

ATTENTION: DCE VOTING MEMBERS WILL RECEIVE A UNIQUE PANELIST LINK BY EMAIL. PLEASE USE THIS LINK TO PARTICIPATE IN THIS MEETING.



DESERT COMMUNITY ENERGY BOARD MEETING AGENDA

Monday, January 10, 2022

Please note the start time of 3:00 p.m.

Pursuant to Assembly Bill 361 and the findings made by the DCE Board, this meeting will only be conducted via video/teleconferencing.

INSTRUCTIONS FOR PUBLIC PARTICIPATION

Online:

<https://us02web.zoom.us/j/87850326449?pwd=NmkrNTE5dWd6SjduSDJvRlRlR0Zodz09>

Passcode: 475380

One tap mobile:

US: +16699009128,,87850326449#

By Phone:

Dial In #: +1 669 900 9128

Webinar ID: 878 5032 6449

Passcode: 475380

This will provide listening access and ability to address the DCE Board when called upon.

IF YOU ARE UNABLE TO CONNECT VIA DIAL IN OPTION, PLEASE CALL 760-346-1127

Members of the public are encouraged to submit comment in connection with the Desert Community Energy meeting by email to: cvag@cvag.org by 5:00 p.m. on the day prior to the committee meeting. Comments intended to be read aloud into the record should be no more than 300 characters in length.

**THIS MEETING IS HANDICAPPED ACCESSIBLE.
ACTION MAY RESULT ON ANY ITEMS ON THIS AGENDA.**

1. CALL TO ORDER

2. ROLL CALL

A. Member Roster [4](#)

3. PUBLIC COMMENTS ON AGENDA ITEMS

Any person wishing to address the Desert Community Energy Board on items appearing on this agenda may do so at this time. Please limit comments to 3 minutes. At the discretion of the chair, additional public comment time and/or opportunities during the meeting may be granted.

4. BOARD MEMBER / DIRECTOR COMMENTS

5. CONSENT CALENDAR

A. Approve Minutes from Board Meeting of November 29, 2021 [5](#)

B. Affirm that findings still exist, pursuant to Assembly Bill 361, and authorize continuation of remote teleconference/virtual meetings of Desert Community Energy [8](#)

C. Appoint Don Barrett of Palm Springs to fill a vacancy on the Community Advisory Committee to complete the term ending in August 2023 [9](#)

6. DISCUSSION / ACTION

A. Line of Credit with River City Bank – Katie Barrows [11](#)

Recommendation: Adopt Resolution 2022-01, approving a Credit Facility with River City Bank in an amount not to exceed \$8,000,000, and authorizing the Executive Director, in consultation with Legal Counsel, to negotiate and take such action necessary and appropriate to finalize and execute the Credit Facility documents for a revolving line of credit consistent with the term sheet dated December 13, 2022, and related lockbox agreements, including any exhibits, schedules, certificates, and ancillary documents necessary to close the Credit Facility and obtain access to funding to address working capital requirements

B. Statewide Residential Emergency Load Reduction Program – David Freedman [19](#)

Recommendation: Authorize the Executive Director to take any necessary steps to coordinate DCE’s participation in the Emergency Load Reduction Program

7. INFORMATION

A. Attendance Record	<u>21</u>
B. Unaudited Financial Report for July 1, 2021 to October 31, 2021	<u>22</u>
C. Update on California’s Arrearage Payment Program	<u>26</u>

8. PUBLIC COMMENTS ON NON-AGENDA ITEMS

Any person wishing to address the Board on items not appearing on this agenda may do so at this time. Please limit comments to 2 minutes. At the discretion of the chair, additional public comment time and/or opportunities during the meeting may be granted.

9. ANNOUNCEMENTS

The next DCE meeting will be held February 14, 2022 at 2:30 p.m. via Zoom webinar.

10. ADJOURNMENT

Item 2A

Desert Community Energy Board Member Roster	
Voting Members	Representative
City of Palm Desert	Mayor Pro Tem Sabby Jonathan, Vice Chair <i>Alternate: Councilmember Kathleen Kelly</i>
City of Palm Springs	Councilmember Geoff Kors, Chair <i>Alternate: Mayor Lisa Middleton</i>
DCE Staff	
Tom Kirk, Executive Director	
Katie Barrows, Director	
Janice Reitman, Accounting Manager	

ITEM 5A

**Desert Community Energy Board
Meeting Minutes
November 29, 2021
2:30 pm**



Held via Zoom videoconference

The audio file for this meeting can be found at: <http://www.desertcommunityenergy.org>

1. CALL TO ORDER

The meeting of the DCE Board was called to order by Chair Geoff Kors, City of Palm Springs, at 2:30 p.m. via Zoom videoconferencing, pursuant to Assembly Bill 361.

2. ROLL CALL

Roll call was taken, and it was determined that a quorum was present.

Members Present

Councilmember Geoff Kors, Chair
Councilmember Sabby Jonathan, Vice Chair

Agency

City of Palm Springs
City of Palm Desert

DCE Staff & Consultants

Tom Kirk
Katie Barrows
Erica Felci
Claude Kilgore
Emmanuel Martinez
Jennifer Nelson
Beverly Newton
Peter Satin
Josh Zipperman
Brian Rix
Jeff Fuller
Jaclyn Harr
Chris Weber
Don Dame

Burke Rix Communications
Burke Rix Communications
The Energy Authority
The Energy Authority
The Energy Authority
DCE Consultant

Others Present

Casey Dailey
David Freedman
Kim Floyd
Patrick Tallarico
Erin Rode

WRCOG
Community Advisory Committee
Community Advisory Committee
City of Palm Springs
The Desert Sun

3. PUBLIC COMMENTS ON AGENDA ITEMS

None

4. BOARD MEMBER / DIRECTOR COMMENTS

None

5. CONSENT CALENDAR

Councilmember Jonathan pulled item 5C for discussion.

IT WAS MOVED BY COUNCILMEMBER JONATHAN AND SECONDED BY COUNCILMEMBER KORS TO:

- A. Approve Minutes from Board Meeting of October 18, 2021**
- B. Affirm the findings still exist, pursuant to Assembly Bill 361, and authorize continuation of remote teleconference/virtual meetings of Desert Community Energy**
- D. Approve Amendment No. 3 to the DCE Joint Powers Agreement**

THE MOTION CARRIED WITH 2 AYES.

