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50 Old Courthouse Square, Suite 605
Santa Rosa, CA 95404

**SONOMA CLEAN POWER AUTHORITY
BUSINESS OPERATIONS COMMITTEE
MEETING NOTES
FRIDAY, OCTOBER 31, 2014**

I. CALL TO ORDER:

Meeting called to order by BOC Chair Susan Briski at 9:02 A.M.

Committee Members Present:

Chair Susan Briski, Dick Dowd, Mike Gogna, Paul Brophy, CM Mattinson absent with notice.

Staff/Consultants Present: CEO Geof Syphers, General Counsel Kelly Foley, Director of Power Services and Procurement Nathanael Miksis, Executive Assistant Stephanie Reynolds

II. BUSINESS OPERATIONS COMMITTEE REGULAR CALENDAR:

1. Adopt minutes from the August 18, 2014, and September 29, 2014 SCPA Business Operations Committee meetings.

Motion to approve August 18, 2014 minutes with grammatical correction by CM Gogna.
Seconded: CM Brophy

Motion carried: 3-0-2 (CM Mattinson absent, CM Dowd abstained)

Motion to approve September 29, 2014 minutes, as corrected, by CM Gogna.
Seconded: CM Briski

Motion carried 3-0-2 (CM Mattinson absent, CM Brophy abstained)

2. Chief Executive Officer Report on Financials.

CEO Syphers reported that SCP is experiencing significantly higher revenue than forecast in 2013, due to a higher number of businesses and residents participating. Other factors include an increased load purchased at a lower price than estimated.

Syphers thanked Nathanael Miksis, Kelly Foley and Kate Kelly for creative ways to save money and improve outreach to the public. As of the meeting date, SCP enrolled the 597th EverGreen customer, a number reached by word-of-mouth advertising, not a campaign.

Collateral was returned to SCP from the California Independent System Operator (CAISO) and Recurrent Energy because SCP is now considered financially viable and met the criteria that included a set amount of tangible net assets and a minimum of total assets of \$10M.

CM Dowd stated that SCP has an obligation to keep Directors, committees members, staff, and the general public informed as to how big SCP can become. CEO Syphers stated that the process of rate setting and budget, which starts in the spring, will work on projections.



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More detail will be provided at the December 3, 2014 Ratepayer Advisory Committee meeting.

Results from the outside audit performed by Pisenti & Brinker to be included in the Board packet. Preliminary results showed no material findings.

CM Gogna discussed the JPA requirement including a quarterly requirement reporting on more than financials.

Counsel Foley reported that per the JPA, the CEO quarterly reports are to include: financial performance, amount of power delivered, a narrative description of energy efficiency, conservation, renewable power generation, other programs, and the number of customers served. The required quarterly reports will be flagged in advance for future meetings and reported on a quarterly basis to the BOC.

CM Brophy posed questions regarding the actual debt service amount. Discussion held on debt service, including the Water Agency loan. He also requested a reminder of sequencing of payments, etc. CEO Syphers explained how the official reported financials from the CPA are prepared using gap principals, showing income as customers are billed in real-time, not when bills are paid. Bills are issued from PG&E within ten days following the approximate thirty-day cycle and meter reading. Payments received from PG&E arrive approximately five to six weeks from when a bill is issued to a customer.

Public Comment:

Bob Williamson requested a report on volumes of energy sold.

Woody Hastings posed a question regarding EverGreen marketing. CEO Syphers responded that marketing would not commence until Phase II is fully rolled out.

3. Review and provide input on proposed updates to Board Policies.

Counsel Foley asked that all non-substantive changes be submitted to her via redline word doc. The redline versions would be reviewed by CEO Syphers and Counsel Foley with a final version provided to the BOC for review prior to the next meeting. Chair Briski asked that all substantial changes be reviewed at the present meeting.

Item A.1 CM Gogna asked that applicable laws and regulations be included.

