor is appointed. This is similar to Government Code and Elections Code provisions allowing councilmembers or other local elected officials to temporarily continue in office until their successor qualifies and takes office.)

Bylaws

With the exception of changes consistent with the proposed Third Amendment to the JPA Agreement (discussed above), the proposed Bylaws remain the same as presented at the February 15, 2023 meeting.

As previously noted, the proposed Bylaws were drafted based on OCPA's JPA Agreement and review of the bylaws and similar governing documents used by other large community choice energy JPAs, including Clean Power Alliance, San Diego Community Power, and MCE Clean Energy. The proposed Bylaws are attached as Attachment 2 and contain articles concerning the following:

Article I	General Provisions, including purpose and definitions for Bylaws
Article II	Board of Directors, including provisions on Directors, alternates, resignation, vacancy, and compensation
Article III	Officers, including the Chair, Vice-Chair, Secretary, and Treasurer/Auditor
Article IV	Meetings, including provisions on Brown Act compliance, closed session attendance, preparation of agendas, addition of agenda items by Board Members (which if adopted would make changes to and replace existing Policy 12, Board Agenda Policy), agenda order, consent calendar, public comments, meeting rules of order and procedures using Rosenberg's Rules of Order, and basic rules of debate and decorum
Article V	Quorum and Voting, which reflects the requirements of the JPA Agreement
Article VI	Policy Regarding Confidential Information Disclosed During Closed Session, including limited authorization to share certain closed session information with the legal counsel and governing bodies of Member Agencies under specific circumstances
Article VII	Board Committees, including appointment, voting in committees, participation of alternate Directors, removal of committee members, and ad hoc committees
Article VIII	Chief Executive Officer, which reflects the provisions of the JPA Agreement

Article IX	Debts, Liabilities and Obligations, which reflects the provisions of the JPA Agreement
Article X	Amendments, including administrative procedures for notifying Member Agencies and amending the JPA Agreement and Bylaws in compliance with the JPA Agreement

Board Review and Next Steps

As mentioned above, the JPA Agreement requires that the Member Agencies be notified at least 30 days before the adoption or amendment of the Bylaws or amendments to the JPA Agreement. OCPA staff is seeking: (1) Board review of the draft Bylaws and Third Amendment to the JPA Agreement; and (2) direction to provide Member Agencies with a copy of the proposed Bylaws and Third Amendment and notify them that the Board will consider the Bylaws and Third Amendment for final approval at an upcoming Board meeting.

In the alternative, the Board can provide further comments or direction on the draft Bylaws or Third Amendment before notifying the Member Agencies.

FISCAL IMPACT

None.

ATTACHMENT

Attachment 1: Draft Third Amendment to JPA Agreement

Attachment 2: Draft Bylaws

**THIRD AMENDMENT TO THE
ORANGE COUNTY POWER AUTHORITY
JOINT POWERS AGREEMENT**

This Third Amendment to that certain Orange County Power Authority Joint Powers Agreement, dated November 20, 2020, by and between the parties set forth in Exhibit A to the Agreement is effective as of _____, 2023 (“**Third Amendment**”).

RECITALS

A. The Orange County Power Authority is a joint powers authority established on November 20, 2020, and organized under the Joint Exercise of Powers Act (Government Code section 6500 *et seq.*) as a separate public agency to collectively implement a community choice aggregation program and to exercise any powers common to the Authority’s members to further these purposes.

B. On February 9, 2021, the Board of Directors approved the First Amendment to the Agreement extending the right of a Founding Party to withdraw under Section 6.1.1 of the Agreement until April 1, 2021.

C. On October 25, 2022, the Board of Directors approved the Second Amendment to the Agreement, relating to the qualifications of Directors and alternate Directors, setting Directors’ and Alternates’ terms of office at two (2) years, establishing the terms of office for the Chair and Vice Chair, and related changes.

D. The Board of Directors desires to amend the Agreement as follows:

1. Establish that the terms of office for regular and alternate Directors is two (2) years or until a successor is appointed;
2. Establish that vacancies in the offices of Chair and Vice Chair shall be filled at the next regular meeting of the Board or as soon as practicable thereafter, and that the new Chair and Vice Chair will perform the duties of the office for the remainder of the office’s term; and
3. Establish that the Board of Directors will appoint a qualified person who is not on the Board to serve as Secretary, and that such office will not automatically be held by the Chief Executive Officer.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises, covenants, and conditions hereinafter set forth, it is agreed by and among the Parties as follows:

1. Amendments to the Agreement.

(a) Terms of Office. Section 3.3 of the Agreement is hereby amended and replaced in its entirety as follows:

“3.3 Terms of Office. Each regular or alternate Director shall serve a term of office of (2) years or until a successor is appointed. A regular or alternate Director shall serve at the pleasure of the governing body of the Party that the regular or alternate Director represents and may be removed by such governing body at any time, with or without cause. If at any time a vacancy occurs on the Board, a replacement Director shall be appointed by the governing body to fill the position of the previous Director within forty-five (45) days of the date that such position becomes vacant. A replacement Director shall serve until the scheduled expiration of the term of office of the Director they replace.”

(b) Chair and Vice Chair. Section 3.10.1 is hereby amended to add the following sentences at the end of the section:

“Upon a vacancy in the office of Chair or Vice Chair, the position shall be filled at the next regular meeting of the Board held after such vacancy occurs or as soon as practicable thereafter. Succeeding officers shall perform the duties normal to said offices for the remainder of the respective term.”

(c) Secretary. Section 3.10.2 of the Agreement is hereby amended and replaced in its entirety as follows:

“3.10.2 Secretary. The Board shall appoint a qualified person who is not on the Board to serve as Secretary. The Secretary shall be responsible for keeping the minutes of all meetings of the Board and all other official records of the Authority.”

(d) Chief Executive Officer. Section 3.12 of the Agreement is hereby amended and replaced in its entirety as follows:

“3.12 Chief Executive Officer. The Board shall appoint a Chief Executive Officer. The Chief Executive Officer shall be the chief administrative officer of the Authority. The powers and duties of the Chief Executive Officer shall be those delegated and/or assigned to the Chief Executive Officer by duly adopted action of the Board.”

2. Capitalized Terms. Any capitalized terms not defined herein shall have the meanings set forth in the Agreement.
3. Full Force. Except as expressly set forth herein, the Agreement shall remain unmodified and in full force and effect.

[SIGNATURE ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties have hereby approved and executed this Third Amendment as of the date first written above.

ORANGE COUNTY POWER AUTHORITY

By: _____
Fred Jung, Chair
Orange County Power Authority

Dated: _____

Approved as to Form:

By: _____
General Counsel
Orange County Power Authority

BYLAWS FOR ORANGE COUNTY POWER AUTHORITY

PREAMBLE

The Orange County Power Authority (“**Authority**”) was established pursuant to that certain document entitled *Orange County Power Authority Joint Powers Agreement*, dated November 20, 2020, as amended from time to time (“**JPA Agreement**”). All parties that executed the JPA Agreement prior to December 31, 2020 are designated individually as a “**Founding Party**” or collectively as “**Founding Parties**.” All cities, counties or other public agencies added as parties to the JPA Agreement after December 31, 2020 are designated individually as an “**Additional Party**” or collectively as “**Additional Parties**.” The members of the Authority are referred to in these Bylaws individually as a “**Party**,” which includes a Founding Party or Additional Party, or collectively as “**Parties**,” which includes Founding Parties and Additional Parties.

ARTICLE I GENERAL PROVISIONS

Section 1. Authority Purpose.

