Northern California Energy Authority
Meeting

Date: April 25, 2019
Time: Immediately following the SMUD Board of Directors meeting scheduled to begin at 9:00 a.m.
Location: SMUD Customer Service Center, Rubicon Room 6301 S Street, Sacramento, CA
Members of the public wishing to address the Commission are requested to complete a signup slip at the lobby information center. Statements shall not exceed three minutes unless the President grants special permission.

NORTHERN CALIFORNIA ENERGY AUTHORITY
6301 S Street
Sacramento, California 95817
916-732-7143

NOTICE OF REGULAR MEETING
AND AGENDA

TO: Commissioners Brandon D. Rose, Nancy Bui-Thompson, Gregg Fishman, Rosanna Herber, Rob Kerth, and Heidi Sanborn

The REGULAR MEETING of the Commissioners of the Northern California Energy Authority (NCEA) is called to be held on Thursday, April 25, 2019, immediately following adjournment of the regular meeting of the Board of Directors of the Sacramento Municipal Utility District (SMUD) scheduled at 9:00 a.m. in the Rubicon Room of the SMUD Customer Service Center at 6301 S Street, Sacramento, California, to review, discuss and act upon, as appropriate, the following items.

1. Approve agenda
2. Approve minutes of March 21, 2019, special meeting.
3. Review of activities and performance during the 2018 calendar year.

Items 5 and 6 were reviewed by the Finance and Audit Committee on April 16, 2019.

Comments from the public are welcome when these agenda items are called.

CONSENT CALENDAR:

5. Approve the proposed 2019 Northern California Energy Authority (NCEA) Budget. Finance and Audit Committee 4/16. (Jennifer Davidson)
6. Establish regular (annual) meeting date for Northern California Energy Authority. Finance and Audit Committee 4/16. (Laura Lewis)

7. Statements from the public (non-agenda items).


Dated: April 19, 2019

[Signature]

Dave Tamayo
President
Northern California Energy Authority

Members of the public shall have up to three (3) minutes to provide public comment on items on the agenda or items not on the agenda, but within the jurisdiction of NCEA. The total time allotted to any individual speaker shall not exceed nine (9) minutes.

Members of the public wishing to inspect public documents related to agenda items may call 916-732-7143 to arrange for inspection of the documents at the SMUD Customer Service Center, 6301 S Street, Sacramento, California.

NOTE: Accommodations are available for the disabled public. If you need a hearing assistance device or other aid, please call 916-732-7143 in advance of this Commission meeting.
The special meetings of the Commissioners of the Central Valley Financing Authority (CVFA), the Northern California Gas Authority Number 1 (NCGA1), the Sacramento Cogeneration Authority (SCA), the Sacramento Municipal Utility District Financing Authority (SFA), the Sacramento Power Authority (SPA), and the Northern California Energy Authority (NCEA) were held in the Rubicon Room of the Sacramento Municipal Utility District (SMUD) Customer Service Center, 6301 S Street, Sacramento, California, at 6:49 p.m.

Presiding: President Tamayo

Present: Commissioners Rose, Bui-Thompson, Fishman, Herber, Kerth, and Sanborn

Absent: Mr. Somavarapu

Present also were Arlen Orchard, Chief Executive Officer and General Manager; Laura Lewis, Chief Legal Officer and General Counsel; members of SMUD's executive management; and SMUD employees and visitors.

At the request of President Tamayo, Laura Lewis briefly reviewed the purpose, organization and responsibilities of the CVFA, which currently owns and operates the Carson Ice-Gen Project; the NCGA1, which is authorized to acquire, construct, and operate natural gas related facilities and engage in the purchase and sale of natural gas; SCA, which currently owns and operates the Procter & Gamble Cogeneration Project; the SFA, which currently owns and operates the Cosumnes Power Plant; the SPA, which currently owns and operates the cogeneration plant at the
Capital Commerce facility in Sacramento; and the NCEA, which is authorized to purchase gas, electricity and capacity, acquire, finance, and build gas and electrical transmission facilities, and acquire, finance, and build gas and electrical generation storage facilities.