Councilmember Jonathan	Aye
Councilmember Kors	Aye

5.1 ITEMS REMOVED FROM CONSENT CALENDAR

- C. Approve Amendment #2 to the Services Contract with Burke Rix Communications to provide ongoing outreach and website support for an additional amount not to exceed \$94,000 and authorize the Chair and/or the Executive Director to execute any and all necessary agreements to fulfill the related marketing and outreach tasks**

In response to Councilmember Jonathan's request, Katie Barrows said more information demonstrating the highlights and benefits of DCE, including highlights from public outreach efforts, would be made available within the next few weeks.

IT WAS MOVED BY COUNCILMEMBER JONATHAN AND SECONDED BY COUNCILMEMBER KORS TO APPROVE AMENDMENT #2 TO THE SERVICES CONTRACT WITH BURKE RIX COMMUNICATIONS TO PROVIDE ONGOING OUTREACH AND WEBSITE SUPPORT FOR AN ADDITIONAL AMOUNT NOT TO EXCEED \$94,000 AND AUTHORIZE THE CHAIR AND/OR THE EXECUTIVE DIRECTOR TO EXECUTE ANY AND ALL NECESSARY AGREEMENTS TO FULFILL THE RELATED MARKETING AND OUTREACH TASKS.

THE MOTION CARRIED WITH 2 AYES.

Councilmember Jonathan	Aye
Councilmember Kors	Aye

6. DISCUSSION / ACTION

- A. Launch of the Inland Empire Regional Energy Network – Tom Kirk**

Tom Kirk, gave an update on the progress of the Inland Empire Regional Energy Network (I-REN), including the California Public Utilities Commission's approval of the business plan. Mr. Kirk also announced that David Freedman would be a CVAG employee starting in January 2022.

Casey Dailey from Western Riverside Council of Governments (WRCOG) provided a presentation on the background of I-REN, what the coalition is working to accomplish, how it is funded and the next steps in the implementation plan. Mr. Kirk and Mr. Dailey answered member questions, including the governing structure and coordination with DCE.

This was an information item and no action was taken.

B. DCE's Financial Outlook and Carbon Free Premium Update – Jaclyn Harr, The Energy

Jaclyn Harr of The Energy Authority provided an update on the 2022 financial outlook, energy market and other conditions that may impact DCE's rates and budget. Brief member discussion ensued with Councilmember Jonathan requesting a monthly break down of anticipated revenue for 2022.

This was an information item and no vote was taken.

7. INFORMATION

The following items were put in the agenda packet for members' information :

A. Attendance Record

B. Unaudited Financial Report for July 1, 2021 to August 31, 2021

8. PUBLIC COMMENT ON NON-AGENDA ITEMS

None

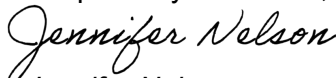
9. ANNOUNCEMENTS

The next DCE meeting will be held January 10, 2022 at 2:30 p.m. via Zoom webinar.

10. ADJOURNMENT

The meeting was adjourned at 3:18 p.m.

Respectfully submitted,



Jennifer Nelson

Executive Assistant/Clerk

ITEM 5B

Desert Community Energy Board
January 10, 2022



STAFF REPORT

Subject: Remote Teleconference/Virtual Meetings Pursuant to Assembly Bill 361

Contact: Jennifer Nelson, Executive Assistant/Clerk (jnelson@cvag.org)

Recommendation: Affirm that findings still exist, pursuant to Assembly Bill 361, and authorize continuation of remote teleconference/virtual meetings of Desert Community Energy

Background: All meetings of the Desert Community Energy Board and its Community Advisory Committee are subject to the Ralph M. Brown Act (Gov. Code §§ 54950 *et seq.*), and must be open and public so that any member of the public may attend and participate in the meetings.

Starting in March 2020, Governor Newsom issued a series of executive orders aimed at preventing the spread of COVID-19, as it was determined that social distancing was an important factor addressing the pandemic. Among these were Executive Orders N-25-20, N-29-20 and N-35-20 (collectively, the “Brown Act Orders”) that waived the teleconferencing requirements of the Brown Act to allow legislative bodies to meet virtually.

On June 11, 2021, the Governor issued Executive Order N-08-21 to begin winding down some of the prior measures that were adopted to respond to COVID-19. Notably, this order rescinds the Brown Act Orders, effective September 30, 2021. On September 16, 2021, Governor Newsom signed Assembly Bill 361 (AB 361), which effective October 1, 2021, allows legislative bodies to meet virtually provided the legislative body makes specific findings.

Specific Findings Required under AB 361:

The DCE Board has previously made the following findings pursuant to AB 361:

1. A statewide state of emergency is currently in place;
2. State or local officials have imposed or recommended measures to promote social distancing in connection with COVID-19; and
3. Meeting in person would present imminent risks to the health or safety of attendees.

With this item, staff is recommending the DCE Board confirm these findings still exist and continue virtual meetings, pursuant to AB 361.

Fiscal Analysis: There are no additional costs to DCE for hosting virtual meetings.

ITEM 5C

Desert Community Energy Board
January 10, 2022



STAFF REPORT

Subject: Community Advisory Committee Appointment

Contact: Katie Barrows, Director (kbarrows@cvag.org)

Recommendation: Appoint Don Barrett of Palm Springs to fill a vacancy on the Community Advisory Committee to complete the term ending in August 2023

Background: In March 2019, the DCE Board established a Community Advisory Committee (CAC) in order to provide a structured opportunity for community members to participate in DCE, as well as help ensure that efforts to educate and inform member communities about Community Choice Energy are broad and inclusive. The CAC meets at various times throughout the year to discuss a variety of topics and issues. In addition, the CAC has a Palm Springs Working Group. Although advisory in nature, the CAC has been an actively engaged group of doers working to educate and promote DCE in their communities.

The first members of the CAC were appointed by the DCE Board at the June 17, 2019 Board meeting. At the August 2021 meeting, the DCE Board reappointed the eight existing members of the CAC from Palm Springs and Palm Desert, extending their terms for another two years. The DCE Board has also established the CAC's Palm Springs Working Group and, in February 2020, identified that future members could be appointed at the recommendation of the DCE representative from the City of Palm Springs or by the recommendation of the Palm Springs City Council members.

