



**MEETING MINUTES  
BOARD OF DIRECTORS REGULAR MEETING  
THURSDAY, APRIL 2, 2020  
8:45 A.M.**

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**\*\*\*\*GOVERNOR'S EXECUTIVE ORDER N-25-20\*\*\*\***

**\*\*\*\*GOVERNOR'S EXECUTIVE ORDER N-29-20\*\*\*\***

**\*\*RE CORONAVIRUS COVID-19\*\***

*DUE TO THE PROVISIONS OF THE GOVERNOR'S EXECUTIVE ORDERS N-25-20 AND N-29-20 WHICH SUSPEND CERTAIN REQUIREMENTS OF THE BROWN ACT, AND THE ORDER OF THE HEALTH OFFICER OF THE COUNTY OF SONOMA TO SHELTER IN PLACE TO MINIMIZE THE SPREAD OF COVID-19, MEMBERS OF THE BOARD OF DIRECTORS PARTICIPATED IN THE APRIL 2, 2020 REGULAR MEETING BY TELECONFERENCE. MEMBERS OF THE PUBLIC WERE PROVIDED A TELEPHONE CALL-IN NUMBER TO LISTEN TO THE MEETING AND THE OPPORTUNITY TO PROVIDE WRITTEN COMMENTS PRIOR TO, AND DURING, THE MEETING.*

**I. CALL TO ORDER**

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

Board members present: Chair Slayter, Vice Chair Bagby, and Directors Belforte, Gjerde, Harrington, King, Landman, Torrez, and Okrepkie

Staff members present: Geof Syphers, Chief Executive Officer; Michael Koszalka, Chief Operating Officer; Stephanie Reynolds, Director of Internal Operations; and Harriet Steiner, Special Counsel

**II. BOARD OF DIRECTORS CONSENT CALENDAR**

1. Approve March 5, 2020 SCPA Board of Directors Draft Meeting Minutes
2. Adopt a New Commercial Electric Vehicle Rate Structure and Rates for the Remainder of the 2019/2020 Fiscal Year
3. Approve and Delegate Authority to the CEO to Execute Second Amendment to Contract with TLCD Architecture
4. Approve and Delegate Authority to the CEO to Negotiate, Execute, and Amend a Professional Services Agreement for the Advanced Energy Build Program with TRC Engineers, Inc.

Public comment:

Mike Nicholls, Community Advisory Committee member, noted his support for item #4 on the Consent Calendar.

Denis Quinlan, Community Advisory Committee member, offered his support for item #4 as staff's requested action is consistent with previous Committee and Board approvals

Motion to approve the April 2, 2020 SCPA Board of Directors Consent Calendar by Director Landman

Second: Director King

Motion passed: 9-0-0

*Vice Chair Bagby recused herself from Item #3 on the Consent Calendar.*

### **III. BOARD OF DIRECTORS REGULAR CALENDAR**

5. Receive Internal Operations and Monthly Financial Report and Provide Direction as Appropriate

CEO Syphers introduced the item by noting that SCP's Customer Service department initiated emergency consumer protections to protect customers experiencing financial hardships due to COVID-19, and that the following activities have been ceased until at least May 30<sup>th</sup>: late-payment notices, customer drops, and sending delinquent accounts to collections. He then advised the Board SCP's office closure was extended until the end of April following orders from the Health Officer of Sonoma County. CEO Syphers stated that SCP donated \$30k to the Redwood Empire Food Bank and \$15k to the Community Foundation of Mendocino County to support their efforts during the COVID-19 crisis.

Public comment: none

6. Receive Legislative and Regulatory Update and Provide Direction as Appropriate

CEO Syphers introduced the item by noting the physical closure of the State Capitol and that Governor Newsom has signaled that public health bills will likely dominate the legislative session. CEO Syphers stated that SCP will continue to monitor bills should the legislature ultimately consider any of the bills SCP is monitoring. Director of Regulatory Affairs Neal Reardon then gave

an update on the Power Charge Indifference Adjustment ("PCIA") fee and stated the CPUC approved a significant increase in the fee. Due to the increase, SCP will present a variety of budget options to reduce volatility around customer bills. Director Reardon then advised the Board that the CPUC ordered Investor Owned Utilities to list their above-market costs as a separate line item on future bills, which he believes will bring greater clarity to bundled customers by noting that these above-market costs are not specific to CCAs. He then gave an update that PG&E has delayed their Distributed Generation Enabled Microgrid Services project until 2021, which PG&E would use to provide generation resources to SCP and PG&E customers during Public Safety Power Shutoff events. CEO Syphers noted that PG&E received temporary use approval for a fossil-fuel powered generator at their Windsor substation, and while this is encouraging in the sense that it would provide backup power during fire season, it omits other substations in SCP's service territory and provides no timeline for considering replacing the generator with clean power sources. CEO Syphers told the Board that, in partnership with the City of San Jose, he submitted a funding request to the Governor's office for the City of Fort Bragg's proposed microgrid project. Director Reardon stated that the CPUC issued a proposed decision which would require PG&E to purchase local Resource Adequacy on behalf of SCP, and given that this decision undermines SCP's procurement authority, he will continue to advocate against it with other relevant stakeholders.

