



**MINUTES
BOARD OF DIRECTORS MEETING
THURSDAY, DECEMBER 6, 2018
8:45 A.M.**

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

I. CALL TO ORDER

Vice-Chair Landman called the meeting to order at 8:48 a.m.

Present: Vice-Chair Landman and Directors Ahanotu, Bagby, Gjerde, Harrington, Hopkins, King, Okrepkie, Peters, Slayter, and Tibbetts.

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 November 1, 2018, minutes of the SCPA Board of Directors

Public comment: None

Motion to approve the November 1, 2018, minutes of the SCPA Board of Directors by Director Harrington

Second: Director Okrepkie

Motion passed: 8-0-2 (Directors King and Tibbetts abstained).

III. BOARD OF DIRECTORS REGULAR CALENDAR

2. Receive Internal Operations and Monthly Financial Report

Director of Public Affairs & Marketing, Kate Kelly, gave an update on SCP's sponsorship of the Winterland Celebration at Santa Rosa's Courthouse Square and the City of Windsor's holiday tree lighting. She then noted that SCP staffer, Claudia Sisomphou, and Community Advisory Committee member, Mike Nicholls, were both recently elected as members of the newly-formed Lower Russian River Municipal Advisory Council. Finally, Director Kelly stated that SCP is working with a local agency to assist with updating the agency's mission statement, and that

Directors Harrington and Tibbetts are serving on an ad-hoc to assist with these efforts.

Director of Internal Operations, Stephanie Reynolds, provided an update on a pending agreement with the County of Sonoma's County Counsel for as-needed legal services.

CEO Syphers then discussed the load deviations highlighted in the budget summary financials. Revenues and energy expenses are lower than expected and staff is investigating the issue, and this is largely attributed to a significant decline in residential sector energy use which is happening throughout PG&E's service territory.

Director Hopkins arrived at 9:01 a.m.

Director of Operations Reynolds then announced that 489 vehicles were leased or sold during the final year of the DriveEV program, and that brings the 3-year vehicle total to 1,262 vehicles.

Public comment: None

3. Receive Legislative and Regulatory Updates

CEO Syphers described a bill by Assemblymember Garcia which would study removing renewable procurement from CCAs and place that responsibility with a central procurement entity; a bill concept from Senator Hill which may be introduced to split up PG&E into smaller companies; and a bill from Assemblymember Holden to further protect utility companies from bankruptcy.

Director Emerson then detailed a proposed Resource Adequacy ("RA") decision from the CPUC which was released on November 21st. Under the proposal, the CPUC would remove CCA's ability to procure resource adequacy and assign that task to a central buyer, which in the case of SCP would be PG&E. PG&E would then procure all resource adequacy products and assign those costs to SCP. SCP has already procured over \$20 million in RA and the only way to recoup these costs would be to sell to PG&E at a price PG&E agrees to, and then buy it back at a price that PG&E offers. This could be extremely costly to SCP ratepayers as PG&E would become both the seller and buyer. CEO Syphers stated his view that under the proposed decision, the CPUC only has the legal authority to procure on behalf of SCP in instances where SCP is non-compliant, as to do any additional procurement would be contrary to AB 117.

Public comment: None

4. Accept the Financial Auditor's Report for FY 2017 and FY 2018

Brett Bradford of Pimenti & 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 stated his opinion that the statements are materially & accurately stated, complete, and free from errors.

Public comment: None

Motion to accept the Financial Auditor's Report for FY 2017 and FY 2018 by Director Ahanotu.

Second: Director Tibbetts

Motion Passed: 11-0-0

5. Resolution of the Board of Directors Setting a Date, Hour and Place for Regular Meetings

Director of Operations Stephanie Reynolds detailed this item, which updates an outdated resolution setting the date, hour, and place for regular meetings of the Sonoma Clean Power Authority Board of Directors.

Public comment: None

Motion to adopt Resolution of the Board of Directors Setting a Date, Hour and Place for Regular Meetings by Director Peters.

Second: Director King.

Motion Passed: 11-0-0

6. Discussion of EverGreen Enrollment Benefits and Costs for SCPA Member Jurisdictions

CEO Syphers introduced the item which was placed on the agenda after a request by Director Hopkins. Following this, Director Hopkins highlighted the value and ease of adopting EverGreen as a tool for local governments to use in reducing greenhouse gas emissions. Director Harrington detailed the City of Sonoma's adoption of Evergreen and how it would be valuable to demonstrate GHG reductions by jurisdiction should they adopt Evergreen. Director Tibbetts outlined the City of Santa Rosa's efforts to adopt Evergreen and this item is anticipated to be on the February 2019 City Council agenda. Vice-Chair Landman asked staff to bring concrete numbers such as GHG reductions & costs back to the Board, as that will meaningfully guide future conversations. Director Hopkins detailed how SCP staff has been working to produce these numbers, and that the County of Sonoma will likely consider on a March Board of Supervisors meeting agenda.

