

**MINUTES OF THE COMMISSION OF THE
WALNUT ENERGY CENTER AUTHORITY**

Turlock, California
2 August 2022

A regular meeting of the Commission of the Walnut Energy Center Authority was called to order at 9:13 a.m., Tuesday, August 2, 2022, in the offices of the Turlock Irrigation District, 333 East Canal Drive, Turlock, California. Present were: Commissioners Michael Frantz, Charles Fernandes, Rob Santos and Ron Macedo. Also present were: CEO Michelle Reimers, Treasurer/Auditor Brian Stubbart and Deputy Secretary Tami Wallenburg. Absent was: Commissioner Joe Alamo.

MOTION APPROVING MINUTES

Moved by Commissioner Fernandes, seconded by Commissioner Macedo, that the minutes of the meeting of July 19, 2022, be approved.

All voted in favor with none opposed (Commissioner Alamo was absent). The President declared the motion carried.

PUBLIC COMMENT

There was none.

RESOLUTION NO. 2022 - 2

**RESOLUTION APPROVING THE FORMS AND THE EXECUTION AND DELIVERY
OF A REIMBURSEMENT AGREEMENT AND FEE AGREEMENT AND
AMENDMENTS TO THE ISSUING AND PAYING AGENT AGREEMENT RELATING
TO AN EXISTING SUBORDINATE COMMERCIAL PAPER PROGRAM; AND
AUTHORIZING CERTAIN OTHER MATTERS RELATING THERETO**

WHEREAS, the Merced Irrigation District and the Turlock Irrigation District (the “District”) entered into a Joint Exercise of Powers Agreement, dated as of December 9, 2003, creating and establishing the Walnut Energy Center Authority (the “Authority”) pursuant to the Joint Exercise of Powers Act, Section 6500 et seq. of the California Government Code (the “Joint Powers Act”), for the purpose of providing assistance to the District in connection with the financing and refinancing of public capital improvements as defined in the Joint Powers Act; and

WHEREAS, the Authority acquired the Walnut Energy Center, which consists of an approximately 250 megawatt nameplate capacity combined cycle generating facility, together with related facilities, rights and assets (the “Project”); and

WHEREAS, the Authority has previously authorized the execution and delivery of commercial paper notes (the “Notes”) pursuant to Resolution 2005-1, adopted by the Authority on August 23, 2005 and an Issuing and Paying Agent Agreement, dated as of August 1, 2005 by and between the Authority and U.S. Bank Trust Company, National Association (as supplemented and amended to the date hereof, the “Issuing and Paying Agent Agreement”) for the purpose of financing and refinancing the costs of the Project; and

WHEREAS, pursuant to Section 3.1 of the Construction and Operation Agreement, dated as of March 31, 2004 (the “Construction and Operation Agreement”), between the Authority and the District, the District previously requested that the Authority issue the Notes for the purpose of financing and refinancing certain costs of the Project including, but not limited to, the costs of securing a portion of the fuel supply for the Project, and that the Notes be designated as “Bonds” (as that term is defined in the Power Purchase Agreement (as defined below) and in the Construction and Operation Agreement) for the purposes of the Power Purchase Agreement and the Construction and Operation Agreement; and

WHEREAS, the Notes are payable by the Authority from payments made by the District pursuant to the Power Purchase Agreement, dated as of March 31, 2004, by and between the Authority and the District (as amended to the date hereof the “Power Purchase Agreement”); and

WHEREAS, the Notes are payable by the Authority on a basis junior and subordinate in all respects to the Revenue Refunding Bonds, 2010 Series B (Federally Taxable), the Revenue Refunding Bonds, 2014 Series A, and the Revenue Refunding Bonds, 2019 Series A; and

WHEREAS, the Authority has determined that it is desirable to substitute a letter of credit (the “Substitute Letter of Credit”) to be issued by Wells Fargo Bank, National Association (the “Bank”) for the existing letter of credit (the “Prior Letter of Credit”) previously issued by State Street Bank & Trust Company to support the Notes; and

WHEREAS, there has been prepared and submitted to this meeting forms of a reimbursement agreement (the “Reimbursement Agreement”) and a fee agreement (the “Fee Agreement”) with the Bank; and

WHEREAS, there has been prepared and submitted to this meeting the form of an Offering Memorandum with respect to the Notes (the “Offering Memorandum”) to be distributed in connection of the executed and delivery of the Notes; and