Palm Springs resident David Freedman, who currently serves as chair of the CAC, will be stepping down from the CAC and its Palm Springs Working Group as he joined the Coachella Valley Association of Governments (CVAG) staff in December 2021 as DCE Program Manager. Mr. Freedman has been a dedicated and effective chair of the CAC and its Palm Springs Working Group, and the DCE team appreciates his service. Mr. Freedman sought input from Palm Springs Council members. In his capacity as CAC Chair, he recommended to Mayor Lisa Middleton, who represents District 5 where Mr. Freedman lives, that Don Barrett be a new member of the CAC. Mayor Middleton, who also serves as the City's alternate member to the DCE Board, supported the recommendation.

Mr. Barrett submitted his application for a position on the Community Advisory Committee. He has been a member of the Palm Springs Sustainability Commission since July 2021. He was formerly a member of the Academic Senate and member/chair of the Faculty Union at CSU San Marcos (1998-2012). He is currently vice chair of ONE-PS and has served as co-chair/chair of their Governance Committee and interim chair of their Code Enforcement and Public Works committee. Mr. Barrett has expressed enthusiasm for joining the CAC to represent Palm Springs.

He has been active with mobile home park resident associations and is an advocate for the needs of renters, mobile home residents, and similar often-excluded groups. His familiarity with the needs of mobile home park communities will be an asset to the CAC and DCE.

There remains another vacancy on the CAC for a representative from Palm Springs. A representative from each city council district is not a requirement. With the appointment of Mr. Barrett, there will be representatives from Council Districts 1, 2, 3 and 5 and a vacancy from District 4. DCE staff will continue outreach to encourage applications for this vacant position, with hopes of filling it in early 2022. The DCE website also has an ongoing invitation for applying to the CAC and staff will coordinate with the outreach team to include this opportunity in future social media efforts.

DCE staff is recommending that the Board approve the appointment of Mr. Barrett to fill one of the vacant seats on the CAC.

Fiscal Analysis: The CAC is a volunteer group, and staff support for the CAC is covered under existing resources.

ITEM 6A

Desert Community Energy Board
January 10, 2022



STAFF REPORT

Subject: Line of Credit with River City Bank

Contact: Katie Barrows, Director (kbarrows@cvag.org)

Recommendation: Adopt Resolution 2022-01, approving a Credit Facility with River City Bank in an amount not to exceed \$8,000,000, and authorizing the Executive Director, in consultation with Legal Counsel, to negotiate and take such action necessary and appropriate to finalize and execute the Credit Facility documents for a revolving line of credit consistent with the term sheet dated December 13, 2022, and related lockbox agreements, including any exhibits, schedules, certificates, and ancillary documents necessary to close the Credit Facility and obtain access to funding to address working capital requirements

Background: At the March 19, 2018 meeting, the DCE Board of Directors authorized the Executive Director to negotiate and execute a Credit and Banking Agreement with a vendor to provide banking services for DCE operations. After a competitive bid process, DCE entered into a banking services agreement with River City Bank (RCB) as its depository institution in April 2018. RCB established DCE's lockbox account, a secured account which receives daily revenue remittances from Southern California Edison to DCE. DCE's accounts also provide for monthly payment to the power suppliers under contract, including The Energy Authority. DCE has also established operating, savings, and investments accounts with RCB.

In April 2021, DCE executed a credit agreement with RCB for a line of credit of up to \$2 million to address short-term working capital requirements. This line of credit was not intended to provide long-term financing and had a term date of December 31, 2021. As of December 31, 2021, DCE has fully repaid the balance on this line of credit.

DCE is still a relatively new CCA and now requires additional working capital to manage fluctuations in cash flow requirements until such time as it can accumulate sufficient reserves. Cash flow fluctuations are not uncommon for Community Choice Aggregation (CCA) agencies like DCE, which are largely as a result of timing differences between when a CCA collects revenue and must pay for energy, resource adequacy compliance, and other operating expenses. These fluctuations are typically managed through the establishment of operating reserves that accumulate over time. Because DCE launched service in April 2020, it has not had sufficient time to accumulate such reserves.

As described at the November 2021 meeting, staff engaged PFM Financial Advisors, LLC (PFM) to provide financial advisory services and assist with the process of obtaining proposals for a proposed credit facility to help DCE address short-term working capital requirements. DCE received two competitive proposals: One from MUFG Union Bank N.A. and another from RCB. Following receipt of an initial term sheet proposal, DCE entered into discussions with representatives of both banks focused on cost, experience and the ability to meet DCE's desired

terms. Final term sheets were submitted for DCE staff's review and consideration in late December 2021.

Based on this review, DCE staff, in conjunction with its consultant team and PFM, determined that the RCB offer was best suited to DCE's current needs. As outlined in the term sheet, the Credit Facility with RCB would be for up to \$8 million for three years. At the end of three years, DCE would have the option to convert any remaining principal to a term loan. The RCB term sheet also states that DCE would be required to obtain an unconditional guaranty from the City of Palm Springs for the DCE line of credit. City of Palm Springs representatives have indicated a willingness to do so. DCE staff is currently working with city staff to complete the necessary documents for the guaranty. A resolution from Palm Springs City Council for approval of the guaranty will be required and may be considered as soon as this month. The RCB Credit Agreement will also have covenants requiring DCE to continue to maintain all of its deposit accounts with RCB and to not incur any additional indebtedness without the prior consent of RCB.

DCE staff is recommending that the Board of Directors adopt Resolution 2022-01 to delegate authority to the DCE Executive Director, in consultation with General Counsel, to negotiate, finalize and execute a Credit Facility agreement with RCB, consistent with the terms and conditions set forth in the December 13, 2021 term sheet, together with such changes as may be deemed necessary or appropriate upon advice from the General Counsel and DCE's advisors. This delegation is requested due to the time sensitive nature of negotiations and the need to put a Credit Facility in place to manage cash flow in early 2022. Contract negotiations are anticipated to take two to four weeks.

Fiscal Analysis: Under the terms offered by RCB, a line of credit of up to \$8 million for three years would be available to help DCE address short-term working capital requirements. The line of credit will be secured by a guaranty from the City of Palm Springs. The interest on the line of credit will be floating at the three-month US Treasury ("UST") bill yield plus 1.75 percent. The three-month UST bill yield was 0.06 percent at close of trading hours on December 10, 2021, indicating an all-in rate of 1.81 percent. The Credit Facility debt service payments and fees will be incorporated into the Fiscal Year 2022/2023 budget.