Item A.2 Terms and Conditions (T&C): Chair Briski suggested that the policy not list the entire terms and conditions. CM Gogna agreed, suggesting separating the T&C from the policy. CEO Syphers suggested that policy state that T&C are to be used and listing the T&C in a separate paragraph.

Item A.3: CM Gogna requests a change from "shall" to "may" in the first two sentences.

Item B.1.1: CM Brophy suggested clarification of "Product" by adding "as defined in the budget" after.

Item B.2.1.a: CM Brophy suggested a change to "does not exceed 2% over PG&E" so the second paragraph aligns with the first.



Item D.2: Add a footnote regarding a preference for electronic vs. paper copies. CM Gogna discussed the need for retention and the practice used for public records requests. CM Brophy suggests a notation following legal guidelines and not using the chart, except for internal procedures.

Public Comment:

Bob Williamson regarding Item B.2 – does not like “better” and suggests higher/lower. Make terminology between policies and financial statements match.

Chair Briski reviewed the edits and suggested changes. Counsel Foley stated any final changes will be presented at the next BOC for a vote.

4. Review and provide input on updated Resource Plan

Director Miksis reviewed the redline version of the Resource Plan that was included in the agenda packet prior to the meeting. Chair Briski requested titles on each table, chart and graphic, along with descriptive subtitles for easier understanding. Chair Briski also noted that the document captures what SCP is currently doing and would like to see more planning of what SCP would like to achieve. Miksis noted that the document is a living document and the goal is to provide guiding principles to allow for flexibility. CM Gogna requested that the phrase “contract prices being favorable” be rephrased as the BOC and the Board of Directors do not have access to pricing during negotiations.

Discussion on how to funnel comments to staff and that comments would need to be addressed publicly at a meeting. Counsel Foley encouraged the committee to provide comments to Director Miksis and he would then address the comments at the next public meeting with reasons that suggestions were or were not incorporated.

CM Dowd reminded staff that the document is also for the public and to keep the public in mind while authoring the document. CM Brophy suggested that he would like SCP to look further forward and have a plan that extended to 2020 and discussed the representation of data on graphs.

CEO Syphers stated SCP is aiming to beat the industry standards, but representations shown in the document are conservative.

Public Comment:

Woody Hastings stated he would submit written comments before the next deadline. He suggested more documentation on stakeholder outreach, programs, and the possibility of adding a valuation metric showing a shutdown of brown facilities.

Bob Williamson noted four consolidated goals and objectives are possibly redundant. He suggested a goal that would involve ratepayers and a reduction in rates to balance the objectives.

5. BOC Chair report out on scheduling and future agenda items

Chair Briski noted the next meeting date would be set after an email poll of the BOC members. The Chair will communicate to staff priority items for the agenda.



III. CLOSED SESSION CALENDAR

6. **The Business Operations Committee of the Sonoma Clean Power Authority will consider the following in closed session: Conference with real property negotiator pursuant to Govt. Code Section 54956.8. Consideration of a lease of the property at 50 Santa Rosa Avenue, Santa Rosa, California, will be considered by agency negotiators Geof Syphers, Kelly Foley and Amy Rider. Price, duration and other terms and conditions will be under negotiation. The negotiating party is 50 SRA Partners.**

Convene to Closed Session at 11:50 A.M.
Reconvene from Closed Session at 12:44 P.M.

Per 54956.8 of the Government Code

Report out from closed session by Chair Briski on the review of a draft lease and recommend approval of the lease of property at 50 Santa Rosa Avenue to the Board of Directors. CM Gogna departed the meeting during the closed session before any recommendation was formulated, and he was not present for the report out by Chair Briski.

IV. PUBLIC COMMENT ON MATTERS NOT LISTED ON THE AGENDA

None

V. ADJOURNMENT:

Meeting adjourned at 12:47 P.M.

Respectfully submitted,

Stephanie Reynolds
Executive Assistant