As required by state law, the Chief Legal Officer and General Counsel notified the public that the Commissioners of CVFA, NCGA1, SCA, SFA, SPA, and NCEA were not receiving additional compensation as a result of the Commission meetings.

President Tamayo called for approval of the agendas of all six agencies. Commissioner Rose moved for approval of the agendas, Commissioner Fishman seconded, and the JPA agendas were unanimously approved.

President Tamayo then called for approval of the minutes of the December 20, 2018, special meeting for the following agencies: CVFA, NCGA1, SCA, SFA, and SPA, and the November 15, 2018, regular meeting of NCEA. Commissioner Kerth moved for approval of the minutes, Commissioner Herber seconded, and the minutes were unanimous approved.

President Tamayo called for statements from visitors for items on the agenda, but none were forthcoming for any of the agencies.

President Tamayo turned to the Consent Calendars of CVFA, NCGA1, SCA, SFA, SPA, and NCEA. Commissioner Sanborn moved for approval of the consent calendars, Commissioner Fishman seconded, and the following Resolution was unanimously approved.
RESOLUTION NO. 19-NCEA-03-01

WHEREAS, pursuant to Section 7. Meetings of the Commission: Voting.,
of the Joint Powers Agreement executed on November 8, 2018, by Sacramento
Municipal Utility District (SMUD) and Sacramento Municipal Utility District
Financing Authority (SFA) which formed Northern California Energy Authority
(NCEA), the regular meeting of NCEA in April of 2019 is set as the date of the regular
meeting date of the SMUD Board of Directors; and

WHEREAS, due to scheduling conflicts, the Commission wishes to
change the date of the 2019 regular Commission meeting to instead be held on the
fourth Thursday of the month, April 25, 2019, immediately following adjournment of the
regular meeting of the SMUD Board of Directors scheduled to begin at 9:00 a.m.; NOW,
THEREFORE,

BE IT RESOLVED BY THE COMMISSIONERS
OF THE NORTHERN CALIFORNIA ENERGY AUTHORITY:

The 2019 regular meeting of the Northern California Energy Authority
will be held on Thursday, April 25, 2019, immediately following adjournment of the
regular meeting of the SMUD Board of Directors scheduled to begin at 9:00 a.m.

Adopted: March 21, 2019

<table>
<thead>
<tr>
<th>COMMISSIONER</th>
<th>AYE</th>
<th>NO</th>
<th>ABSTAIN</th>
<th>ABSENT</th>
</tr>
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<tbody>
<tr>
<td>TAMAYO</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ROSE</td>
<td>X</td>
<td></td>
<td></td>
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<td>BUI-THOMPSON</td>
<td>X</td>
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<tr>
<td>FISHMAN</td>
<td>X</td>
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<tr>
<td>HERBER</td>
<td>X</td>
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<tr>
<td>KERTH</td>
<td>X</td>
<td></td>
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<td></td>
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<tr>
<td>SANBORN</td>
<td>X</td>
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President Tamayo called for statements from visitors for items not on the agenda, but none were forthcoming for any of the agencies.

No further business appearing, the meetings were adjourned at 6:55 p.m.

Approved:

[Signatures]

President                     Secretary
ORAL REPORT
## Statements of Revenues, Expenses and Changes in Net Position
### Year Ended December 31, 2018
(in millions)

<table>
<thead>
<tr>
<th>Description</th>
<th>Actual</th>
<th>Budget</th>
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<tbody>
<tr>
<td><strong>Operating Revenues:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gas Sales to Member</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Total</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Operating Expenses:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administrative &amp; General</td>
<td>4.0</td>
<td>-</td>
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<tr>
<td>Total</td>
<td>4.0</td>
<td>-</td>
</tr>
<tr>
<td><strong>Operating Loss</strong></td>
<td>(4.0)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Interest Expense</strong></td>
<td>(0.6)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Change in Net Assets before Member Activity</strong></td>
<td>(4.6)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Member Contributions</strong></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Change in Net Assets</strong></td>
<td>$ (4.6)</td>
<td>$ -</td>
</tr>
</tbody>
</table>
### NCEA COMMISSION
### AGENDA ITEM
### Northern California Energy Authority
### STAFFING SUMMARY SHEET