The Authority is formed to create an independent public agency to exercise powers common to each Member Agency and to implement a community choice aggregation program and exercise all other powers necessary and incidental to accomplishing this purpose. The Authority will provide opportunities by which Member Agencies can work cooperatively to create economies of scale and implement sustainable energy initiatives that reduce energy demand, increase energy efficiency, provide consumer choice and cost savings, and advance the use of clean, efficient, and renewable resources in the region for the benefit of all Member Agencies and their constituents, including, but not limited to, establishing and operating a community choice aggregation program.

Section 2. Purpose of Bylaws.

The JPA Agreement authorizes the Board of Directors to adopt such bylaws, rules and regulations as are necessary or desirable to accomplish the purposes of the JPA Agreement; provided, however, that nothing in such bylaws, rules or regulations shall be inconsistent with the JPA Agreement. By approving these Bylaws, the Board intends to adopt additional procedures concerning the Authority’s basic governance, internal organization, Board committees, and other matters addressed in these Bylaws.

Section 3. Definitions.

Unless specifically defined in these Bylaws, all defined terms shall have the same meaning as ascribed to them in the JPA Agreement.

Section 4. Precedence

In the event of any conflict between these Bylaws and the JPA Agreement, the JPA Agreement shall control and these Bylaws shall be amended or clarified to eliminate such conflict.

ARTICLE II

BOARD OF DIRECTORS

Section 1. Board of Directors.

The Authority shall be governed by a Board of Directors composed of one representative of each of the Member Agencies, except the City of Irvine, which shall appoint two representatives subject to Section 3.1 of the JPA Agreement. The governing body of each Party shall appoint and designate in writing the Director(s) who shall be authorized to act for and on behalf of the Party on matters within the powers of the Authority. The person appointed and designated as the Director shall be a current elected member of the governing body of the Party. A Director shall serve a term of two (2) years or until a successor is appointed. A Director shall serve at the pleasure of the governing body of the Party that the Director represents and may be removed by such governing body at any time, with or without cause.

Section 2. Alternate Directors

The governing body of each Party shall also appoint and designate in writing an alternate Director(s) who may vote on matters when the regular Director is absent from an Authority meeting. The person appointed and designated as the alternate Director shall be a current elected member of the governing body of the Party. An alternate Director shall serve a term of two (2) years or until a successor is appointed. An alternate Director shall serve at the pleasure of the governing body of the Party that the alternate Director represents and may be removed by such governing body at any time, with or without cause. The alternate Director shall have all the rights and responsibilities of the regular Director when serving in his or her absence. When serving in the absence of the regular Director, an alternate Director may vote on matters in committee, chair committees, and fully participate in discussion and debate during Authority meetings.

Section 3. Vacancy

If at any time a vacancy occurs on the Board, a replacement shall be appointed by the governing body to fill the position of the previous Director within forty-five (45) days of the date that such position becomes vacant. A replacement Director shall serve until the scheduled expiration of the term of office the Director they replace.

Section 4. Resignation

A regular or alternate Director may resign at any time by giving written notice to the Board Secretary. The notice of resignation shall specify a date on which the resignation is effective.

Section 5. Compensation

In accordance with Section 3.8 of the JPA Agreement, the Board shall adopt policies establishing compensation attendance at Board and Committee meetings and work performed by each Director on behalf of the Authority as well as policies for the reimbursement of expenses incurred by each Director; provided that in no instance shall the per meeting or per day compensation be less than the compensation provided to directors of the Orange County Sanitation District.

ARTICLE III

OFFICERS

Section 1. Officers

There shall be a Chair, a Vice-Chair, a Secretary and a Treasurer/Auditor.

- A. *Chair.* The Chair of the Authority shall be a Director. Duties of the Chair are to supervise the preparation of the business agenda, preside over Authority meetings, and sign all ordinances, resolutions, contracts and correspondence adopted or authorized by the Board. The Directors shall select among themselves the Chair. Beginning at the first regular Board meeting in December 2022, the term of office of the Chair shall be one year with an election held annually. There shall be no limit on the number of terms held by the Chair. The office of the Chair shall be declared vacant and a new selection shall be made if: (i) the person serving dies, resigns, or becomes legally unable to fulfill his or her duties; or (ii) the Party that appointed the Director serving as Chair withdraws from the Authority pursuant to the provisions of the JPA Agreement. Upon a vacancy in the office of Chair, the position shall be filled at the next regular meeting of the Board held after such vacancy occurs or as soon as practicable thereafter. The succeeding Chair shall perform the duties normal to said office for the remainder of the term.
- B. *Vice-Chair.* The Vice-Chair of the Authority shall be a Director. The Vice-Chair shall perform the duties of the Chair in the absence of such officer. The Directors shall select among themselves the Vice-Chair. Beginning at the first regular Board meeting in December 2022, the term of office of the Vice-Chair shall be one year with an election held annually. There shall be no limit on the number of terms held by the Vice-Chair. The office of the Vice-Chair shall be declared vacant and a new selection shall be made if: (i) the person serving dies, resigns, or becomes legally unable to fulfill his or her duties; or (ii) the Party that appointed the Director serving as Vice-Chair withdraws from the Authority pursuant to the provisions of the JPA Agreement. Upon a vacancy in the office of Vice Chair, the position shall be filled at the next regular meeting of the Board held after such vacancy occurs or as soon as practicable thereafter. The succeeding Vice Chair shall perform the duties normal to said office for the remainder of the term.
- C. *Secretary.* The Board shall appoint a qualified person who is not on the Board to serve as Secretary. The Secretary shall be responsible for keeping the minutes of all meetings of the Board and all other official records of the Authority.
- D. *Treasurer and Auditor.* In accordance with Government Code section 6505.5, the Board shall appoint a qualified person to act as the Treasurer and a qualified person to act as the Auditor, neither of whom need be members of the Board. The positions of Treasurer and Auditor may be combined into one position. The Treasurer and the Auditor shall possess the powers of, and shall perform those functions required of them by Government Code sections 6505, 6505.5, and 6505.6, and by all other applicable laws and regulations and amendments thereto. The Treasurer shall have custody of all the money of the Authority. The Treasurer shall report directly to the Board and shall comply with the requirements of

treasurers of incorporated municipalities. The Board may transfer the responsibilities of the Treasurer and Auditor to any person or entity permitted by law.

ARTICLE IV MEETINGS

Section 1. Regular Meetings

The Board shall provide for its regular meetings, the date, hour and place of which shall be fixed by resolution of the Board.

Section 2. Special Meetings, Emergency Meetings, and Adjourned Meetings

Special meetings and emergency meetings may be called upon the request of a majority of the members of the Board or by the Chair, in accordance with the provisions of Government Code sections 54956 and 54956.5, respectively. The Board may adjourn any regular, adjourned regular, special, or adjourned special meeting pursuant to the provisions of the Ralph M. Brown Act (Government Code § 54950, *et seq.*).

Section 3. Open Meetings

The meetings of the Board, any Executive Committee, and any other legislative bodies established by the Board shall be governed by the provisions of the Ralph M. Brown Act (Government Code § 54950, *et seq.*). Directors may participate in meetings telephonically or remotely, with full voting rights, to the extent permitted by law and in accordance with any policies, rules, resolutions, or motions of the Board relating thereto.

Section 4. Attendance of Alternates in Closed Session

Pursuant to Government Code section 54956.96(a)(2), the Board hereby authorizes an alternate Director who is attending a properly noticed Board meeting in the absence of the regular Director to attend a closed session held during such meeting.

Section 5. Preparation of Agendas

The Chief Executive Officer, or designee, shall prepare the agenda for each Board meeting. Agenda items will be generated by the need to conduct Authority business in a timely manner. The Chief Executive Officer shall review with the Board Chair, or the Vice-Chair in the absence of the Chair, the agenda for Board meetings. The Chief Executive Officer shall cause the agenda for each meeting to be posted in accordance with the Ralph M. Brown Act (Government Code § 54950 *et seq.*).

