MINUTES

MIDDLE FORK PROJECT
FINANCE AUTHORITY

Thursday, January 16, 2014
10:00 a.m., Regular Meeting

Placer County Water Agency
Business Center
144 Ferguson Road
Auburn, California

Members of the Board of Directors:

PLACER COUNTY WATER AGENCY
Primo Santini, District 2
Mike Lee, District 3, Vice-Chair

COUNTY OF PLACER
Robert Weygandt, District 2
Jim Holmes, District 3, Chair

Authority Personnel Present
David Breninger, Executive Director; Janet Goldsmith, General Counsel; David Boesch, Secretary; Einar Maisch, Agency Director

County of Placer Staff Present
Gerald Carden, County Counsel; Andy Heath, Deputy CEO; Brett Storey, Sr. Management Analyst; Dean Tibbs, Consultant; Beverly Roberts, Clerk.

Placer County Water Agency Staff Present
Joseph Parker, Director of Financial Services/MFP Finance Authority Treasurer; Andy Fecko, Director of Resource Development; Jay L'Estrange, Director of Power Generation Services; Michael Willihnganz, Director of Administrative Services; Diel Eckhardt, Financial Analysis Manager; Darin Reintjes, Associate Engineer; Shelley Langan, HR Consultant.

A. Call to Order

1. Roll call
2. Pledge of Allegiance
3. Election of Chair and Vice-Chair for 2014

Motion by Director Santini nominating Director Holmes as 2014 Chair, second by Director Weygandt and approved by all Directors.

Motion by Director Santini nominating Director Lee as 2014 Vice Chair, second by Director Weygandt and approved by all Directors.

B. Public Comment: None.

C. Agenda Review and Changes: None.

D. Consent Calendar:

1. Approve October 17, 2013, minutes.

2. Receive and file Check Register 14-01 expenses disbursed.

3. Receive and file Treasurer's Investment Report for quarter ended December 31, 2013.

Motion by Director Santini to approve Consent Calendar, motion seconded by Director Weygandt and unanimously approved by all Directors.

4. Adopt **Resolution 14-__ Adopting the Annual Investment Policy**.

Roll call vote: Unanimous/Ayes (Holmes, Lee, Weygandt, Santini)
Approved adoption of Resolution 14-01.

E. General Items

1. Receive report on 2013 energy market and Middle Fork Project performance. Take action as appropriate.

Director of Power Generation Services Jay L'Estrange gave an oral report to the Board on the 2013 energy market and Middle Fork Project performance; as well as a look at 2014. They noted October 2012 to October 2013 on record as the lowest rainfall totals in California. They noted 2014 to date has been very dry with no change anticipated to the forecast. Staff is preparing for the worst case scenario and working on a maximum conservation plan.

2. Approve contract with Maze & Associates to provide financial statement auditing services for the year ending December 31, 2013. Take action as appropriate.

Authority Treasurer Joe Parker gave a briefing on the E2 attachment; engagement letter from Maze & Associates dated December 18, 2013, to provide the Authority with financial statement auditing services for the year ending December 31, 2013.

No questions from Directors.

Motion by Director Lee approving the contract with Maze & Associates, second by Director Weygandt and approved by all Directors.

3. Receive and file year-to-date preliminary budget and actual schedules through December 31, 2013. Once the financial outcome for the year ending 2013 is determined, direct the Authority Treasurer to allocate net revenue over/under expenditure amounts to/from the Middle Fork Project Finance Authority Operating Reserve account. Take action as appropriate.

Authority Treasurer Joe Parker gave an overview of the 2013 Budget and Actual Schedules as well as a briefing on exhibits A-D.

- Exhibit A: MFP Finance Authority Summary Budget and Actual Schedule
- Exhibit B: MFP Finance Authority Budget Schedule with Variances & Explanations
- Exhibit C: PCWA MFP Capital Projects
- Exhibit D: MFP Finance Authority Reserve Accounts

Some discussions by Directors.

No action required.

F. Reports by Directors: None.

G. Reports by Legal Counsel: None.

H. Reports by Secretary: None.

I. Reports by Executive Director: Executive Director Dave Breninger gave a briefing on the drought situation and the outreach PCWA is doing with other agencies to share PCWA water with the outside areas as well as getting the word out to customers to conserve, ration water and to spread the awareness of the drought and its effect on the community.

J. Adjournment

Chairman Holmes moved to adjourn meeting, second by Director Weygandt and unanimously approved by all Directors. Meeting adjourned at 10:50 a.m.

David Boesch, Secretary — Date: 6/30/14

Beverly Roberts, Clerk — Date: 6/30/14