AGENDA
CENTRAL VALLEY ENERGY AUTHORITY

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

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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.

REGULAR MEETING
TUESDAY, DECEMBER 17, 2024
9:00 A.M.

A. CALL TO ORDER

B. PRESENTATION OF THE JOINT EXERCISE OF POWERS AGREEMENT AND REPORT OF DESIGNATED OFFICERS
- Brian Stubbert, Treasurer/Auditor

C. REPORT ON THE JOINT EXERCISE OF POWERS AGREEMENT FILING WITH THE SECRETARY OF STATE
- Brian Stubbert, Treasurer/Auditor

D. PUBLIC COMMENT PERIOD (5-minutes per speaker)
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.

E. ACTION ITEMS

The Authority will Consider a Series of Actions to Establish Various Policies, Engage with Special Counsel and Financial Advisors, Direct Staff to Undertake a Two-Year Audit, and Authorize Staff to File Key Initial Documents for a Future Commodity Prepay Transaction.
- Brian Stubbert, Treasurer/Auditor

1. **Motion to Adopt an Investment Policy**
   Consider a motion adopting an Investment policy.

2. **Motion to Adopt a Debt Management Policy with One Exception**
   Consider a motion adopting a Debt Management policy with one exception.

3. **Motion to Adopt the Proposed Federal Securities Law Disclosure Policy**
   Consider a motion adopting the proposed Federal Securities Law Disclosure policy.

4. **Motion to Adopt a Conflict of Interest Code**
   Consider a motion adopting a Conflict of Interest Code.

5. **Motion to Authorize Officers to Take Necessary Actions to Facilitate the Consideration of a Potential Commodities Prepayment Transaction at a Future Meeting**
   Consider a motion authorizing officers to take necessary actions to facilitate consideration by the Commission of a potential Commodities Prepay Transaction at a future regular meeting.

6. **Motion to Consider a Request and Direction to the Treasurer and Auditor to Undertake a Two-Year Audit for the Period Ending December 31, 2025**
   Consider a motion considering a request and directing the Treasurer and Auditor to undertake a two-year audit for the period ending December 31, 2025.

7. **Motion to Consider the Engagement of Stradling Yocca Carlson & Rauth LLP as Special Counsel**
   Consider a motion engaging with Stradling Yocca Carlson & Rauth LLP as Special Counsel with respect to any proposed financing transactions.

8. **Motion to Consider the Engagement of PFM Financial Advisors LLC as Municipal Advisor and PFM Swap Advisors LLC as Swap Advisor**
   Consider a motion engaging with PFM Financial Advisors LLC as Municipal Advisor and PFM Swap Advisors LLC as Swap Advisor with respect to any proposed financing transactions.

F. MOTION TO ADJOURN

JOINT EXERCISE OF POWERS AGREEMENT

by and between

TURLOCK IRRIGATION DISTRICT

and

WALNUT ENERGY CENTER AUTHORITY

creating the

CENTRAL VALLEY ENERGY AUTHORITY

November 26, 2024

JOINT EXERCISE OF POWERS AGREEMENT
CREATING THE
CENTRAL VALLEY ENERGY AUTHORITY

THIS JOINT EXERCISE OF POWERS AGREEMENT, dated as of November 26, 2024 (herein called this "Agreement"), is by and between TURLOCK IRRIGATION DISTRICT, an irrigation district duly formed and existing under the laws of the State of California (herein called the "District"), and WALNUT ENERGY CENTER AUTHORITY, a joint exercise of powers authority duly formed and existing under the Laws of the State of California (herein called "WECA").

R E C I T A L S:

WHEREAS, Article l of Chapter *5* of Division 7 of Title l of the Government Code of the State of California (the "State") authorizes the District and WECA to create a joint exercise of powers entity (herein called the "Central Valley Energy Authority" or the "Authority") which has the power, among other things, to jointly exercise any powers common to the District and WECA;

WHEREAS, the District and WECA are each separately empowered by the laws of the State to purchase natural gas and electric power from any agency or entity, public or private, and may provide for the acquisition, operation, leasing, and control of plants for the generation, transmission, distribution, sale, and lease of electric power, including sale to municipalities, public utility districts, or persons;

WHEREAS, Article 2 and Article 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State authorize and empower the Authority to issue bonds for financing public capital improvements, including without limitation facilities for the generation or transmission of electrical energy for public or private uses and all rights, properties and improvements necessary therefore, and for working capital requirements, including acquisition of natural gas, power and other fuel;

WHEREAS, by this Agreement, the District and WECA desire to create and establish the Central Valley Energy Authority for the purposes set forth herein and to exercise the powers described herein;

NOW, THEREFORE, the District and WECA, for and in consideration of the mutual promises and agreements herein contained, do agree as follows:

SECTION 1. DEFINITIONS

Unless the context otherwise requires, the terms defined in this Section 1 shall for all purposes of this Agreement have the meanings herein specified.

Authority: The term "Authority" shall mean the "Central Valley Energy Authority" created by this Agreement.

Bonds: The term "Bonds" shall mean bonds, notes, commercial paper, installment purchase, lease purchase and similar agreements and certificates of participation therein, and any other evidences of indebtedness.

Commission: The term "Commission" shall mean the governing body of the Authority.

Law: The term "Law" shall mean Chapter 5 of Division 7 of Title 1 of the Government Code of the State (Sections 6500-6599), as supplemented and amended from time to time, including without limitation the Marks-Roos Local Bond Pooling Act of 1985.

Project: The term "Project" shall mean (i) the purchase and sale of natural gas and electric energy and associated capacity and environmental attributes, (ii) the design, acquisition, construction, maintenance, or operation of any Public Capital Improvement (as defined in the Law) or other facility or improvement, or the leasing thereof, (iii) the provision of working capital and (iv) any other project, program, public capital improvement or purpose authorized by the Law or other law to be undertaken, financed or refinanced by the Authority relating to the acquisition and financing of natural gas and energy, each as undertaken by the Authority pursuant to this Agreement.

SECTION 2. PURPOSES

This Agreement is made, and the Authority is being established, pursuant to the Law to provide for the joint exercise of powers common to the parties hereto to assist the District by undertaking Projects, all as further described in Section 5 hereof and to exercise additional powers as provided in the Law. The Authority will fulfill the purposes of this Agreement by, among other things, undertaking the sale and issuance or incurrence of Bonds in accordance with the Law.

SECTION 3. TERM

This Agreement shall become effective as of the date hereof and shall continue in full force and effect until terminated by WECA and the District; provided, however, that in no event shall this Agreement terminate while any Bonds of the Authority remain outstanding under the terms of the resolution, indenture, trust agreement or other instrument pursuant to which such Bonds are issued or incurred. In any event, the Authority shall cause all records regarding its formation, existence, the Projects, any Bonds issued or incurred by it and proceedings pertaining to its termination to be retained for at least six years following termination of the Authority or final payment of any Bonds issued or incurred by the Authority, whichever is later.

SECTION 4. AUTHORITY

(a) Creation of Authority

There is hereby created pursuant to the Law a public agency to be known as the "Central Valley Energy Authority." As provided in the Law, the Authority shall be a public entity separate from the District and WECA. The debts, liabilities and obligations of the Authority shall not constitute debts, liabilities or obligations of any Authority member, unless assumed in a particular case by resolution of the governing body of the Authority member to be charged, and the resolution, indenture, trust agreement or other instrument pursuant to which such debts, liabilities or obligations are issued or incurred shall contain a statement to such effect.

Within 30 days after the effective date of this Agreement or any amendment hereto, the Authority will cause a notice of this Agreement or such amendment to be prepared and filed with the office of the Secretary of State of the State and the State Controller of the State in the manner set forth in Section 6503.5 and 6503.6 of the Law.

(b) Governing Commission

The Authority shall be administered by the Commission, which shall be comprised of the members from time to time of the Board of Directors of the District, sitting *ex officio.*

(c) Meetings of the Commission

(1) The Commission shall hold regular meetings on Tuesday of each week at 9:00 A.M. at the offices of the District unless the Commission determines to meet at an alternate location in accordance with California law (or on such other dates and at such other times or places as the Commission may establish by resolution). The Commission may suspend the holding of regular meetings so long as there is no need for Authority business. The Commission may hold special meetings at any time and from time to time in accordance with law, provided that, so long as required by the Act, any action taken regarding the sale of Bonds shall occur by resolution placed on a noticed and posted meeting agenda for a regular meeting of the Authority.

(2) All regular and special meetings of the Commission shall be called, noticed, held and conducted subject to the provisions of the Ralph M. Brown Act (Chapter 9 of Part 1 of Division 2 of Title 5 of the California Government Code), or any successor legislation hereafter enacted.

(3) The Secretary of the Authority shall cause minutes of all meetings of the Commission to be kept and shall, as soon as practicable after each meeting, cause a copy of the minutes to be forwarded to each member of the Commission and to the Members.

(4) A majority of the members of the Commission shall constitute a quorum for the transaction of business, except that less than a quorum may adjourn meetings from time to time.

(d) Officers; Duties

(1) The officers of the Authority shall be the President, Vice President, Executive Director, Secretary, and Treasurer and Auditor (which Treasurer and Auditor may be the same person). Such officers may be directors or officers of the District serving *ex officio*.

(2) The President of the Authority shall be the Board member who is the President of the Board of Directors of the District. The term of office of the President shall be the same as the term of the President of the Board of Directors of the District. The President shall preside at all meetings of the Authority, and shall submit such information and recommendations to the Commission as he or she may consider proper concerning the business, policies and affairs of the Authority.

(3) The Vice President of the Authority shall be the Board member who is the Vice President of the Board of Directors of the District. The term of office of the Vice President shall be the same as the term of the Vice President of the Board of Directors of the District. The Vice President shall perform the duties of the President in the absence or incapacity of the President. In case of the resignation or death of the President, the Vice President shall perform such duties as are imposed on the President, until such time as a new President is selected or appointed.

(4) The General Manager of the District is hereby designated as the Executive Director of the Authority and shall be responsible for execution and supervision of the affairs of the Authority. Except as otherwise authorized by resolution of the Commission, the Executive Director or the Executive Director's designee shall sign all contracts, deeds and other instruments executed by the

Authority. In addition, subject to the applicable provisions of any trust agreement, indenture or resolution providing for a trustee or other fiscal agent, the Executive Director is designated as a public officer or person who has charge of, handles or has access to any property of the Authority, and shall file an official bond if so required by the Commission and, as such, shall have the powers, duties and responsibilities that are specified in Section 6505.1 of the Act. In addition to the powers, duties and responsibilities provided herein, the Executive Director shall have such powers, duties and responsibilities as may be hereinafter granted or imposed, as the case may be, by the Commission.

(5) The Secretary of the Board of Directors of the District is hereby designated as the Secretary of the Authority. The Secretary shall keep the records of the Authority, shall act as Secretary at the meetings of the Authority and record all votes, and shall keep a record of the proceedings of the Authority in a journal of proceedings to be kept for such purpose, and shall perform all duties incident to the office. Any executive, deputy or assistant secretary of the District shall also serve as the executive, deputy or assistant secretary of the Authority and may take any and all actions for which the Secretary has become authorized by this Agreement, any indenture, and any resolution of the Board of the Authority or otherwise.

(6) The Assistant General Manager, Financial Services and Chief Financial Officer of the District is hereby designated as the Treasurer and Auditor of the Authority. Subject to the applicable provisions of any resolution, indenture, trust agreement or other instrument providing for a trustee or other fiscal agent in connection with any Bonds, and, except as may otherwise be specified by resolution of the Authority, the Treasurer of the Authority is designated as the depositary for the Authority to have custody of all the money of the Authority, from whatever source, and, as such, shall have the powers, duties and responsibilities specified in Section 6505.5 of the Law and the Treasurer of the Authority shall draw checks to pay demands against the Authority when the demands have been approved by the Authority.

(7) The District shall determine the charges to be made against the Authority for the services of the Auditor and the Treasurer of the Authority.

(8) The Treasurer of the Authority is designated as a public officer or person who has charge of, handles, or has access to any property of the Authority, and such officer shall file an official bond in an amount determined from time-to-time by the Commission as required by Section 6505.1 of the Law, however, that such bond shall not be required if the Authority does not possess or own property or funds with an aggregate value of greater than $500.00.

(9) The Auditor of the Authority is hereby authorized and directed to prepare or cause to be prepared:

a. a special audit as required pursuant to Section 6505 of the Law every year during the term of this Agreement (subject to the provisions of subsection (f) of said Section 6505 of the Law); and

b. as required pursuant to Section 6505.5(e) of the Law, a periodic report in writing to be delivered to the Commission, the District and WECA which report shall describe the amount of money held by the Treasurer of the Authority for the Commission, the amount of receipts since the last such report, and the amount paid out since the first such report.

(10) The Commission shall have the power to appoint such other officers as it may deem necessary.

(e) Authority Staff

It is the intent of the parties that management, technical, financial, accounting, engineering, legal, operational and other support for the Authority will be provided by the District, its officers, employees and agents, and that the Authority will not have independent staff. The District, for and on behalf of the Authority, may employ legal, engineering, financial advisory and other consulting services necessary to carry out the purposes of this Agreement. The District may be reimbursed by the Authority for the cost of providing such support and services.

