



**BOARD OF DIRECTORS  
MEETING MINUTES  
THURSDAY, OCTOBER 13, 2016**

**I. CALL TO ORDER**

The meeting was called to order at 8:45 A.M. by Chair Slayter

Present: Chair Slayter, Vice Chair King, Directors Okrepkie, Schwartz, Carrillo, Cook, Landman, Cox and Combs (alternate for Wysocky)

Staff: CEO Geof Syphers, General Counsel Steve Shupe, Internal Operations Manager Stephanie Reynolds and Executive Assistant Braiden Gugel

**II. BOARD OF DIRECTORS CONSENT CALENDAR**

1. Approve the August 4, 2016 meeting minutes of the SCPA Board of Directors. (8:46 A.M.)

Public Comment: None

Motion to approve minutes by Director Landman

Second: Director Cox

Motion carried: 8-0-1 (Combs, abstained)

**III. BOARD OF DIRECTORS REGULAR CALENDAR**

2. Receive Operations Update and provide direction as appropriate. (8:47 A.M.)  
Present: CEO Syphers

CEO Syphers introduced new SCP employee Sylvia Magallanes, Customer Service Representative. CEO Syphers stated that the Climate Registry has completed third-party verification of SCP's emission factors. CEO Syphers stated that General Counsel Steve Shupe and Regulatory Affairs Manager Neal Reardon have been working with Southern California Edison to run a working group into the Power Charge Indifference Adjustment (PCIA) to improve transparency and propose how to make the process easier to audit. CEO Syphers announced that the Sonoma City Council unanimously approved all City accounts switch to 100% renewable EverGreen. CEO Syphers also announced that all cities in Mendocino County passed Resolutions and introduced ordinances to request service from SCP. It was also mentioned that AB 1110 Greenhouse Gas Reporting bill had been signed by the Governor.

Public Comment: None

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3. Receive State Legislative Update and provide direction as appropriate. (8:58 A.M.)  
Present: Kate Kelly, Director of Public Affairs and Marketing and SCP lobbyist Kate Brandenburg

Kate Brandenburg gave a brief legislative update on AB811 and Senate Bill SB1030. Director Landman congratulated staff and the legislative team and stated all are doing very well. Director Schwartz asked if PG&E is going to replace all Diablo energy with renewables. General Counsel Steve Shupe stated an application was submitted to replace a portion of Diablo with a certain quantity of renewables.

Public comment:

Paul Brophy - asked if it was possible to get an update on the EPA's clean power plan. Staff will report back at the next meeting.

4. Approve Third Amended and Restated Joint Powers Agreement Relating to and Creating the Sonoma Clean Power Authority. (9:07 A.M.)  
Present: General Counsel Steve Shupe, CEO Geof Syphers

Staff went out to all member cities except Cloverdale and Sebastopol to give presentations and respond to questions. General Counsel Shupe stated that there are four remaining issues: 1. limiting the Board of Directors to elected officials; 2. The Community Advisory Committee (CAC) composition issue; 3. Weighted Voting for Mendocino Jurisdictions; and 4. Recital of Purposes.

At the Santa Rosa City Council meeting there was a proposal to cut back on the weighted voting percentages for new member jurisdictions, in addition to the number of seats. The Rohnert Park Board requested some minor changes to recitals regarding competitive rates to customers. Alternate language was prepared for each issue. Staff is neutral with respect to 1, 2 and 4. Staff does not recommend item #3, as the discussions with the County and cities of Mendocino have not included the proposed changes to voting rights. Any changes would delay service to Mendocino for at least a year.

Public Comment:

Dick Dowd - read comments regarding Item 4 submitted to him and staff from Art Deicke, Chair of the Ratepayer Advisory Committee, who was unable to attend.

George Beeler - stated that he is concerned about rates and doesn't want customers to drop out. Dealing with greenhouse gas emissions and energy efficiency can be more complicated. Other CCAs forming in the state are looking to current ones for leadership. We need to be smarter about this and to diminish the committee's expertise is a big mistake.

