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February 23, 2022

Mr. Steven C. Gross, Esq.
General Counsel, M-S-R Public Power Agency
c/o Porter Simon Law Offices
40200 Truckee Airport Road
Truckee, CA 96161

Subject: Approved M-S-R PPA Commission Meeting Minutes

Dear Steve:

Please find enclosed the signed minutes of the November 17, 2021 Commission Meeting as approved at the February 23, 2022 M-S-R PPA Commission Meeting.

If you have any questions, please do not hesitate to call me at (408) 307-0512.

Sincerely,

A handwritten signature in black ink, appearing to read 'M. Hopper', written in a cursive style.

Martin R. Hopper
General Manager

cc: Amy Santos
Commissioner James McFall
Commissioner Ann Hatcher
Commissioner Nick Zettel
MID Board Secretary
Santa Clara City Clerk
Redding City Clerk

Enclosures:

/Users/martinhopper/My Laptop Documents/M-S-R Public Power Agency/Administrative/Commission/Minutes/2021 Minutes/MINUTES.doc

**M-S-R PUBLIC POWER AGENCY
MINUTES
MEETING OF THE COMMISSION
NOVEMBER 17, 2021**

The Commission of the M-S-R Public Power Agency (M-S-R PPA) met for a regular meeting on November 17, 2021 via webinar for all representatives pursuant to Resolution 2021-02 adopted October 20, 2021 related to the ongoing COVID-19 pandemic. Present from Modesto Irrigation District were James McFall and Martin Caballero; present from Santa Clara was Ann Hatcher; and present from Redding was Daniel Beans. Also present were General Manager Martin Hopper, and General Counsel Steve Gross.

Mr. Beans called the meeting to order at 12:07 P.M. A quorum was attained with the voting representatives being Mr. McFall, Ms. Hatcher, and Mr. Beans.

The Commission then considered approval of the Consent Calendar Items. It was moved by Commissioner Beans and seconded by Commissioner Hatcher to approve the Consent Calendar consisting of Items 1, 2, 3, 4, 5, and 6 as listed below. Upon the call of the roll, the motion carried unanimously.

1. Minutes of September 22, 2021 and October 20, 2021 – approved.
2. Report of Summary invoices paid for September 2021 – October 2021 totaling \$12,730,913.85 – noted and filed.
3. September 2021 – October 2021 Treasurer’s Reports – accepted.
4. Big Horn Wind Energy Project Operations Statistics Report – noted and filed.
5. November 2021 Outside Services Budget Versus Actual Report – noted and filed.
6. Amendment No. 3 to Consultant Agreement for M-S-R Public Power Agency Professional Financial Advisor Services With Montague DeRose and Associates LLC – approved.

The General Manager provided a report on his activities and those of the General Consultant for the past month. The Commission noted and filed the report.

The Commission then considered the proposed 2022 M-S-R PPA Budget. Mr. Hopper noted the most significant change in the budget is the large decrease in San Juan Project cost associated with the retirement of the last of the Agency’s Revenue Bonds on July 1, 2022. Mr. Hopper also explained the proposed budget shows a reduction in controllable costs associated with regulatory and compliance activities partially offset by a slight increase in administrative costs due to anticipated increases in insurance premiums and costs associated with the wind-up of the Agency’s San Juan Project Bonds. Renewable power purchase costs associated with the Big Horn Projects are showing an increase due to higher energy production forecasts. Mr. Hopper also noted that the Budget report includes tabulations of the status of the Agency’s Strategic Reserves established pursuant to the Agency’s Working Capital Policy. He noted that projected reserves may exceed target levels in 2024 which could allow the Commission to consider disbursements or

other lawful beneficial uses in 2025. The proposed 2022 expenditures were reviewed in detail by the Technical Committee in a workshop held October 27, 2021 and the Committee recommended the Commission consider adoption of the budget as modified at that meeting. It was moved by Commissioner Beans and seconded by Commissioner Hatcher to adopt the proposed 2022 M-S-R PPA Budget. On the call of the roll, the motion carried unanimously.

The Commission then reviewed the proposed schedule of meetings of the Commission, Technical Committee, and Financial Management Committee for 2022. Mr. Hopper noted that dates have been coordinated with other entities to avoid scheduling conflicts, with the exception of the November Technical committee meeting which will be moved up one week, and that all meetings are slated to occur virtually until otherwise determined. Mr. Gross noted that if in-person meetings are resumed, the Commission will need to up-date the meeting schedule. It was moved by Commissioner Beans and seconded by Commissioner Hatcher to adopt the proposed 2022 M-S-R PPA Meeting Schedule. Upon the call of the roll, the motion carried unanimously.

The Commission then retired into Closed Session pursuant to Government Code Section 54956.9(d)(1) – Conference with Legal Counsel – Existing Litigation – 2 Cases (NM-PRC 20-00222-UT, and BP-22-BPA), pursuant to Government Code Section 54956.9(d)(2) – Significant Exposure to Litigation – 1 Case, pursuant to Government Code Section 54957 (a) – Threat To Public Services or Facilities, and pursuant to Government Code Section 54956.8 – Conference with Real Property Negotiator – Property: Lake and River Stations and connecting pipelines and rights-of-way, CR 6800 N, Waterflow, NM 87421 – Negotiating Parties: Public Service Company of New Mexico and United States Bureau of Reclamation – Agency Negotiators: Martin Hopper, General Manager and Steve Gross, General Counsel – Under Negotiation: Purchase/Sale/Exchange/Lease of Real Property (provisions, price and terms of payment), and Public Employee Performance Evaluation pursuant to Government Code Section 54957 – General Manager at 12:20 P.M. Upon the conclusion of the Closed Session at 12:48 P.M., General Counsel reported that there were no reportable items with respect to the Closed Session items.

The Commission then considered an annual performance bonus for the General Manager. The Commission noted that Mr. Hopper had met all Commission expectations and that it was appropriate to recognize his accomplishments over the past year. It was moved by Commissioner Hatcher and seconded by Commissioner Beans to approve an annual performance bonus as specified in Section 1 of Amendment 8 to Amended and Restated Management Services Agreement with Martin Hopper Energy Consulting (Management Services Agreement) for Mr. Hopper in the amount of 5% of the annual sum of the Monthly Fee specified in Section 4 (a) of the Management Services Agreement, payable on or before December 31, 2021. Upon the call of the roll, the motion carried unanimously.

The Commission then considered the proposed Amendment No. 9 to the General Manager's contract. It was moved by Commissioner Beans and seconded by Commissioner Hatcher to approve Amendment No. 9 to the Amended and Restated

Professional Services Agreement With Martin Hopper Energy Consulting for the period January 1, 2022 through December 31, 2023. Upon the call of the roll, the motion carried unanimously.

The Chair then called for Member Reports and Public Comment and there being none, the Chair announced the next regular meeting of the Commission will likely be held virtually in conformance with AB361 requirements on Wednesday, February 23, 2022 at 12:00 Noon due to ongoing public health concerns. The meeting was adjourned by the Chair at 12:52 P.M.

A handwritten signature in black ink, appearing to read 'M. Hopper', with a long, sweeping underline.

Martin R Hopper
Assistant Secretary