WHEREAS, the Commission now desires to authorize and approve the forms and the execution and delivery of the Reimbursement Agreement, Fee Agreement and other documents described herein and the performance of such acts as may be necessary or desirable in connection with the execution and delivery of such documents; and

WHEREAS, the Commission desires to authorize and approve certain amendments to the Issuing and Paying Agent Agreement, in the form of the First Supplement to Issuing and Paying Agent Agreement dated as of August 1, 2022 (the “First Supplement to Issuing and Paying Agent Agreement”), by and between the Authority and U.S. Bank Trust Company, National Association that has been prepared and submitted to this meeting; and

WHEREAS, the Authority hereby determines that the issuance of Notes to finance and refinance certain costs for the Project will provide significant public benefits, as set forth in Section 6586 of the California Government Code, by, among other factors, allowing more efficient delivery of electricity to residential and commercial development and by providing employment benefits; and

WHEREAS, all acts, conditions and things required by the laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of the actions authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the Authority is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such actions for the purpose, in the manner and upon the terms herein provided;

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE WALNUT ENERGY CENTER AUTHORITY, AS FOLLOWS:

Section 1. All of the recitals herein contained are true and correct and the Commission so finds.

Section 2. The Notes will be repaid from payments the Authority receives from the District under the Power Purchase Agreement, and the Notes are hereby deemed to constitute “Bonds” (as that term is defined in the Power Purchase Agreement and the Construction and Operation Agreement) for the purposes of the Power Purchase Agreement and the Construction and Operation Agreement.

Section 3. The Authority hereby approves the Reimbursement Agreement and the Fee Agreement in substantially the forms submitted to this meeting and made a part hereof as though set forth in full herein. Any one of the President, Chief Executive Officer or Treasurer of the Authority, acting singly (each an “Authorized Officer”) is hereby authorized to execute, after consultation with Authority Counsel or Stradling Yocca Carlson & Rauth, a Professional Corporation, as note counsel (“Note Counsel”), the Reimbursement Agreement and the Fee Agreement in the forms presented to this Commission, with such changes, insertions and deletions as may be approved by said Authorized Officer.

Section 4. The First Supplement to Issuing and Paying Agent Agreement, in substantially the form submitted to this meeting and made a part hereof as though set forth in full herein is hereby approved. Any Authorized Officer is hereby authorized to execute, after consultation with Authority Counsel or Note Counsel, the First Supplement to Issuing and Paying Agent Agreement

in the form presented to this Commission, with such changes, insertions and deletions as may be approved by said Authorized Officer, said execution being conclusive evidence of such approval.

Section 5. The preparation and distribution of the Offering Memorandum with respect to the Notes, in substantially the form submitted to this meeting and made a part hereof as set forth in full, is hereby authorized.

Section 6. The Board acknowledges that the good faith estimates required by Section 5852.1 of the California Government Code are disclosed in the staff report and are available to the public at the meeting at which this Resolution is approved.

Section 7. The Authorized Officers are hereby authorized and directed, jointly and severally, to execute and deliver any and all documents, agreements, certificates and instruments, including, without limitation, signature certificates, no-litigation certificates, tax certificates, and any other agreements required in connection with the execution and delivery of the Reimbursement Agreement and the Fee Agreement, the delivery by the Bank of the Substitute Letter of Credit, the termination of the Prior Letter of Credit, issuance or administration of the Notes, and to do and cause to be done any and all acts and things which they may deem necessary, convenient or advisable in order to consummate the transactions herein authorized and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution, including, without limitation, the approval of any amendment to any of the Project Agreements, as that term is defined in the Indenture of Trust, dated as of April 1, 2004, by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as amended to the date hereof.

Section 8. Any Member of the Commission and any Authorized Officer, shall be, and each of them hereby is, authorized to give or take all approvals, consents, directions, instructions, notices, orders, requests, indemnifications and other actions permitted or required by any of the documents authorized by this Resolution and to take any such action that such member or officer, with the advice of Authority Counsel or Note Counsel, may deem necessary or desirable to further the purposes of this Resolution.

Section 9. All actions heretofore taken by the officers, employees and agents of the Authority with respect to the matters set forth above are hereby approved, confirmed and ratified.

Section 10. This Resolution shall take effect from and after its date of adoption.

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

Upon roll call the following vote was had:

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

The President declared the resolution adopted.

MOTION TO ADJOURN

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

All voted in favor with none opposed (Director Alamo was absent). The President declared the motion carried and the meeting adjourned.

Tami Wallenburg

Deputy Secretary of the Commission
of the Walnut Energy Center Authority