MEETING OF THE COMMISSION OF THE WALNUT ENERGY CENTER AUTHORITY

TURLOCK IRRIGATION DISTRICT
BOARD ROOM, MAIN OFFICE BUILDING
333 EAST CANAL DRIVE
TURLOCK, CALIFORNIA

Regular Meeting
9:00 a.m., Tuesday, January 16, 2018

The public is invited to comment upon any item appearing on the agenda at the time it is being considered.

ALTERNATE FORMATS OF THIS AGENDA WILL BE MADE AVAILABLE UPON REQUEST TO QUALIFIED INDIVIDUALS WITH DISABILITIES. APPROPRIATE INTERPRETIVE SERVICES FOR THIS MEETING WILL BE PROVIDED IF FEASIBLE UPON ADVANCE REQUEST TO QUALIFIED INDIVIDUALS WITH DISABILITIES.

AGENDA

A. Call to Order

B. Approval of Minutes of December 5, 2017

C. Business from the Public

Public Comment – Interested persons in the audience are welcome to introduce any topic within the Authority’s jurisdiction. Matters presented under this heading may be discussed, but no action will be taken by the Commission at this meeting.

D. Action Item

1. Resolution Making Certain Determinations with Respect to Reimbursement of Advances and Proposed Advances for Capital Projects from WECA’s General and/or Capital Reserves

Declaration of the Walnut Energy Center Authority’s official intent to reimburse itself for specific capital project expenditures through the issuance of taxable or tax-exempt indebtedness.

- Brian Stubbert, Treasurer/Auditor

E. Motion to Adjourn
MINUTES OF THE COMMISSION OF THE WALNUT ENERGY CENTER AUTHORITY

Turlock, California
5 December 2017

A special meeting of the Commission of the Walnut Energy Center Authority was called to order at 9:29 a.m., Tuesday, December 5, 2017, in the offices of the Turlock Irrigation District, 333 East Canal Drive, Turlock, California. Present were: Commissioners Charles Fernandes, Rob Santos, Michael Frantz, Joe Alamo and Ron Macedo. Also present were: CEO Casey Hashimoto and Deputy Secretary Tami Wallenburg. Absent was: Merced Irrigation District Commissioner.

MOTION APPROVING MINUTES

Moved by Commissioner Santos, seconded by Commissioner Macedo, that the minutes of the meeting of January 31, 2017, be approved.

All voted in favor with none opposed with the Merced Irrigation District Commissioner absent. The President declared the motion carried.

RESOLUTION NO. 2017 - 2

RESOLUTION APPROVING THE WALNUT ENERGY CENTER AUTHORITY MEETING SCHEDULE FOR 2018

WHEREAS, the Walnut Energy Center Authority is a Joint Powers Authority under the California Government Code, and

WHEREAS, the Walnut Energy Center Authority intends to potentially finance projects deemed necessary to insure the assets owned by the Authority are maintained in serviceable condition, and

WHEREAS, the legislature adopted additional provisions in the Government Code Section 6592.1 to require all meetings where actions regarding financing actions be held at regularly scheduled meetings of the Authority.

BE IT RESOLVED by the Commission of the Walnut Energy Center Authority that the attached regular meeting schedule for 2018 be established.

Moved by Commissioner Macedo, seconded by Commissioner Frantz, that the foregoing resolution be adopted.

Upon roll call the following vote was had:

Ayes: Commissioners Santos, Frantz, Alamo, Macedo, Fernandes
Noes: Commissioners - None
Absent: Commissioner – Merced ID
The President declared the resolution adopted.

RESOLUTION NO. 2017 - 3

RESOLUTION ADOPTING WALNUT ENERGY CENTER AUTHORITY
OPERATION AND MAINTENANCE AND CAPITAL 2018 BUDGET

BE IT RESOLVED by the Commission of the Walnut Energy Center Authority that the
Walnut Energy Center Authority Operations/Maintenance and Capital budget for calendar year
2018 is hereby approved, and a copy is ordered filed in the Secretary’s office.

Moved by Commissioner Frantz, seconded by Commissioner Santos, that the foregoing
resolution be adopted.

Upon roll call the following vote was had:

Ayes: Commissioners Santos, Frantz, Alamo, Macedo, Fernandes
Noes: Commissioner - None
Absent: Commissioner – Merced ID

The President declared the resolution adopted.

MOTION TO ADJOURN

Moved by Commissioner Santos, seconded by Commissioner Macedo, that the meeting be
adjourned.
MEMORANDUM

TO: Commissioners of the Authority DATE: January 10, 2018

PREPARED BY: Martin Qualle RE: WECA Financing
               Reimbursement Resolution

Action Requested
Consider approval of a Resolution during the meeting of January 16, 2018.

Discussion
On June 14, 1993 the Department of Treasury released Reimbursement Regulations clarifying when proceeds of taxable or tax-exempt bond issue used to reimburse expenditures made by an issuer prior to the date of issue of the bonds will be treated as expended. These Regulations are generally effective for all bonds issued after June 30, 1993. To satisfy the Regulations, WECA must satisfy three general requirements.