Attachments:

1. Resolution 2022-01
2. Credit Facility Term Sheet from River City Bank

RESOLUTION NUMBER 2022-01

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF DESERT COMMUNITY ENERGY
APPROVING A CREDIT FACILITY AND
AUTHORIZING EXECUTIVE DIRECTOR TO APPROVE RELATED AGREEMENTS**

WHEREAS, Desert Community Energy (DCE) is a joint powers authority established on October 30, 2017 for the purpose of implementing community choice aggregation programs under Public Utilities Code Section 366.2.0; and

WHEREAS, DCE needs working capital to address short term fluctuations in cash flow and working capital requirements as a result of its operations; and

WHEREAS, DCE received credit proposals that would provide financing and credit support for DCE operation and power procurement ("Credit Facility"), as well as working capital requirements; and

WHEREAS, DCE staff has proposed entering into a Credit Facility consistent with a term sheet negotiated with River City Bank ("RCB") to provide a Commercial Revolving Line of Credit in the amount of up to \$8,000,000 ("Credit Facility Term Sheet"), and has briefed the Board of Directors on the lender's terms and conditions; and

WHEREAS, the Credit Facility Term Sheet provides for certain financial covenants and conditions that DCE staff, its legal counsel and its technical consultants consider customary and acceptable for the purposes of the Credit Facility, and

WHEREAS, the Credit Facility Term Sheet provides that the line of credit with RCB will be secured by an unconditional guaranty of all obligations of DCE as borrower from the City of Palm Springs; and

WHEREAS, the Credit Facility Term Sheet further provides that DCE shall maintain and collect rates and charges for energy sufficient enough to collect revenues to cover all power supplies costs, operating expenses, and debt service each fiscal year; and

WHEREAS, DCE staff and legal counsel intend to negotiate a Credit Agreement and related security agreements that are consistent with the terms of the Credit Facility Term Sheet; and

WHEREAS, it is important from a timing perspective that the Credit Facility and terms set forth in the Credit Facility Term Sheet be approved by the Board and that authority be given to the Executive Director, with the advice of staff and legal counsel, to enter into the definitive Credit Agreement and other documentation in order for DCE to fulfill its working capital obligations.

WHEREAS, the DCE Board of Directors desires to delegate authority to the Executive Director and General Counsel to negotiate, finalize and execute a Credit Facility agreement with RCB in satisfaction of DCE's credit needs, consistent with the terms and conditions set forth in the Credit Facility Term Sheet, and pending approval of a guaranty from the City of Palm Springs, together with such changes as may be deemed necessary or appropriate upon advice from General Counsel and DCE's financial advisors.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of DCE as follows:

1. The Board of Directors has reviewed the Credit Facility Term Sheet and the recommendations of DCE staff and legal counsel and has determined that the recitals herein are true and correct.
2. The Credit Facility as proposed by River City Bank, consistent with the terms and conditions therein, is hereby approved, together with such changes and additions as the Executive Officer and General Counsel may deem necessary, appropriate or advisable, for the performance of DCE's obligations thereunder and the consummation of the transactions contemplated thereby be, and are hereby, approved.
3. The Board of Directors approves of the security for the line of credit and other covenants of DCE as set forth in the Credit Facility Term Sheet.
4. The Board of Directors hereby authorizes the Executive Director, or his designee, with the advice of legal counsel, to negotiate and execute a Credit Facility agreement with RCB in an amount not to exceed \$8 million, and consistent with the terms and conditions set forth in the Credit Facility Term Sheet, definitive documentation of the Credit Facility, and final approval of the guaranty from the City of Palm Springs and prepare and finalize for execution all documents ancillary thereto.
5. This Resolution shall be effective immediately upon approval by the Board of Directors.

PASSED AND ADOPTED by the Board of Directors of Desert Community Energy on this 10th day of January 2022.

AYES:
NOES:
ABSTAIN:
ABSENT:

Geoff Kors
Chair, Desert Community Energy

Attest:

Tom Kirk
Secretary, Desert Community Energy

Approved as to form:

Glen Price
Legal Counsel, Desert Community Energy



River City Bank

December 13, 2021

Desert Community Energy
Attn: Thomas Kirk and Katie Barrows
73710 Fred Waring Dr, Suite 200
Palm Desert, CA 92260

Re: 2nd Revision to the Term Sheet dated 12/9/2021 for a New Revolving Line of Credit for Short-Term Working Capital Needs

Dear Desert Community Energy Team:

River City Bank ("Bank") is pleased to provide this term sheet for a Revolving Line of Credit ("Credit"), as outlined below.

Borrower: Desert Community Energy ("DCE")

Loan Type: Commercial Revolving Line of Credit ("RLOC"), with the option to term-out outstanding advances into a fully amortizing term loan facility upon RLOC expiration.

Purpose: To provide short term working capital, primarily to cover anticipated negative cash flow related to payables in the winter of 2022.

Guarantor: The City of Palm Springs will unconditionally guaranty all obligations of Borrower.

Loan Amount: Up to \$8,000,000

Term: RLOC: Up to three (3) years from loan origination
Term Loan: On the date of RLOC expiration, Borrower may request to term out all outstanding advances into a separate term loan facility, subject to Bank approval. The Term Loan will have a three (3) year term from the date of the term-out request ("Term Loan Conversion Date").

Interest Rate: RLOC: Floating at the 3-month US Treasury ("UST") bill yield plus 1.75%. The 3-month UST bill yield was 0.06% at close of trading hours on 12/10/2021, indicating an all-in rate of 1.81%.
Term Loan: Fixed for the Term Loan term at the then prevailing 3-year U.S. Treasury Note yield + 2.00% on the Term Loan Conversion date, subject to a 2.00% interest rate floor.

Bank calculates interest on an actual/360 day basis.

