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, December 4, 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 June 26, 2018

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 Items

1.  Resolution Approving the Walnut Energy Center Authority Regular Meeting Schedule
    For Year 2019
    Consider approval of a regular meeting schedule for 2019 in accordance with provisions in
    Government Code Section 6592.1, which requires all meetings where actions regarding
    financing be held at regularly scheduled meetings of the Authority.
    - Brian Stubbert, Treasurer/Auditor

2.  Resolution Adopting 2019 Operations and Maintenance and Capital Budgets
    Consider adoption of Operations and Maintenance, and Capital Budgets for the 2019
    calendar year.
    - Brian Stubbert, Treasurer/Auditor

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

Turlock, California
26 June 2018

A special meeting of the Commission of the Walnut Energy Center Authority was called to order at 9:18 a.m., Tuesday, June 26, 2018, in the offices of the Turlock Irrigation District, 333 East Canal Drive, Turlock, California. Present were: Commissioners Charles Fernandes (President), Rob Santos (Vice-President), Michael Frantz (Secretary), Joe Alamo and Ron Macedo. Also present were: Chief Executive Officer Casey Hashimoto, Treasurer/Auditor Brian Stubbett and Deputy Secretary Tami Wallenburg. Absent was: Merced ID Commissioner.

MOTION APPROVING MINUTES

Moved by Commissioner Santos, seconded by Commissioner Frantz, that the minutes of the meeting of December 5, 2017, be approved.

The President declared the motion carried.

RESOLUTION NO. 2018-2

RESOLUTION APPROVING SIGNING AUTHORITY

WHEREAS, the Walnut Energy Center Authority (the “Authority”) is a Joint Powers Authority under the California Government Code; and

WHEREAS, section 2.3 Chief Executive Officer (the “CEO”) of the Authority’s bylaws, state the “Chief Executive Officer may designate one or more officers of the Authority or employees of Turlock Irrigation District to act as his designee in exercising the power and performing the duties of the Chief Executive Officer”; and

WHEREAS, Casey Hashimoto, the CEO, has authorized the Turlock Irrigation District (the “TID”) Power Supply Administration to approve Authority expenditures equal to their TID purchasing limits; and

WHEREAS, it is the desire of the Authority to formalize this authorization of current business practices into a formal resolution.

THEREFORE, BE IT RESOLVED by the Commission of the Walnut Energy Center Authority that the TID Power Supply Administration have the ability to approve Authority purchases equal to their TID purchasing limits.
Moved by Commissioner Macedo, 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: Commissioners - None
Absent: Commissioner Hultgren

The President declared the resolution adopted.

RESOLUTION NO. 2018 - 3

RESOLUTION AUTHORIZING THE EXTENSION OF A LETTER OF CREDIT SUPPORTING COMMERCIAL PAPER NOTES; APPROVING FORMS AND AUTHORIZING THE EXECUTION AND DELIVERY OF A THIRD AMENDMENT TO REIMBURSEMENT AGREEMENT, A SECOND AMENDED AND RESTATED FEE AGREEMENT AND RELATED DOCUMENTS; AND AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY IN CONNECTION THEREWITH

WHEREAS, Turlock Irrigation District (the “District”) has previously formed, with Merced Irrigation District, the Walnut Energy Center Authority (the “Authority”) to, among other things, provide all or a portion of the funds necessary to finance the acquisition, construction, operation and maintenance of an approximately 250 megawatt natural gas-fired, combined-cycle power plant and related facilities, and any additions, replacements and improvements thereto; and

WHEREAS, Authority has heretofore authorized the issuance of the Walnut Energy Center Authority Subordinate Commercial Paper Notes (the “Notes”), in one or more series, in an aggregate principal amount not to exceed $80,000,000 outstanding at any one time, pursuant to the Issuing and Paying Agreement, dated as of September 1, 2005, by and between the Authority and Wachovia Trust Company of California, as issuing and paying agent; and

WHEREAS, the Authority has heretofore entered into a Reimbursement Agreement, dated as of September 1, 2005, as amended by the First Amendment to Reimbursement Agreement, dated as of August 23, 2012, and the Second Amendment to Reimbursement Agreement, dated as of August 5, 2015 (collectively, the “Reimbursement Agreement”), each by and between the Authority and State Street Bank and Trust Company (the “Bank”); and

WHEREAS, the Authority has heretofore entered into a Fee Agreement, dated as of August 23, 2012, as amended by the Amended and Restated Fee Agreement, dated as of August 5, 2015 (collectively, the “Fee Agreement”), each by and between the Authority and the Bank; and

WHEREAS, the Authority has heretofore obtained a Letter of Credit, dated September 9, 2005 (the “Letter of Credit”), issued by the Bank, providing credit and liquidity support for payment of the Notes, with an original stated amount of $87,200,000 (the “Stated Amount”);

WHEREAS, the Letter of Credit had an original stated expiration date of September 9, 2015, which has heretofore been extended to September 9, 2018; and
WHEREAS, the Authority finds and determines that it is in the best interest of the Authority to obtain an extension of the stated maturity date of the Letter of Credit from the Bank and, simultaneously, to reduce the Stated Amount of the Letter Credit; and

WHEREAS, there has been prepared and submitted to this meeting the form of a Third Amendment to Reimbursement Agreement, by and between the Authority and the Bank, and the form of a Second Amended and Restated Fee Agreement, by and between the Authority and the Bank, pursuant to which the Bank will agree to extend the stated maturity of the Letter of Credit to September 9, 2022 (collectively, the “Extension”) and reduce the Stated Amount of the Letter of Credit to $65,400,000; and

WHEREAS, the Authority now desires to authorize and approve the Extension and the form and the execution of the documents described in these recitals, and the performance of such acts as may be necessary or desirable in connection with the Extension and the execution and delivery of such documents.

