



**DRAFT MINUTES  
BOARD OF DIRECTORS MEETING - SPECIAL MEETING  
THURSDAY, JANUARY 10, 2019  
8:45 A.M.**

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50 Santa Rosa Avenue, Fifth Floor, Santa Rosa, California

**I. CALL TO ORDER**

Vice Chair Landman called the meeting to order at 8:45 a.m. and introduced returning Director Dave King from the City of Petaluma. Director Okrepkie recognized Directors Bagby and Belforte for their respective mayoral appointments.

Present: Vice Chair Landman and Directors Bagby, Belforte, Gjerde, King, Okrepkie, Peters, and Slayter.

Staff present: Geof Syphers, Chief Executive Officer; Stephanie Reynolds, Director of Internal Operations; and Jessica Mullan, General Counsel.

**II. BOARD OF DIRECTORS CONSENT CALENDAR**

1. Approve December 6, 2018, minutes of the SCPA Board of Directors

Public comment: none

Motion to approve the December 6, 2018, minutes of the SCPA Board of Directors by Director Belforte.

Second: Director Okrepkie

Motion passed: 8-0-0

**III. BOARD OF DIRECTORS REGULAR CALENDAR**

2. Appoint Chair and Vice Chair of the Board for 2019

Vice Chair Landman outlined the process by which nominations would be considered.

Director Slayter then recognized outgoing Chair Hamburg for his leadership and advocacy in bringing the County of Mendocino into SCP as a participating jurisdiction.

Public comment: none

Motion to appoint Vice Chair Landman as Chair for the 2019 calendar year by Director Slayter

Second: Director Belforte

Motion passed: 8-0-0

Motion to appoint Director Slayter as Vice Chair for the 2019 calendar year by Director Okrepkie

Second: Director Bagby

Motion passed: 8-0-0

### 3. Receive Internal Operations and Monthly Financial Report

CEO Syphers advised the Board that SCP is currently recruiting for a Chief Operating Officer. He highlighted the need for this position in light of his increased legislative efforts in Sacramento along with the potential for a PG&E bankruptcy. CEO Syphers then notified the Board that SCP has engaged with bankruptcy counsel in advance of any bankruptcy declarations by PG&E.

Director Reynolds recapped the load deviation issue, which is still ongoing, and staff will continue to report on this matter. A 1 MW ProFIT project is under construction in Cloverdale and anticipated to be online by March, 2019. She then advised the Board that staff is considering greater use of the Consent Calendar for streamlining meetings and will bring procedures in this area to the Board for approval. Customer Care Specialist Danielle Baker updated the Board on recent improvements to the SCP section of the bills that PG&E produces, which include formatting to make the bill easier to read along with Spanish language bills so customers can select this option.

Director Reynolds provided a general Programs update, including: 431 E St. construction, electrification of local transit initiatives, the Strategic Action Plan, induction cooktops program, non-profit EV program, and the Advanced Energy Rebuild program, which is up to 150 applications. She then detailed the monthly compiled financial statements and updates to reserves following the final approved year-end financial audit. CEO Syphers highlighted that revenues and expenses are under projections due to load deviation issue.

Director Slayter asked how much funds are available for nonprofit EV purchases, and Director Stillman stated there is approximately \$75k remaining in the budget and this program will run through the end of the fiscal year.

Director Landman noted that municipal utilities have not experienced similar load deviations and inquired whether this could have been an ongoing issue since the inception of SCP. CEO Syphers detailed potential sources of deviation and staff's ongoing efforts to accurately identify the source.

Public comment: none

#### 4. Receive Legislative and Regulatory Updates

CEO Syphers advised the Board that CalCCA continues to work on legislation to improve transparency and improve costs for customers. He then gave an update on the PCIA, which may be slightly lower than previously forecast, but nonetheless an increase. Director Emerson reported on the Resource Adequacy (RA) Proposed Decision, which is on hold until the Jan. 31<sup>st</sup> meeting of CPUC. She highlighted that SCP staff has been participating in meetings with CalCCA and San Diego Gas & Electric to identify issues in the Proposed Decision to CPUC staff.

Director King commented on legislative activity, and in particular, the CASA Compact, which includes proposals for new housing construction; he suggested that staff monitor this developing legislation.

Vice Chair Slayter asked about new Governor and the appointment of new CPUC members; CEO Syphers stated that there is at least one vacant seat, potentially two, and that the Governor will appoint the president as well. CEO Syphers reminded the Board that CPUC commissioners serve 6-year terms and it is unlikely that there will be much turnover in the current member composition.