- Repayment:** RLOC: Interest only payments due monthly, with all outstanding and unpaid interest due at expiration. Any outstanding principal that will not be termed-out will be due upon RLOC expiration.
- Monthly interest payments for the RLOC will be automatically swept from the Lockbox Account on the 1st of the month, in accordance with the 5/6/2021 Deposit Sweep Account Agreement.
- Term Loan: 36 equal monthly principal and interest payments, fully amortizing over the Term Loan term.
- Prepayment:** RLOC: No prepayment premium.
- Term Loan: Yield maintenance for the full Term. The loan may be prepaid without premium during the last 90 days of the Term.
- Loan Fee:** 0.25% of the Loan Amount, payable upon loan closing.
- Documentation Fee:** \$10,000, payable upon loan closing, provided that Borrower approves the use of Bank's standard form documents.
- Bank reserves the right to increase the Documentation Fee or engage outside legal counsel, at Borrower's sole cost and expense, if Borrower requires extensive negotiation of Bank's standard loan documents, or if Bank reasonably determines that the use of custom loan documents and/or outside legal counsel is appropriate in view of the nature and complexity of the legal and documentation issues involved.
- Costs & Expenses:** Borrower to pay all out-of-pocket costs and expenses, such as third-party search and order fees and any applicable legal fees (collectively, the "Costs & Expenses").
- Needs List:** In addition to the conditions set forth in this letter, additional conditions precedent to closing will be those which are usual and customary for transactions of this nature, including but not limited to Bank's receipt, review and satisfaction with all documents, reports, leases, financial statements, guarantor information, and other information reasonably requested by Bank. Subsequent to Bank's receipt of this signed term sheet and Deposit, Bank will prepare a needs list summarizing such items.

Additional Requirements

- **Rate Covenant.** Borrower shall maintain and collect rates and charges for energy sufficient enough to collect revenues to cover all power supply costs, operating expenses, and debt service each fiscal year.
- **Legal Opinion.** Borrower's counsel shall provide a legal opinion on the enforceability of the credit agreement and formation of Borrower in form and substance acceptable to Bank.

- **Deposit Account.** Borrower must maintain all of its deposit accounts exclusively with Bank, with automatic monthly loan payments deducted from the account. Failure to adhere to this requirement will result in a 2.50% increase to the Interest Rate so long as this covenant is not satisfied.
- **No Additional Indebtedness.** Besides the Credit and other operating obligations arising in the ordinary course of business which are not delinquent, Borrower shall not incur additional indebtedness without the prior written consent of Bank.
- **Insurance Coverage.** Borrower will be required to maintain the following insurance, naming River City Bank as additional insured:
 - Business property insurance for all inventory and equipment, in the minimum amount of the replacement value
 - General liability insurance, in the minimum aggregate amount of \$2,000,000 with \$1,000,000 per occurrence.
- **Ongoing Reporting.** During the Term, Borrower will be required to provide:
 - Borrower CPA Audited financial statements, inclusive of a balance sheet, year-to-date income statement, aged list of accounts receivables and accounts payable, annually. Additionally, financial statements prepared by the company will be due quarterly.
 - Borrower projections for the coming fiscal year, inclusive of a balance sheet and income statement, and cash flow, due annually upon Lender's request.
 - Guarantor CPA Audited financial statements, inclusive of a balance sheet, year-to-date income statement, annually.
 - Guarantor final budget for the coming fiscal year, inclusive of a balance sheet and income statement, and cash flow, due annually upon Lender's request.

Bank reserves the right to terminate this proposal at any time and this proposal may not be transferred or assigned without prior written consent of Bank.

Please be advised that this letter does not constitute a binding commitment or impose any obligation on Bank, but only reflects proposed terms of a transaction which may become acceptable to the parties. Notwithstanding any other language of agreement that may appear elsewhere in this nonbinding letter of intent, it is expressly understood and agreed that this letter does not and shall not constitute a binding agreement between the parties in any manner, except with respect to: Application of Deposit (as outlined below) and Costs & Expenses. The undertakings and obligations of Bank with respect to the loan will be subject to, among other things: (i) credit analysis and approval in accordance with Bank's underwriting standards; (ii) the preparation, execution and delivery of mutually acceptable loan documentation containing such terms and conditions as are customary for similar credit facilities; (iii) the accuracy of all representations made and information furnished by Borrower to Bank, and (iv) the absence of any information or other matter being disclosed after the date hereof that is inconsistent in a material and adverse manner with any information or other material disclosed to Bank.

Thank you for considering River City Bank for your financing needs. If you would like us to move forward on the basis proposed, please:

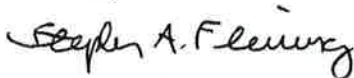
- Sign below, submit this signed term sheet to Bank; and
- Remit to Bank a \$10,000 deposit (the "Deposit").

Application of Deposit: The Deposit will initially be applied to Costs & Expenses incurred in connection with the loan. If at any time the Deposit is projected to be insufficient to cover all Costs & Expenses, Borrower will be obligated to immediately remit the deficient amount to Bank. At close of escrow, the

remaining Deposit will be applied to loan fees, documentation fees, finance charges, and other fees and costs payable by Borrower. The balance of the Deposit, if any, will be refunded to Borrower at close of escrow. The unspent portion of the Deposit will be refunded to Borrower if (i) Bank does not approve the loan or (ii) Bank approves the loan on terms that materially deviate from the summary terms outlined herein, and such materially different terms are not acceptable to Borrower. Deposit submittal instructions are as follows:

- If sent via check, make payable to River City Bank and deliver to:
River City Bank, Credit Administration
Attention: Karrie Blevins
2485 Natomas Park Drive, Suite 100
Sacramento, CA 95833
(916) 567-2732
- If sent via wire, use the following wiring instructions:
River City Bank
2485 Natomas Park Drive
Sacramento, CA 95833
ABA/Routing #: 121133416
Account #: 500-2157800
Acct. Name: CRE Appraisal Fees & Deposits
Memo: Attn. Karrie Blevins

Sincerely,



Stephen Fleming
President & CEO



Rosa Cucicea
SVP & Director of the Clean Energy Division

ACKNOWLEDGED AND ACCEPTED BY

Borrower hereby acknowledges and agrees to the presented loan structure, including to any proposed joint borrowing and/or guaranteeing structure.

Desert Community Energy

x
By: Thomas Kirk
Its: Executive Director

12/23/21
Date

ITEM 6B

Desert Community Energy Board
January 10, 2022



STAFF REPORT

Subject: Statewide Residential Emergency Load Reduction Program

Contact: David Freedman, Program Manager (dfreedman@cvag.org)

Recommendation: Authorize the Executive Director to take any necessary steps to coordinate DCE's participation in the Emergency Load Reduction Program

Background: On December 6, 2021, the California Public Utilities Commission issued Decision 21-12-015, which directs Southern California Edison (SCE) and the other Investor-Owned Utilities (IOUs) to take actions to prepare for potential extreme weather in the summers of 2022 and 2023. The CPUC's decision adopts several supply-side and demand-side requirements and programs to ensure there is adequate electric power in the event of extreme weather during times of greatest need, most notably a new Residential Emergency Load Reduction Program (ELRP) pilot project that is designed to extend to residential customers the opportunity to be compensated for their contribution to system reliability and load reduction during times of grid stress. The ELRP would allow residential customers to receive compensation for reductions in energy use during system emergencies, with special outreach to low-income customers and customers in areas identified as disadvantaged communities. The IOUs will use a day-ahead CAISO-issued Flex Alert or Grid Alert declarations as the triggers for dispatching residential ELRP customers. To provide more predictability for stakeholders regarding the conditions and parameters under which CAISO will issue a Flex Alert notice, CPUC staff will work with CAISO to develop an objective set of criteria that triggers Flex Alerts.