The below steps shall be followed in finalizing the meeting agenda:

- A. The Chief Executive Officer will cause a draft of the meeting agenda to be created, including any timely received Director Initiated Agenda Items (discussed below).
- B. The Chief Executive Officer will submit the draft agenda to the General Counsel for legal review and verification of the necessary materials/documents. Any revisions will be given to the Chief Executive Officer.

- C. The Chief Executive Officer will revise the drafted agenda, if necessary, for the Board Chair's review.
- D. After approval of the Board Chair, the Chief Executive Officer will post agenda as required.

Section 6. Addition of Agenda Items Before a Meeting

Any Director may add a "Director Initiated Agenda Item" for consideration on an upcoming regular meeting agenda. Director Initiated Agenda Items are prepared by the requesting Director and require no staff time. Director Initiated Agenda Items must be submitted to the Chief Executive Officer at least ten business (10) days prior to the next Board regular meeting. Items submitted less than ten (10) business days before the scheduled regular meeting date may be postponed to a later meeting in order to allow sufficient time for consideration and research of the issue.

In addition, items may be added to a future Board meeting agenda in the following ways:

- A. The Chair provides express oral direction to the Chief Executive Officer during a Board meeting. If a Director disagrees with the Chair's direction, the Director may make a motion regarding the addition of the agenda item without discussion of the substance of the item.
- B. For agenda items requiring staff time, an agenda item shall be added by motion without discussion of the substance of the item.
- C. Requests from members of the public, after being authorized to speak, may be added to a future Board meeting agenda by a Director as a Director Initiated Agenda Item, as discussed above. If the item requires staff time, the item may be added only by an approved motion without discussion of the substance of the item.

The Chair or a majority of the Board may refer items to a committee for further review.

Section 7. Modification of Agenda Order; Addition of Items During a Meeting

The order of items on a Board meeting agenda may be modified by the Chair if there is no objection, or by a motion and majority vote of the Board. No action or discussion may be undertaken on any item not appearing on the posted agenda, except as allowed by the Ralph M. Brown Act (Government Code § 54950 *et seq.*).

Section 8. Consent Calendar

The consent calendar for a Board meeting shall consist of agenda items that are routine or ministerial in nature on which no Board discussion will be required. These items will be acted upon as one item. Before adopting the consent calendar, the Chair will ask Directors whether anyone desires to remove a matter from the consent calendar. Members of the public may also request that a Director remove a matter from the consent calendar. The Board will then proceed with consideration of the remaining consent calendar. The consent calendar will be acted upon in one motion without discussion. Items pulled from the consent calendar will be considered immediately following adoption of the remaining consent calendar, and oral staff reports will only be given if requested by the Director who pulled them.

Section 9. Public Comments

Agendas of regular Board meetings shall provide an opportunity for members of the public to address the Board on any item within the Authority's jurisdiction that is not on the agenda. Generally, speakers shall be limited to three (3) minutes each. The total time for non-agenda public comments shall not exceed thirty (30) minutes; provided, however, that if the number of speakers is estimated to exceed the 30-minute period, the Chair may, in his or her discretion, reduce the time allotted to each speaker, extend the period for non-agenda public comment, and/or continue the remaining comments to the end of the agenda.

For public comments on agenda items, speakers shall be limited to three (3) minutes each. The Chair may, in his or her discretion, reduce the time allotted to each speaker.

Section 10. Order and Procedure at Meetings

All meetings of the Board shall be conducted in an orderly manner designed to expedite the business of the Board in accordance with applicable law, the JPA Agreement and these Bylaws. Except as otherwise provided therein, Rosenberg's Rules of Order (League of California Cities, Rev. 2011) will be used as a guide to resolve questions of parliamentary procedures. The General Counsel shall serve as the Parliamentarian.

Section 11. Rules of Debate and Decorum

Debate upon all matters pending before the Board shall be under the supervision of the Chair and conducted in such a manner as to expedite the business of the Board. Every Director desiring to speak shall so indicate by using the "request to speak" button, if available, or otherwise address the Chair. Upon recognition by the Chair, the Director shall confine remarks to the item under consideration. A Director, once recognized, shall not be interrupted when speaking unless it is to call the Director to order. If a Director while speaking is called to order, the Director shall cease speaking until the question of order is determined.

ARTICLE V QUORUM & VOTING

Section 1. Quorum

A majority of the Directors of the entire Board shall constitute, and is necessary to constitute, a quorum, except that less than a quorum may adjourn a meeting from time to time in accordance with law. No actions of the Board may be taken without a quorum of the Directors present.

Section 2. Equal Vote

In general, except when a Voting Shares Vote or Special Voting is expressly required by the JPA Agreement, action of the Board on all matters shall require an affirmative vote of a majority of all Directors who are present at the subject meeting ("**Equal Vote**"). Notwithstanding the foregoing, an Equal Vote may be subject to a "Voting Shares Vote."

Section 3. Voting Shares Vote

Immediately after (and during the same Board Meeting as) an affirmative or tie Equal Vote, two or more Directors shall have the right to request and conduct a Voting Shares Vote to reconsider that action approved by the Equal Vote. In the event of a Voting Shares Vote where the City of

Irvine appoints two Directors to the Board and one or more Irvine Directors requests a Voting Shares Vote, a Party other than the City of Irvine must constitute the second Director for purposes of having the right to request and conduct a Voting Shares Vote.

A “yes” vote on the Voting Shares Vote shall be a vote to reverse and reject the Equal Vote; a “no” vote on the Voting Shares Vote shall be a vote to affirm the Equal Vote. For Voting Shares Votes, votes shall be weighted as described in subsection 3.9.3 of the JPA Agreement. A “yes” vote on a Voting Shares Vote shall require (i) for votes requiring a majority under subsection 3.9.1, more than fifty percent (50%) of the voting shares of all Directors voting; (ii) for votes requiring a supermajority of two-thirds under this JPA Agreement, sixty-seven percent (67%) or more of the voting shares of all Directors voting; and (iii) for votes requiring a supermajority of three quarters under this JPA Agreement more than seventy-five percent (75%) of the voting shares of all Directors voting. If a Voting Shares Vote yields a “no” vote, the legal effect is to affirm the Equal Vote with respect to which the Voting Shares Vote was taken. If the Voting Shares Vote succeeds, the legal effect is to nullify the Equal Vote with respect to which the Voting Shares Vote was taken. If the underlying Equal Vote was a tie, the Voting Shares Vote replaces that tie vote. No action may be taken solely by a Voting Shares Vote without first having taken an Equal Vote.

The formula for a Voting Shares Vote shall be determined pursuant to Section 3.9.3 of the JPA Agreement.

Section 4. Special Voting

An affirmative vote of two-thirds of the Directors of the entire Board shall be required to take any action on the following:

- A. Issuing or repayment of bonds or other forms of debt;
- B. Adding or removing Parties on or after January 1, 2021;
- C. Amending or terminating the JPA Agreement or adopting or amending Authority Bylaws;
and
- D. Terminating the CCA program.

An affirmative vote of three-fourths of the Directors of the Board shall be required to initiate any action for eminent domain and no eminent domain action shall be approved within the jurisdiction of a Party without the affirmative vote of such Party’s Director (or both Irvine Directors, if applicable, in the case of eminent domain action within the City of Irvine).

Matters requiring Special Voting may be subject to a Voting Shares Vote.

