



**MEETING MINUTES
COMMUNITY ADVISORY COMMITTEE MEETING
THURSDAY, NOVEMBER 29, 2018
1:00 PM**

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

I. CALL TO ORDER

Chair Dowd called the meeting to order at 1:00pm

Committee Members Present: Baldwin, Brophy, Chaban, Dowd, Fenichel, Nicholls, Sizemore, Quinlan, and Wells

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

II. PUBLIC COMMENT ON MATTERS NOT LISTED ON THE AGENDA

None

III. COMMUNITY ADVISORY COMMITTEE CONSENT CALENDAR

1. Approve October 25, 2018, CAC Meeting Minutes

Motion to approve the October 25, 2018, CAC Meeting Minutes by CM Nicholls

Second: CM Baldwin

Motion passed: 7-0-1 with CM Brophy abstaining

CM Sizemore arrived at approximately 1:06 PM

Public comment: None

IV. COMMUNITY ADVISORY COMMITTEE REGULAR CALENDAR

2. Receive the Financial Auditor's Report for FY 2017 and FY 2018

Brett Bradford of Piseni & Brinker LLP presented a report with the results of the audit for the fiscal years ending on June 30, 2017, and June 30, 2018. Based on the audit, Mr. Bradford provided his opinion that the statements are materially & accurately stated, complete, and free from errors.

CM Quinlan asked about significant deficiencies and Mr. Bradford stated there were none. CM Chaban asked about a separate profit/loss statement for

Mendocino County and CEO Syphers stated that funds aren't distinguished between SCP's service territories. CM Chaban stated he would like to see percentages included in the profit/loss categories.

Public comment: None

Motion to receive the Financial Auditor's Report for FY 2017 and 2018 by CM Brophy.

Second: CM Nicholls

Motion Passed: 9-0-0

3. Receive Operations Report and Provide Input as Appropriate

Director of Internal Operations Stephanie Reynolds detailed a pending agreement for legal services with the County of Sonoma, which is an ongoing contract for as-needed legal services. CEO Syphers then described how over the past several months, SCP customer load has been about 6% below forecast. An initial review has ruled out weather-related impacts, changes in numbers of customer, changes in behind the meter solar, and changes in large customer usage patterns. Staff is investigating possible causes for the deviation in load and will continue to report on this matter.

Director Reynolds stated that SCP's 2017 Validated Emission Factors were posted to The Climate Registry website. She then described how SCP staff, at the urging of Director Hopkins from the County of Sonoma, continues to meet with member jurisdictions to discuss the value of registering their municipal accounts for EverGreen service. Director Reynolds provided a Drive EV program update, which in its current iteration provided purchase incentives for 489 vehicles. This brings the three-year total for the program to 1,262 electric vehicles on the road with the help of SCP. Director Reynolds noted that these numbers do not include the "spillover effect" of electric vehicles that were purchased from dealers that weren't participants in the DriveEV program, but nonetheless matched SCP's incentives when approached by customers. CEO Syphers confirmed that SCP is ending the program to focus on electric vehicle charging infrastructure in SCP's service territory.

Public comment:

Jerry Glaser, Sebastopol resident, spoke about Evergreen program and benefits and marketing of EverGreen as an alternative to solar.

Tom Conlon, Sonoma resident, spoke about Sonoma as a municipal EverGreen participant, and efforts to have other cities/jurisdictions adopt.

4. Receive Legislative and Regulatory Updates and Provide Input as Appropriate

CEO Syphers recognized CM Nicholls' guest, Calvin Sandeen, Broadband Project Coordinator with the Sonoma County Economic Development Board. Mr. Sandeen detailed the California Public Utilities Commission Rule 20 underground utility program. He stated that the CPUC issued a public comment period for improvements to the program and his belief that no one from the region is engaging with the proceedings. He recommended supporting and coordinating efforts to realize benefits of underground utilities.

CEO Syphers provided a legislative update on the following items: CalCCA is taking input from its members to adopt a legislative agenda and will likely bring a bill forward in the coming session; Assemblymember Holden plans to run a bill to protect utilities from bankruptcy; Senator Hill proposed a bill to municipalize PG&E but has now shifted into breaking up the company into business units; and Sempra Energy, the parent company of San Diego Gas & Electric, has publicly shown a bill that would allow them to exit from all sales of electricity and focus only on reliability and distribution. He then detailed how the CPUC has been advancing efforts to centralize procurement and vest this power with the CPUC. Finally, CEO Syphers highlighted how the City and County of San Francisco and CalCCA (among others) have filed applications with the CPUC for a rehearing of the Power Charge Indifference Adjustment decision.