The CPUC's decision requires SCE and other IOUs to automatically enroll customers in the California Alternative Rates for Energy (CARE) and Family Electric Rate Assistance (FERA) programs, as it will provide them an additional way to reduce their utility bills. This auto-enrollment was recommended by the California Environmental Justice Alliance, whose members include Leadership Counsel for Justice & Accountability (which has a focus on the eastern Coachella Valley) and the Sierra Club. The IOUs will provide notifications to alert and engage customers about the program being triggered using methods such as email, phone call, text message, bill insert or mailer. Customers may also opt out of residential ELRP at any time.

CCAs such as DCE may elect not to participate in the ELRP, in which case their customers are ineligible to enroll. In late December 2021, DCE received notice from SCE regarding the need to make its election to not participate by January 31 by notifying SCE in writing. DCE staff is recommending participation in the program as the pilot ELRP is a good opportunity for eligible customers to reduce their energy use during peak hours of the summer. Those CCAs that are opting out in the state have indicated they are doing so to start their own ELRP programs, which is not something DCE staff is anticipating here. Additionally, should the Board opt out of the program, it would be eliminating this as an option for any DCE customers, including those CARE and FERA customers who would otherwise be automatically enrolled.

While staff is recommending participation in the program, it should be noted that participants in the OhmConnect smart thermostat program are ineligible to participate in the ELRP. This is a free program that both DCE and CVAG are promoting through mid-March, mainly through social media and other outreach channels. However, any OhmConnect enrollees would be disenrolled from that program if they chose to enroll in the ELRP, either automatically or via an opt-in. The ELRP is designed to reduce grid strain in the next two summers and will apply automatically when CAISO issues a flex alert, while the OhmConnect program is more year-round and provides its enrollees with the ability to control connected devices through their smartphones when a load reduction event is announced.

Staff will coordinate with OhmConnect about potential conflicts with their program and the ELRP in order to provide clear messaging to customers about their options to save money. Staff will note on the DCE website that customers have two programs available to choose from to help them reduce their electricity bills. Staff will work with OhmConnect and SCE (which also promotes OhmConnect) to clarify the differences for customers. Staff will also coordinate with other CCAs that have used OhmConnect to ensure clear messages are used in outreach.


Staff recommends that DCE participate in the program so that eligible customers can benefit from the energy reduction opportunities and compensation proposed in the ELRP. Participation in the program provides yet another option for customers to save money during the desert's tough summer months.

Fiscal Analysis: The ELRP is provided by SCE. Any outreach costs for the program would be addressed through DCE's existing outreach efforts and staff time.

ITEM 7A

**DESERT COMMUNITY ENERGY BOARD
FY2021-2022 ATTENDANCE RECORD**

Voting Members	JUL*	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE
City of Palm Desert	✓	✓	✓	✓	✓	*						
City of Palm Springs	✓	✓	✓	✓	✓	*						

Absent 
No Meeting *

* July was a special meeting. The regular July meeting was cancelled.

DESERT COMMUNITY ENERGY
UNAUDITED FINANCIAL STATEMENTS
STATEMENT OF NET POSITIONS
AS OF OCTOBER 31, 2021

	<u>GENERAL</u>	<u>PALM SPRINGS</u>	<u>TOTAL</u>
ASSETS			
Unrestricted Funds			
Operating Account	0.00	1,092,340.28	1,092,340.28
Money Market Account	66,347.52	0.00	66,347.52
ICS Account	1,317,525.26	(798,564.88)	518,960.38
Lockbox Account	2,830,359.71	(2,812,511.84)	17,847.87
Total Unrestricted Funds	4,214,232.49	(2,518,736.44)	1,695,496.05
Restricted Funds			
Restricted Cash (PPA Collateral)	0.00	1,680,000.00	1,680,000.00
SCE FSR Letter of Credit Collateral	147,000.00	0.00	147,000.00
Debt Service Reserve Account	0.00	200,000.00	200,000.00
Total Restricted Funds	147,000.00	1,880,000.00	2,027,000.00
Total Cash	4,361,232.49	(638,736.44)	3,722,496.05
Accounts Receivable			
Southern California Edison	0.00	7,295,221.83	7,295,221.83
Southern California Edison (Escrow Account) ⁽¹⁾	0.00	2,041,395.62	2,041,395.62
Coachella Hills	0.00	68,586.52	68,586.52
Total Accounts Receivable	0.00	9,405,203.97	9,405,203.97
Accrued Revenue	0.00	2,404,839.38	2,404,839.38
Allowance for Doubtful Accounts ⁽²⁾	0.00	(1,130,582.65)	(1,130,582.65)
TOTAL ASSETS	4,361,232.49	10,040,724.26	14,401,956.75
LIABILITIES			
Accounts Payable			
Ace Printing	486.62	486.62	973.23
Arthur J Gallaghuer Insurance & co	51.63	51.63	103.25
Best, Best & Kreiger LLP	4,208.75	12,626.25	16,835.00
Burke Rix	0.00	4,731.25	4,731.25
Calpine Energy Solutions	0.00	98,121.20	98,121.20
Donald D. Dame	569.19	1,707.56	2,276.75
River City Bank	2,903.69	0.00	2,903.69
Southern California Edison	0.00	29,000.00	29,000.00
The Energy Authority	0.00	6,049,480.40	6,049,480.40
Vesper Energy	0.00	72,751.90	72,751.90
Net Energy Metering payables	0.00	5,277.68	5,277.68
Total Accounts Payable	8,219.87	6,274,234.48	6,282,454.35
Accrued Accounts Payable			
The Energy Authority	0.00	13,267.56	13,267.56
Total Accounts Payable	0.00	13,267.56	13,267.56
Due to Other Governments			
Coachella Valley Association of Governments	142,790.67	428,372.01	571,162.68
Utility Users Tax- Palm Springs	0.00	1,170,330.70	1,170,330.70
Electric Energy Surcharge (CDTFA)	0.00	17,592.82	17,592.82
Total Due to Other Governments	142,790.67	1,616,295.53	1,759,086.20
Loans Payable (short term)			
River City Bank	0.00	875,000.00	875,000.00
Total Loans Payable (short term)	0.00	875,000.00	875,000.00
PPA Collateral			
Terra-Gen	0.00	1,680,000.00	1,680,000.00
Total PPA Collateral	0.00	1,680,000.00	1,680,000.00
TOTAL LIABILITIES	151,010.54	10,458,797.57	10,609,808.11
NET POSITION			
Restricted Net Position	147,000.00	200,000.00	347,000.00
Unrestricted Net Position	4,063,221.95	(618,073.31)	3,445,148.64
TOTAL LIABILITIES AND NET POSITION	4,361,232.49	10,040,724.26	14,401,956.75