Matters that require Special Voting shall require at least 30 days advance written notice to each Member Agency. Such notice shall include a copy of all substantive documents necessary to meaningfully deliberate and consider the proposed vote (*e.g.*, any proposed amendment to the JPA Agreement or the Bylaws. The Authority shall also provide prompt written notice to each Member

Agency of the action taken, which shall include any resolution, ordinance, rule, policy, agreement, filing or other operative document (if any) adopted or approved by the Board.

ARTICLE VI
POLICY REGARDING CONFIDENTIAL INFORMATION
DISCLOSED DURING CLOSED SESSIONS

Information obtained during closed sessions of the Board shall be confidential. Notwithstanding, under certain circumstances, it may be necessary and appropriate for Directors to divulge certain confidential information obtained in closed sessions to representatives of their Member Agencies as authorized by law. Therefore, these Bylaws adopt the policy set forth in Government Code section 54956.96, which authorizes the disclosure of confidential closed session information that has direct financial or liability implications for that Member Agency as follows:

- A. A Director or alternate Director who is also a member of the governing body of a Member Agency may disclose information obtained in an Authority closed session that has direct financial or liability implications for that Member Agency to the following individuals:
 - 1. Legal counsel of that Member Agency for purposes of obtaining advice on whether the matter has direct financial or liability implications for that Member Agency; and
 - 2. Other members of the governing body of the Member Agency present in a closed session of that Member Agency.
- B. The governing body of the Member Agency may, upon the advice of its legal counsel, conduct a closed session to receive, discuss and take action concerning information obtained in a closed session of the Authority pursuant to this Article.

ARTICLE VII
BOARD COMMITTEES

Section 1. Committees

The Board may establish committees as the Board deems appropriate to assist the Board in carrying out its functions and implementing the purposes of the JPA Agreement. In accordance with the JPA Agreement, the Board may delegate to any committees that consist solely of Board members any of the powers specified in subsection 2.1 of the JPA Agreement, except for the power to acquire property by eminent domain. Committees that include or consist of non-Board members shall be advisory only. Committees established by the Board shall be either standing committees or temporary ad hoc advisory committees. Each duly established committee may establish any standing or ad hoc committees determined to be appropriate or necessary. The duties and authority of all committees shall be subject to the approval and direction of the Board.

Section 2. Executive Committee

Upon the Authority's membership consisting of nine or more members, the Board shall establish an Executive Committee consisting of a smaller number of Directors. The initial members of the

Executive Committee shall be the Directors of the Founding Members with the Chair of the Board serving as chair of the Executive Committee.

Section 3. Appointment to Standing Committees

For standing committees, the Chair shall nominate committee members, subject to approval by a majority vote of the Board. If the Board fails to approve the Chair's nomination(s) to a standing committee, the Board may entertain a motion for the appointment of committee members.

The Executive Committee, if established, shall also be a Standing Committee. Other committees composed of Board members with continuing subject matter jurisdiction, or having a meeting schedule fixed by resolution or formal action of the Board, shall also be standing committees of the Board.

Section 4. Committee Voting

Action by a committee on all matters shall require an affirmative vote of a majority of the members of the committee who are present at the meeting. A Voting Shares Vote does not apply to committee voting.

Section 5. Alternate Directors in Standing Committees

In the event a member of a standing committee is a regular Director who is unavailable to attend a duly noticed meeting of that committee, the alternate Director representing the same Member Agency as the absent Director may attend and, if applicable, vote in the committee meeting in place of the regular Director. The alternate Director may also chair the committee and fully participate in discussion and debate during meetings. Notwithstanding the foregoing, this section shall not apply to the Executive Committee.

Section 6. Removal of Committee Members

The Board may remove a committee member from a committee, with or without cause, by a majority vote of the Board.

Section 7. Ad Hoc Committees

The Board may establish temporary ad hoc advisory committees that: (a) are composed of less than a quorum of the Board, (b) have no continuing subject matter jurisdiction, and (c) have no meeting schedule fixed by resolution or formal action of the Board. The Chair shall appoint the members of such ad hoc committees.

ARTICLE VIII

CHIEF EXECUTIVE OFFICER

Section 1. Duties.

The Chief Executive Officer shall be the chief administrative officer of the Authority responsible for the day-to-day operation and management of the Authority. The powers and duties of the Chief Executive Officer shall be those delegated and/or assigned to the Chief Executive Officer by duly adopted action of the Board.

Section 2. Contracts.

The Chief Executive Officer is authorized to contract and execute on behalf of the Authority all contracts in accordance with Authority procurement and risk management policies and other delegations of authority by the Board.

ARTICLE IX
DEBTS, LIABILITIES AND OBLIGATIONS

As provided in Section 5.7 of the JPA Agreement, and subject to the provisions of Section 6.3 of the JPA Agreement, the debts, liabilities and obligations of the Authority shall not be debts, liabilities or obligations of the individual Member Agencies unless the governing board of a Member Agency agrees in writing to assume any of the debts, liabilities, or obligations of the Authority.

ARTICLE X
AMENDMENTS

Section 1. General Requirements

In accordance with Sections 3.9.4.1 and 3.9.4.3 of the JPA Agreement, the Board may adopt amendments to the JPA Agreement and these Bylaws by a two-thirds vote following 30 days' advance written notice to the Member Agencies. This Article provides further procedures concerning the Authority's consideration and approval of amendments to the JPA Agreement and these Bylaws.

Section 2. Initial Consideration; Notice to Member Agencies

The Board shall consider proposed amendments to the JPA Agreement or these Bylaws at an open and public meeting of the Board. Following such consideration, the Board may, by majority vote, direct the Chief Executive Officer to provide written notice of the proposed amendment(s) to the Member Agencies in any manner permitted under the JPA Agreement.

Section 3. Adoption of Amendments

At a Board meeting held at least 30 days after such notices have been provided, the Board may consider adoption of the proposed amendment(s) to the JPA Agreement or these Bylaws, which shall require a two-thirds vote of the Board. The Authority shall provide prompt written notice to all Member Agencies of the action taken and enclose the adopted or modified document(s).

ORANGE COUNTY POWER AUTHORITY
Staff Report – Item 9.2

To: Orange County Power Authority Board of Directors

From: Brian Probolsky, Chief Executive Officer
Tiffany Law, Chief Financial Officer
Joe Mosca, Director of Communications and External Affairs

Subject: OCPA DRAFT IMPROVEMENT PLAN

Date: March 15, 2023

RECOMMENDED ACTION

Discuss OCPA Draft Improvement Plan and provide direction.

BACKGROUND

Orange County Power Authority (OCPA) was formed in November 2020 and was initially staffed by employees from the City of Irvine and several consultants hired by the Board of Directors. In January 2021, OCPA hired the Chief Executive Officer, its first dedicated staff.

In June 2021, OCPA concluded its first non-operational fiscal year and soon thereafter engaged an independent auditor, Pisenti & Brinker LLP, to conduct the first financial audit of OCPA for fiscal year ended June 30, 2021. The outcome was a clean unqualified opinion.

In April 2022, OCPA began providing electric service (generation) to municipal and commercial accounts throughout its service area.

On June 22, 2022, less than two months after the start of OCPA operations, the Orange County Grand Jury released a report regarding OCPA's formation and activities.

The following month, OCPA's independent financial auditor began its second financial audit of OCPA for fiscal year ended June 30, 2022. Again, the outcome was a clean unqualified opinion.

In October 2022, OCPA began providing electric service (generation) to residential accounts throughout its service area.

On December 9, 2022, at the request of the Orange County Board of Supervisors, Local Power LLC released an analysis of OCPA's staff, operational structure, policies, and procedures. The report did not include recommendations but refers to best practices used by some California community choice aggregators (CCA).