SECTION 5. POWERS

The Authority, in its own name, shall have the power to undertake Projects and to finance such Projects through the issuance or incurring of Bonds for the purposes set forth in Section 2 hereof, all in accordance with the Law.

The Authority shall have the power to design, acquire, administer, construct, finance, operate and/or maintain each Project and facilities related thereto. Any Bonds issued or incurred by the Authority shall not constitute general obligations of the Authority, but shall be payable solely from the moneys pledged to the payment of principal of or interest on such Bonds under the terms of the resolution, indenture, trust agreement or other instrument pursuant to which the Bonds are issued or incurred. Such Bonds shall not constitute debts, liabilities or obligations of the District or WECA.

Any of the Projects acquired or constructed by the Authority shall be operated by the District, either directly or pursuant to contract or agreement with a third party approved by the District.

The Authority is authorized, in its own name, to do all acts necessary for the exercise of said powers for said purposes, including but not limited to any or all of the following: to make and enter into contracts; to acquire, hold or dispose of property by purchase, lease or otherwise; to acquire, construct, operate and maintain buildings, facilities, works and improvements; to obtain any necessary or desirable permits, licenses and approvals; to incur debts, liabilities or obligations (which do not constitute debts, liabilities or obligations of WECA or the District unless otherwise agreed); to receive gifts, grants, contributions and donations of property, funds and services; to hire agents and employees; to sue and be sued in its own name; and generally to do any and all things necessary or convenient to accomplish the purposes set forth herein.

Such powers shall be exercised subject only to such restrictions upon the manner of exercising such power as are imposed upon the District in the exercise of similar powers, as provided in Section 6509 of the Law; provided, however, that nothing herein shall limit the powers of the Authority under Article 4 of the Law.

Notwithstanding the foregoing, the Authority shall have any additional powers conferred under the Law, insofar as such additional powers may be necessary to accomplish the purposes set forth in Section 2 hereof.

SECTION 6 TERMINATION OF POWERS

Tho Authority shall continue to exercise the powers herein conferred upon it until the termination of this Agreement as provided in Section 3.

SECTION 7. FISCAL YEAR

Unless and until changed by resolution of the Commission, the fiscal year of the Authority shall be the period from January 1 of each year to and including the following December 31.

SECTION 8. CONTRIBUTIONS AND ADVANCES

Contribution or advances of public funds and of personnel, equipment or property may be made to the Authority by the District for any of the purposes of this Agreement. WECA shall have no obligation to make any contributions or advances to the Authority. Any such advance shall be made subject to repayment, and shall be repaid, in the manner agreed upon by the District and the Authority at the time thereof. It is mutually understood and agreed that neither the District nor WECA has any obligation hereunder to make advances or contributions to the Authority to provide for the costs and expenses of administration of the Authority, even though the District in its sole discretion may do so. The District may allow the use of personnel, equipment or property in lieu of other contributions or advances to the Authority. After termination of this Agreement pursuant to Section 3, any surplus money in possession of the Authority shall be returned to the District.

SECION 9. ACCOUNTS AND REPORTS

The Authority shall establish and maintain such funds and accounts as may be required by good accounting practice. The books and records of the Authority shall be open to inspection at all reasonable times by the District and WECA and their representatives. The Authority shall give an audited written report of all financial activities for each fiscal year to the District and to WECA within 180 days after the close of each fiscal year.

So long as required by Section 6505.6 of the Law, the Auditor of the Authority shall either make, or contract with a certified public accountant or public accountant, an annual audit of the accounts and records of the Authority. In each case the minimum requirements of the audit shall he those prescribed by the State Controller for special districts under Section 26909 of the Government Code of the State and shall conform to generally accepted auditing standards. When such an audit of an account and records is made by a certified public accountant or public accountant, a report thereof shall be filed as public records with the District, WECA and to the extent provided by Section 6505 of the Law, with the county auditor of Stanislaus County. Such report shall be filed within 180 days of the end of the fiscal year or years under examination.

Any costs of the audit, including contracts with, or employment of certified public accountants or public accountants in making an audit pursuant to this section shall be borne by the District.

In any year, the Authority may, by unanimous request of the Commission, replace the annual special audit with an audit covering a two-year period.

SECTION 10. DISPOSITION OF ASSETS

Upon the termination of this Agreement as set forth in Section 3 hereof, all assets of the Authority shall be distributed to the District.

SCTION 11 CONFLICT OF INTEREST CODE

The Authority, unless otherwise exempt, shall adopt a Conflict of Interest Code as required under applicable laws of the State. Bond Counsel, Disclosure Counsel and Counsel to the Authority

for financing matters shall not be considered a consultant or other designated position for purposes of the Conflict of Interest Code.

SECTION 12. FORM OF APPROVALS

Whenever an approval is required in this Agreement, unless the context specifies otherwise, it shall be given, in the case of the District, by an authorized officer of the District, and in the case of WECA, by an authorized officer of WECA, and, in the case of the Authority, by an authorized officer of the Authority. Whenever in this Agreement any consent or approval is required, the same shall not be unreasonably withheld.

SECTION 12. INDEMNIFICATION

The Distinct agrees to indemnify and hold harmless the Authority and WECA (whether in its capacity as a member of the Authority, or otherwise) and each of its directors, commissioners, officers, agents and employees from and against any and all losses, claims, damages, liabilities and expenses, arising from or relating to this Agreement, and any public capital improvement or other project, activity or undertaking of or by the Authority pursuant hereto. Notwithstanding the provision, of Section 895.6 of the Government Code, the District shall have no right of contribution from WECA for any judgment for damages caused by a negligent or wrongful act or omission occurring in the performance by the District or the Authority of the provisions of this Agreement.

SECTION 14. INSURANCE

The Authority shall at all times during the term of this Agreement maintain insurance coverage, which may include self-insurance for perils, in such amounts determined by the Authority to be appropriate to afford protection for the Authority and its members.

Any insurance policies obtained by the Authority for comprehensive general liability and automobile insurance coverage shall name WECA, the District and its directors, officers, employees and agents as additional insureds and will be considered primary pursuant to or incidental to this Agreement. Such policies shall include a cross-liability or severability of interest provision.

SECTION 15. AMENDMENT OF AGREEMENT

This Agreement may be amended by supplemental agreement executed by the District and WECA at any time in connection with any Project or for any other purpose, as determined by the District and WECA, in accordance with the Law; provided, however, that in no event shall this Agreement terminate while any Bonds of the Authority remain outstanding as provided in Section 3 hereof.

SECTION 16. BREACH

If default shall be made by the District or WECA in any covenant contained in this Agreement, such default shall not excuse either the District or WECA from fulfilling its obligation under this Agreement, and the District and WECA shall continue to be liable for the performance of all covenants and herein contained. The District and WECA hereby declare that this Agreement is entered into for the benefit of the Authority created hereby and the District and WECA hereby grant to the Authority the right to enforce by whatever lawful means the Authority deems appropriate all of the obligations of each of the parties hereunder. Each and all of the remedies given to the Authority hereunder or by any law now of hereafter enacted are cumulative and the exercise of one right or remedy shall not

impair the right of the Authority to any or all other remedies. Nothing herein shall be construed to create any indebtedness of the District or WECA, and neither the tax or other revenue, nor faith and credit, of the District or WECA are pledged or encumbered by this Agreement.

SECTION 17. WAIVER OF PERSONAL LIABILITY

No member, director, commissioner, officer, agent or employee of the Authority, the District or WECA, past, present or future, shall be individually or personally liable for the observance or performance of any of the terms, conditions or provisions hereof or for any claims, losses, damages, costs, injury and liability of any kind, nature or description arising from the actions of the Authority or the actions undertaken pursuant to this Agreement; provided, however, that nothing herein shall relieve any such person from the performance of any official duty provided hereby or by applicable provision of law.

SECTION 18. LIMITATION OF RIGHTS

All the covenants, agreements, terms and conditions in this Agreement to be observed or performed by or on behalf of the Authority, the District and WECA shall be for the sole and exclusive benefit of the parties hereto and the Authority, whether so expressed or not, and nothing contained herein, express or implied, is intended to or shall give any other person other than the Authority, the District and WECA any legal or equitable right, remedy or claim hereunder.

SECTION 19. AGREEMENT NOT EXCLUSIVE

This Agreement will not be exclusive and will not be deemed to amend or alter the terms of any other agreements between the District and WECA.

SECTION 20. SEVERABILITY

Should any part, term, or provision of this Agreement be decided by the courts to be illegal or in conflict with any law of the State, or otherwise be rendered unenforceable or ineffectual, the validity of the remaining parts, terms or provisions hereof shall not be affected thereby.

SECTION 21. SUCCESSORS; ASSIGNMENT

This Agreement will be binding and will inure to the benefit of the successors of the parties. Except to the extent expressly provided herein, neither party may assign any right or obligation hereunder without the consent of the other.

SECTION 22. COUNTERPARTS

This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but such counterparts shall together constitute but one and the same instrument.

SECTION 23. SECTION HEADINGS

All sections headings contained herein are for convenience of reference only, do not constitute a part hereof, and shall not affect the meaning, construction or effect hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Joint Exercise of Powers Agreement to be executed and attested by their proper officers thereunto duly authorized, and their official seals to be hereto affixed, as of the day and year first above written.

TURLOCK IRRIGATION DISTRCT

By: _____
Vice President

Attest:

_____
Deputy Secretary

WALNUT ENERGY CENTER AUTHORITY

By: _____
President

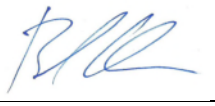
Attest:

_____
Deputy Secretary

BOARD AGENDA REPORT
CENTRAL VALLEY ENERGY AUTHORITY

Board Meeting Date:	December 17, 2024
Subject:	Central Valley Energy Authority Organizational Set Up
Administration:	Financial Services
Recommended Action:	Consider approval of a series of motions establishing various policies, engaging with special legal counsel and financial advisors, directing staff to undertake a two-year audit, and authorizing staff to file key initial documents for a future commodity prepay transaction.
Background and Discussion:	On November 26, 2024, the Turlock Irrigation District (TID) and the Walnut Energy Center Authority (WCEA) formed the Central Valley Energy Authority (CVEA). One of the purposes of establishing the CVEA was to explore issuing debt related to a commodity prepay transaction. There are a series of motions to 1) establish various polices needed in the JPA (Investment Policy, Debt Policy, Federal Securities Law Disclosure Policy, and Conflict of Interest Code), 2) authorize CVEA officers to file necessary documents to prepare for the issuance of bonds related to commodity prepay transactions (for instance the Dodd Frank paperwork), 3) direct the CVEA Treasurer to undertake a two year audit for the period ending December 31, 2025, otherwise CVEA will need an audit for the short period of time it was in existence in 2024, 4) engage with Stradling, Yocca Carlson & Rauth LLP as special legal counsel related to any proposed financing transactions, and 5) engage with PFM Financial Advisors LLC and PFM Swap Advisors LLC for financing transactions. These motions establish the policies, documents, filings, special counsel, and consultants necessary at the set up of CVEA.
Alternative(s) Pros and Cons:	Alternative: There are no alternatives for most of these actions (policies, and document filings); however, the Commission may choose to have an audit for 2024 and for 2025, or to engage with a different special counsel or consultant. Pros: Minimal. Cons: Having an audit in 2024 for CVEA will add additional cost for an audit and there are no transactions to audit. Having different special counsel or a different consultant would delay the project as staff has researched and analyzed other firms who do not have an understanding of CVEA or related transactions.
Additional Information:	These actions are important for the establishment of CVEA.
Fiscal Impact:	These actions will have minimal impact and are part of the estimated $15,000 to $25,000 cost to establish CVEA. A commodity prepay transaction, which will be brought to the Commission at a future date will have a financial impact.

Presenter Signature	Dept. Manager Signature	AGM Signature
Brian Stubbert		Brian Stubbert
Name: Brian Stubbert	Name:	Name: Brian Stubbert
Date Signed: 12/10/2024	Date Signed:	Date Signed: 12/10/2024

GM Signature

Name: Brad Koehn
Date Signed:

MOTION ADOPTING AN INVESTMENT POLICY

Moved by Commissioner , seconded by Commissioner , that the Commission hereby acknowledges that California state law requires that the Authority have an approved investment policy and thereby adopts an investment policy similar to the Turlock Irrigation District Investment Policy to be utilized by the Central Valley Energy Authority. Furthermore, the Treasurer and Auditor recommends that the Commission adopt an investment policy similar to the Turlock Irrigation District Investment Policy to serve as the Investment Policy for the Authority acknowledging that, pursuant to Section 53601(m) of the Government Code of the State of California, the investment of proceeds held by the trustee of any bond, notes or other indebtedness of the Authority shall be invested in accordance with the indenture or other authorizing document with respect thereto.

The President declared the motion _____.

I, Jennifer Land, Secretary to the Commission of the CENTRAL VALLEY ENERGY AUTHORITY, do hereby CERTIFY that the foregoing is a full, true and correct copy of a motion duly adopted at a regular meeting of said Board of Directors held the 17th day of December, 2024.

_____
Executive Secretary to the Commission
of the Central Valley Energy Authority

TURLOCK IRRIGATION DISTRICT
INVESTMENT POLICY

I. Introduction

The purpose of this document is to identify various policies and procedures that enhance opportunities for a prudent and systematic investment policy and to organize and formalize investment-related activities.