#### COMMITTEE MEETING & DATE
Finance & Audit Committee
April 16, 2019

#### BOARD MEETING DATE
April 25, 2019

#### TO

| 2. Frankie McDermott | 7. |
| 3. Gary King | 8. |
| 4. Stephen Clemons | 9. Legal |
| 5. | 10. CEO & General Manager |

#### CONSENT CALENDAR

<table>
<thead>
<tr>
<th>Consent Calendar</th>
<th>x</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>If no, schedule a dry run presentation.</td>
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#### BUDGETED

<table>
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<tr>
<th>Budgeted</th>
<th>x</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>(If no, explain in Cost/Budgeted section.)</td>
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#### FROM (IPR)
Russell Mills

#### DEPARTMENT
Treasury

#### MAIL STOP
MD-1

#### EXT.
6509

#### DATE SENT
March 27, 2019

#### NARRATIVE:

**Requested Action:** Approve the 2019 Northern California Energy Authority (NCEA) Budget.

**Summary:** Northern California Energy Authority (NCEA) is a Joint Powers Authority (JPA), formed with SMUD and SFA in 2018. NCEA issued bonds and used the proceeds to enter into a commodity prepayment agreement with J Aron and Company for a thirty-year supply of natural gas or electricity. NCEA has also entered into a Commodity Supply Contract with SMUD that provides for the sale of all the gas and/or electricity to SMUD. NCEA will use proceeds from the natural gas sales to SMUD to pay for debt service (interest and principal, as applicable) on the NCEA bonds. The first NCEA gas transaction will occur June 2019.

**Board Policy:** SD-3 Access to Credit Markets and SD-4 Reliability — NCEA budget will support SD-3 and SD-4 by providing a reliable and discounted supply of natural gas for SMUD’s thermal generating plants, and/or electricity to SMUD.

**Benefits:** Approval of the 2019 NCEA Budget meets the requirements of the MUD Act and will authorize debt service (bond interest and principal, as applicable), trustee fee and other administrative payments within the limits prescribed.

**Cost/Budgeted:** Approval of the 2019 NCEA Budget Resolution will authorize debt service and administrative payments within the limit prescribed.

**Alternatives:** Approval of a budget is required before June 1, 2019 or the Authority will not have authority to carry out gas transactions nor make required debt service payments.

**Affected Parties:** Budget Office, Accounting, Treasury, Energy Delivery and Legal.

**Coordination:** Budget Office, Legal, Accounting and Treasury.

**Presenter:** Russell Mills

**Additional Links:**

**SUBJECT**

Approve the 2019 Northern California Energy Authority (NCEA) Budget

**ITEM NO** (FOR LEGAL USE ONLY)

5

**ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.**
RESOLUTION NO. ______________

BE IT RESOLVED BY THE COMMISSIONERS OF THE NORTHERN CALIFORNIA ENERGY AUTHORITY:

Section 1. This resolution may be referred to as the 2019 Northern California Energy Authority (NCEA) Budget Resolution.

