



**MEETING MINUTES
BOARD OF DIRECTORS MEETING
THURSDAY, MARCH 7, 2018
8:45 A.M.**

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

I. CALL TO ORDER

Chair Landman called the meeting to order at 8:47 a.m.

Board members present: Chair Landman, Vice Chair Slayter, and Directors Bagby, Belforte, King, Okrepkie, and Williams.

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 February 7, 2019 minutes of the SCPA Board of Directors meeting

Motion to approve the February 7, 2019 minutes of the SCPA Board of Directors meeting by Director Belforte

Second: Director King

Motion passed: 7-0-0

III. BOARD OF DIRECTORS REGULAR CALENDAR

2. Receive Internal Operations Report, Monthly Financial Report, Update on PG&E Bankruptcy and Provide Direction as Necessary

Director of Internal Operations, Stephanie Reynolds, updated the Board on the new staff member who is filling the vacant Risk & Regulatory Compliance Officer position, the COO recruitment process, and flood recovery efforts.

Director of Customer Service Erica Torgerson detailed how SCP has halted collections and non-payment for customers affected by floods and advised the Board that a plan for processing collections going forward would be brought back to the Board once the scope of losses is clearer.

CEO Syphers detailed the ongoing measured load reduction and the determination that a probable, but not-proven factor, is a decline in cannabis cultivation in the residential sector. As a result, revenues and expenses are subsequently lower for the year.

Director Torrez arrived at approximately 8:57 a.m.

CEO Syphers then updated the Board on the PG&E bankruptcy protection and restructuring case. He described how SCP continues to monitor the situation, is meeting with attorneys for the creditors' committee, and working with CalCCA on a cohesive advocacy strategy.

Vice Chair Slayter asked about the COO recruitment and what role the Board may play in the selection process; CEO Syphers stated that as the COO will report to CEO, he wants to keep the delineation of reporting clear to minimize confusion among staff and the Board.

Vice Chair Slayter then asked about the PCIA and any updates to the fee; CEO Syphers detailed how, due to delays, the PCIA won't be adjusted until later in the year. He then highlighted how the delayed increase in PCIA fees will be made up in 2020 over the course of 12 months, and this will lead to a larger than usual increase in rates for our customers.

Director Reynolds highlighted Consent Calendar procedures for regular business and routine items in the interest of meeting efficiency. She then detailed cost refinements for the 431 E St. SCP building headquarters.

CEO Syphers advised the Board of outreach efforts to other jurisdictions throughout the state wanting to form their own CCAs, and a recent meeting with representatives from Fresno. Chair Landman asked about the role of CalCCA in this process; CEO advised the Board that the preference is for CalCCA to continue their focus on advocacy and legislation. Chair Landman noted his support.

Director Reynolds advised the Board that AER is up to approximately 170 applicants to date, and that PG&E has proposed to bring this program to other areas affected by wildfires.

Public comment: None

Vice Chair Slayter voiced his support for expanding AER to new homes, as opposed to just rebuilds.

3. Receive Legislative and Regulatory Updates and Provide Direction as Necessary

Director of Regulatory Affairs, Neal Reardon, updated the Board on the February 21st CPUC PCIA rehearing, the proposed resource adequacy & central procurement entity, and approval of renewable portfolio plans.

CEO Syphers then highlighted the legislative report, including a number of new bills proposed for the current session.

Chair Landman noted the number of bills which contain language on a potential central procurement entity for resource adequacy and requested that staff identify other related threats to SCP. CEO Syphers detailed how resource adequacy should be viewed as a kind of planning reserve margin or insurance policy, and that this market largely developed following the rolling blackouts in California to address scarcity issues.

Director Okrepkie asked about central procurement legislation and source of advocacy; CEO Syphers stated it is likely from the CPUC and elected representatives who are genuinely concerned about reliability, but explained that SCP's Legislative Platform ensures SCP will fight to defend the agency's statutory right to procure resources.

Public comment: None

4. Approve Proposed Budget Adjustment for FY 2018/2019 to Revenues, Energy Expenses, Service Fees to PG&E, Legal Fees, Program Expenses, and Several Additional Categories

Chair Landman asked about PG&E service fees and the addition/validity of the Meter Data Usage Fee; Director of Customer Service Erica Torgerson detailed the process for revising these fees and her belief that this is likely a fair and valid fee.

Vice Chair Slayter asked about the personnel line item and why no adjustment is needed with the new hires for the Risk and Regulatory Compliance Officer & Chief Operating Officer positions. CEO Syphers detailed that one position was previously filled and budgeted for, and that COO will only have limited costs in the current fiscal year budget due to the effective hire date.

Motion to approve proposed budget adjustment for FY 2018/2019 to revenues, energy expenses, service fees to PG&E, legal fees, program expenses, and several additional categories by Director Belforte.

Second: Director King

Motion passed: 8-0-0

Public comment: None

5. Authorize the General Counsel to Amend SCP's PG&E Bankruptcy-Related Legal Services Agreements with Boutin Jones, Inc. and Engel Law P.C.

General Counsel Jessica Mullan introduced the item by noting the extraordinary circumstances of the PG&E bankruptcy and the subsequent need for outside counsel to protect SCP's interests. She detailed the cost of the budget adjustment, and how this request tries to encompass all foreseeable bankruptcy costs moving forward.

Chair Landman asked if the budget request reflects a worst case scenario should assumptions that PG&E not cooperate moving forward. General Counsel Mullan noted that an adversarial relationship could significantly increase this budget, and that to date, PG&E has been working collaboratively with SCP.

Public comment: None

Motion to authorize the General Counsel to amend SCP's PG&E bankruptcy-related legal services agreements with Boutin Jones, Inc. and Engel Law P.C. by Director Belforte

Second: Director Williams

Motion passed: 8-0-0

6. Approve Contract for Construction Management Services with Sixth Dimension, LLC. at 741 4th Street

Programs Manager Chad Asay detailed the Request for Proposals for Construction Management Services, including the public solicitation process, and staff's recommendation that the Board approve a contract with Sixth Dimension, LLC.

Public comment: None

Motion to approve contract for construction management services with Sixth Dimension, LLC. at 741 4th street by Director Belforte.

Second: Director King

Motion passed: 8-0-0

IV. BOARD MEMBER ANNOUNCEMENTS

Director Torrez thanked staff for speaking on-air with the KGUA radio station in Gualala.

Director Bagby advised the Board that the recent flooding breeched a levee at the Cloverdale Airport and that the City will be requesting FEMA assistance for these damages and for municipal well-damage.

Director Slayter noted the flood damage in Sebastopol and upcoming fundraisers for the Sebastopol Community Center on Friday, March 8th at the Sebastopol Community Church, and another fundraiser at the Horse and Plow tasting room on the same day. He also detailed the loss of Village Bakery, recent health issues of the businesses' co-owner, and suggested that people shop locally in their community to support local businesses.

V. PUBLIC COMMENT ON MATTERS NOT LISTED ON THE AGENDA

None

VI. ADJOURN

Chair Landman adjourned the meeting at 10:21am.

Respectfully submitted,



Beau Anderson
Clerk of the Board