The investment policies and practices of the Turlock Irrigation District (the District) are based on state law and prudent money management. All funds will be invested in accordance with the District's Investment Policy and California Government Code Sections 53601, 53601.1, and 53601.5. The investment of bond proceeds will be restricted by the provisions of relevant bond documents.

II. Scope

It is intended that this policy cover all funds (except retirement funds and bond proceeds governed by a separate bond covenant) and investment activities under the direction of the District.

III. Prudence

The standard of prudence to be used by investment officials shall be the "prudent investor" standard and shall be applied in the context of managing an overall portfolio. Investments shall be made with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency.

Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

IV. Objectives

The primary objectives, in priority order, of the District's investment activities shall be:

1) Safety. Safety of principal is the foremost objective of the investment program. The District's investments shall be undertaken in a manner that seeks to ensure preservation of capital in the portfolio.

2) Liquidity. The District's investment portfolio will remain sufficiently liquid to enable the District to meet its cash flow requirements.

3) Return On Investment. The District's investment portfolio shall be designed with the objective of attaining a market rate of return on its investments consistent with the constraints imposed by its safety objective and cash flow considerations.

V. Delegation of Authority

The management responsibility for the investment program is hereby delegated to the Treasurer for a one-year period, subject to annual review and renewal. The Treasurer shall monitor and review all investments for consistency with this investment policy. The District may delegate its investment decision making and execution authority to an investment advisor. The advisor shall follow the policy and such other written instructions as are provided.

VI. Ethics and Conflict of Interest

Officers and employees involved in the investment process shall refrain from personal business activities that could conflict with proper execution of the investment program, or which could impair their ability to make impartial decisions.

VII. Internal Controls

The District shall establish a set of internal controls which shall be documented in writing. The internal controls will be reviewed by the District and with the independent auditor. The controls shall be designed to prevent employee error, misrepresentations by third parties, unanticipated changes in financial markets or imprudent actions by officers or employees of the District.

VIII. Permitted Investment Instruments

1. Government obligations for which the full faith and credit of the United States are pledged for the payment of principal and interest.

2. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.

3. Repurchase agreements used solely as short-term investments not to exceed 90 days.

   The following collateral restrictions will be observed: Only U.S. Treasury securities or federal agency securities, as described in VIII, 1 and 2, will be acceptable collateral. All securities underlying repurchase agreements must be delivered to the District's custodian bank versus payment or be handled under a tri-party repurchase agreement. The market value of securities that underlay a repurchase agreement shall be valued at 102% or greater of the funds borrowed against those securities, as calculated no later than the next business day following the purchase of the repurchase agreement. For any repurchase agreement with a term of more than one day, the value of the underlying securities must be reviewed no less than weekly.

   Market value must be calculated each time there is a substitution of collateral.

   The District or its trustee shall have a perfected first security interest under the Uniform Commercial Code in all securities subject to repurchase agreement.

   The District will have specific written agreements with each firm with which it enters into repurchase agreements.

   Reverse repurchase agreements will not be allowed without the prior specific consent of the District.

4. Obligations of the State of California or any local agency within the state, including bonds payable solely out of revenues from a revenue-producing property owned, controlled or operated by the state or any local agency, or registered treasury notes or bonds of any of the other 49 United States in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled or operated by a state or by a department, board, agency, or authority of any of the other 49 United States, in addition to California; provided that the obligations are rated in one of the three highest categories (without regard to gradation) by any nationally recognized statistical-rating organization (NRSRO).

5. Bankers' acceptances issued by domestic or foreign banks, the short-term paper of which is rated in the highest category by any nationally recognized statistical-rating organization (NRSRO).

   Purchases of bankers' acceptances may not exceed 180 days maturity or 40 percent of the District's surplus money. No more than 5 percent of the District's surplus funds may be invested in the bankers' acceptances of any one commercial bank.

6. Commercial paper rated in the highest short-term rating category, as provided by a nationally recognized statistical-rating organization (NRSRO); provided that (a) the issuing corporation is organized and operating within the United States as a general corporation, has total assets in excess of $500 million and is rated in a rating category of "A" or higher, or the equivalent for its long-term debt, if any, as provided by a nationally recognized statistical-rating organization (NRSRO) or (b) the issuing corporation is organized within the United States as a special purpose corporation, trust, or limited liability company, has program wide credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bonds and has commercial paper that is rated in a rating category of "A-1" or higher, or the equivalent, by a nationally recognized statistical-rating organization (NRSRO).

   Purchases of eligible commercial paper may not exceed 270 days maturity nor represent more than 10 percent of the outstanding paper of an issuing corporation.

   Purchases of commercial paper may not exceed 40 percent of the District's surplus money which may be invested.

7. All corporate and depository institution debt securities, with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the U.S. or any state and operating within the U.S. Medium-term notes shall be rated in one of the three highest categories (without regard to gradation) by a nationally recognized statistical-rating organization (NRSRO).

   Purchase of medium-term notes may not exceed 30 percent of the District's surplus money.

8. FDIC insured or fully collateralized time certificates of deposit in financial institutions located in California.

9. Negotiable certificates of deposit or deposit notes issued by a nationally or state-chartered bank or a state or federal savings and loan association or by a state-licensed or federally-licensed branch of a foreign bank; provided that the senior debt obligations of the issuing institutions are rated in one of the three

highest long-term rating categories (without regard to gradation) by any nationally recognized statistical-rating organization (NRSRO).

Purchases of negotiable certificates of deposit may not exceed 30 percent of the District's surplus money.

10. State of California's Local Agency Investment Fund.
    The District may invest the maximum amount permitted by LAIF's Local Investment Advisory Board.

11. Insured savings account or money market account.

12. The California Asset Management Program.

13. Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1, et seq.). To be eligible for investment pursuant to this subdivision, these companies shall either: (1) attain the highest ranking or the highest letter and numerical rating provided by not less than two nationally recognized statistical rating organizations; or (2) retain an investment advisor registered or exempt from registration with the Securities and Exchange commission with not less than five years' experience managing money market mutual funds with assets under management in excess of five hundred million dollars ($500,000,000).

    The purchase price of shares shall not exceed 20 percent of the District's surplus money.

14. Supranationals, defined as United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, and eligible for purchase and sale within the United States. Supranationals shall be rated in one of the two highest categories (without regard to gradation) by a nationally recognized statistical-rating organization (NRSRO).

    Purchases of supranationals may not exceed 30 percent of the District's surplus money.

15. Asset-Backed Securities, defined as all mortgage pass-through securities, collateralized mortgage obligations, mortgage-backed or other pay-through bonds, equipment lease-backed certificates, consumer receivable pass-through certificates, and consumer receivable-backed bonds. Asset-backed securities eligible for investment under this subdivision not issued or guaranteed by an agency or issuer identified in subdivisionVIII.1 or VIII.2 shall be rated in one of the two highest categories (without regard to gradation) by a nationally

recognized statistical-rating organization (NRSRO), have a weighted average life of five years or less and may not exceed 20 percent of the District's surplus money.

With the exception of the U.S. Treasury, federal agency institutions, supranational agency institutions and government sponsored enterprises, no more than 5% of the District's portfolio may be invested in securities issued by any one corporate, financial or municipal issuer. Credit criteria listed in this section refer to the credit of the issuing organization at the time the security is purchased. If a credit rating falls below the criteria stated, the District should be notified. Any percentage limitation for a particular category of investment in this section is applicable only on the date of purchase of the investment.

IX. Maximum Maturity

Investment maturities shall be based on a review of cash flow forecasts.

Maturities will be scheduled so as to permit the District to meet all projected obligations.

For purposes of compliance with this Policy, an investment's term or remaining maturity shall be measured from the settlement date to final maturity. A security purchased in accordance with this Policy shall not have a forward settlement date exceeding 45 days from the time of investment. The maximum maturity will be no more than five years.

X. Reporting Requirements

Monthly Reports

A monthly report containing the list of investment transactions shall be submitted to the District within 30 days following the end of the month.

Quarterly Reports

A quarterly report shall be submitted to the District within 45 days following the end of the quarter. The report shall include, at a minimum, the following information for each individual investment:

- Description of investment instrument
- Issuer name (i.e., General Electric Credit Corp.)
- Interest rate or yield to maturity
- Purchase date
- Maturity date
- Purchase price
- Par value

- Current market value and the source of the valuation
- Discount or premium, if any
- Accrued interest paid at purchase, if any
- Accrued interest to date
- Portfolio average maturity
- Overall portfolio yield based on cost

The quarterly report shall also (i) state compliance of the portfolio to the statement of investment policy, or manner in which the portfolio is not in compliance, (ii) include a description of any of the District's funds, investments or programs that are under the management of contracted parties, including lending programs, and (iii) include a statement denoting the ability of the District to meet its expenditure requirements for the next six months or provide an explanation as to why sufficient money shall, or may, not be available.

The Treasurer shall annually submit to the Board a statement of investment policy, which the Board shall consider at a public meeting.

XI. Safekeeping and Custody

The assets of the District shall be secured through third-party custody and safekeeping procedures. Bearer instruments shall be held only through third-party institutions. Collateralized securities such as repurchase agreements shall be purchased using the delivery vs. payment procedure.

May 12, 1998
Revised May 25, 1999
Revised June 6, 2000
Revised July 31, 2001
Revised November 26, 2002
Revised November 4, 2003
Revised September 7, 2004
Reaffirmed November 8, 2005
Reaffirmed December 19, 2006
Revised December 18, 2007
Revised December 16, 2008
Reaffirmed November 17, 2009
Reaffirmed December 7, 2010
Revised December 13, 2011
Revised December 11, 2012
Revised December 10, 2013
Revised September 26, 2014
Revised December 15, 2015
Revised November 22, 2016

Revised December 5, 2017
Revised November 20, 2018
Revised January 12, 2021
Revised January 30, 2024

MOTION ADOPTING A DEBT MANAGEMENT POLICY WITH ONE EXCEPTION

Moved by Commissioner , seconded by Commissioner , that the Commission hereby acknowledges that California state law requires that the Authority approve a compliant debt management policy prior to the issuance of any debt by the Authority and thereby adopts a debt management policy similar to the Turlock Irrigation District Debt Management Policy with one exception as the debt management policy to be utilized by the Central Valley Energy Authority. Furthermore, the Treasurer and Auditor recommends that the Commission adopt a debt management policy similar to the Turlock Irrigation District Debt Management Policy to serve as the Debt Management Policy for the Authority with the following exception: the types, purposes and use of debt to be issued by the Authority may include projects for the purchase and sale of natural gas and electric energy and associated capacity and environmental attributes, including the provision of working capital therefor, and other projects and programs relating to the acquisition and financing of natural gas and energy, for the benefit of the Turlock Irrigation District, consistent with the powers and purposes of the Authority as described in the Joint Exercise of Powers Agreement.

The President declared the motion _____.

I, Jennifer Land, Executive Secretary to the Commission of the CENTRAL VALLEY ENERGY AUTHORITY, do hereby CERTIFY that the foregoing is a full, true and correct copy of a motion duly adopted at a regular meeting of said Board of Directors held the 17th day of December, 2024.

_____
Executive Secretary to the Commission
of the Central Valley Energy Authority

DEBT POLICY

SEPTEMBER 2020

WATER & POWER

Serving Central California since 1887

Contents

Scope and Application

This Debt Policy ("Policy") establishes policies for financings under the jurisdiction of the Board of Directors ("Board") of the Turlock Irrigation District ("TID or District") and pertains to debt obligations payable from TID. The purpose of the Policy is to identify debt policy objectives, improve the quality of decision-making processes in connection with the issuance and management of debt, and provide a basis for the determination of the appropriate debt structures and to demonstrate a commitment to best practices in debt management planning and execution. The District is required to have an adopted debt policy under California law, SB 1029.

The Policy sets forth the parameters for issuing debt, managing outstanding debt and provides guidance to decision makers regarding the timing and purposes for which debt may be issued, types and amounts of permissible debt and method of sale that may be used. Adherence to a debt policy helps to ensure the District's debt is issued and managed prudently in order to maintain a sound fiscal position and optimal credit ratings. Other financial policies are outside the scope of this document and maintained within the District's Rules and Regulations.

This Policy shall govern the issuance and management of all bonds and other forms of indebtedness of TID together with any credit, liquidity or other security instruments and agreements that may be executed in connection with the issuance of bonds and other forms of indebtedness. The Board, at its sole discretion, may approve the issuance of Bonds and other forms of indebtedness that deviate from this policy, upon the recommendation of the CFO/AGM Financial Services. The failure of TID to comply with any provision of this Policy shall not affect the authorization or the validity or enforceability of any indebtedness that is otherwise issued in accordance with the law.

Policy Objectives

The purpose of this Policy is to establish parameters for issuing debt; provide guidance to decision makers with respect to options available to finance capital projects and support other financing needs so that a prudent, equitable and cost effective method of financing can be chosen; and promote objectivity in the decision-making process.