On December 14, 2022, at the request of the Orange County Board of Supervisors, the Orange County Internal Auditor reviewed OCPA's business practices, including contracting, disbursements, human resources, payroll, invoicing, and analyzed financial data and costs incurred by OCPA on behalf of Orange County.

On February 28, 2023, as directed by the Joint Legislative Audit Committee of the California Legislature (JLAC), the State Auditor released its report on OCPA's finances, projections, and other business operations, including compliance with various statutory requirements. (See State Auditor's report of OCPA at [Report 2022-120 \(ca.gov\)](#)).

The conclusions reached in the reports, which both support current OCPA practices and policies and recommend improvements, can be grouped into the following categories:

- TRANSPARENCY
- GOVERNANCE
- BUDGETING AND FORECASTING
- STAFFING
- CONTRACTING PRACTICES
- PAYROLL
- INVOICING

To improve OCPA operations and address recommendations from all the reports, on January 1, 2023, OCPA engaged the services of an outside consultant, Balance Public Relations, to bolster available staff resources and to round out the OPCA Audit Response Team (Brian Probolsky, CEO, OCPA, Tiffany Law, CFO, OCPA, Joe Mosca, Director of Communications & External Affairs, OCPA, Owen Lee, Controller, OCPA, Dean Florez, CEO, Balance Public Relations, Elaine M. Howle, former California State Auditor and Principal and Chief Strategist, Balance Public Relations, and Bob Alvarez, Vice President, Balance Public Relations), with the overall goal of developing an Improvement Plan addressing each finding from all reports.

The consulting team, Balance Public Relations, is led by:

- **Dean Florez**, founder and CEO of Balance Public Relations, a full-service strategic consulting firm that supports private and public clients where innovation and regulation intersect. With over three decades of experience and prior service in the California Legislature, he is an expert at guiding established and start up tech companies through regulatory processes and spaces. Over the years, he has demonstrated industry-specific expertise in risk management and policy strategy for marketplace startups in the sharing, gig, on-demand, peer-to-peer and collaborative economy. Dean is also one of the most politically connected players in California advising Governors, U.S. Senators, and Mayors. He serves as a member of the state's climate change agency, the California Air Resources Board and is the former California Senate Majority Leader and served in the State Assembly.
- **Elaine M. Howle**, CPA, the former California State Auditor, now holds the position of principal and chief strategist with Balance Public Relations and is providing ongoing counsel to OCPA on its Improvement Plan for various reports and audits issued about OCPA. Howle served as the California State Auditor for 21 years from 2000-2021. Under her leadership, the California State Auditor's Office grew from a steadfast financial and compliance watchdog into a robust government and policy powerhouse that has been recognized both nationally and internationally.
- **Bob Alvarez**, Vice President and former Senate Fellow to the Senate Committee on Energy and Public Utilities brings more than three decades of experience serving in various capacities at the California State Capitol, most recently as Chief of Staff for Senator Cathleen Galgiani. Bob served as chief of staff for Dean Florez for six years and

as a Deputy Director for the Assembly Caucus for eight years under numerous assembly speakers. Bob is a skilled researcher having organized a wide variety of hearings on complex public policy issues.

As a result, the OCPA Audit Response Team drafted an actionable 24-Point Draft Improvement Plan, including specific remedial actions and due dates to address each recommendation from all reports. To date, nearly 40% (nine) of the recommendations have been completed, including:

1. Include the Community Advisory Committee as a standing item on the OCPA Board agenda and recognize the Community Advisory Committee as an advisory committee.
2. OCPA's Board should develop a policy outlining the means by and circumstances under which OCPA can share key terms of its power purchasing agreements with officials from member agencies without compromising confidentiality of those terms.
3. To demonstrate to stakeholders its compliance with state law requiring open meetings, by May 2023, begin tracking information showing when meeting agendas are made publicly available.
4. Utilize a member agency clerk or assign a qualified OCPA staff member to handle the agendas and minutes for the OCPA Board and OCPA Community Advisory Committee to ensure that they are prepared properly and posted in a timely manner.
5. Ensure that new contracts between \$50,000 and \$125,000 are appropriately reported to the Board.
6. Ensure the Board approves all contracts of more than \$125,000 before execution.
7. By May 2023 the Board should direct staff to provide reports on at least a quarterly basis that specify the dollar value of each service contract, the amount paid to each contractor to date, and the amount owed to the contractor for work performed but not yet paid.
8. Maintain a log to document who receives a manual check to establish accountability.
9. Require large checks to be counter-signed by senior management.

On February 28, 2023, OCPA conducted media briefings with 16 outlets sharing its response to the various audits and plans to bring the Draft Improvement Plan to the Board. Media outlets attending the briefings included:

1. Balita
2. Daily Pilot
3. Epoch Times (Chinese)
4. Epoch Times (English)
5. I Love Irvine
6. KFI
7. LAist
8. Little Saigon TV
9. Rafu Shimpō
10. Spectrum News 1
11. The Orange County Register
12. US News Express
13. US Asian Post
14. Voice of OC
15. World Forum
16. World Journal

Today, OCPA staff is presenting to the Board the result of the Audit Response Team's work in the form of a Draft Improvement Plan. While some improvements are straightforward and have already been completed, such as creating reports or amending processes, others require Board direction and may require amendment of Board-adopted policies. All recommendations from each report are estimated to be fully addressed by the end of the current fiscal year.

FISCAL IMPACT

None

ORANGE COUNTY POWER AUTHORITY
Staff Report – Item 9.3

To: Orange County Power Authority Board of Directors

From: Brian Probolsky, Chief Executive Officer
Tiffany Law, Chief Financial Officer

Subject: APPROVE FISCAL YEAR 2022-23 MID-YEAR OPERATING BUDGET

Date: March 15, 2023

RECOMMENDED ACTION

Approve Fiscal Year 2022-23 Mid-Year Operating Budget.

BACKGROUND

The Board approved the Annual Operating Budget for Fiscal Year 2022-23 at the June 29, 2022 meeting. Since then, several factors have caused significant changes to the operating revenues and cost of energy, impacting the FY 2022-23 budget. Specifically, on December 13, 2022, the Board approved the OCPA 2023 rate design, effective January 9, 2023. This rate design set the OCPA Basic Choice rates (with at least 38% renewable energy) at a 2% discount to Southern California Edison's (SCE) equivalent generation rates, whereas the OCPA Smart Choice rates (with at least 69% renewable energy) are set at 1.0 cent per kWh greater than Basic Choice rates and 100% Renewable Choice rates are set at 1.5 cents per kWh greater than Basic Choice rates. Additionally, OCPA has received several more months of meter data, which has enabled a more refined sales forecast to be produced. Finally, changes in power markets and the beneficial effects of OCPA's energy hedging program have had impacts on the power supply budget.

At mid-year, staff is adjusting the budget to update the revenues to reflect the above rate changes, update the energy supply expenses using the latest market price data and portfolio positions, and update non-energy operating expenses changes.