Section 2. There is hereby appropriated from the Authority’s Department Service Fund sufficient monies for the payment of demands against the Authority which relate to obligations incurred for the purposes and within the amount specified for such purposes in the following projection of the Authority’s programs for the period January 1, 2019, through December 31, 2019.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Interest Expense</td>
<td>$21,752,850</td>
</tr>
<tr>
<td>Bond Principal</td>
<td>$0</td>
</tr>
<tr>
<td>Administrative &amp; General</td>
<td>$156,929</td>
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</tbody>
</table>

Section 3. Demands against the Authority may be paid without the prior specific approval of this Commission if they relate to obligations incurred for the purpose and within the amounts specified in Section 2, provided such demands are approved by the Chief Executive Officer and General Manager of the Authority, or his designee. It is the purpose and intent of this paragraph to delegate to the Chief Executive Officer and General Manager, or his designee, authority to make purchases, to negotiate and execute contracts, and expend funds in any manner necessary or appropriate to the administration of the Authority.
business affairs of the Authority, within the amounts and for the purposes set forth above, subject to duly adopted delegations of authority.
NCEA COMMISSION
AGENDA ITEM
Northern California Energy Authority
STAFFING SUMMARY SHEET

Please use a separate sheet if you have any comments.

<table>
<thead>
<tr>
<th>TO</th>
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<tbody>
<tr>
<td>2. Gary King</td>
<td>8.</td>
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<td>4.</td>
<td>10.</td>
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<td>5.</td>
<td>11. Legal</td>
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<tr>
<td>6.</td>
<td>12. CEO &amp; General Manager</td>
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</tbody>
</table>

Consent Calendar | X | Yes | No If no, schedule a dry run presentation |
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<tbody>
<tr>
<td>Budgeted</td>
<td>Yes</td>
<td>X</td>
<td>No (If no, explain in Cost/Budgeted section)</td>
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</table>

FROM (IPR)
Laura Lewis Office of the General Counsel
A311 6123 03/25/19

NARRATIVE:
Requested Action: Establish the third Thursday of April as the regular annual meeting date of the Northern California Energy Authority, said annual meeting to be held in the Auditorium of the Sacramento Municipal Utility District's headquarters building located at 6201 S Street, Sacramento, California, unless otherwise designated on the notice and agenda, and immediately following adjournment of the regular meeting of the SMUD Board of Directors scheduled to begin at 9:00 a.m.

Summary: The Northern California Energy Authority (NCEA) is a joint powers agency formed by SMUD and the Sacramento Municipal Utility District Financing Authority (SFA). NCEA is governed by a Commission consisting of the seven members of the SMUD Board of Directors. Pursuant to the Joint Powers Agreement (Agreement) executed on November 8, 2018, the regular meeting dates of NCEA immediately followed regular meetings of the SMUD Board of Directors through 2018 and in April of 2019. The Agreement provides that other regular meetings may be established via resolution by the Commission.

An annual meeting date must be established for purposes of publicly reviewing the annual financial statements and operations of the Commission. Staff suggests an annual meeting date of the third Thursday in April, immediately following the regular meeting of the SMUD Board of Directors which convenes at 9:00 a.m., because the annual financial statements for the Authority would then be available, and the annual meetings of the other joint power agencies are also held on the same date.

Board Policy: GP-3, Board Job Description – (j) Take such other actions as may be required by law.

Benefits: Coordination with other meetings and keeps Commission informed.

Cost/Budgeted: There is no cost or budgetary impact implicated by this request other than savings resulting from the coordination of existing resources.

Alternatives: Approve a different date for the annual meeting.

Affected Parties: Accounting, Treasury, Board Office, and Legal

Presenter: Laura Lewis, Chief Legal Officer

Additional Links:

SUBJECT: Establish NCEA Regular Annual Meeting Date
ITEM NO. (FOR LEGAL USE ONLY)

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING
RESOLUTION NO. ________________

BE IT RESOLVED BY THE COMMISSIONERS OF THE NORTHERN CALIFORNIA ENERGY AUTHORITY:

The third Thursday of April is hereby established as the regular annual meeting date of the Northern California Energy Authority, said annual meeting to be held in the Auditorium of the Sacramento Municipal Utility District’s headquarters building located at 6201 S Street, Sacramento, California, unless otherwise designated on the notice and agenda, and immediately following adjournment of the regular meeting of the SMUD Board of Directors scheduled to begin at 9:00 a.m.