Public comment: none

7. Adopt a Resolution to Award the Construction Contract for the Sonoma Clean Power Headquarters Project to the Low Bidder, Midstate Construction Corporation, in the Amount of \$9,405,000; Waive Immaterial Bidding Irregularities; Reject Bid Protest from C. Overaa & Co.; Find the Project to be Exempt from CEQA; Authorize the CEO to Execute a Construction Contract and Change Orders; and Make Certain Findings Relating to these Actions

Director of Programs Cordel Stillman introduced the item and detailed the following: Midstate's bid was significantly lower than estimated costs; the bid protest from C. Overaa & Co. was determined to lack merit by outside counsel and SCP was notified that the protest would no longer be pursued; the project is categorically exempt from CEQA as advised by outside counsel; and the Community Advisory Committee recommended Board approval of this item.

Public comment: Dick Dowd, Chair of the Community Advisory Committee, reiterated the Committee's support of this item.

Motion to Adopt a Resolution to Award the Construction Contract for the Sonoma Clean Power Headquarters Project to the Low Bidder, Midstate Construction Corporation, in the Amount of \$9,405,000; Waive Immaterial

Bidding Irregularities; Reject Bid Protest from C. Overaa & Co.; Find the Project to be Exempt from CEQA; Authorize the CEO to Execute a Construction Contract and Change Orders; and Make Certain Findings Relating to these Actions by Director Belforte

Second: Director King

Motion passed: 9-0-0

8. Review and Provide Input on the Annual Budget, Customer Rate Setting Strategy for Fiscal Year 2020-2021, Approve the Establishment of a Customer Bill Stabilization Fund, and Approval of a Revision to Financial Policy B2 Regarding Contributions to Reserves

Chief Operations Officer Michael Koszalka introduced the item by providing an overview of staff's requested actions and the timeline for future meetings on this item. COO Koszalka noted that the assumptions made by staff in this item were done so prior to the shelter in place order, although preliminary data suggests a decline in customer usage by approximately 8%-12% across all customer classes. He stated that the final FY 20-21 budget & rates that staff will bring to the Board for approval will include staff's analysis of the financial impacts due to the shutdown. He then described how the Power Charge Indifference Adjustment ("PCIA") fee is increasing significantly and will make SCP customer bills higher than those of PG&E, which informed the draft budget and rates, along with the proposed strategy to keep SCP customer bills within 5% of PG&E bundled customers through the establishment of a Customer Bill Stabilization Fund ("Fund"). The proposed Fund would use approximately \$25 million from SCP's current year increase in net position to ensure that SCP customers' total bills stay competitive during the multi-year period in which the PCIA fee causes SCP customers' bills to exceed PG&E customers'. COO Koszalka then described staff's requested amendment to Financial Policy B2 Regarding Contributions to Reserves in order to establish the Fund. He then summarized the proposed budget & three different rate scenarios (including staff's preferred option), along with their potential impacts to customer bills, stability of SCP rates, and contributions to financial reserves, for Board feedback and direction.

*Director Hopkins joined the teleconference at approximately 9:20 a.m.*

Director King noted his support for Option #2 as presented by COO Koszalka and in the staff report for this item. Director Landman asked what impact, if any, a nominal increase in bills would have as far as customer migration; COO Koszalka noted that studies have shown there needs to be rather large changes in cost to prompt switching providers.

Motion to Approve the Establishment of a Customer Bill Stabilization Fund, Approve a Revision to Financial Policy B2 Regarding Contributions to

Reserves, and Approve Rate Setting Option #2 as Requested by Staff by  
Director Landman

Second: Director King

Motion passed: 10-0-0

*Vice Chair Bagby left the meeting at approximately 10:04 a.m.*

**IV. PUBLIC COMMENT ON MATTERS NOT LISTED ON THE AGENDA**

None

**V. BOARD MEMBER ANNOUNCEMENTS**

Director Okrepkie advised the Board of the potential for malicious public comment during teleconference meetings. Chair Landman noted the numerous disasters the community has faced over the last few years and encouraged everyone to support each other during trying times.

**VI. ADJOURN**

Chair Slayter adjourned the meeting at approximately 10:06 a.m.

Respectfully submitted,



Beau Anderson  
Clerk of the Board