FY 2022-23 MID-YEAR OPERATING BUDGET OVERVIEW

(\$ in thousands)						
Period Ending Jun 30	Approved Budget FY 2022/23	% of Rev	Mid-Year Budget FY 2022/23	% of Rev	Change \$	Change %
REVENUE AND OTHER SOURCES						
Revenue - Electricity Base	261,500		258,486	90.4%	(3,014)	-1.2%
Revenue - Smart Choice Premium	5,573		4,145	1.4%	(1,428)	-25.6%
Revenue - 100% Renewable Premium	38,498		26,876	9.4%	(11,622)	-30.2%
Less: Uncollectible Accounts	(3,820)	(1.3%)	(3,619)	(1.3%)	201	-5.3%
Net Revenue - Electricity	301,750	100.0%	285,887	100.0%	(15,864)	-5.3%
Investment and Miscellaneous Income	1	0.0%	8	0.0%	7	529.0%
Total Net Revenue and Other Sources	301,752	100.0%	285,895	100.0%	(15,857)	-5.3%
EXPENDITURES AND OTHER USES						
CURRENT EXPENDITURES						
Cost of Energy	285,342	94.6%	234,366	82.0%	(50,976)	-17.9%
Data Manager	1,839	0.6%	1,403	0.5%	(436)	-23.7%
Utilities Service Fees	532	0.2%	690	0.2%	158	29.7%
Staffing Costs	4,046	1.3%	3,070	1.1%	(976)	-24.1%
Contract Services	1,302	0.4%	1,287	0.5%	(15)	-1.1%
Legal Services	580	0.2%	790	0.3%	210	36.1%
Marketing and Customer Enrollment	1,597	0.5%	1,241	0.4%	(356)	-22.3%
Other G&A	844	0.280%	800	0.280%	(44)	-5.2%
Energy Programs	500	0.2%	500	0.2%	0	0.0%
	296,582	98.3%	244,146	85.4%	(52,435)	-17.7%
OTHER USES						
Capital Outlay	110	0.0%	10	0.0%	(100)	-90.9%
Total Other Uses	110	0.0%	10	0.0%	(100)	-90.9%
DEBT SERVICE						
Interest costs - nonoperating	329	0.1%	753	0.3%	424	128.8%
Finance costs - Principal	0		0		0	0.0%
Total Expenditures and Other Uses	297,021	98.4%	244,909	85.7%	(52,112)	-17.5%
Net Income (Surplus/Deficit)	4,731	1.6%	40,986	14.3%	36,255	766.3%
Key Statistics:						
Total Load (MWh) - Retail	3,073,713		2,583,473			
\$/MWh - Net Electricity Sales	\$ 98.17		\$ 110.66			
Total Load (MWh) - Wholesale	3,258,136		2,738,481			
\$/MWh - Cost of Energy	\$ 87.58		\$ 85.58			
Net Margin (\$)	4,731		40,986			
Net Margin %	1.6%		14.3%			

FY 2022-23 MID-YEAR OPERATING BUDGET ANALYSIS

The FY 2022-23 Mid-Year Budget is balanced and presents OCPA in stable financial condition. This proposed mid-year budget adjusts the revenues and cost of energy to be in line with the 2023 rate design approved by the Board in December 2022 and the most recent proforma power supply projections. The projected balance available for reserves of \$41 million is an increase of \$36.3 million from the \$4.7 million presented in the original FY 2022-23 Budget.

The detailed mid-year budget adjustments and key assumptions are outlined below:

Net Revenue - Electricity

There are many variables that impact FY 2022-23 expected revenue, such as default product selection by the member agencies, demand forecast, and changes in SCE generation rates, and the Power Charge Indifference Adjustment (PCIA).

Budgetary electricity revenue is based on estimates of customer electricity usage and retail electricity rates. The proposed mid-year budget shows a reduction in net revenues of \$15.9 million compared to the original FY 2022-23 budget. This is primarily due to the downward adjustment of the customers sales volume after using OCPA's own customer consumption dataset and participation rates for customer load projection. The original FY 2022-23 budget was developed in the April and May 2022 timeframe where SCE was unable to generate a correct 2021 dataset for OCPA to use. As a result, staff utilized their outdated 2019 historical dataset to project customer consumption (Note: 2020 SCE dataset was deemed unreliable due to the usage anomalies caused by COVID-19 global pandemic). Lower energy sales are primarily the result of greater than expected opt-outs in the residential sector and the actual enrolled customer mix being weighted more heavily within the smallest commercial GS-1 category than expected. Additionally, the actual load consumption from our industrial TOU-8 customers has been lower than the forecast derived from SCE's 2019 historical dataset. The change in customer usage patterns since the 2019 period resulted in actual revenues being lower than projected.

The Board approved rates change effective January 9, 2023 sets Basic Choice rates at a 2% discount to SCE's equivalent generation rates, plus adders of 1.0 cent per kWh for Smart Choice and 1.5 cents per kWh for 100% Renewable Choice customers respectively. Projected revenues are reduced by an assumed rate of uncollectible revenues of 1.25%. Forecasted gross revenue (prior to uncollectible accounts) for FY 2022-23 is \$289.5 million.

Cost of Energy

Energy consumption is estimated to be 2,738 GWh, including system and distribution system losses of 6%. Energy cost consists of two components – Energy and Resource Adequacy. The Energy cost component includes system energy, eligible renewables, and carbon free attributes, which are estimated at \$191.8 million or 81.8% of the total cost of energy. The Resource Adequacy component is forecasted at \$42.6 million or 18.2% of the total cost of energy.

As of June 30, 2023, cost of energy is projected to be \$51 million lower than expected due to the downward adjustment of sales volume, fluctuating market prices, and advantageous power supply contracting. Excess procured energy was sold in the CAISO spot market for a gain throughout FY 2022-23. Additionally, OCPA energy contracts have a levelized price (a single,

fixed \$/MWh) for the entirety of each calendar year. These levelized prices increase power costs during the spring and reduce power costs during the summer relative to the levelized monthly prices assumed in the budget, and this had a beneficial effect on power costs during FY 2022-23.

Energy prices are fully hedged for the expected consumption through June 30, 2023. Changes in market prices, forecast accuracy, unusual weather, and regulatory risks are unlikely to cause significant deviations from the current forecast.

For solar customers, OCPA's Net Surplus Compensation ("NSC") rate is set at 10% above SCE's NSC rate. The forecasted total payout amount for FY 2022-23 for OCPA Net Energy Metering ("NEM") customers is estimated at \$62k, slightly higher than the original budget by \$17k.

Non-Energy Operating Expenses

OCPA's non-energy operating expenses fall into data manager and utilities service fees, staffing costs, contract services, legal services, marketing and outreach, general and administration, and energy programs categories. OCPA has actively managed these costs and proposed an overall reduction by \$1.5 million (reduced from 3.7% of revenue to 3.4%). Expense assumptions are outlined as follows:

Data Manager and Utilities Service Fees

OCPA contracts with Calpine Energy Solutions for data management, billing, and call center operations services. The data management fees are based on the number of customer meters served by OCPA and per-meter rates charged by Calpine.

Utilities Service fees are charged by SCE for a variety of customer billing and administrative services.

Staffing Costs

On February 15, 2023, the Board approved 21 full-time positions across the organization including executive, finance and data analytics, power services, communications and external affairs, and administrative services for FY 2022-23. Staffing costs include salaries, payroll taxes, benefits, and accrued paid time off staff. The impact of total staffing costs is projected at \$3 million or 1.1% of revenue as of June 30, 2023.

Contract Services

Contract Services comprise the following professional support services:

- Accounting: day-to-day accounting and annual audit assistance services and an annual external financial audit performed by an independent auditor
- Finance: rate design and related regulatory advisory, financial planning & analysis, and data analytics support
- Power Procurement: risk and portfolio management related support, scheduling coordination services, load forecasting, market monitoring and congestion revenue rights, and CAISO settlements and reporting services
- HR: human resources support services
- IT: IT helpdesk support and CPUC's required advanced metering infrastructure audit

As of June 30, 2023, contract services are forecasted to be \$15k lower than anticipated due to the actual and projected workload.

Legal Services

Legal Services include general counsel and special counsel representation of OCPA, power supply procurement transactional and negotiation support, specific regulatory proceedings (e.g., SCE's ERRA Applications, SCE General Rate Case, and other compliance obligations), non-energy contracting support, employment matters, governance and general liability management, clerk support, RA appeal services, and regulatory and legislative advocacy.