(1) Net Energy Metering customers' usage is monitored on a monthly basis, recorded in an escrow account and trued-up at the end of each customer's relevant period (May 2022).
- If the NEM customer generated more electricity than used, DCE will pay the NET balance at the end of May 2022 at DCE's approved Net Surplus Compensation Rate; if the NEM customer used more electricity than generated, DCE will bill the net annual balance at the customer's metered rate.

(2) Accrued an offset of \$609,655 for the California Arrearage Payment Program (CAPP) allocation for COVID-19 bill relief.

DESERT COMMUNITY ENERGY
UNAUDITED FINANCIAL STATEMENTS
REVENUES, EXPENSES, AND CHANGES IN NET POSITIONS
FOR THE PERIOD FROM JULY 1, 2021 TO OCTOBER 31, 2021

	<u>GENERAL</u>	<u>PALM SPRINGS</u>	<u>TOTAL</u>
REVENUES			
Electricity Sales ⁽¹⁾	0.00	21,831,022.69	21,831,022.69
Other Revenue	0.00	426,964.78	426,964.78
Investment Income	1,478.90	0.00	1,478.90
TOTAL REVENUES	<u>1,478.90</u>	<u>22,257,987.47</u>	<u>22,259,466.37</u>
EXPENSES			
Cost of Electricity			
Electricity Purchase	0.00	15,413,695.21	15,413,695.21
Resource Adequacy	0.00	3,693,596.25	3,693,596.25
Renewable Energy Credit Settlement	0.00	1,561,189.35	1,561,189.35
Market Charges	0.00	2,259,665.26	2,259,665.26
Total Cost of Electricity	<u>0.00</u>	<u>22,928,146.07</u>	<u>22,928,146.07</u>
Accounting / Bank Services	155.65	155.65	311.29
Legal Services	4,208.75	12,626.25	16,835.00
Professional Services			
AJ Gallagher & Co Insurance	175.00	175.00	350.00
Brown & Riding Insurance	58.13	58.13	116.25
Davis Farr LLP	487.50	1,462.50	1,950.00
SOCAL Edison	0.00	14,000.00	14,000.00
Total Professional Services	<u>720.63</u>	<u>15,695.63</u>	<u>16,416.25</u>
Insurance			
Total Insurance	<u>3,896.63</u>	<u>3,896.63</u>	<u>7,793.25</u>
Consultants			
Calpine Energy Solutions	49,233.51	147,700.54	196,934.05
Don Dame	0.00	8,606.50	8,606.50
The Energy Authority	0.00	488,376.52	488,376.52
Total Consultants	<u>49,233.51</u>	<u>644,683.56</u>	<u>693,917.07</u>
Outreach			
Burke Rix Communications	0.00	11,989.25	11,989.25
Total Outreach	<u>0.00</u>	<u>11,989.25</u>	<u>11,989.25</u>
Postage			
Ace Printing	1,071.81	1,071.81	2,143.61
Total Printing	<u>1,071.81</u>	<u>1,071.81</u>	<u>2,143.61</u>
Printing			
Ace Printing	2,613.00	2,613.00	5,226.00
Total Printing	<u>2,613.00</u>	<u>2,613.00</u>	<u>5,226.00</u>
Social Programs	0.00	20,615.00	20,615.00
Registrations/Memberships			
Western Renewable Energy Generation Information System (WREGIS)	0.00	125.00	125.00
CA Community Choice Association	10,398.13	31,194.38	41,592.50
Total Registration/Memberships	<u>10,398.13</u>	<u>31,319.38</u>	<u>41,717.50</u>
Bad Debt ⁽²⁾	0.00	45,275.69	45,275.69
Interest Expense	0.00	62,798.73	62,798.73
TOTAL EXPENSES	<u>72,298.09</u>	<u>23,780,886.62</u>	<u>23,853,184.71</u>
Excess of Revenues over Expenses	<u>(70,819.19)</u>	<u>(1,522,899.15)</u>	<u>(1,593,718.34)</u>
Net Position - Beginning of the Period	<u>4,281,041.14</u>	<u>1,104,825.84</u>	<u>5,385,866.98</u>
Net Position - End of the Period	<u>4,210,221.95</u>	<u>(418,073.31)</u>	<u>3,792,148.64</u>

(1) Electricity sales revenue includes revenues actually billed to customers as well as estimated customer usage during the reporting period that is not yet billed

(2) Accrued an offset of \$609,655 for the California Arrearage Payment Program (CAPP) allocation for COVID-19 bill relief.