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

Section 1. The Commission finds and determines that the foregoing recitals are true and correct and makes them an effective part of this Resolution by incorporating them herein by reference.

Section 2. The Third Amendment to Reimbursement Agreement, in substantially the form submitted to this meeting and made a part hereof as though set forth in full herein, be and the same is hereby approved. Any one of the President, Chief Executive Officer or Treasurer and Auditor of the Authority (each, an “Authorized Officer”), acting singly, is hereby authorized to execute and deliver the Third Amendment to Reimbursement Agreement in the form presented to this meeting, with such changes, insertions and deletions as may be approved by the officer executing said Third Amendment to Reimbursement Agreement, said execution being conclusive evidence of such approval.

Section 3. The Second Amended and Restated Fee Agreement, in substantially the form submitted to this meeting and made a part hereof as though set forth in full herein, be and the same is hereby approved. Any Authorized Representative, acting singly, is hereby authorized to execute and deliver the Second Amended and Restated Fee Agreement in the form presented to this meeting, with such changes, insertions and deletions as may be approved by the officer executing said Second Amended and Restated Fee Agreement, said execution being conclusive evidence of such approval.

Section 4. All actions heretofore taken by the officers of the Authority in connection with the Letter of Credit and the execution and delivery of the Third Amendment to Reimbursement Agreement and the Second Amended and Restated Fee Agreement, and such other actions as have been or shall be necessary in connection therewith, are hereby ratified, confirmed and approved.

Section 5. All consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution or necessary or convenient to the transaction authorized thereby, including, without limitation, extension, replacement or amendment of credit and liquidity agreements or of offering memoranda which may be necessary or desirable in connection with administering the Notes or the documents or any default under or amendment of such documents or approval of additional commercial paper dealers, trustees or issuing and paying agents or other entities facilitating the transactions may be taken or given by an Authorized Representative, without further authorization by this Commission, and each Authorized Representative is hereby authorized and directed to give such consent, approval, notice, order or request and to take any such
action which such Authorized Representative may deem necessary or desirable to further the purposes of this Resolution and the transactions contemplated hereby.

Section 6. This Resolution shall take effect from and after its adoption.

Moved by Director Alamo, seconded by Director 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 Hultgren

The President declared the resolution adopted.

MOTION TO ADJOURN

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

__________________________________________________________
Deputy Secretary of the Commission of the Walnut Energy Center Authority
WALNUT ENERGY CENTER AUTHORITY

RESOLUTION NO. 2018 -

RESOLUTION APPROVING THE WALNUT ENERGY CENTER AUTHORITY MEETING SCHEDULE FOR 2019

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 2019 be established.

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: Commissioner

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 4th day of December 2018.

Deputy Secretary of the Commission of the Walnut Energy Center Authority
WALNUT ENERGY CENTER AUTHORITY
YEAR 2019
REGULAR MEETING SCHEDULE
(ALL HELD TUESDAY’S AT 9:00 A.M.)

January 29
February 26
March 26
April 30
May 28
June 25
July 30
August 27
September 24
October 29
November 26
December 10
WALNUT ENERGY CENTER AUTHORITY

RESOLUTION NO. 2018 -

RESOLUTION ADOPTING WALNUT ENERGY CENTER AUTHORITY OPERATION AND MAINTENANCE AND CAPITAL 2019 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 2019 is hereby approved, and a copy is ordered filed in the Secretary's office.

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

Upon roll call the following vote was had:

Ayes: Commissioners
Noes: Commissioner
Absent: Commissioner

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 4th day of December 2018.

Deputy Secretary of the Commission
Of the Walnut Energy Center Authority
## Walnut Energy Authority

(x$1,000)

<table>
<thead>
<tr>
<th>Description</th>
<th>2018 Budget Adopted</th>
<th>2019 Budget Proposed</th>
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<tbody>
<tr>
<td><strong>Operating Revenues:</strong></td>
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<tr>
<td>WECA Lease Revenue</td>
<td>$ 83,524</td>
<td>$ 93,650</td>
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<td><strong>Fuel:</strong></td>
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<td></td>
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<tr>
<td>Fuel</td>
<td>40,655</td>
<td>54,300</td>
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<td>Gas Fields</td>
<td>(1,464)</td>
<td>(1,100)</td>
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<td><strong>Total Power Supply</strong></td>
<td>39,191</td>
<td>53,200</td>
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<td><strong>Net Oper. Margin</strong></td>
<td>44,333</td>
<td>40,450</td>
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<td><strong>O &amp; M (exc. depr. &amp; Amort.):</strong></td>
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<tr>
<td>O &amp; M</td>
<td>20,168</td>
<td>20,500</td>
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<tr>
<td><strong>Net O&amp;M Expense</strong></td>
<td>20,168</td>
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<td><strong>Total Cash Generated</strong></td>
<td>24,165</td>
<td>19,950</td>
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<td><strong>Debt Service</strong></td>
<td>(18,315)</td>
<td>(18,400)</td>
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<td><strong>Commercial Paper</strong></td>
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<td><strong>Total TID Debt Serv.</strong></td>
<td>(19,315)</td>
<td>(19,300)</td>
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<td><strong>Net Cash Avail. for Capital</strong></td>
<td>4,850</td>
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<td><strong>Revenue Financed Capital Expenditures</strong></td>
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<td><strong>Balance to Reserves</strong></td>
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<td>$ -</td>
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