As of June 30, 2023, the proposed legal services are forecasted to be \$210k higher than anticipated primarily due to unanticipated labor-related investigation costs and the high volume of regulatory and compliance filing services.

Marketing and Outreach

Marketing and Outreach include the following support services:

- Customer enrollment notification printing, mailers, and postage
- Marketing, communications, and branding/co-branding
- Public engagement and education
- Website design/maintenance and development of collateral materials
- Digital services, such as social media, photography, and video
- Customer care, key customer engagement, member agencies support and engagement, and outreach to underserved communities
- Memberships and sponsorships of local community-based-organizations, business associations, trade organizations, non-profits, multi-cultural organizations, and faith-based-organizations
- Coordination and collaboration with press/media outlets

As of June 30, 2023, marketing and outreach costs are lower than anticipated by \$356k, primarily due to reduced customer enrollment notification costs.

Other General & Administrative

Other General & Administrative include ordinary business expenses such as rent, information technology equipment and software, liability insurance, membership dues, bank fees, office supplies, conferences, travel, business meals, and miscellaneous operational expenses.

As of June 30, 2023, other general & administrative costs are slightly lower than anticipated by \$44k.

Energy Programs

The design and implementation of energy programs that are relevant and useful to OCPA member agencies and customers is one of the many benefits of a community choice energy program. This is the reinvestment of revenue back into the communities. Anticipated in FY 2022-23 is the expenditure of \$500k on local, community-based programs that were developed in concert with the OCPA Community Advisory Committee. OCPA looks forward to strategically expanding its program offerings in the future.

Non-Operating Expenses

Interest and Finance Costs

Interest and Finance Costs represent fees, borrowing and letter of credit costs associated with OCPA's loan facility.

As of June 30, 2023, interest and finance costs are higher than anticipated by \$424k, predominately due to the timing of loan draws and letters of credit posted for collateral for energy supply and a higher interest rate (current at 6% vs. 2.4% reflected in the original budget).

Capital Outlay

The capital expenditure budget proposed a lease office tenant improvement of \$10k for OCPA's long-term office lease. The tenant improvement cost will be partly offset by a tenant improvement credit provided by Calpine Energy Solutions.

Due to a change of priority, staff will postpone development of an in-house analytics platform, with a proposed budget of \$100k, to next Fiscal Year.

FISCAL IMPACT

The recommended FY 2022-23 Mid-Year Operating Budget includes \$285.9 million in net revenues and \$244.9 million in total operating and non-operating expenses, resulting in a contribution to reserves of \$41 million.

ORANGE COUNTY POWER AUTHORITY
Staff Report – Item 9.4

To: Orange County Power Authority Board of Directors

From: Brian Probolsky, Chief Executive Officer
Kirby Dusel, Pacific Energy Advisors

Subject: ENERGY MARKETS UPDATE

Date: March 15, 2023

RECOMMENDED ACTION

Receive and file.

BACKGROUND

Kirby Dusel, Pacific Energy Advisors, will provide a brief update on energy markets.

FISCAL IMPACT

None

ORANGE COUNTY POWER AUTHORITY
Staff Report – Item 9.5

To: Orange County Power Authority Board of Directors

From: Joe Mosca, Director of Communications & External Affairs

Subject: APPOINTMENT OF TWO AT-LARGE MEMBERS TO THE COMMUNITY
ADVISORY COMMITTEE

Date: March 15, 2023

RECOMMENDED ACTION

Discuss and consider recommendation on appointment of two at-large members to the Community Advisory Committee (CAC).

BACKGROUND

The Orange County Power Authority (OCPA) Board of Directors (Board) created the Community Advisory Committee (CAC) and developed the Community Advisory Committee Scope and Purpose (Scope and Purpose) to guide its functioning. The Scope and Purpose begins with a statement of the purpose of the CAC, which is “to advise the Authority Board of Directors on the operation of its Community Choice Energy program.”

Additionally, the Scope and Purpose states the following:

The Community Advisory Committee will, under the direction of the Authority Board of Directors and authorized Authority staff:

1. Elect officers (Chair, Vice Chair, and Secretary) and define priorities and duties to ensure the Committee can operate independently and collaboratively, with limited support from Authority staff, but in keeping with the priorities of the Board.
2. From time to time the Board may ask the CAC to work on defined objectives and produce materials or advice that will assist the Board in decision-making.
3. Help the Board to identify issues of concern and opportunities to educate community members about the Authority.
4. Draft reports to the Board with findings and recommendations as may be needed.
5. Represent the views of the Committee constituencies in comments and recommendations.
6. Plan for and engage in community events and special projects, as appropriate.

7. Serve as an information-channel back to their colleagues and communities.
8. Other duties or tasks, as deemed appropriate by the CAC and Board, that meet the purpose of providing a venue for ongoing citizen support and engagement in the strategic direction, goals, and programs of the Authority.

The composition of the CAC is addressed in the Community Advisory Committee Membership Criteria (Membership Criteria). The CAC, in accordance with Membership Criteria, is made up of 12 members. Each member agency has two members that they appoint to the CAC for their respective member agency. There are also two members of the CAC who serve as at-large members approved by the Board.

ANALYSIS AND DISCUSSION

There are 12 members of the CAC. Two members are appointed by the Board as at-large members and 10 members are appointment by member agencies (two members per agency). Below are the appointments received by the representative for each member agency:

City of Buena Park

1. Art Montez
2. Shanin Ziemer

City of Fullerton

1. Angela Lindstrom
2. Deepak Nanda

City of Huntington Beach

1. Michael Hoskinson
2. Russ Neal

City of Irvine

1. Melisa Masri
2. James Caiopoulos

County of Orange

1. Vacant
2. Vacant

The term of office has expired for both at-large members to the CAC. The term of office for an at-large member is one year, and a member can serve up to two terms.

On January 27, 2023, OCPA staff posted the notice of vacancy along with the scope and purpose and an application for those who were interested in serving on the CAC. We posted it on our OCPA website, sent it to the clerks of each member agency for posting, and posted it on our social media platforms (lots of views) and in our e-newsletter. The deadline to send in an application was February 27, 2023.

We received three applications for the two vacancies, including two applications for re-appointment by the current at-large members, Scott Kitcher and Senait Forthal. Below are the names of the three applicants (applications are attached as ATTACHMENT A):

Applicants for At-Large CAC Members

1. Scott Kitcher
**appointed on November 2021, term expired November 2022, eligible for one more term*
2. Senait Forthal
**appointed on November 2021, term expired November 2022, eligible for one more term*
3. Oscar Valadez

While OCPA staff is impressed with the application received from Oscar Valadez, we are recommending that you re-appoint Scott Kitcher and Senait Forthal for their second and final one year term. With just about all new members of the CAC, it will be important and valuable to have the experience and leadership of Scott Kitcher and Senait Forthal on the CAC for one more term. We will look to include Oscar Valadez in other volunteer opportunities in the future.

The first meeting of the CAC is on Tuesday, March 14th at 5:00 PM at the OCPA Board Room (3333 Michelson Drive, Irvine). This meeting is in-person and open to all whom would like to attend. OCPA staff will give a brief update on this first meeting of the CAC at the OCPA Board meeting on March 15th.

FISCAL IMPACT

None

ATTACHMENT

Attachment A: Applications for At-Large CAC Members

2023 Application for Orange County Power Authority

Community Advisory Committee

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**Orange County Power Authority
P.O. Box 54283, Irvine, CA 92619-4283
Attention: Joe Mosca**

Each Board Member may appoint two members to the CAC, but no member agency can appoint more than two members. In addition to direct appointments, the Board shall appoint two at-large members via an application process.