Public comment: none

5. Review, Comment, and Recommend Board Approval of Contract with TLCD Architecture for Design Services of SCP Storefront/Lead Locally Grant

Programs Manager Chad Asay detailed how SCP selected TLCD following a competitive solicitation process. The agreement is for \$507k and includes design services and runs through October 2019.

CM Chaban asked about the budget for the store and Program Manager Asay stated that the design budget, as outlined in grant proposal, is \$490k. CM Quinlan asked if these costs are covered by the grant and Program Manager Asay stated that these costs are borne by SCP as a match under the grant terms.

Public comment: none

CM Baldwin asked for any General Counsel comments; General Counsel Mullan stated she is comfortable with the agreement and any associated risks as the vendor accepted SCP's indemnification, insurance requirements, timely performance, and other terms contract terms.

Motion to Recommend Board Approval of Contract with TLCD Architecture for Design Services of SCP Storefront/Lead Locally Grant by CM Sizemore

Second: CM Baldwin

Motion Passed: 8-0-1

6. Review, Comment, and Recommend Board Approval of Contract with Sixth Dimension for Construction Management Services at 431 E St.

CEO Syphers detailed the item, which is a contract for construction management services, now that design services are underway. Sixth Dimension will assist from demolition through the closeout of construction (permitting, general contractor on timely schedule, approval of change orders, etc.).

He then stated that SCP issued a competitive solicitation, and due to the California wildfires, responses came from outside SCP's service territory. The agreement has a not-to-exceed amount of \$540,483 with an end date of 9/30/2020.

Public comment: none

Motion to Recommend Board Approval of Contract with Sixth Dimension Construction Management Services at 431 E St. by CM Nicholls.

Second: CM Wells

Motion Passed: 9-0-0

7. Review, Comment, and Recommend Board Approval of Contact Between SCP and Olivine, Inc. for Implementation of the GridSavvy Community

Senior Program Manager Kuykendall detailed the history of the Olivine partnership, including progress to date, and scope of the current agreement.

Public comment:

Andy Ferguson, with Friends of the Climate Action Plan, spoke in support of a Pay As You Save (PAYS) program at SCP Energy Marketplace.

Chair Dowd stated that he had sent a note to CEO Syphers detailing his concern of starting a new program considering the recent PCIA decision; CEO Syphers recommended moving forward as this is an existing program and within the existing approved program budget.

Motion to Recommend Board Approval of Contact Between SCP and Olivine, Inc. for Implementation of the GridSavvy Community by CM Sizemore.

Second: CM Baldwin

Motion Passed: 9-0-0

8. Review, Comment, and Recommend Board Action Concerning Draft Budget Adjustment and/or Conditional Rate Adjustment

CEO Syphers detailed a set of actions that staff could take, if needed, to protect customers from higher rates following PG&E's annual generation rate change along with any PCIA fee increases. These actions would only go into effect based on specific criteria, and the list of adjustments, to be implemented in order, are:

1. Set all rates to provide 0.25% savings on total electric charges.
2. Cut reserve contributions to 3% of revenues, the minimum required in Financial Policy B2.
3. Set all rates to provide 0% savings on total electric charges.
4. Cut the remaining unspent balances for specific budget items.
5. Cut reserve contributions to 0%, where the Board delegates authority to the CEO to take the exemption from Financial Policy B2.
6. Increase customer rates up to 4% over PG&E on total electric charges.

Chair Dowd and CM Nicholls stated their support for this item.

CM Baldwin asked about the procedure for how the BOD would allow an exemption from their approved financial policy and General Counsel Mullan detailed the process.

CM Fenichel asked about the PCIA process/fee in other markets, and CEO Syphers stated that it is common to see fixed fees over a fixed amount of time.

CM Brophy stated his support for the item with the following modifications: 1) emphasize at each step that SCP is including the planned contributions to reserves, if any; and 2) at each step SCP will progress up to the limit that is stated, e.g., rather than state "cut reserve contributions to 0%," the item should read as "cut reserve contributions *down* to 0%."

Public comment:

Mark Landman, Vice Chair of the Sonoma Clean Power Authority's Board of Directors, spoke in favor of staff's recommendations.

Motion to Recommend Board Action Concerning Draft Budget Adjustment and/or Conditional Rate Adjustment as Amended by CM Baldwin.

Second: CM Brophy

Motion Passed: 9-0-0

V. COMMITTEE MEMBER ANNOUNCEMENTS

None

VI. ADJOURN

Chair Dowd adjourned the meeting at 3:47 PM.

Respectfully submitted,

A handwritten signature in blue ink that reads "Beau Anderson". The signature is written in a cursive style with a long horizontal stroke at the end.

Beau Anderson
Clerk of the Board