MINUTES

BOARD OF DIRECTORS
MIDDLE FORK PROJECT
FINANCE AUTHORITY

Thursday, July 17, 2014
10:00 a.m., Regular Meeting

American River Room
Placer County Water Agency
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

Directors Absent
Director Jim Holmes

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

Placer County Water Agency Staff Present
Einar Maisch, Agency Director; Joseph Parker, CPA, Authority Treasurer; Andy Fecko, Director of Resource Development; Jay L'Estrange, Director of Power Generation Services; Michael Willihnganz, Director of Administrative Services; Ryan Cline, Power Scheduling Manager; Shelley Langan, HR Consultant; Ed Horton, PCWA Consultant; Monica Penney, Deputy Director of Financial Services

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

A. Call to Order

1. Roll call: Beverly Roberts, Clerk
2. Pledge of Allegiance: Director Lee

B. Public Comment: No public present.

C. Agenda Review and Changes: None.

D. Consent Calendar:

1. Approve April 17, 2014, minutes.

2. Receive and file Check Register 14-03 expenses disbursed.

3. Receive and file Treasurer's Investment Report for months ended April 30, May 31, and June 30, 2014.

Director Weygandt stated he would be abstaining from approving item D1; "Approve April 17, 2014, minutes" since he was absent at that meeting. He stated Director Santini was also absent and Director Holmes absent for this meeting, therefore leaving only Director Lee to approve this item. Director Weygandt requested moving this item D1 to the next meeting set for Thursday, October 16, 2014. Agreed by all Directors present.

Motion by Director Santini to approve consent items D2 & D3. Second by Director Weygandt and approved by all Directors present. Motion carried.

E. General Items

1. Receive status report on year-to-date 2014; take action as appropriate:
   a. Market Performance;

Andy Fecko, Director of Resource Development gave an oral report to the Board on the status of the 2014 year-to-date market performance.

Informational item. No action required by Board.

   b. Operations;

Jay L'Estrange, Director of Power Generation Services gave an oral report to the Board on the 2014 operations and maintenance of the Middle Fork Project.

Informational item. No action required by Board.

   c. Budget - Receive and file Middle Fork Project Finance Authority year-to-date Budget & Actual Schedules through June 30, 2014;

Joe Parker, CPA, Authority Treasurer gave a briefing on the following:

- MFP Finance Authority Budget and Actual Schedule with Variances & Explanations
- PCWA MFP Capital Projects
- MFP Finance Authority Reserve Schedule

Informational item. No action required by Board.

d. Status of Capital Projects;

Joe Parker, CPA, Authority Treasurer gave a briefing on the Middle Fork Project Capital Projects, highlighting the history, current challenges, annual capital budgeting process and status of the Middle Fork Project active capital projects.

Jay L'Estrange, Director of Power Generation Services gave a detailed report and status on each Capital Project for the period ended June 30, 2014.

Informational item. No action required by Board.

e. Cost Share Partnerships for watershed management activities.

Andy Fecko, Director of Resource Development and Brett Storey, Senior Management Analyst gave an update on the cost share partnerships for Watershed Management activities.

Informational item. No action required by Board.

2. Receive report on Mid-Year Review; take action as appropriate:
   a. Operations Plan;

Andy Fecko, Director of Resource Development gave an oral report to the Board on the status of the 2014 mid-year Operations plan and noted there was no change in revenue projection.

Informational item. No action required by Board.

b. Budget Update – Revenue and Expenses.

Joe Parker, CPA, Authority Treasurer gave a 2014 Mid-Year Budget Review highlighting and updating the following:

- Mid-Year Budget Revenue
- Mid-Year Budget Expense

Informational item. No action required by Board.

3. Receive report and authorize staff to proceed with the development of the Scheduling Coordinator and Control Center functions.

Andy Fecko, Director of Resource Development gave a detailed update on the Middle Fork Control Center and Schedule Coordinator Implementation report.

Some discussion by the Board.

Informational item. No action required by Board.

4. Receive report from Energy Transaction Working Group; take action as appropriate:

a. Report on development of Middle Fork Project Finance Authority Energy Marketing Oversight Policy.

Joe Parker, CPA, Authority Treasurer gave an update on the Energy Marketing Oversight Policy. He noted the Energy Transactions Working Group has been meeting and developing various draft policies. It was determined by group to first develop the Agency's Energy Risk Management policy for approval by PCWA Board.

Informational item. No action required by Board.

F. Reports by Directors: None.

G. Reports by Legal Counsel: None.

H. Reports by Secretary: None.

I. Reports by Executive Director: None.

J. Adjournment:

Vice Chairman Lee moved to adjourn meeting, second by Director Santini and unanimously approved by all Directors. Meeting adjourned at 11:35 a.m.

David Boesch, Secretary — Date: 12-9-2014

Beverly Roberts, Clerk — Date: 12/9/2014