Bill Mattinson - stated that no one can separate experts from advocates and feels equally committed to both committees.

Andy Ferguson - stated that he's reluctant to support the changes of the JPA and that he has concerns.

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Director Okrepkie stated he is fine with combining committees and that we are all here for the same reason: to bring lower rates and lower gas emissions. Director Carrillo stated that he likes a local power agency that allows the public to participate and that it is the essence of what CCAs represent throughout the state and truly represents the customers. Director Schwartz stated that Rohnert Park is in favor of allowing all jurisdictions to have flexibility. He stated the Rohnert Park Council feels strongly that ratepayer interests need to be maintained and advocated. Vice Chair King stated that regarding the composition the customers should be protected by directors and staff primarily. If rates go too high, we won't exist. He stated it will be hard to determine who will be a ratepayer advocate and who will be a business advocate. With regard to electeds only, he thinks every jurisdiction should make their own decision. He supports the staff recommendations. Director Landman stated he supports items 4 and 1. These are decisions that affect all rate payers. He does not agree with weighted vote change. Director Cook stated in regards to item 1, he is adamant to have elected officials. He also likes the option to have staff serve as alternates, which might help smaller jurisdictions. In regards to items 2, 3, and 4, he likes the original proposed language. Director Combs stated that we can become unbalanced if a large entity wants to join. She wants to ensure our program dollars stay here. She stated that items 1 and 2 are closely conjoined. She's hoping for a strong sub-committee for rates. Director Cox agrees with the concept of directors being electeds only with staff as alternates, as needed, agrees with original proposed language for items 2, 3, and 4. Director Schwartz stated that on the issue of electeds only, Rohnert Park's only acceptable option is complete flexibility.

Chair Slayter stated he believes that this Board is going to be most effective going into the next 50 to 100 years with electeds only. He is in favor of combining the committees. Chair Slayter is in favor of leaving the weighted voting as proposed and ok with the recital and purpose.

General Counsel Shupe requested a break to draft new language proposed by the Directors. This language allows jurisdictions to appoint a main representative as an elected official with an alternates as electeds or staff.

*Recess for break at 10:23 A.M.  
Reconvene: 10:34 A.M.*

General Counsel Shupe presented new proposed language for 4.7 Board of Directors Composition. He suggested that each entity should appoint a first and a second alternate.

Motion by Director Landman to approve with new language on electeds only drafted by Counsel Shupe, no CAC composition changes, no weighted voting changes and including the changes in the recital language.

Second: Director Okrepkie

Motion failed by weighted voting: 7-2-0 (Santa Rosa and Rohnert Park voting no)

Chair Slayter asked to take the items individually.

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Motion by Director Landman to approve elected directors only with the new language including the first and second alternates that can be electeds or staff.

Second: Director Okrepkie

Motion carried: 9-0-0

Motion by Director Combs to change the draft version language on the CAC composition to include "best efforts" language.

Second: Director Schwartz

Motion failed 3-6-0

Motion by Director Landman to keep prior language in JPA regarding weighted voting and to not change weighted voting formula.

Seconded: Director Carrillo

Motion carried: 8-0-1

Motion to accept changes to recitals by Director Schwartz.

Second: Director Combs

Motion carried: 9-0-0

Motion by Director Combs to adopt the draft changes as amended by previous "straw" vote with exception of item #2 to amend and reintroduce the language in item #2 and go forward with the JPA adoption. (Proposed alternate language "...the majority representing the interests of ratepayers." And "...and including members having expertise...")

Seconded by Director Landman

Director Landman withdrew second.