Chair Landman asked whether CPUC commissioners have been receptive to stakeholder feedback regarding the RA Proposed Decision, and Director Emerson stated that commissioners heard significant feedback against a centralized RA provider. Director Reardon then highlighted the CPUC process for amending the RA Proposed Decision. Director Bagby requested an update on AB 56 by Garcia; CEO Syphers detailed the study bill, which would create a centralized procurement entity for RA along with all renewables, and under this model, it would essentially take away the SCPA BOD's power to procure renewable energy.

Public comment: none

#### 5. Approve and Authorize the CEO to Execute an Agreement with the County of Sonoma for Energy Audit Services for Commercial Customers

Senior Programs Manager Rachel Kuykendall introduced the agreement with the County of Sonoma's Energy and Sustainability Division for energy audit services for commercial customers. She noted that although the agreement did not go before the Community Advisory Committee ("CAC") for review due to a tight deadline with the County of Sonoma Board of Supervisors meeting schedule, she did provide a copy to CAC members for their feedback prior to bringing to our Board and responded to those questions.

Director Gjerde asked whether municipalities such as the City of Ft. Bragg and County of Mendocino could take advantage of the agreement; Senior Programs Manager Kuykendall confirmed that the agreement covers SCP's entire service territory.

Vice Chair Slayter asked about any liability issues arising from this agreement, and General Counsel Mullan stated that contract includes a standard mutual indemnification clause plus insurance requirements, which limits SCP's potential exposure.

Public comment:

Dick Dowd, CAC Chair, noted his support for the agreement, including the qualifications of the Energy and Sustainability Division.

Bill Mattinson, CAC Vice-Chair, noted support of agreement and need for increased commercial audits.

Vice-Chair Slayter requested that staff report out on the efficacy of the previous agreement.

Motion to Approve and Authorize the CEO to Execute an Agreement with the County of Sonoma for Energy Audit Services for Commercial Customers by Vice Chair Slayter.

Second: Director Bagby

Motion passed: 8-0-0

Sr. Programs Manager Kuykendall then updated the Board on a new energy code cycle which goes live on 1/1/2020, and efforts for all-electric REACH codes.

6. Discuss Proposed Schedule and Budget for Improvements to 431 E Street and Provide Direction to Staff Regarding Proceeding with Preparation of Construction Documents.

Director of Programs, Cordel Stillman, provided an update on the proposed timeline and costs for 431 E St. The project is on track for bid in June of this year, with award of the contract anticipated for the September Board meeting, construction starting in October 2019, and an end date of October 2020.

The estimate provided to the Board is broken into two parts—base upgrades and enhancements, e.g., solar power array, eclectic car charging, battery storage system, etc. Base costs are estimated at \$7.5 million with the enhancements costing an additional \$1.6 million. These costs come from architect estimates as well as from a 3<sup>rd</sup> party estimator that SCP has contracted with. Director Stillman stated that in an effort to bring a conservative cost estimate to the Board, that the proposed budget contains a 10% contingency, 5% for scope changes, and a 15% increase in cost of construction contingency. He stated that the estimates compare favorably with current market conditions. Director Stillman than highlighted that the costs will be spread over 3 fiscal years and enhancements will likely come out of Program Reserves.

Director Okrepkie asked about completed asset value with efficiency upgrades and CEO Syphers stated that the insured value would be close to the full cost of the building with investments, plus an additional \$2 million.

Director Belforte asked about contingencies and the return on investments for the proposed enhancements; CEO Syphers stated that these enhancements will likely break even over 10 years.

Public comment:

Dick Dowd, CAC Chair, stated the building costs, without enhancements, are comparable to current market conditions along with his support for the item.

Bill Mattinson, CAC Vice Chair, spoke in support of the item and asked about estimated building costs.

Motion to Provide Direction to Staff to Proceed with Remaining Design Work by Director Belforte

Second: Director King

Motion passed: 8-0-0

7. Receive and Accept Annual Report

Brand Manger April Varellas provided brief highlights from the 2018 Annual Report, including SCP's new branding, ProFIT solar projects, AER rebuild program, partnerships with Sonoma and Mendocino Land Trust for tree planting efforts to fight climate change, and financials.

Public comment: none

#### **IV. BOARD MEMBER ANNOUNCEMENTS**

None

#### **V. PUBLIC COMMENT ON MATTERS NOT LISTED ON THE AGENDA** - Comments are restricted to matters within the Board jurisdiction. Please limit comments to three minutes.

Mark Tholke, Golden State Renewable Energy, spoke on his background developing large scale renewable projects on behalf of CCAs, and his company's efforts to install solar panels on graded land.

#### **VI. ADJOURN** Chair Landman adjourned the meeting at 9:59am.

Respectfully submitted,



Beau Anderson  
Clerk of the Board