



Public Power Agency

P.O. Box 4060 • Modesto, California 95352 • (209) 526-7436 • msrpower.org

February 7, 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 Technical Committee Meeting Minutes

Dear Steve:

Please find enclosed the signed minutes of the October 27, 2021 M-S-R PPA Technical Committee Meeting as approved at the February 3, 2022 M-S-R PPA Technical Committee 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 over a light blue horizontal line.

Martin R. Hopper
General Manager

cc: Amy Santos
Representative Toxie Burriss
Representative Basil Wong
Representative Kamryn Hutson

Enclosures:

/Users/martinhopper/My Laptop Documents/M-S-R Public Power Agency/Technical Committee/Minutes/2022/PPA TC Minutes Transmit.doc

MINUTES OF THE
M-S-R PUBLIC POWER AGENCY
TECHNICAL COMMITTEE
OCTOBER 27, 2021

The M-S-R Public Power Agency (M-S-R PPA) Technical Committee held a regular meeting on October 27, 2021 via webinar. A list of the attendees is provided as Attachment 1. Mr. Hopper chaired the meeting.

Roll Call/Call to Order

The following M-S-R Members were represented: Modesto Irrigation District – Toxie Burriss, City of Santa Clara – Steve Hance, and City of Redding – Kamryn Hutson. The meeting was called to order at 10:05 a.m.

2022 M-S-R PPA Budget

Mr. Hopper & Ms. Worley presented the proposed 2022 M-S-R PPA Budget. Mr. Hopper noted the proposed budget shows 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, and a reduction in controllable costs associated with regulatory and compliance activities. Renewable power purchase costs associated with the Big Horn Projects are showing an increase due to higher energy production forecasts. 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 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. The proposed 2022 expenditures were reviewed in detail and the Committee concurred with recommendations to remove funding for legislative advocacy efforts in 2022, to include an allowance for a possible update of the Agency's REC and renewable energy market forecasts, and for a Big Horn site visit if permissible due to public health concerns. It was moved by Representative Burriss and seconded by Representative Hutson to recommend the Commission adopt the proposed 2022 M-S-R PPA Annual Budget. Upon the call of the roll, the motion carried unanimously.

The Committee then recessed at 10:41 AM to allow the M-S-R Energy Authority Technical Committee to meet and reconvened at 11:02 AM.

Approval of Minutes

Upon a motion by Mr. Burriss, seconded by Ms. Hutson, the minutes of the meetings held on September 2 and September 28, 2021 were approved unanimously on the call of the roll.

General Manager Report

The General Manager briefly reviewed his September 2021 and October 2021 reports included in the package covering August 2021 and September 2021 activities respectively. The Committee noted and filed the reports.

Big Horn Operating Statistics Report

Mr. Hopper reviewed the updated Big Horn Wind Energy Project Statistics covering operations through September 2021. The Committee noted and filed the report.

Outside Services Budget versus Actual Report

Mr. Hopper reviewed overall trends and indicated that the fiscal year 2021 Legal and Consulting activities will conclude the year at about 98% of budget. However, the Trust-funded Mine Reclamation and Plant Decommissioning work is projected to conclude the year at 105% of Budget primarily due to acceleration of Westmoreland Coal Company's activities. He noted the Agency's Mine Reclamation Trust retains a surplus balance over the current funding requirement and acceleration of the performance of reclamation work is not detrimental to the Agency. The Committee noted and filed the report.

Extension of the M-S-R EA Financial Advisor Contract

Mr. Hopper reviewed the report regarding the proposed extension of the M-S-R PPA Financial Advisor contract. He noted that the incumbent advisor, Montague DeRose and Associates, LLC, was selected as a result of competitive solicitation previously conducted by the Agency. Mr. Hopper noted the limited scope of services potentially required by the Agency related to the wind-up of the San Juan Project Bonds in 2022 and that the Agency reserves the right to competitively seek proposals for future services if deemed in our best interest. The agreement with the Financial Advisor is terminable at-will by the Authority on 10-days' notice. The term of the proposed extension is for 5-years to match the term recommended for M-S-R Energy Authority where there is a higher probability of requiring future financial advisor services. It was moved by Representative Burriss and seconded by Representative Hutson that the Commission approve Amendment No. 3 to the "Consulting Agreement for M-S-R Public Power Agency Financial Advisor Services" with Montague DeRose and Associates, LLC for the period January 1, 2022, through December 31, 2026. On the call of the roll, the motion carried unanimously.

2022 Meeting Dates

Mr. Hopper reviewed the proposed 2022 meeting dates and noted the attached listings of other Joint Powers Agency meetings. He recommended that given new information on the schedule of CMUA meetings, the date of the September Technical Committee meeting be advanced by one-week. It was moved by Representative Hutson and seconded by Representative Burriss to recommend the Commission adopt the proposed schedule of 2022 Meeting Dates as modified. On the call of the roll, the motion carried unanimously.

Closed Session Conference with Legal Counsel

M-S-R PPA Technical Committee retired to closed session at 11:16 a.m. pursuant to Government Code §54956.9(d)(1) – Conference with Legal Counsel – 2 cases of Existing Litigation (NM-PRC 20-00222-UT and BP-22-BPA), pursuant to Government Code §54956.9(d)(2) – Significant Exposure to Litigation – 1 case, pursuant to Government Code §54957(a) – Threat to Public Services or Facilities, and Conference with Real Property Negotiator Pursuant to Government Code Section 54956.8, 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).

Announcement from Closed Session

Upon returning to open session at 12:01 P.M., Mr. Gross announced that there were no reportable actions.

Member Reports

Mr. Hopper solicited reports from the Members and received none.

Public Comment

Mr. Hopper solicited comment from the public and received none.

Next Meeting

The next regular meeting will be held virtually at 10:00 a.m. on Thursday, February 3, 2023 (as may be required due to public health considerations.) The meeting was adjourned at 12:02 P.M.

Respectfully submitted.



Martin R. Hopper
General Manager

Attachment 1

ATTENDANCE LIST
M-S-R PUBLIC POWER AGENCY
TECHNICAL COMMITTEE
REGULAR MEETING

October 27, 2021
10:05 AM

<u>NAME</u>	<u>STATUS</u>	<u>ORGANIZATION</u>
Toxie Burriss	Member	Modesto
Steve Hance	Member	Santa Clara
Kamryn Hutson	Member	Redding
Martin Hopper	Chair	General Manager
Steve Gross	Guest	General Counsel (Commencing at 11:02 AM)
Cindy Worley	Guest	Modesto