Debt Management Objectives

- Maintain cost-effective access to capital markets through prudent debt management policies and practices.
- Maintain debt and debt service levels with effective long-term planning and coordination within the District.
- Use debt to support long-term capital investments or improvements.
- Structure long-term financings to minimize transaction specific risk and total debt portfolio risk to the District.
- Maintain the highest practical credit ratings to ensure efficient access to capital markets.
- Maintain good investor relationships through the timely dissemination of material financial information.

The District will adhere to the following legal requirements for the issuance of debt:

- The state law which authorizes the issuance of the debt;
- The federal and state law which govern the eligibility of the debt for tax-exempt status;
- The federal and state law which govern the issuance of taxable debt;
- The federal and state laws which govern disclosure, sale, and trading of the debt both before and subsequent to issuance; and
- Generally Accepted Accounting Principles (GAAP).

Purpose and Use of Debt; Capital Improvement Plan

The District may utilize debt financing to fund long-term improvements that are part of the District's capital improvement plan ("CIP"), so that existing and future users pay an equitable and fair share of capital project funding requirements. Long-term improvements include the acquisition of land, facilities, infrastructure, supplies of water; and enhancements or expansions to existing water, power, or administration facilities. Debt can be issued to fund the planning, pre-design, design, land and/or easement acquisition, construction, and related fixtures, equipment and other costs as permitted by law.

The District may utilize short-term financing (including leases) to finance certain essential equipment and vehicles. The underlying asset must have a minimum useful life of one year or more. Short-term financings, including but not limited to commercial paper, loans and capital lease purchase agreements, can be executed to meet such needs.

The CFO/AGM Financial Services will periodically evaluate the District's existing debt and execute current or advance refundings when economically beneficial. A refinancing may include the issuance of bonds to refund existing bonds or the issuance of bonds in order to refund other obligations, such as commercial paper, notes or loans.

Capital Improvement Plan: The District is committed to long-term capital planning and will maintain a formal CIP that identifies capital needs, associated expenditures, and sources of funding over a five-year period. The CIP shall be updated at least annually and the first year of the CIP shall be approved by the Board as part of the District's budget process. The CIP shall identify the capital projects to be funded, estimated total and annual expenditures associated with each capital project, and whether such capital expenditures will be funded on a pay-as-you go basis from District revenue or through the issuance of debt.

The District shall strive to fund the upkeep and maintenance of its infrastructure and facilities due to normal wear and tear through the expenditure of available operating revenues. The District shall seek to avoid the use of debt to fund infrastructure and facilities improvements that are the result of normal wear and tear.

The District shall integrate its debt issuances with the goals of its CIP by timing the issuance of debt to ensure that projects are available when needed in furtherance of the District's public purposes. The District shall seek to issue debt in a timely manner to avoid having to make unplanned expenditures for capital improvements or equipment from its general fund.

In developing recommendations for the issuance of debt, the CFO/AGM Financial Services shall consider the need for debt financing and assess progress on the current CIP and any other program/improvement deemed necessary by the District. The Board authorizes and approves debt financing and/or debt service related recommendations and proposals.

The CFO/AGM Financial Services shall be responsible for analyzing any debt-financing proposal to determine if it is beneficial to the District. Proposals will be reviewed to ensure compliance with the District's long-term financial planning objectives and meets all of the Debt Management objectives.

The proceeds of any debt obligation shall be expended only for the purpose for which it was authorized. Long-term debt may only be issued upon Board authorization. No long-term debt shall be issued with a maturity date greater than the expected weighted average useful life of the facilities or improvements being financed. The final maturity of the proposed debt instrument shall be limited to 30 years after the date of issuance, unless circumstances warrant otherwise.

Debt Structuring

In structuring a debt issuance, the District will manage the amortization of debt, and to the extent possible, match its cash flow to the anticipated debt service payments. Deferral of principal repayment will be considered when such structuring is beneficial to the District's overall financial planning.

The CFO/AGM Financial Services will evaluate and recommend to the Board the use of a call option, if any, and call protection period for each issuance. A call option, or optional redemption provision, gives the District the right to prepay or retire debt prior to its stated maturity. This option may permit the District to achieve interest savings in the future through refunding of the bonds. Because the cost of call options can vary widely, depending largely on market conditions, an evaluation of factors, such as the call premium, time until the bonds may be called at a premium or at par, and interest rate volatility will all be considered when determining the call option. Generally, long-term tax-exempt municipal borrowings are

structured with a 10-year call at no premium. To the extent that additional call flexibility is preferred by the District, the CFO/AGM Financial Services will work with the District's financial advisor to evaluate the cost and benefit of a shorter-call option (less than 10-years).

Types and Purposes of Debt

A. Long-Term Debt

Long-term debt with a term to maturity of five years or more is issued to finance the acquisition and/or construction of long-lived capital improvements. Long-term debt financing shall not be used to fund operating costs or operating deficits of the District. There are many different types of financing instruments available to the District. The following are brief summaries of the types of long-term debt obligations that the District may consider but does not include all types of financing instruments available to the District:

- *Revenue Obligations/Certificates of Participation*: Long-term revenue obligations / COPs issued through the District, a financing corporation, joint powers agency or other entity can be used to finance and refurbish capital facilities, projects and certain equipment where it is determined to be cost effective and fiscally prudent. The scope, requirements, and demands of the budget, reserve levels, and the ability or need to expedite or maintain the programmed schedule of approved capital projects, will also be factors in the decision to issue long-term debt. Revenue obligations / COPs will be structured to achieve the lowest possible net cost to the District given market conditions while balancing risks, considering the District's CIP, and the nature and type of security to be provided.

- *Fixed and Variable Rate Obligations:* The District may choose to issue fixed rate obligations, variable rate obligations, or securities that pay a rate of interest that varies according to a predetermined formula or results from a periodic remarketing or auction of securities. Variable rate exposure can provide a means to enhance asset/liability management.

- *Lease Financings*: Lease obligations are a routine and appropriate means of financing certain types of equipment but are generally not appropriate for long-term financing of capital assets such as land or facilities. Leases should be considered where lease financing will be more beneficial than funding from reserves or current revenues. The useful life of capital equipment, the term and conditions of the lease, the direct impact on debt capacity and budget flexibility will be evaluated prior to the implementation of a lease program. Cash flow sufficiency, capital program requirements, lease program structures and cost, and market factors will be considered in conjunction with Pay-As-You-Go strategies in lieu of lease financing.

- *Refunding Bonds*: Refunding Bonds will be issued typically to achieve debt service savings for TID, although other non-economic factors may support the issuance of such obligations.

- *Pay-*As-You-Go: This strategy utilizes cash from current operations in combination with reserves to cash fund capital projects. There may be times when Pay-As-You-Go financing is preferred over traditional debt financing options, such as a desire to reduce the overall debt of the District or if cash reserves are sufficient enough to cash fund projects so as not to add additional debt.

B. Short-Term Debt

Short-term debt with a term to maturity of less than five years is issued to provide financing for the acquisition and/or construction of long-lived capital projects to be refunded by long-term debt financing described above. There are many different types of financing instruments available to the District. The following are brief summaries of the types of short-term debt obligations that the District may consider but does not include all types of financing instruments available to the District:

- *Commercial Paper*: The District may establish a Commercial Paper Program ("CP") for providing funds to finance the acquisition, construction, and rehabilitation of capital improvements and the financing of vehicles and equipment. The CP Program will be to provide financing for projects, subject to the conditions that the projects and project financing will have prior approval from the Board. CP is designed to provide flexible, low-cost financing to meet the interim expenditure needs of capital projects. CP is typically refunded with the issuance of long-term indebtedness. The District may establish a tax-exempt and/or taxable CP program.

- *Bank Notes*: The District can issue short-term debt instruments such as Bank Notes. The Bank Note program will be available to provide financing for projects, subject to the conditions that the projects and project financing will have prior approval from the Board.

Credit Ratings and Debt Enhancements:

A. Credit Ratings

In a public bond offering, the District will make application to at least one major nationally recognized statistical rating organization for a rating on bonds being issued. It is the District's current practice to secure underlying ratings from at least two rating organizations (S&P Global Ratings and Fitch Ratings) on all newly issued bonds. The District may change which rating organizations it utilizes for new bond issuances if it is in the District's best interest. The District will promptly provide financial information to each rating agency in order to maintain ratings on the District's bonds.

Rating Agency Coordination; Annual Rating Agency Meeting: It is the policy of the District to maintain the highest practical credit ratings without compromising other District policy objectives or flexibility. By maintaining the highest practical credit ratings, the District can issue debt at the lowest possible interest cost. The CFO/AGM Financial Services will be the point of contact with the rating agencies and will promptly provide financial and operating data to the rating agencies as requested.

The CFO/AGM Financial Services will promptly provide notice to the Board of any changes to the District's credit ratings or outlook. The CFO/AGM Financial Services will work with the District's bond counsel and financial advisor to ensure that material event notices regarding such rating action is timely filed to EMMA.

B. Debt Enhancement

Debt instruments sometimes require additional features to be sold. The following are examples of additional features:

- *Bond Insurance:* All or any portion of an issue of Bonds may be secured by bond insurance provided by municipal bond insurers ("Bond Insurers") if it is economically advantageous to do so, or if it is otherwise deemed necessary or desirable in connection with a particular issue of Bonds. The relative cost or benefit of bond insurance may be determined by comparing the amount of the bond insurance premium to the present value of the estimated interest savings to be derived as a result of the insurance. The CFO/AGM Financial Services shall take into consideration the ability and / or likelihood of the Bond Insurer maintaining its ratings over the term of the bond insurance.

- *Credit and Liquidity Facilities:* The issuance of certain types of Bonds requires a letter of credit or line of credit ("Credit Facility") from a qualified financial institution to provide liquidity and / or credit support. The types of instruments where a Credit Facility may be necessary include commercial paper, variable rate bonds with a tender option, and Bonds that could not receive an investment grade credit rating in the absence of such Credit Facility.

Debt Capacity

There is no specific provision within the California Government Code that limits the amount of debt that may be issued by the District. The District's borrowing capability is limited by the additional bonds test and debt coverage ratio required in the Master Revenue Bond Resolution on the senior lien and by the existing bond covenants on the subordinated Lien. In addition, the District has covenanted not to issue additional revenue bonds or other obligations on the senior lien established by the Master Revenue Bond Resolution. The District will be mindful of its overall debt burden in the context of its revenues, expenses, reserves and overall financial health.

Methods of Sale

The District will select the method of sale that best fits the type of debt being issued, market conditions, and the desire to structure maturities to enhance the overall performance of the entire debt portfolio.

Three general methods exist for the sale of municipal bonds:

A. Competitive Sale

Bonds are marketed to a wide audience of investment banking (underwriting) firms. The purchaser is selected based on the lowest bid for the bonds. The District will award the sale of the competitively sold bonds on a true interest cost (TIC) basis. Pursuant to this policy, Senior District staff are authorized to sign the bid form on behalf of the District fixing the interest rates on bonds sold on a competitive basis.

When a competitive sale is used, the District, in consultation with its financial advisor and bond counsel, will determine the sale date and establish the bidding parameters, which will be formalized in the Notice of Sale (NOS) to be published in advance of the sale date. The competitive bond sale will be advertised broadly. The District's financial advisor will market the bonds to prospective bidders as appropriate and in accordance with law.

The District may take bids in person or by electronic means. The District reserves the right to amend the terms of the bond sale or cancel the bond sale prior to the day that bids are received. The bonds shall be awarded to the bidder whose conforming bid represents the lowest true interest cost ("TIC"). The

District's financial advisor will independently verify the TIC of the bids. The District reserves the right to resize the bonds in accordance with the parameters in the NOS.

B. Negotiated Sale

District staff selects the underwriter, or team of underwriters, in advance of the bond sale. District staff works with the underwriter to bring the issue to market and negotiates all rates and terms of the sale. In advance of the sale, District staff will determine compensation for, and liability of underwriting syndicate members and the designation rules and priority of orders under which the sale will be conducted. The CFO/AGM Financial Services will be authorized to sign the bond purchase agreement on behalf of the District, fixing the interest rates on bonds sold on a negotiated basis.

C. Private Placement

The District may elect to issue debt on a private placement basis. Such method shall be considered if it is demonstrated to result in cost savings or provide other advantages relative to other methods of debt issuance, or if it is determined that access to the public market is unavailable and timing considerations require that a financing be completed.

Roles and Responsibilities

The primary responsibility for developing debt-financing recommendations rests with the CFO/AGM Financial Services. In developing such recommendations, consideration should be given to the need for debt financing and an assessment of the progress on the current CIP and any other program/improvement deemed necessary by the District. The Board will review, authorize and approve debt financing and/or debt service related recommendations and proposals.

All proposed debt financings shall be presented to the Board. Debt is to be issued pursuant to the authority of and in full compliance with provisions, restrictions and limitations of the Constitution and laws of the State of California, including, as applicable, Government Code (CGC) §54300 et seq. Debt may be issued either directly by the District or via a conduit issuer. If it is determined to be advantageous to use a conduit issuer, all provisions of this policy will still apply.

District staff, including the CFO/AGM Financial Services, financing, budget, and accounting staff, and the District's general counsel will work with the District's bond counsel, disclosure counsel, financial advisor and other external consultants to support the debt issuance process. The District's general counsel, in coordination with external bond counsel and disclosure counsel, shall review all bond offering documents to ensure that material events, financial obligations, pending or threatened litigation, or any other material settlements, court orders, or other legal issues are adequately disclosed.

