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July 16, 2014

TO: NCPA Finance Committee

FROM: Donna Stevener, AGM Finance/Administrative Services

SUBJECT: NCPA Finance Committee Meeting Minutes of July 16, 2014, 9 a.m.

Finance Committee Attendees:

Committee Members

Gary Plass	Healdsburg	Call-in
Jordan Ayers	Lodi	Call-in
Monty Hanks	Roseville	Call-in
Bob Orbeta	Alameda	Absent
Jan Pepper	Santa Clara	Absent

NCPA Staff

Donna Stevener
Kevin Wallace

Consultants

Will Frymann	PFM
Mike Berwanger	PFM
Gene Carron	Orrick
Marc Bauer	Orrick

Public

None

1. & 2. Call Meeting to Order and Roll Call

Chairman Gary Plass called the meeting to order at 9:01 a.m. and roll call was conducted as listed above.

3. Approve Minutes of May 14, 2014

Minutes for the May 14, 2014 meeting were approved as presented.

1st Jordan Ayers

2nd Monty Hanks

<i>Representative</i>	<i>Member Org</i>	<i>Vote</i>
Gary Plass, Chairman	Healdsburg	Yes
Bob Orbeta	Alameda	Absent
Jordan Ayers	Lodi	Yes
Jan Pepper	Santa Clara	Absent
Monty Hanks	Roseville	Yes

Voting Results: 3 Ayes, 0 Noes, 0 Abstain 2 Absent

PUBLIC FORUM

Mr. Plass asked if anyone wished to address the Committee on matters within the jurisdiction of the Committee. No one from the public was present at the site or at any of the teleconference locations.

REPORTS AND COMMITTEE ACTION ITEMS

4. Approval of Substitution of Credit Facilities for the Hydroelectric 2008 Series A & B Refunding Bonds (Variable Rate Demand Obligations) and Approval of cost of Issuance Funding for 2008 A & B Hydroelectric

Ms. Stevener reminded the Committee that we have been working for several months on the replacement of the letter of credit associated with the 2008 Series Hydroelectric variable rate bonds which expires in late September. NCPA issued a Request for Quote and selected the low bidder, Bank of Montreal to provide a replacement letter of credit. For the last several months we have been working on the documents, including the new agreements and a remarketing memorandum. Mr. Berwanger, PFM, provided an overview of the business points we have been negotiating and language issues in the contracts. Overall, we have seen a tightening up of legal terms and new language based on recent banking regulations and laws like the Patriot Act which places much more stringent rules on the banks. This has been common in recent LOC replacements and created a lot of new covenants since the last agreement was prepared in 2011. Ms. Stevener indicated that overall the team was satisfied with the terms in the present form, however, we are taking one last run at some additional improvements to the document prior to presentation to the Commission next week. Ms. Stevener also indicated that if the documents are approved by the Commission next week, we would be able to implement the new LOC one month early.

Motion: Recommend that the NCPA Commission approve the. Agreements with Bank of Montreal and related documents for Letter of Credit (LOC) replacement related to the 2008 Hydroelectric Variable Rate bonds.

1st Jordan Ayers

2nd Monty Hanks

<i>Representative</i>	<i>Member Org</i>	<i>Vote</i>
Gary Plass, Chairman	Healdsburg	Yes
Bob Orbeta	Alameda	Absent
Jordan Ayers	Lodi	Yes
Jan Pepper	Santa Clara	Absent
Monty Hanks	Roseville	yes

Voting Results: 3 Ayes, 0 Noes, 0 Abstain 2 Absent

Mr. Plass thanked Donna and her staff and all of the consultants for their hard work on this project.

NEW BUSINESS

5. Other Items of Interest to the Finance Committee

None.

6. Next Finance Committee Meeting

The next meeting is scheduled for August 13, 2014 at 10:00 a.m.

ADJOURNMENT

Meeting was adjourned at approximately 9:13 a.m.

cc: Jim Pope