The role of the CAC members includes, but is not limited to the following:

1. Elect officers (Chair, Vice Chair, and Secretary) and define priorities and duties to ensure the Committee can operate independently and collaboratively, with limited support from Authority staff, but in keeping with the priorities of the Board.
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2023 Application for Orange County Power Authority

Community Advisory Committee

Applicant Criteria

Applicants must be residents (property owners and/or renters), business owners, employees, or representatives of a community-based organization, and/or a non-profit organization within one of the member agencies of the OCPA.

Applicants must be committed to serving on the CAC and regularly attending CAC meetings and occasional OCPA Board meetings. CAC meetings, times, and location will be determined once the members are approved by the OCPA Board of Directors. Members will initially serve a one-year term and there is a limit of two terms.

Name: Scott Kitcher

Address:

Phone & Email:

Member City:
at Large

Are you a business owner in one of the four member cities? If so which one?

Are you an employee of a community-based organization or non-profit in one of the four member cities? If so which one?

Irvine

Please use a separate sheet of paper to explain why you wish to be appointed to the Orange County Power Authority Community Advisory Committee and briefly describe your qualifications including any applicable experience. Please indicate if you are a representative of an organization with expertise in energy issues generally and/or Community Choice Energy specifically. Please attach a resume.

2023 Application for Orange County Power Authority

Community Advisory Committee

As a member of the Orange County Power Authority Community Advisory Committee, you are making a time commitment to actively participate in the planning and development of the Orange County Power Authority (Authority) program. Please sign the statement below indicating you have the time to prepare for and attend meetings:

I have sufficient time to devote to this responsibility and will attend scheduled meetings if appointed. I am also aware that this application is a public document.

Signature

02/21/2023

Date

Re. OCPA CAC Appointment

2/21/2023

To Whom it may concern:

I am writing to express my interest in remaining on the OCPA CAC.

I have been involved as a leader of [redacted] in CCE education in the Orange County community since 2013. Though this was one of several initiatives within the Organization, it was and still is a focal point. [redacted] believes that it was impactful in the formation of the OCPA.

[redacted], now 14 years old, is a non-profit 501 c6 that accelerates sustainability and cleantech economic growth through collaboration, innovation and education.

Thank you for your consideration,

[redacted]
; [redacted]
Scott Kitcher
President & CEO

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Name: Senait Forthal

Address:

Phone & Email:

Member City: Irvine

Are you a business owner in one of the four member cities? If so which one?
Irvine

Are you an employee of a community-based organization or non-profit in one of the four member cities? If so which one?

Please use a separate sheet of paper to explain why you wish to be appointed to the Orange County Power Authority Community Advisory Committee and briefly describe your qualifications including any applicable experience. Please indicate if you are a representative of an organization with expertise in energy issues generally and/or Community Choice Energy specifically. Please attach a resume.

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I have sufficient time to devote to this responsibility and will attend scheduled meetings if appointed. I am also aware that this application is a public document.

Signature

02/15/2023

Date

My name is Senait Forthal, and I am the founder and Executive Director of [redacted] non-profit organization based in Irvine. I am grateful for the opportunity to potentially serve a second term on the Citizen Advisory Committee (CAC) to represent our communities' interests and help further the goals of the OCPA.

At [redacted] my team and I have a simple mission: making clean energy accessible and affordable to all residents, especially to our affordable housing tenants and underserved communities. Our Solarize programs empower neighbors to go solar with confidence as a group, while our Solar on Multifamily Affordable Housing ([CALSOMAH](#)) program is focused in advocating on behalf of affordable housing tenants so they have access to state funded solar energy for their homes. Underserved Communities face incredible challenges around in energy affordability. I am excited to work with the OCPA Board of Directors, the CAC, and staff to find impactful solutions to address this complex and pressing issue.

Under my leadership, [redacted] have educated hundreds of OC homeowners about solar energy, battery storage and EV charging. As a result, over 400 Orange County homeowners have gotten solar through our program.

A longtime clean energy and community choice advocate, I was one of the many people that worked together to make CCE a reality in Orange County. I have worked with elected officials and community members to inform them of the many benefits of Community Choice Energy. In fact, in 2019, I became part of an informal advisory group formed by Irvine Councilmember and former chair of the OCPA board Mike Carroll. The group met regularly with Councilmember Carroll to discuss and plan the creation of the Orange County Power Authority.

As a trained solar energy and sustainability professional with over 7 years of consulting experience, I am knowledgeable about the many programs related to energy and administered by the California Public Utilities Commission (CPUC), California Energy Commission (CEC), CCAs and the 3 large IOUs. In addition, I make sure to stay up to date on state and federal government energy and climate related programs and legislations.

As a volunteer, I serve my community as the chair of the Green Ribbon Environmental Committee at the City of Irvine; as vice chair of the California Solar on Multifamily Affordable Housing Job Training Task Force (CALSOMAH's JTO); and a member of my neighborhood sustainability committee. I am a graduate of UC Irvine in Urban & Regional Planning with a focus in Environmental Studies.

Armed with a passion for clean energy and community empowerment, I believe I have the necessary technical and community knowledge base to be an asset to the CAC. Furthermore, I have established trust and strong relationships with my community through my non-profit work and long-term community engagement.

If selected to be one of the at large members of the committee, I would be honored to serve, and would do so with passion and dedication.

Thank you for your support in advance.

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Name: Oscar Valadez

Address: 92832

Phone & Email: _____

Member City: Fullerton

Are you a business owner in one of the four member cities? If so which one?
Fullerton

Are you an employee of a community-based organization or non-profit in one of the four member cities? If so which one?

No

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Signature

2/27/23

Date

Oscar Valadez

Fullerton, CA

Summary

Pragmatic team building problem solver working in multifamily apartment projects throughout Southern California:

- Knowledgeable and experienced manager of a family run construction firm with 25 years of experience delivering multifamily residential units.
- At the construction site I manage the construction team, supervise labor, order materials, and work with the general contractor and other subcontractors to meet strict deadlines.
- At the office, I organize and plan job specific work schedules, handle payroll, and assist in billing and updating procedures and policies.

Experience

| Fullerton, CA

Construction Superintendent | 07/1997 - Present

Manage construction crews in building apartments in Southern California

Skills

Leadership, Time management, Bilingual

Education

Stanford University | Stanford, CA

Civil Engineering | 06/1995

Community Service

- OCTA Accessible Transit Advisory Commissioner since October 2022
- Transportation & Circulation Commissioner since January 2023

Voters throughout California strongly support transitioning to 100% clean, renewable energy and the community support strengthens when this transition can be done economically. Community Choice Aggregation is a viable and attractive option to help decarbonize California in an affordable way.

I want to help strengthen the public support for our CCE program by doing the following:

- In order to increase public awareness, we must evaluate how successful our community outreach programs have been to date and learn and collaborate with other successful CCE programs to see where we can improve.
- Collaboration with other CCE programs is especially critical in order to learn about and apply best practices at OCPA.
- We must encourage participation from residents, businesses, and other stakeholders since it is critical to the success of CCE. CCE programs should strive to make it easy and convenient for customers to participate and provide incentives for early adopters.
- Once the CCE program has established deeper roots, OCPA can expand program offerings to reduce energy consumption that compliment what is being offered by SCE.

Overall, strengthening our CCE program requires a coordinated and transparent effort from stakeholders, policymakers, and the public. By working together, communities can create sustainable and affordable locally-generated electricity that benefits everyone.

I especially would like to stress that my small business skills learned over 25 years will complement the abilities needed on serving on this committee. Skills such as financial management, communication skills, problem solving, networking and strategic planning will offer a unique perspective needed on the Community Advisory Committee. I hope I will be of assistance in strengthening public support if selected.

Thank you,

Oscar Valadez