The General Manager (GM) and Chief Operating Officer (COO) will review and approve any changes to the debt policy as well as approve any recommended debt financing, including its financing structure.

External Consultants

A. Bond, Tax and Disclosure Counsel

The District will retain external bond counsel and disclosure counsel for all debt issues. Bond counsel renders an opinion on the validity of the bond offering, the security for the offering, and whether and to what extent interest on the bonds is exempt from income and other taxation. The opinion of bond

counsel provides assurance both to issuers and to investors who purchase the bonds that all legal and tax requirements relevant to the matters covered by the opinion are met. The District should assure itself that its bond counsel has the necessary expertise to provide an opinion that can be relied on and will be able to assist the issuer in completing the transaction in a timely manner.

As part of its responsibility to oversee and coordinate the marketing of all District indebtedness, the CFO/AGM Financial Services shall retain bond counsel and disclosure counsel on the District's behalf. The selection of bond counsel will be at the discretion of the CFO/AGM Financial Services. Bond counsel will prepare the necessary authorizing resolutions, agreements and other documents necessary to execute the financing. All debt issued by the District will include a written opinion by bond counsel affirming that the District is authorized to issue the debt, stating that the District has met all state, constitutional and statutory requirements necessary for issuance, and determining the debt's federal income tax status.

B. Financial Advisors

The District will select a financial advisor who is an independent financial advisory firm. While serving as the District's financial advisor, a firm may not also engage in the underwriting of the District's debt issuance for which that firm also acts as financial advisor. The District should assure itself that the selected municipal advisor has the necessary expertise to assist the issuer in determining the best type of financing for the District, selecting other finance professionals, planning the bond sale and successfully selling and closing the bonds.

The selection of a financial advisor will be at the discretion of the CFO/AGM Financial Services.

During the contract term of any party acting as financial advisor, neither the firm nor any individual employed by that firm will perform financial advisory, investment banking or similar services for any entity other than the District in transactions involving a financial commitment of the District without the specific direction of District staff.

The financial advisor will advise the District on refunding opportunities for currently outstanding debt, as well as assist in evaluating the merits of competitive, negotiated or private placement of new debt, and determining the most appropriate structure to ensure effective pricing that meets the District's near-term and long term cash flow needs. The financial advisor will work with all parties involved in the financing transaction, including the District's bond counsel, trustee, underwriters, credit liquidity providers, to develop and monitor the financing schedule and preparation of the Official Statement. The financial advisor will assist the District in developing and distributing bid specifications for desired services as, trustee and paying agents, printing, remarketing and credit liquidity service providers, and assist the District in its review process. The District also expects its financial advisor to provide objective advice and analysis, maintain confidentiality of the District's financial plans, and be free from any conflict of interest.

C. Underwriters:

For negotiated sales, the District will generally select or pre-qualify underwriters through a competitive process. This process may include a request for proposal or qualifications to all firms considered appropriate for the underwriting of a particular issue or type of bonds. The CFO/AGM Financial Services

with the Financial Advisors assistance will determine the appropriate method to evaluate the underwriter submittals and then select or qualify firms on that basis. The District will not be bound by the terms and conditions of any underwriting agreement; oral or written, to which it was not a party.

Public Private Partnerships

A public-private partnership (P3) can be defined as "a broad term used to describe public facility and infrastructure contracts that minimally include components of design and build (e.g., construction, renovation, rehabilitation) in a single contract. Components of financing, operations, maintenance, or management may be included within this single contract. A P3 contract allocates risks to the party (the government or the contractor) best able to manage the risks and may assign a higher level of responsibility for means and methods to the private partner." (Source: National Institute of Governmental Purchasing)

Depending on the characteristics, a P3 arrangement may or may not be reflected on the balance sheet of the District. Additionally, P3 arrangements create reporting requirements for the District's audit. Each P3 is unique in its risks and potential benefits to the District. As such, P3 arrangements should be analyzed by the CFO/AGM Financial Services and applicable District Staff as encountered or deemed beneficial to the District.

Use of Bond Proceeds and Bond-Financed or Refinanced Assets

The District has established internal control procedures to ensure that the proceeds of a proposed debt issuance will be directed to the intended use. In particular, the CFO/AGM Financial Services and applicable District Staff shall be responsible for:

- Monitoring the use of Bond proceeds and the use of Bond-financed or refinanced assets (e.g., facilities, furnishings or equipment) throughout the term of the Bonds to ensure compliance with covenants and restrictions set forth in any tax agreement relating to the Bonds, including verifying compliance with all undertakings, covenants, and agreements of each bond issuance as described below under "Compliance with Bond Covenants."

- Maintaining records identifying the assets or portion of assets that are financed or refinanced with proceeds of each issue of Bonds, including a final allocation of Bond proceeds as described below under "Record Keeping".

- Consulting with bond counsel and other legal counsel and advisors in the review of any contracts or arrangements involving use of Bond-financed or refinanced assets to ensure compliance with all covenants.

- Maintaining records for any contracts or arrangements involving the use of Bond-financed or refinanced assets as described below under "Record Keeping".

- Conferring at least annually with each of the District's Administrations, that any existing or planned use of Bond-financed or refinanced assets, are consistent with all covenants and

restrictions set forth in the Tax Agreement relating to the Bonds; and to the extent that the Borrower discovers that any applicable tax restrictions regarding use of Bond proceeds and Bond-financed or refinanced assets will or may be violated, consulting promptly with bond counsel and other legal counsel and advisors to determine a course of action to remediate all nonqualified bonds, if such counsel advises that a remedial action is necessary.

The District's internal control procedures are tested as part of its annual financial audits.

Permitted Investments

All investments of bond proceeds shall adhere to the Districts Investment Policy approved by the Board.

Record Keeping

The CFO/AGM Financial Services, through the Accounting Department or other applicable TID department, shall be responsible for maintaining the following documents for the term of each issue of Bonds (including refunding Bonds, if any) plus at least three years:

- A copy of the Bond closing transcript(s) and other relevant documentation delivered to the District at or in connection with closing of the issue of Bonds, including any elections made by the District in connection therewith;

- A copy of all material documents relating to capital expenditures financed or refinanced by Bond proceeds, including (without limitation) construction contracts, purchase orders, invoices, trustee requisitions and payment records, draw requests for Bond proceeds and evidence as to the amount and date for each draw down of Bond proceeds, as well as documents relating to costs paid or reimbursed with Bond proceeds and records identifying the assets or portion of assets that are financed or refinanced with Bond proceeds, including a final allocation of Bond proceeds;

- A copy of all contracts and arrangements involving the use of Bond-financed or refinanced assets; and a copy of all records of investments, investment agreements, arbitrage reports and underlying documents, including trustee statements, in connection with any investment agreements, and copies of all bidding documents, if any.

Federal Arbitrage and Rebate Compliance

The District will fully comply with federal arbitrage and rebate regulations. Concurrent with this policy, the CFO/AGM Financial Services will take all permitted steps to minimize any rebate liability through proactive management in the structuring and oversight of its individual debt issues. All of the District's tax-exempt issues are subject to arbitrage compliance regulations.

The Financial Services Administration shall be responsible for the following:

- Monitoring the expenditure of bond proceeds to ensure they are used only for the purpose and authority for which the bonds were issued and exercising best efforts to spend bond proceeds in such a manner that the District shall meet one of the spend-down exemptions from arbitrage rebate. Tax-exempt bonds will not be issued unless it can be demonstrated that 85% of the proceeds will be expended within the three-year temporary period.

- Monitoring the investment of bond proceeds with awareness of rules pertaining to yield restrictions. Maintaining detailed investment records, including purchase prices, sale prices and comparable market prices for all securities.

- Contracting the services of outside arbitrage consultants to establish and maintain a system of record keeping and reporting to meet the arbitrage rebate compliance requirements of the federal tax code.

To the extent any arbitrage rebate liability exists, the District will report such liability in its annual Audited Financial Statements.

Continuing Disclosure

The District will meet secondary disclosure requirements in a timely and comprehensive manner, as stipulated by the Securities Exchange Commission (SEC) Rule 15c2-12 and consistent with the requirements of each bond issue. The CFO/AGM Financial Services shall be responsible for providing ongoing disclosure information to the Municipal Securities Rulemaking Board's (MSRB's) Electronic Municipal Market Access (EMMA) system, the central repository designated by the SEC for ongoing disclosures by municipal issuers. The District will provide financial information and operating data no later than 270 days following the end of the District's fiscal year each year and will provide notice of certain enumerated events with respect to the indebtedness, if material, as defined in the District's bond covenants.

The District will keep current with any changes in both the administrative aspects of its filing requirements and the national repositories responsible for ensuring issuer compliance with the continuing disclosure regulations. In the event a 'material event' occurs requiring immediate disclosure, the District will ensure information flows to the appropriate disclosure notification parties.

The District may elect to undertake an investor relations program. Any effort, if undertaken, would be an effort to provide transparency to investors to ensure continued investor interest in the District's bonds. Any investor relations program undertaken by the District should ensure compliance with SEC Rule 15c2-12.

Compliance with Bond Covenants

In addition to financial disclosure and arbitrage compliance, once the bonds are issued, the District is responsible for verifying compliance with all undertakings, covenants, and agreements of each bond issuance on an ongoing basis. This typically includes ensuring:

- Annual appropriation of revenues to meet debt service payments

- Timely transfer of debt service payments to the trustee or paying agent

- Compliance with insurance requirements

- Compliance with rate covenants where applicable
- Compliance with all other bond covenants

On an annual basis, upon adoption of the annual budget, so long as the District utilizes a Commercial Paper (CP) Program, Financial Services Administration will work with Bond Counsel to ensure appropriate tax forms are filed on a timely basis to report the District's estimated use for the CP Program.

Policy Review

On an as needed basis, the CFO/AGM Financial Services will be responsible for updating and revising this Policy which shall be adopted by the Board.

MOTION ADOPTING THE PROPOSED
FEDERAL SECURITIES LAW DISCLOSURE POLICY

Moved by Commissioner , seconded by Commissioner , that the Commission hereby acknowledges that best practices under the federal securities laws applicable to public agencies suggest including the adoption by the Authority of federal disclosure law policies and procedures prior to the issuance by the Authority of any debt in the public credit markets and thereby adopts the proposed Federal Securities Law Disclosure Policy.. Furthermore, the Treasurer and Auditor recommends to the Commission the adoption of Federal Securities Law Disclosure Policy for the Authority dated December 17, 2024, which was provided to the Commission.

The President declared the motion _____.

I, Jennifer Land, Executive Secretary to the Commission of the CENTRAL VALLEY ENERGY AUTHORITY, do hereby CERTIFY that the foregoing is a full, true and correct copy of a motion duly adopted at a regular meeting of said Board of Directors held the 17th day of December, 2024.

_____
Executive Secretary to the Commission
of the Central Valley Energy Authority

Adopted: 12/17/2024

CENTRAL VALLEY ENERGY AUTHORITY

POLICY FOR DISCLOSURE PROCEDURES

PURPOSE

The purpose of these Disclosure Procedures (the "Procedures") is to memorialize and communicate key principles and procedures in connection with obligations, including notes, bonds and certificates of participation, issued by or on behalf of the Central Valley Energy Authority (the "Authority"). The Procedures are intended to ensure that Authority officials and staff remain in full compliance with the obligations under the federal securities laws and contractual disclosure obligations included in such notes, bonds, certificates of participation and other obligations.

BACKGROUND

From time to time, the Authority may issue, or cause to be issued, notes, bonds, certificates of participation and other obligations (collectively, "Obligations") on behalf of its members (each a "Member") in order to fund or refund capital investments, other long-term programs and working capital needs of such Members. Obligations may be issued on behalf of certain of its Members. The Authority also has the legal authority to issue or enter into Obligations for its own benefit. In offering Obligations to the public, and at other times when the Authority makes certain reports, the Authority must comply with the "anti-fraud rules" of federal securities laws. ("Anti-Fraud Rules" refers to Section 17 of the Securities Act of 1933 and Section 10(b) of the Securities and Exchange Act of 1934, and regulations adopted by the Securities and Exchange Commission under those Acts, particularly "Rule 10b-5" under the 1934 Act.)

At their core these rules require that information provided to investors and potential investors must not contain any material misstatements, and the Authority must not omit material information which would be necessary to provide to investors a complete and transparent description of the Obligations and the Authority's financial condition. In the context of the sale of securities, a fact is generally considered to be "material" if there is a substantial likelihood that a reasonable investor would consider it to be important in determining whether or not to purchase the securities being offered or alter the total mix of available information.

When Obligations are issued, the two central disclosure documents which are prepared are a preliminary official statement ("POS") and a final official statement ("OS", and collectively with the POS, "Official Statement"). The Official Statement generally consists

of (i) the forepart (which describes the specific transaction including maturity dates, interest rates, redemption provisions, the specific type of financing, and other matters particular to the financing), (ii) a section which provides information on the Authority and the project being financed ("Authority Section"), (iii), to the extent applicable, one or more appendices which provide information about the Authority Member(s) that are participating in, or receiving benefits from, the project to be financed with the proceeds of the Obligations, including information regarding such Authority Members included in the Official Statement for general information purposes (those members being referred to as "Authority Members" in this Disclosure Procedure), including information about such Authority Members' financial condition, certain operating information relating to such Authority Members and the Authority Members' audited financial report (each a "Member Section"), and (iv) various other appendices, including the form of the proposed legal opinion of Bond Counsel and form of continuing disclosure undertaking. Investors use the Official Statement as one of their primary resources for making informed investment decisions regarding the Obligations.