First, WECA must declare a reasonable official intent to reimburse the expenditure with proceeds of the borrowing. Second, the allocation of bond proceeds to reimburse an expenditure must take place generally within the latter of eighteen months after the expenditure was originally paid or eighteen months after the facility financed was placed in service. Third, the reimbursed expenditures must be a capital expenditure for Federal tax purposes or an extraordinary working capital item.

Attached is a resolution declaring WECA’s official intent to finance the projects. The projects are listed with an estimated 2018 cost. The resolution does not bind WECA to make an expenditure incur any debt or proceed with the projects.

Recommendation
It is recommended that the Commission adopt the attached resolution.

| Presenter  | Dept. Manager | Assistant GM | General Manager |
| Signature/Date: | Signature/Date: | Signature/Date: | Signature/Date: |
| M2 12-13-17 | B5 12/13/17 | 1-12-18 |

A 250-megawatt combustion turbine generating project for the Turlock Irrigation District
RESOLUTION NO. 2018 -

RESOLUTION OF THE COMMISSION OF THE
WALNUT ENERGY CENTER AUTHORITY MAKING CERTAIN
DETERMINATIONS WITH RESPECT TO REIMBURSEMENT
OF ADVANCES AND PROPOSED ADVANCES FOR CAPITAL
PROJECTS FROM WECA'S GENERAL AND/OR CAPITAL
RESERVES FROM THE PROCEEDS OF TAXABLE OR TAX-EXEMPT DEBT

WHEREAS, Walnut Energy Center Authority (“WECA”) has already or intends to build, construct, purchase, and improve those certain projects more fully described in attached Exhibit A (the “Projects”); and

WHEREAS, WECA has paid or expects to pay certain capital expenditures in connection with the Projects by the issuance of taxable or tax-exempt indebtedness to be used to finance such expenditures; and

WHEREAS, WECA is authorized to incur or issue debt obligations to finance costs of the Project; and

WHEREAS, WECA anticipates it will issue debt obligations for the purpose of financing costs of the Projects on a long-term basis; and

WHEREAS, Section 1.150-2 of the Treasury Regulations requires WECA to declare its reasonable official intent to reimburse prior expenditures for the Projects with proceeds of a taxable or tax-exempt borrowing.

NOW, THEREFORE BE IT HEREBY RESOLVED by the Commission of the Walnut Energy Center Authority as follows:

Section 1. The Commissioners of WECA finds and determines that the foregoing recitals are true and correct.

Section 2. This Resolution is adopted by the Commissioners of WECA solely for purposes of establishing compliance with the requirements of Section 1.150-2 of the Treasury Regulations. This Resolution does not bind WECA to make any expenditures, incur any indebtedness, or proceed with the Projects.

Section 3. The Commissioners expects WECA will pay certain capital expenditures in connection with the Projects prior to the issuance of taxable or tax-exempt indebtedness for the Projects. The reimbursement of such project expenditures is consistent with WECA’s established budgetary and financial circumstances. As of the date hereof, the Commissioners of WECA reasonably expects that such project expenditures shall be paid from WECA’s Reserves. The Commissioners of WECA does not expect that moneys in WECA’s General or Capital Reserves temporarily used to pay such project expenditures will be permanently available for the Projects. Other than proceeds of taxable or tax-exempt indebtedness to be issued for the Projects, there are no funds or sources of moneys that have been, or reasonably are expected to be, allocated, reserved, or otherwise made available on a long-term basis pursuant to WECA’s budget to pay costs of the Projects.
Section 4. Project expenditures that are to be reimbursed to WECA shall not have been paid from proceeds of any other tax-exempt indebtedness.

Section 5. The Commissioners of WECA hereby declares WECA's official intent to use proceeds of taxable or tax-exempt indebtedness to reimburse itself for future project expenditures. The Board of Directors of WECA reasonably expects that such indebtedness will be secured by and payable from revenues of the Projects.

Section 6. This Resolution shall be continuously available for inspection by the general public during normal business hours at the offices of WECA located at 333 East Canal Drive, Turlock, California, commencing on January 16, 2018.

Section 7. This Resolution shall take effect from and after its adoption.

Moved by Commissioner ________, seconded by Commissioner ________, that the foregoing resolution be adopted.

Upon roll call the following vote was had:

Ayes: Commissioners
Noes: Commissioners
Absent: Commissioners

The President declared the resolution adopted.

I, Tami Wallenburg, Deputy Secretary of the COMMISSION OF THE WALNUT ENERGY CENTER AUTHORITY, do hereby CERTIFY that the foregoing is a full, true and correct copy of a resolution duly adopted at a regular meeting of said Commission held the 16th day of January, 2018.

______________________________
Deputy Secretary of the Commission
of the Walnut Energy Center Authority
WECA - 2018 Capital Budget

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<td>CTG Mark VI Controller &amp; Exciter Replacement</td>
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<td>Natural Gas Reserves - Pinedale ****</td>
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