DESERT COMMUNITY ENERGY
UNAUDITED FINANCIAL STATEMENTS
STATEMENT OF NET POSITIONS
AS OF OCTOBER 31, 2021

ASSETS

Unrestricted Funds		
Operating Account	1,092,340.28	
Money Market Account	66,347.52	
ICS Account	518,960.38	
Lockbox Account	17,847.87	
Total Unrestricted Funds	1,695,496.05	
Restricted Funds		
Restricted Cash (PPA Collateral)	1,680,000.00	
SCE FSR Letter of Credit Collateral	147,000.00	
Debt Service Reserve Account	200,000.00	
Total Restricted Funds	2,027,000.00	
Total Cash		3,722,496.05
Accounts Receivable		
Southern California Edison	7,295,221.83	
Southern California Edison (Escrow Account) ⁽¹⁾	2,041,395.62	
Coachella Hills Wind	68,586.52	
Total Accounts Receivable		9,405,203.97
Accrued Revenue		2,404,839.38
Allowance for Doubtful Accounts ⁽²⁾		(1,130,582.65)
TOTAL ASSETS		14,401,956.75

LIABILITIES

Accounts Payable		
Ace Printing	973.23	
Arthur J Gallagher Insurance & co	103.25	
Best, Best & Krieger LLP	16,835.00	
Burke Rix	4,731.25	
Calpine Energy Solutions	98,121.20	
Donald D. Dame	2,276.75	
River City Bank	2,903.69	
Southern California Edison	29,000.00	
The Energy Authority	6,049,480.40	
Vesper Energy	72,751.90	
Net Energy Metering payables	5,277.68	
Total Accounts Payable		6,282,454.35
Accrued Accounts Payable		
The Energy Authority	13,267.56	
Total Accounts Payable		13,267.56
Due to Other Governments		
Coachella Valley Association of Governments	571,162.68	
Utility Users Tax- Palm Springs	1,170,330.70	
Electric Energy Surcharge (CDTFA)	17,592.82	
Total Due to Other Governments		1,759,086.20
Loans Payable (short term)		
River City Bank	875,000.00	
Total Loans Payable (short term)		875,000.00
PPA Collateral		
Terra-Gen	1,680,000.00	
Total PPA Collateral		1,680,000.00
TOTAL LIABILITIES		10,609,808.11

NET POSITION

Restricted Net Position		347,000.00
Unrestricted Net Position		3,445,148.64
TOTAL NET POSITION		3,792,148.64
TOTAL LIABILITIES AND NET POSITION		14,401,956.75

(1) Net Energy Metering customers' usage is monitored on a monthly basis, recorded in an escrow account and tried-up at the end of each customer's relevant period (May 2022).

- If the NEM customer generated more electricity than used, DCE will pay the NET balance at the end of May 2022 at DCE's approved Net Surplus Compensation Rate; if the NEM customer used more electricity than generated, DCE will bill the net annual balance at the customer's metered rate.

(2) Accrued an offset of \$609,655 for the California Arrearage Payment Program (CAPP) allocation for COVID-19 bill relief.

**DESERT COMMUNITY ENERGY
UNAUDITED FINANCIAL STATEMENTS
OF REVENUES, EXPENSES, AND CHANGES
IN NET POSITION FOR THE PERIOD
JULY 1, 2021 TO OCTOBER 31, 2021**

REVENUES

Electricity Sales ⁽¹⁾		21,831,022.69
Carbon Free	18,741,607.74	
Carbon Free- CARE/FERA	1,871,412.99	
Desert Saver	1,218,001.96	
Other revenue		426,964.78
Investment Income		1,478.90
TOTAL REVENUES		<u><u>22,259,466.37</u></u>

EXPENSES

Cost of Electricity		
Electricity Purchase	15,413,695.21	
Resource Adequacy	3,693,596.25	
Renewable Energy Credit Settlement	1,561,189.35	
Market Charges	2,259,665.26	
Total Cost of Electricity		22,928,146.07
Accounting / Bank Services		311.29
Legal Services		16,835.00
Professional Services		16,416.25
Insurance		7,793.25
Consultants		693,917.07
Outreach		11,989.25
Postage		2,143.61
Printing		5,226.00
Social Programs		20,615.00
Registrations/Memberships		41,717.50
Bad Debt ⁽²⁾		45,275.69
Interest Expense		62,798.73
TOTAL EXPENSES		<u><u>23,853,184.71</u></u>

Excess of Revenues over Expenses	(1,593,718.34)
Net Position - Beginning of the Period	<u>5,385,866.98</u>
Net Position - End of the Period	<u><u>3,792,148.64</u></u>

(1) Electricity sales revenue includes revenues actually billed to customers as well as estimated customer usage during the reporting period that is not yet billed.

(2) Accrued an offset of \$609,655 for the California Arrearage Payment Program (CAPP) allocation for COVID-19 bill relief.

ITEM 7C

Desert Community Energy Board
January 10, 2022



STAFF REPORT

Subject: Update on California's Arrearage Payment Program

Contact: Janice Reitman, Accounting Manager (jreitman@cvag.org)

Recommendation: Information

Background: At the August 2021 Board meeting, staff provided a summary of the California Arrearage Payment Program (CAPP). The State Budget Act of 2021 appropriated \$1 billion from the federal American Rescue Plan Act of 2021 to support the establishment of the CAPP. The program is designed to provide financial assistance to active and inactive residential and commercial customer accounts that have delinquent balances incurred during the COVID-19 pandemic relief period, which spans from March 4, 2020 through June 15, 2021. Both CCA and Investor-Owned Utility (IOU) customers are eligible for this funding, in proportion to their respective shares of eligible past due amounts.

DCE has observed a significant increase on delinquency rates since the April 2020 launch of service in the City of Palm Springs, largely as an impact of the COVID-19 pandemic. This prompted the DCE Board to increase its bad debt allowance from 0.3% to 3.0%.

In October 2021, the California Department of Community Services and Development (CSD) – the agency responsible for managing the CAPP disbursements – issued a notice identifying CAPP utility arrearages and allocations. Because reported statewide energy utility arrearages of \$1,994,976,176 far exceed the total CAPP allocation of \$993.5 million, CSD estimates that CAPP allocations will offset approximately 49.8 percent of total statewide arrearages. Approximately 45 percent of the arrearages in the CCA category will be offset by the designated CAPP fund allocation. For DCE, the total amount for accounts in arrears was about \$2.6 million at the end of November, and DCE has been allocated \$609,655 in CAPP funds.

CAPP benefits will be credited to customer accounts on a rolling basis as energy utilities apply and are approved for CAPP funding. Southern California Edison (SCE) will receive the funds, and they must be distributed by January 31, 2022. The CAPP benefits are required to be applied to customer accounts within 60 days. DCE staff is coordinating with SCE and Calpine as they will manage the application of funds as defined by the CSD procedures. Once the benefits are applied to the customer accounts, the energy utilities shall not disconnect CAPP benefit recipients for 90 days after the benefit application. Information about the CAPP benefits will be provided on DCE's website and via other outreach channels.

Fiscal Analysis: DCE has been allocated \$609,655 in CAPP funding. This will reduce DCE's 60-days-plus accounts receivable balance, which was \$2,633,502 million as of November 30, 2021. The aged balances are anticipated to slowly improve as individuals and businesses move through pandemic recovery.