A SUMMARY OF THE DISCLOSURE PROCESS

When the Authority determines to issue Obligations, the Authority Treasurer requests the involved Authority Member(s) on whose behalf the Authority is incurring the Obligations and Authority staff to commence preparation of the portions of the Official Statement for which they are responsible. While the general format and content of the Official Statement may not normally change substantially from offering to offering, except as necessary to reflect major events, the Treasurer, other relevant staff of the Authority and relevant Authority Member(s) staff are responsible for reviewing and preparing or updating certain portions of the Authority Section which are within their particular areas of knowledge. The Executive Director and other relevant Authority staff are also responsible for coordinating with the appropriate Authority Members' staff as the various Member Sections are reviewed, prepared or updated. Once the Official Statement has been substantially updated, the entire Official Statement is shared with the Executive Director for review and input.

Members of the financing team, including the Bond Counsel, Disclosure Counsel and the municipal advisor, if one is engaged with respect to the Obligations (the "Municipal Advisor"), assist staff in determining the materiality of any particular item, and in the development of specific language in the Authority Section and the Member Section(s). Members of the financing team also assist the Authority in the development of a "big picture" overview of the Authority's and each Authority Members' financial condition, included in the Authority Section or the Member Section(s). Bond and Disclosure Counsel have a confidential, attorney-client relationship with officials and staff of the Authority as well as with Authority Member staff serving in official capacities with the Authority (for example, those who serve as Authority commission members, Authority committee members or alternates).

The Treasurer or a designated member of the financing team schedules one or more meetings or conference calls of the financing team (which includes Authority staff, Member staff, Authority Special Counsel, Bond Counsel, Disclosure Counsel, the Municipal Advisor, the underwriter of the Obligations, and the underwriter's counsel), and

new drafts of the sections of the Official Statement that precede the Authority Section, the Authority Section and the Member Section(s) are circulated and discussed. Revised versions of the Official Statement, the Authority Section and Member Section(s) will be recirculated and revised until the Authority and Authority Member(s) have confirmed that their respective sections are substantially final and complete. Such communications may occur via electronic means rather than by meetings or conference calls. During this part of the process, there is substantial contact among Authority staff, Authority Member(s) staff and other members of the financing team to discuss issues which may arise, determine the materiality of particular items and ascertain the prominence in which the items should be disclosed.

Prior to distributing a POS to potential investors, there is typically a formal conference call which includes Authority staff and Authority Member(s) staff involved in the preparation of the POS, members of the financing team and the underwriters and the underwriter's counsel, during which the POS is reviewed in its entirety, to obtain final comments and to allow the underwriters to ask questions of the Authority staff and Authority Member(s) staff. This is referred to as a "due diligence" meeting.

A substantially final form of each Member Section is provided to the respective Authority Member's governing body in advance of approval to afford such Authority Member's governing body an opportunity to review the Member Section, ask questions and make comments. The substantially final form of such Member Section is typically approved by the Authority Member's governing body which generally authorizes certain senior Authority Member staff to make additional corrections, changes and updates to the Member Section in consultation with counsel to the Authority Member and Bond Counsel and Disclosure Counsel.

A substantially updated form of the POS is provided to the Executive Director of the Authority for review and input prior to submitting the form of the POS for consideration by the Commission of the Authority.

A substantially final form of the POS is provided to the Commission of the Authority in advance of approval to afford the Commission of the Authority an opportunity to review the POS, ask questions and make comments. The substantially final form of the POS is approved by the Commission of the Authority which generally authorizes certain senior Authority staff to make additional corrections, changes and updates to the POS in consultation with counsel to the Authority and Bond Counsel and Disclosure Counsel.

At the time the POS is posted for review by potential investors, senior Authority officials execute certificates deeming certain portions of the POS (except for the Member Sections and certain pricing terms) complete as required by SEC Rule 15c2-12. At the same time, senior officials from the relevant Authority Members execute certificates deeming such Authority Member's Member Section (except for certain pricing terms) complete as required by SEC Rule 15c2-12 ("Member "15c2-12 Certificates").

Between the posting of the POS for review by potential investors and delivery of the final OS to the underwriter for redelivery to actual investors in the Obligations, any changes and developments will have been incorporated into the POS, including particularly the

Authority Section and the Members Sections, if required. If necessary to reflect developments following publication of the POS or OS, as applicable, supplements will be prepared and published.

In connection with the closing of the transaction, one or more senior Authority staff and Authority Member(s) staff execute certificates stating that certain portions of the OS, as of the date of each OS and as of the date of closing, does not contain any untrue statement of material fact or omit to state any material fact necessary to make the statements contained in the OS in light of the circumstances under which they were made, not misleading. Typically, Disclosure Counsel, also provides a negative assurance letter (generally addressed to the underwriters) with respect to the Authority Section and Member Section(s) of the OS (or specified portions thereof). Disclosure Counsel does not give negative assurances to the underwriters or to other third parties as to any financial, statistical, economic or demographic data or forecasts, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion, and certain other customary matters.

In connection with the closing of the transaction, to the extent applicable, one or more senior official of each relevant Authority Member execute certificates ("Member 10(b)-5 Certificates") stating that the relevant Member Section, as of the date of the OS and as of the date of closing, does not contain any untrue statement of material fact or omit to state any material fact necessary to make the statements contained in the Member Section of the OS in light of the circumstances under which they were made, not misleading. General Counsel to each relevant Authority Member may also provide a negative assurance letter (generally addressed to the underwriters) advising that information contained in the relevant Member Section of the OS (or specified portions thereof) as of its date did not, and as of the date of the closing, does not contain any untrue statement of a material fact or omitted or omits to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading ("Member 10(b)-5 Opinions"). Such Authority Member counsel does not provide assurances to the underwriters or to other third parties as to any financial, statistical, economic or demographic data or forecasts, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion, and certain other matters which are customarily excluded.

AUTHORITY SECTION

The information contained in the Authority Section is developed by personnel under the direction of the Treasurer, with the assistance of the financing team. In certain circumstances, additional officials will be involved, as necessary. The following principles govern the work of the respective staff that contributes information to the Authority Section:

- Authority staff involved in the disclosure process is responsible for being familiar with its responsibilities under federal securities laws as described above.

- Authority staff involved in the disclosure process should err on the side of raising issues when preparing or reviewing information for disclosure. Officials and staff are encouraged to consult Bond Counsel, Disclosure Counsel, Special Counsel to the

Authority or members of the financing team if there are questions regarding whether an issue is material.

- Care should be taken not to shortcut or eliminate any steps outlined in the Procedures on an ad hoc basis. However, the Procedures are not necessarily intended to be a rigid list of procedural requirements, but instead to provide guidelines for disclosure review. If warranted, based on experience during financings or because of additional SEC pronouncements or other reasons, the Authority should consider revisions to the Procedures.

- The process of updating the Authority Section from transaction to transaction should not be viewed as being limited to updating tables and numerical information. While it is not anticipated that there will be major changes in the form and content of the Authority Section at the time of each update, everyone involved in the process should consider the need for revisions in the form, content and tone of the sections for which they are responsible at the time of each update.

- The Authority must make sure that the staff involved in the disclosure process is of sufficient seniority such that it is reasonable to believe that, collectively, they are in possession of material information relating to the Authority, its operations and its finances.

AUTHORITY MEMBER SECTIONS

While the Authority is not primarily responsible for information in each Authority Member's Member Section, Authority staff and members of the finance team will be available to assist Authority Members in preparation of the Member Sections if requested. Authority staff will confirm that the 15c2-12 Certificate, Member 10b-5 Certificates and Member 10b-5 Opinions have been received from Authority Members participating in the Obligation in a timely manner. The Authority has suggested that each Authority Member adopt disclosure policies to assist with the Authority Member's compliance with federal securities law which detail how the Member Sections will be prepared. Bond Counsel and/or Disclosure Counsel may, with the consent of the Authority, serve as bond counsel and/or disclosure counsel to the Authority Member on the same transaction.

DISTRIBUTION AND TRAINING

The Procedures shall be provided to all members of senior staff and any other member of the Authority staff that is involved in the Authority's disclosure obligations and shall also be provided to the Commission of the Authority.

Periodic training for the staff involved in the preparation of the Official Statement (including the Authority Section) is coordinated by the finance team and the Treasurer. These training sessions are provided to assist staff members involved in identifying relevant disclosure information to be included in the Authority Section. The training sessions also provide an overview of federal laws relating to disclosure, situations in which disclosure rules apply, the purpose of the Official Statement and the Authority Section, a description of previous SEC enforcement actions and a discussion of recent developments in the area of municipal disclosure. Attendees at the training sessions are

provided the opportunity to ask questions of finance team members, including Disclosure Counsel concerning disclosure obligations and are encouraged to contact members of the finance team at any time if they have questions.

ANNUAL CONTINUING DISCLOSURE REQUIREMENTS

In connection with the issuance or execution and delivery of Obligations, the Authority expects to require that the Authority Member(s) on whose behalf the Obligations are being issued to enter into contractual agreements ("Continuing Disclosure Certificates") to provide annual reports related to its financial condition (including its audited financial statements) as well as notice of certain events relating to the Obligations specified in the Continuing Disclosure Certificates. Under certain circumstances, the Authority may enter into Continuing Disclosure Certificates itself. The Authority must comply with the specific requirements of each Continuing Disclosure Certificate. Continuing Disclosure Certificates generally require that the annual reports be filed within 270 days after the end of the Authority's fiscal year, and event notices are generally required to be filed within 10 days of their occurrence.

Specific events which require "listed event" notices are set forth in each particular Continuing Disclosure Certificate.

In addition to the "listed event" notices described above, under certain circumstances, a Continuing Disclosure Certificate may require the filing of notice within a specified number of days following the occurrence of certain other events set forth in the applicable Continuing Disclosure Certificate. Depending upon the terms of the Continuing Disclosure Certificate, the obligation to make such filings may be the responsibility of the Authority or the Authority Member.

The Treasurer shall be responsible, in consultation with Disclosure Counsel for preparing and filing the annual reports, listed event notices and any other notices required pursuant to the Continuing Disclosure Certificates and for other secondary market disclosures as described under the caption "Secondary Market Disclosure." Particular care shall be paid to the timely filing of any changes in credit ratings on Obligations (including changes resulting from changes in the credit ratings of insurers of particular Obligations).

The Executive Director will provide written notice to the Authority's Commission of any receipt by the Authority of any default, event of acceleration, termination event, modification of terms (only if material or may reflect financial difficulties), or other similar events (collectively, a "Potentially Reportable Event") under any agreement or obligation to which the Authority is a party and which may be a "financial obligation" as discussed below. Such written notice should be provided by Executive Director to the Authority's Commission as soon as the Executive Director is placed on written notice by Authority staff, consultants, or external parties of such event or receives written notice of such event. The Executive Director, with the assistance of Disclosure Counsel, will determine and notify the Commission whether notice of such Potentially Reportable Event is required to be filed on the Electronic Municipal Market Access ("EMMA") website pursuant to the disclosure requirements of SEC Rule 15c2-12 (the "Rule"). If filing on EMMA is required, the filing is due within 10 business days of such Potentially

Reportable Event to comply with the continuing disclosure undertaking for the various debt obligations of the Authority.

The Executive Director will report to the Authority's Commission regarding the execution by the Authority of any agreement or other obligation which might constitute a "financial obligation" for purposes of Rule 15c2-12. Amendments to existing Authority agreements or obligations with "financial obligation" which relate to covenants, events of default, remedies, priority rights, or other similar terms should be reported to the Authority's Commission as well as soon as the Executive Director is placed on written notice by Authority staff, consultants, or external parties of such event or receives a written notice of such amendment requests. The Executive Director will determine, with the assistance of Disclosure Counsel, whether such agreement or other obligation constitutes a material "financial obligation" for purposes of Rule 15c2-12. If such agreement or other obligation is determined to be a material "financial obligation" or a material amendment to a "financial obligation" described above, notice thereof would be required to be filed on EMMA within 10 business days of execution or incurrence. The types of agreements or other obligations which could constitute "financial obligations" and which could need to be reported on EMMA include:

1. Bank loans or other obligations which are privately placed;
2. State or federal loans;
3. Commercial paper or other short-term indebtedness for which no offering document has been filed on EMMA;
4. Letters of credit, surety policies or other credit enhancement with respect to the Authority's publicly offered debt;
5. Letters of credit, including letters of credit which are provided to third parties to secure the Authority's obligation to pay or perform (an example of this is a standby letter of credit delivered to secure the Authority's obligations for performance under a mitigation agreement);
6. Capital leases for property, facilities, fleet or equipment; and
7. Agreements which guarantee the payment or performance obligations of a third party (regardless of whether the agreements constitute guarantees under California law).

