

Prepay Trustee Bank Replacement

Rusty Mills

March 4, 2026



Role of Trustee/Custodian in the Prepay Transactions

Ava has entered five energy prepayments in conjunction with CCCFA, including two transactions that closed in 2025.

- All five have Bank of New York Mellon (BNY) as Trustee.
- Started using BNY with first prepay in 2021 with SVCE – through Morgan Stanley

Trustee and Custodial Services within the Prepay Structure

- Trustee acts as a third-party administrator to maintain custody of the dedicated accounts for each transaction and make payments to bondholders and various counterparties on a timely basis.
- Ava interfaces with the Trustee and Custodian each month to deliver invoices, review documentation, process monthly payments and withdrawals, and review account activity.

More efficient to use Single Custodial Bank

- In general, using a single Trustee / Custodian to serve all transactions is more operationally-efficient for staff than using multiple institutions and/or bifurcating the Trustee / Custodian roles within a single transaction.

Ava Seeking Approval to Replace Trustee/Custodian

Ava staff has determined it beneficial to replace its legacy Trustee and Custodian, BNY from its role for all five prepays for operational and financial reasons and utilize US Bank.

- US Bank offers a more robust web-based platform for downloading key transaction information not previously available with the legacy Trustee / Custodian.
- Staff concerns with performance and latency of responsiveness with the legacy Trustee / Custodian.
- Ava expects to save up to \$64,900 per year in trustee and custodial fees (or roughly \$13,000 per transaction).
 - Ava will incur bond counsel expenses in drafting legal notices and amendments to transition to the successor Trustee and Custodian – less than \$50k to be split with SVCE

US Bank - the leading municipal trustee and custodial service providers in the United States

- Deep experience in energy prepayment transactions; serves as trustee for almost all other CCA transactions.
- At year-end 2025, the U.S. Bank Global Trust group had over \$9.2 trillion assets under management across 194,000 transactions.
- Has the largest market share (45%) for trust services for U.S. municipal issuances.

Next Steps

Bond Counsel has recommended that Staff seek an approving Resolution from our Board and from CCCFA's Board

- Staff Report and Resolution will be provided to the Board ahead of March meeting
 - Will be on Consent due to its administrative nature
- SVCE concurrently seeking approval from its Board
- With Ava approval, CCCFA Board will have it agendized at their March 26th meeting for approval
- Notices will be filed to the investment community ahead of the substitution on May 1st