



Consent Item 10

TO: East Bay Community Energy Board of Directors

FROM: Howard Chang, Chief Operations Officer

SUBJECT: PFM Financial Advisors Contract

DATE: July 21, 2021

Recommendation

Adopt a Resolution authorizing the CEO to negotiate and execute an amendment to the Agreement, dated February 26, 2021, by and between EBCE and PFM Financial Advisors LLC (PFM), to extend the term through June 30, 2022, to expand the scope of services to include general financial advisory services and real estate/building purchase finance consulting, and to add \$40,000 to the maximum compensation (for a total amount not to exceed (NTE) \$80,000).

Background and Discussion

EBCE occasionally requires external financial advisory and support in its regular operations. PFM has worked with EBCE in the past on financial advisory issues and are currently engaged with them on two contracts. The first is a joint contract, dated November 1, 2020, with Silicon Valley Clean Energy (SVCE) for prepay bond financing services. This joint contract has a NTE of \$250,000, of which EBCE is responsible for half. The second contract, dated February 26, 2021, is between PFM and EBCE only. EBCE entered into the 2021 contract for general financial advisory services and credit support. The 2021 contract provides for a NTE total compensation of \$40,000 for PFM's services thereunder. Per EBCE's Administrative Procurement Policy, Board approval is required for any additional contract costs because the total compensation to PFM under the two contracts may exceed \$100,000 in a single calendar year.

The proposed Amendment to 2021 PFM contract would allow PFM to proceed with additional guidance related to real estate and office building procurement finance and other financial advisory services as needed. This may include diligence and contract support for a potential lease/leaseback financing. PFM has expertise in the various financial structures related to commercial real estate financing for public

agencies. EBCE can use this service to benefit by structuring the best deal available for office space procurement.

Fiscal Impact

The additional services are expected to cost up to \$40,000, increasing the not to exceed amount of the Agreement to \$80,000 and will be applied in the current Fiscal Year of 2021-2022

Attachment

- A. Resolution to Approve the CEO to negotiate and execute an amendment to the February 26, 2021, contract with PFM

RESOLUTION NO. R-2021-xx

A RESOLUTION OF THE BOARD OF DIRECTORS

OF THE EAST BAY COMMUNITY ENERGY AUTHORITY AUTHORIZING THE CHIEF EXECUTIVE OFFICER TO NEGOTIATE AND EXECUTE AN AMENDMENT TO THE AGREEMENT WITH PFM FINANCIAL ADVISORS LLC FOR FINANCIAL ADVISORY SERVICES

WHEREAS, the East Bay Community Energy Authority (“EBCE”) was formed as a community choice aggregation agency on December 1, 2016, under the Joint Exercise of Power Act, California Government Code sections 6500 *et seq.*, to study, promote, develop, conduct, operate, and manage energy-related climate change programs in all of the member jurisdictions; and current members of EBCE include the County of Alameda and the cities of Albany, Berkeley, Dublin, Emeryville, Fremont, Hayward, Livermore, Piedmont, Oakland, San Leandro, Union City, Newark, Pleasanton, and Tracy;

WHEREAS, PFM Financial Advisors LLC (“PFM”) has provided financial advisor services to EBCE in regard to EBCE financial matters (including, but not limited to, financial modeling building, credit evaluation);

WHEREAS, EBCE has entered in to two contracts with PFM: (i) an Agreement, dated November 1, 2020, by and among EBCE, Silicon Valley Clean Energy and PFM, and (ii) an Agreement, dated February 26, 2021, between EBCE and PFM (the “2021 PFM Agreement”), and ,

WHEREAS, under the 2021 PFM Agreement, PFM agreed to provide certain financial advisory services to EBCE, including services in connection with EBCE’s potential application to a national rating agency for a credit rating; and

WHEREAS, by its terms, the 2021 PFM Agreement shall terminate on December 31, 2021, and PFM’s total compensation thereunder shall not exceed \$40,000;

WHEREAS, EBCE would like to negotiate and enter into an amendment (the “First Amendment”) to amend the 2021 PFM Agreement to: (i) extend the termination date to June 30, 2022, (ii) increase the limit for PFM’s total compensation thereunder to \$80,000, and (iii) clarify that scope of work thereunder shall include advisory services related to building and real estate finance and other general financial advisory services.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE EAST BAY COMMUNITY ENERGY AUTHORITY DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The above recitals are true and correct and are a substantive part of this Resolution.

Section 2. The Board of Directors hereby authorizes the Chief Executive Officer to negotiate and execute the First Amendment; provided that 2021 PFM Agreement, as amended, shall have a termination date of no later than June 30, 2022, and shall provide a not-to-exceed \$80,000 total compensation to PFM; provided further, that the First Amendment shall be approved as to form by EBCE's General Counsel before such execution.

ADOPTED AND APPROVED this 21st day of July 2021.

Dianne Martinez, Chair

ATTEST:

Adrian Bankhead, Clerk of the Board