Types of agreements which could be a "financial obligation" under the Rule include:

1. Payment agreements which obligate the Authority to pay a share of another public agency's debt service (for example, an agreement with a joint powers agency whereby the Authority agrees to pay a share of the joint powers agency's bonds, notes or other obligations); and
2. Service contracts with a public agency or a private party pursuant to which the Authority is obligated to pay a share of such public agency or private party's debt service obligation (for example, certain types of P3 arrangements).

Types of agreements which may be a "financial obligation" subject to the Rule include:

1. Any agreement the payments under which are not characterized as an operation and maintenance expenses for accounting purposes if such agreement could be characterized as the borrowing of money;

The Executive Director will continue to work with Disclosure Counsel to refine the definition of financial obligation going forward based on future SEC guidance.

Secondary Market Disclosure

On February 7, 2020, the SEC released a staff legal bulletin (the "Bulletin") concerning secondary market disclosure in the municipal bond market. The Bulletin included SEC staff views on a variety of matters, including but not limited to, the applicability of the federal securities law to public agency websites, reports delivered to governmental and institutional bodies and statements made by public officials including elected board members. Documents, reports and other written statements of the Authority which contains current financial and operational conditions of the Authority will be included in a section of the Authority's website appropriately identified. The Authority and its Disclosure Counsel have reviewed the Bulletin and have incorporated certain SEC staff recommendations into these Procedures and into disclosure training for Authority staff and Authority Commissioners. The Bulletin requires Authority staff review. The Authority and its Disclosure Counsel will be cognizant of those reviews and will consider whether those reviews require the Authority to make secondary market disclosures.

CERTIFICATION AND RECEIPT OF UNDERSTANDING

I certify that I have received a copy of the Central Valley Energy Authority Policy for Disclosure Procedures. I have reviewed and understand its contents and agree to abide by the principals and requirements in the Disclosure Procedures.

Name: _____

Date: _____

MOTION ADOPTING A CONFLICT OF INTEREST CODE

Moved by Commissioner , seconded by Commissioner , that the Commission hereby acknowledges that California state law requires that the Authority adopt a Conflict of Interest Code and thereby directs the Commission to adopt a Conflict of Interest Code. The Executive Director recommends that the Commission adopt a Conflict of Interest Code for the Authority, which has been provided to the Commission.

The President declared the motion _____.

I, Jennifer Land, Executive Secretary to the Commission of the CENTRAL VALLEY ENERGY AUTHORITY, do hereby CERTIFY that the foregoing is a full, true and correct copy of a motion duly adopted at a regular meeting of said Board of Directors held the 17th day of December, 2024.

_____
Executive Secretary to the Commission
of the Central Valley Energy Authority

CONFLICT OF INTEREST CODE FOR THE CENTRAL VALLEY ENERGY AUTHORITY

The Political Reform Act (Government Code Section 8100, et seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (2 Cal. Code of Regs. Sec. 18730) which contains the terms of a standard conflict of interest code, which can be incorporated by reference in an agency's code. After public notice and hearing, it may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This regulation and the attached exhibits designating officials and employees and establishing disclosure categories, shall constitute the conflict of interest code of the Central Valley Energy Authority.

Designated employees shall file their statements with the Central Valley Energy Authority which will make the statements available for public inspection and reproduction. (Gov. Code Section 81008). Statements for all designated employees will be retained by the Central Valley Energy Authority.

EXHIBIT "A"
DESIGNATED POSITION AND ASSIGNED
CATEGORIES OF DISCLOSURE

The following positions are NOT covered by the code because they must file under section 87200 and, therefore, are listed for informational purposes only:

Commissioner
Executive Director
Treasurer

An individual holding one of the above listed positions may contact the Fair Political Practices Commission for assistance or written advice regarding his or her filing obligations if the individual believes that his or her position has been categorized incorrectly. The Fair Political Practices Commission makes the final determination whether a position is covered by section 87200.

Designated Position	Assigned Disclosure Category
Auditor	1
General Counsel	2
Consultants	*

*Consultants shall be included in the list of designated employees and shall disclose pursuant to the broadest disclosure category in the code subject to the following limitation:

The President of the governing commission may determine in writing that a particular consultant, although a "designated position," is hired to perform a range of duties that are limited in scope and thus is not required to fully comply with the disclosure requirements described in this section. Such written determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of disclosure requirements. The President's determination is a public record and shall be retained for public inspection in the same manner and location as the conflict of interest code.

EXHIBIT "B"
DISCLOSURE CATEGORIES

Category 1:

Positions designated in this category must disclose investments and business positions in, and income, including gifts, loans and travel payments from entities engaged in preparing or engaging in financial audit agreements.

Category 2:

Persons designated in this category must disclose all interests in real property, and investments and business positions in, and income, including gifts, loans and travel payments from, entities engaged in the following:

Public Utilities and independent powers producers.
Petroleum products.
Natural gas, propane.
Preparation of actions leading to taking in eminent domain.
Engineering service.
Construction and building material, or construction services.
Electrical or electrical generating equipment and supplies.
Banks and savings and loans.
Financial audit agreements.
Financial hedges and derivatives applied to electric to gas transactions or positions.

MOTION AUTHORIZING OFFICERS TO TAKE NECESSARY ACTIONS TO FACILITATE THE CONSIDERATION BY THE COMMISSION OF A POTENTIAL COMMODITIES PREPAYMENT TRANSACTION AT A FUTURE REGULAR MEETING

Moved by Commissioner , seconded by Commissioner , that the Commission hereby acknowledges that the Executive Director and Treasurer/Auditor recommends that the Commission authorize staff, Stradling Yocca Carlson & Rauth LLP as Special Counsel, and PFM Financial Advisors LLC as Municipal Advisor, to undertake such actions as deemed necessary or appropriate by such officers to allow the Commission to consider the approval of a potential commodities prepayment transaction at a future regular meeting, including but not limited to, hereby authorizing the Treasurer and Auditor of the Authority, in consultation with PFM Swap Advisors LLC, to enter into the International Swaps and Derivatives Association ("ISDA") August 2012 and March 2013 Dodd Frank Protocols and ISDA U.S. Stay Protocol and to execute and deliver such Protocol adherence letters, agreements and related questionnaires in connection therewith.

The President declared the motion _____.

I, Jennifer Land, Executive Secretary to the Commission of the CENTRAL VALLEY ENERGY AUTHORITY, do hereby CERTIFY that the foregoing is a full, true and correct copy of a motion duly adopted at a regular meeting of said Board of Directors held the 17th day of December, 2024.

_____
Executive Secretary to the Commission
of the Central Valley Energy Authority

MOTION CONSIDERING A REQUEST AND DIRECTING THE TREASURER AND AUDITOR TO UNDERTAKE A TWO-YEAR AUDIT FOR THE PERIOD ENDING DECEMBER 31, 2025

Moved by Commissioner , seconded by Commissioner , that the Commission hereby acknowledges that as authorized pursuant to Section 6505(f) of the Government Code of the State of California, the Treasurer and Auditor recommends that the Commission request and direct the Treasurer and Auditor to cause the first independent audit of the Authority to be prepared for and cover the two-year period of 2024 and 2025, with annual audits to be prepared for each fiscal year thereafter. This will avoid the Authority preparing an independent audit for the 35-day period from November 27, 2024 through December 31, 2024.

The President declared the motion _____.

I, Jennifer Land, Executive Secretary to the Commission of the CENTRAL VALLEY ENERGY AUTHORITY, do hereby CERTIFY that the foregoing is a full, true and correct copy of a motion duly adopted at a regular meeting of said Board of Directors held the 17th day of December, 2024.

_____
Executive Secretary to the Commission
of the Central Valley Energy Authority

MOTION CONSIDERING THE ENGAGEMENT OF STRADLING YOCCA CARLSON & RAUTH LLP AS SPECIAL COUNSEL WITH RESPECT TO ANY PROPOSED FINANCING TRANSACTIONS

Moved by Commissioner , seconded by Commissioner , that the Commission hereby acknowledges that the Executive Director recommends the approval of the engagement of Stradling Yocca Carlson & Rauth LLP as Special Counsel for the Authority with respect to financing transactions and thereby approves the engagement of Stradling Yocca Carlson & Rauth LLP as Special Counsel, as set forth in the engagement letter dated December 17, 2024, which has been provided to the Commission.

The President declared the motion _____.

I, Jennifer Land, Executive Secretary to the Commission of the CENTRAL VALLEY ENERGY AUTHORITY, do hereby CERTIFY that the foregoing is a full, true and correct copy of a motion duly adopted at a regular meeting of said Board of Directors held the 17th day of December, 2024.

_____
Executive Secretary to the Commission
of the Central Valley Energy Authority

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916-449-2350
stradlinglaw.com

Douglas Brown
(949) 500-0855
dbrown@stradlinglaw.com

December 17, 2024

Brian W. Stubbert
Treasurer
Central Valley Energy Authority
c/o Turlock Irrigation District
333 E Canal Drive
Turlock, CA 95380

Dear Mr. Stubbert:

We appreciate the opportunity to provide special counsel services, on an as requested basis, to the Central Valley Energy Authority ("CVEA"), including in connection with the proposed Central Valley Energy Authority Commodity Supply Revenue Bonds, Series 2025 ("2025 CVEA Bonds") transaction and certain other matters. Attached are our normal Terms of Retention, which is an integral part of our retention agreement.

If this letter, including the attached Terms of Retention, accurately reflects your understanding of our relationship, please acknowledge your approval and acceptance of these terms by signing and returning this letter to me. Copies of each are enclosed for your files. I would be pleased to answer any questions you might have.

Very truly yours,

STRADLING YOCCA CARLSON & RAUTH

Douglas S. Brown

Enclosure

The undersigned hereby agrees that the terms and conditions in this letter and the accompanying Terms of Retention shall apply to services rendered by Stradling Yocca Carlson & Rauth LLP.

CENTRAL VALLEY ENERGY AUTHORITY

By:_____
Treasurer

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Sacramento, CA 95814
916 449 2350
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Douglas Brown
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TERMS OF RETENTION
OF
STRADLING YOCCA CARLSON & RAUTH

1. **Fees and Costs**. Stradling Yocca Carlson & Rauth LLP (the "Firm") is compensated for its services based primarily on the value of the services and the time spent performing them. Such compensation may include the time spent on client conferences, travel, research, drafting documents, and other activities. The amount of fees charged on a statement is determined by the hours expended by the different attorneys and other professional personnel involved and the applicable rates.

The Firm proposes to charge hourly rates for special counsel services to the CVEA. The scope of services are expected to include the preparation of certain documentation relating to the creation of CVEA, the delivery of certain opinions in connection with the 2025 CVEA Bonds transaction and other services as requested by CVEA. The hourly rates provided in Exhibit A are the discounted rates the Firm charges for public agencies on financing matters. Such rates may change from time-to-time but no increases in excess of 2% per annum shall be implemented without the written consent of the treasurer of CVEA.

The Firm also charges for various costs such as copying, telephone charges, computerized legal research, word processing and/or other computer time, overtime costs, messenger services, travel, filing fees and other costs. Bills for some costs are passed on directly, such as bills for certified shorthand reporters, technical consultants, and other professional fees.

The services to be provided by the Firm in the role of special counsel to CVEA are in addition to any services provided by the Firm in the capacity of bond and disclosure counsel to CVEA in connection with the issuance of bonds or other obligations by CVEA, including the issuance of the 2025 CVEA Bonds. The terms of such engagement as bond and disclosure counsel will be provided in a separate engagement letter.

To the extent required by a change in the scope of services to be provided by the Firm in the capacity of special counsel to CVEA or in the manner fees are to be charged, such change will be set forth in a supplement to this letter.

2. **Termination by the Firm**. The Firm reserves the right to withdraw from representing you if, among other things, you fail to honor the terms of our agreement, you fail to cooperate fully or follow our advice on a material matter, or any fact or circumstance occurs that would, in our view, render our continuing representation unlawful or unethical. If we elect to withdraw, you will take all steps necessary to free us of any obligation to perform further services,

including the execution of any documents necessary to complete our withdrawal, and we will be entitled to be paid at the time of withdrawal for all services rendered and costs and expenses paid or incurred on your behalf. Notwithstanding the foregoing, no portion of any contingent bond counsel and disclosure counsel fee shall be payable in the event we terminate our representation of you as discussed above prior to closing of the proposed transaction. If necessary in connection with litigation, we would request leave of court to withdraw.

3. **Termination by CVEA**. We understand that we serve at the pleasure of CVEA and this Terms of Retention may be terminated by CVEA at any time, upon 10 days written notification with or without cause.

4. **Date of Termination**. Our representation of you will be considered terminated at the earlier of (i) your termination of our representation, (ii) our withdrawal from our representation of you, or (iii) the substantial completion of our substantive work for you.

5. **Related Activities**. If any claim or action is brought against us or any personnel or agents of the firm based on your negligence or misconduct, or if we are asked to testify as a result of our representation of you or must defend the confidentiality of your communications in any proceeding, you agree to pay us for any resulting fees, costs, or damages, including our time, even if our representation of you has ended.

6. **No Guarantee of Outcome**. The Firm will provide its services consistent with the level and quality of expertise expected of a nationally recognized firm specializing in securities law and the transactions contemplated by this agreement. We do not and cannot guarantee any outcome in a matter.