Public comment:

Kevin Conway, spoke about a good “domino effect” of jurisdictions adopting EverGreen and ability of SCP to meet renewable demands.

Tom Conlin, supports the EverGreen option for jurisdictions and municipalities, and noted the significant cost differential for EverGreen and areas for collaboration.

Nina Tuner from the Center for Climate Protection spoke in support of expanding EverGreen enrollment.

Mike Turgeon, Friends of the Climate Action Plan Santa Rosa, spoke in support of the item as a SCP customer.

7. Approve Contract with TLCD Architecture for Design of Building Renovation at 741 4th Street

Director Bagby recused herself on this item.

Programs Manager Chad Asay introduced the item and noted that the CAC unanimously approved.

Public comment: None

Motion to Approve Contract with TLCD Architecture for Design of Building Renovation at 741 4th Street by Director Ahanotu.

Second: Director Okrepkie

Motion Passed: 10-0-1 (Director Bagby recused herself on this item).

Chair Landman called a brief recess at 11:05am; Director Peters left at this time.

8. Approve Contract for Construction Management Services with Sixth Dimension at 431 E Street

Director Stillman detailed the competitive process for issuing the construction proposal, the subsequent evaluation of submittals, and the selection of Sixth Dimension for services.

Public comment: None

Motion to Approve Contract for Construction Management Services with Sixth Dimension at 431 E Street by Director Okrepkie

Second: Director King

Motion Passed: 10-0-0

Director Hopkins left at approximately 11:20am.

9. Ratify Prior Contract and Provide Authorization for the CEO to Negotiate and Execute Agreement with Olivine, Inc. for GridSavvy

Programs Manager Rachel Kuykendall introduced and gave background on the item, as well as current GridSavvy program efforts.

Public comment: None

Director Harrington stated that she has received feedback that customers are having challenges with obtaining rebates and difficulty choosing chargers. Programs Manager Kuykendall detailed efforts to remedy challenges for the small percentage of customers that have issues.

Motion to Ratify Prior Contract and Provide Authorization for the CEO to Negotiate and Execute Agreement with Olivine, Inc. for GridSavvy by Director Ahanotu

Second: Director King

Motion Passed: 9-0-0

10. Approve a Conditional Rate Adjustment and Provide Direction Concerning Subsequent Budget Adjustments Associated with Rate Implementation

CEO Syphers introduced the item, which asks the Board to authorize SCP to increase fees based on any future PCIA adjustments; he noted that the CAC unanimously approved this recommendation. Director Tibbetts detailed his support for the plan, although he cautioned against some of the more aggressive actions. Director Slayter stated his support for maintaining competitive rates with PG&E, and that staff's proposal is geared towards protecting customers. Several Board members expressed concern with allowing an increase as high as 4% above PG&E rates, and CEO Syphers proposed allowing an increase up to 2% higher, with the understanding that if that is insufficient to balance the budget, staff would return with a further proposal to close the remaining budget gap.

Public comment:

Dick Dowd, Chair of the SCPA CAC, detailed the CAC's recommendation to the BOD.

Minutes
Sonoma Clean Power Authority
Board of Directors
December 6, 2018

Director Slayter asked about implications of PG&E bankruptcy should it occur; CEO Syphers stated that this is still being evaluated by staff, and it is hard to draw parallels from previous bankruptcies as those occurred prior to formation of CCAs in California.

Motion to Approve a Conditional Rate Adjustment of up to 2% above PG&E's by Director Okrepkie

Second: Director King

Motion Passed: 8-1-0

IV. BOARD MEMBER ANNOUNCEMENTS

Director Slayter announced the City of Sebastopol purchased the 1st electric bus in the Sonoma County Transportation Authority fleet. There will be a celebration on Monday, December 10th, at 10:30am

Director Okrepkie notified the Board about the Town of Windsor Holiday celebration.

Director Ahanotu advised the Board that this is his last meeting due to increased responsibilities as he received a job promotion.

Director Tibbetts asked about adding legislative advocacy/special meeting of legislators to a future agenda.

V. PUBLIC COMMENT ON MATTERS NOT LISTED ON THE AGENDA

None

VI. ADJOURN

Chair Landman adjourned at 12:19pm

Respectfully Submitted,



Beau Anderson
Clerk of the Board