7. **Insurance**. We hereby advise you that this Firm maintains professional errors and omissions insurance coverage applicable to the services to be rendered to you. Evidence of such insurance will be provided upon request.

8. **Client**. This Firm's client for the purpose of our representation is only CVEA. Unless expressly agreed, the Firm is not undertaking the representation of any related or affiliated person or entity (including the Turlock Irrigation District and the Walnut Energy Authority, as members of CVEA), nor any parent, brother-sister, subsidiary, or affiliated corporation or entity, nor any of your or their officers, directors, agents, or employees.

9. **Client File and Retention**. For each matter the Firm maintains a file in which the Firm places certain documents and items, including original documents, that are reasonably necessary to the Firm's representation in the matter. The Firm currently keeps each file for seven years after a matter concludes. The file belongs to the client and, subject to any protective order or non-disclosure agreement, the client may request to take possession of it once the matter concludes. Should all or any portion of the file become the subject of a subpoena, discovery request or other disclosure obligation ("Legal Process") while in the Firm's possession, including after the matter concludes, you agree to pay the Firm's then-prevailing hourly rates and costs that the Firm incurs in connection with the Legal Process.

10. **Payment Notwithstanding Dispute**. In the event of any dispute that relates to our entitlement to any payment from you, all undisputed amounts shall be paid by you. Any amounts in any client trust account held on your behalf, sufficient to pay the disputed amounts, shall continue to be held in such trust account until the final disposition of the dispute.

11. **Arbitration.** We appreciate the opportunity to serve as your attorneys and anticipate a productive and harmonious relationship. If you should feel for any reason that there is a problem with the services we have performed or with our charges, we encourage you to bring that to our attention immediately. If we perceive a problem with your representation, we likewise will endeavor to discuss it with you. Most problems should be rectified by communication and discussion. However, a dispute might arise between us which could not be resolved by negotiation. We believe that such attorney-client disputes are most satisfactorily resolved through final and binding arbitration rather than by litigation. Both the United States Supreme Court and the California Supreme Court have endorsed arbitration as an accepted and favored method of resolving disputes, because it is economical and expeditious.

In arbitration, there is no right to a trial by jury and the arbitrator's legal and factual determinations are generally not subject to appellate review. Arbitration rules of evidence and procedure are often less formal and less rigid than the rules which apply in Court. Arbitration usually results in a decision much more quickly than proceedings in Court, and the attorneys' fees and other costs incurred by both sides may be substantially less. You are free to discuss the advisability of arbitration with us, or with your own independent counsel or any of your other advisors, and to ask any questions which you may have.

By signing this Terms of Retention, we agree that, in the event of any dispute or claim arising out of or relating to our engagement, our relationship, our charges, or our services (including but not limited to disputes or claims regarding our charges, professional malpractice, errors or omissions, breach of contract, breach of fiduciary duty, fraud, or violation of any statute), SUCH DISPUTE OR CLAIM SHALL BE RESOLVED BY SUBMISSION TO FINAL AND BINDING ARBITRATION IN STANISLAUS COUNTY, CALIFORNIA, BEFORE A RETIRED JUDGE OR JUSTICE. BY AGREEING TO ARBITRATE, YOU WAIVE ANY RIGHT YOU HAVE TO A COURT OR JURY TRIAL. Venue with regard to any ancillary proceedings arising out of such dispute or claim shall also be in Stanislaus County. If we are unable to mutually agree on a retired judge or justice, then each side will name one retired judge or justice and the two named persons will select a neutral judge or justice who will act as the sole arbitrator. The fees of the arbitrator will be paid initially equally by both the Firm and you. However, the arbitrator shall have the right to order either party to pay all fees and costs as part of his award.

In arbitration, we shall both be entitled to conduct discovery in accordance with the provisions of the California Code of Civil Procedure, but either of us may request that the arbitrator limit the amount or scope of such discovery and, in determining whether to do so, the arbitrator shall balance the need for the discovery against the parties' mutual desire to resolve disputes expeditiously and inexpensively.

Under California law, you have the right, if you desire, to request arbitration of any fee dispute before an arbitrator or panel of arbitrators selected by a local bar association or the State Bar

("Bar Arbitration") and a trial de novo in court if dissatisfied with the result. If you do request a Bar Arbitration, the law provides that evidence of any claim of malpractice or professional misconduct is admissible only concerning the fees or costs in dispute and that the Bar Arbitrators shall not award any affirmative relief in the form of damages, offset or otherwise on account of such claim. By signing this Terms of Retention, you agree that if a Bar Arbitration is conducted, that Bar Arbitration or any trial de novo in Court thereafter shall determine only the issue of the amount of fees properly chargeable to you, if any, and that such Bar Arbitration or trial de novo in Court thereafter shall have no effect on the provisions set forth above which require arbitration before a retired judge or justice of any claims for affirmative relief based on alleged professional malpractice, errors or omissions, breach of conduct, breach of fiduciary duty, fraud or violation of any statute. Any such claims shall be solely determined in an arbitration proceeding by a retired judge or justice without regard to the result of any Bar Arbitration or trial de novo thereafter.

13. **Other Clients**. As a law firm with many diverse clients and practice areas, the Firm's seek to retain the ability to accept unrelated matters for all of our clients. The Firm may thus request your informed written consent in the event the Firm seeks to represent any other client in any future matter that is not substantially related to the applicable public finance matter of CVEA and does not involve material confidential information the Firm obtained while representing CVEA. Such matters could arise during the Firm's representation of you on public finance matters as contemplated by this letter. You may determine to consent or not consent to such request and should feel free to consult your general counsel or other counsel of your choice before deciding whether to grant any consent should it be requested.

The Firm has informed CVEA that we have been engaged by the Turlock Irrigation District (a member of CVEA) for bond counsel and disclosure counsel services, may represent the Turlock Irrigation District (including any successor thereto, the "District") with respect to CVEA financing transactions for the benefit of the District and is representing the District in connection with the 2025 CVEA Bonds transaction. CVEA hereby consents to our representation of the District on the 2025 CVEA Bonds transaction. Any proposed representation of the District in connection with a CVEA transaction on which we serve as bond counsel and disclosure counsel in the future will be disclosed in writing to CVEA.

In addition, the Firm has informed CVEA that we have been engaged by the Walnut Energy Center Authority (a member of CVEA) for bond counsel and disclosure counsel services on transactions unrelated to CVEA financings.

The Firm represents various investment banks and underwriters from time-to-time on transactions for public agencies other than CVEA. The Firm will not represent any investment bank or underwriter on any such transaction of CVEA.

The Firm represents various public agencies, including water agencies and other agencies in Stanislaus County and throughout California, as bond and/or disclosure counsel and on other financing matters. The Firm is not representing another water or other agency in connection with the proposed transaction.

14. **Electronic Communication and Storage Technology**. The Firm uses cell phones, email, wireless networks, cloud-based platforms, and other technology to communicate with others and to transmit or store documents and information. Such technology helps the Firm provide efficient and convenient legal services, but may pose confidentiality and security risks. By signing this letter agreement, you consent to the Firm's use of all such technology in connection with this engagement.

15. **Processing Client Personal Information**. In connection with our engagement, you may be required to disclose to the Firm, or the Firm may obtain on your behalf, personal information relating to individuals that the Firm does not otherwise collect for the Firm's own commercial or business purposes ("Client Personal Information"). For example, materials that you provide to the Firm for purposes of due diligence may contain Client Personal Information relating to third parties. You hereby acknowledge, agree and require that the Firm only collect, retain, use, disclose, or otherwise process Client Personal Information as your "service provider" or "data processor," as defined in the California Consumer Privacy Act of 2018 or other data privacy laws, as applicable (collectively, "Data Privacy Laws"), or pursuant to any exception that may apply under Data Privacy Laws regarding the attorney-client relationship. The Firm will not sell Client Personal Information. The Firm will not collect, retain, use, disclose or otherwise process Client Personal Information for any purpose other than for the purpose of performing services to you pursuant to this engagement letter, unless applicable law requires us to do otherwise. The Firm will not collect, retain, use, disclose, or otherwise process Client Personal Information outside of the Firm's direct relationship with you, unless applicable law requires the Firm to do otherwise. The Firm certifies that the Firm understands these restrictions and will comply with them. These restrictions are not intended to reduce or replace our obligations under applicable rules of professional conduct, including but not limited to the Firm's obligation of confidentiality.

16. **Publicity**. You consent to the Firm's use of your name and logo (if applicable) on our web site and in our marketing materials.

17. **Client Communication**. You hereby designate Brian W. Stubbert, Treasurer, to act on your behalf for this matter, and you authorize us to communicate with, and receive directions from, that person and any other person that you may designate in the future.

18. **Authority to Sign**. The person signing this letter on behalf of CVEA represents that he or she has the full right and authority to do so, and to fully commit and bind CVEA to this engagement letter.

19. **Firm Not Providing Financial Advice**. The Firm is not a registered municipal advisor and does not provide financial advisory services or otherwise provide financial advice to Firm clients. We understand that your registered municipal advisor, PFM Financial Advisors LLC, will be providing financial advisory services to you on the proposed transaction.

20. **Primary Attorneys.** The primary attorneys with responsibility for this representation will be Douglas S. Brown and Cecilia Dyba. The parties agree that the Firm is being retained based on the unique skill, experience, and expertise of Mr. Brown and Ms. Dyba and no

change will be made in the primary attorneys without the prior, written consent of CVEA. The Firm will not substitute other primary attorneys without the prior, reasonable, approval of CVEA.

21. **Miscellaneous**. This letter sets forth the entire agreement between you and the Firm, and there is no other or additional understanding between you and the Firm on these subjects. This agreement supersedes any prior agreements or representations, written or oral, between you and the Firm on these subjects. Any modification or amendment to this agreement must be in a writing signed by you and the Firm. This agreement shall be governed by California law without reference to its conflict of law principles. If any provision of this agreement is found to be invalid or unenforceable, that provision shall be deemed modified or removed so that it is valid and enforceable to the fullest extent of the law, and the other provisions of this agreement shall be unimpaired.

EXHIBIT A

2024 "B" GROUP DISCOUNTED RATES

DEPARTMENT	"B" PARTNERS	2024 "B" RATE
PUBLIC	DOUGLAS S. BROWN	$660.00
PUBLIC	CAROL LEW	660.00
PUBLIC	CECILIA DYBA	600.00
PUBLIC	JONATHAN GUZ	550.00

DEPARTMENT	"B" ASSOCIATES	2024 "B" RATE
PUBLIC	BRIAN PATTON	$400.00
PUBLIC	ZAK SHOW	360.00

ALL "B" GROUP PARALEGALS ARE AT $195.00/HOUR

MOTION CONSIDERING THE ENGAGEMENT OF PFM FINANCIAL ADVISORS LLC AS MUNICIPAL ADVISOR AND PFM SWAP ADVISORS LLC AS SWAP ADVISOR WITH RESPECT TO ANY PROPOSED FINANCING TRANSACTIONS

Moved by Commissioner , seconded by Commissioner , that the Commission hereby acknowledges that the Executive Director recommends the approval of the engagement of PFM Financial Advisors LLC as Municipal Advisor and PFM Swap Advisors LLC as swap advisor with respect to any proposed financing transactions and thereby approves the engagement of PFM Financial Advisors LLC and PFM Swap Advisors LLC as Swap Advisor, as set forth in the engagement letter dated December 17, 2024, which has been provided to the Commission.

The President declared the motion _____.

I, Jennifer Land, Executive Secretary to the Commission of the CENTRAL VALLEY ENERGY AUTHORITY, do hereby CERTIFY that the foregoing is a full, true and correct copy of a motion duly adopted at a regular meeting of said Board of Directors held the 17th day of December, 2024.

_____
Executive Secretary to the Commission
of the Central Valley Energy Authority

_____, 2024

Brian Stubbert
Chief Financial Officer
Turlock Irrigation District
333 East Canal Drive
Turlock, CA 95381

pfm

111 Congress Ave
Suite 2150
Austin, TX
78701
(512) 614-5323

pfm.com

_____
_____
Central Valley Energy Authority
333 East Canal Drive
Turlock, CA 95381

Re: Notice of Use of that certain Contract for Financial Advisory and Swap Advisory Services

Dear Brian and _____:

This letter is to confirm that certain agreement ("Agreement") between Turlock Irrigation District ("TID") and PFM Financial Advisors LLC ("PFMFA") and PFM Swap Advisors LLC ("PFMSA") will be used by the Central Valley Energy Authority ("CVEA"). Accordingly, all terms and conditions of the Agreement are incorporated herein by reference as if fully written herein and govern the provision of services from PFMFA and/or PFMSA to CVEA with respect to TID's activities related to a transaction currently named the: Central Valley Energy Authority Commodity Supply Revenue Bonds, Series 2025.

Please sign this letter to acknowledge your consent. In all other respects the agreement is ratified, and the terms and conditions remain in full force and effect.

We appreciate your assistance and look forward to our continued service to TID and CVEA.

Thank you in advance for your prompt attention to this matter.

Sincerely,

By:_____
Dennis Waley, Managing Director

By:_____
George Hu, Director

Acknowledgment and Consent:

By:_____
Brian Stubbert
Chief Financial Officer
Turlock Irrigation District

By:_____
_____
_____
Central Valley Energy Authority