Second: Director Schwartz

Approved: 9-0-0

*The approved "Third Amended and Restated Joint Powers Agreement Relating to and Creating the Sonoma Clean Power Authority" is attached to these minutes as Exhibit A.*

*Director Okrepkie departed the meeting at 11:04 A.M.*

5. Adopt Resolution 16-004 authorizing the expansion of Sonoma Clean Power services to the unincorporated areas of Mendocino County and the cities of Fort Bragg, Willits and Point Arena, with the start of service in June 2017 (11:05 A.M.)  
Present: CEO Geof Syphers

Chair Slayter welcomed Supervisor Dan Hamburg from the County of Mendocino. CEO Syphers stated that SCP has been working closely with Mendocino for a little over a year and asked the Board to formally accept the County of Mendocino and the eligible incorporated cities of Willits, Fort Bragg and Point Arena. Ukiah has a municipal utility so they will not be a part of this service. The County has passed both a resolution and an ordinance approving service within their territory and each of the cities has passed a resolution and introduced an ordinance. Finalization of those ordinances are scheduled to be complete by the 20<sup>th</sup> of this month. CEO

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Syphers stated to the Board that in front of them is a conditional approval of cities subject to finalizing their ordinance and to accept the County of Mendocino. In doing so, provide one Board seat to the County and one to collectively represent all three incorporated cities.

Supervisor Hamburg thanked the staff of SCP and stated that his Board has chosen Supervisor McCowan to be his alternate.

Director Schwartz asked if there is a plan to increase the level of reserves. CEO Syphers stated that it was his expectation that staff will bring that question before the Board in 2017 along with some new information on ways to improve SCP's credit rating.

Public Comment: None

Director Carrillo commented on Cordel Stillman being instrumental in the initial outreach to the various city councils and jurisdictions and making his pitch and answering questions. He stated that Mendocino County was the first interested jurisdiction to call the County of Sonoma about 5 years ago and thanked Supervisor Hamburg for his patience, diligence and leadership of Mendocino County. He stated that this strengthens SCP's fundamental mission to provide local control, to provide incentives for local renewables but to also focus on the larger dynamic of greenhouse gas emission reductions. Directors Cook, Landman, Combs, Schwartz, Cox, Vice Chair King and Chair Slayter echoed the sentiment.

Supervisor Hamburg commended General Counsel Steve Shupe on his hard work and his expertise.

Motion by Chair Slayter to authorize the expansion of SCP to Mendocino County and the cities of Fort Bragg, Willits and Point Arena pending their ordinance procedures.  
Second: Director King  
Motion carried: 9-0-0

6. Hold public hearing and Adopt Resolution 16-005 Approving the Second Revised and Updated SCP Implementation Plan, and authorizing and directing the Chief Executive Officer to submit the plan to the California Public Utilities Commission and to take all steps necessary to obtain CPUC approval of the plan. (11:28 A.M.)

CEO Syphers explained that anytime a community choice program changes its geographic territory, an updated implementation plan must be filed with the CPUC within 90 days. He stated the Resolution is certifying the plan itself and directing staff to file with the CPUC.

Public comment:

Paul Brophy had a question on the implementation plan on page 112. He asked if the contracts will be extended. CEO Syphers explained that what is shown in the table is correct and in addition to what is shown is a recent contract that runs to 2020, which will be edited into the plan before filing.

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Motion by Director Carrillo to approve the Second Revised and Updated SCP Implementation Plan and submission of the plan to the CPUC by CEO Syphers.

Second: Director Combs

Motion carried: 9-0-0

Chair Slayter stated that he wanted it on record that Director Okrepkie, who had to leave prior to the voting of this item, was in full favor of approval.

*Director Cook left the meeting at 11:31 A.M.*

Oath of office: Supervisor Hamburg was sworn in by General Counsel Steve Shupe. (11:35 A.M.)

7. Approve SCP Policy C.3 - Procurement Criteria, Policies, and Signature Authority (11:35 A.M.)

Present: CEO Geof Syphers

CEO Syphers stated that this item follows the JPA amendments because it establishes updated review and signature requirements for entering into energy contracts. It draws a clear distinction between short-term and long-term contracts, long-term introducing more significant risks and therefore having greater review requirements. He stated that it adds the Chair and Vice Chair as signatories to longer term contracts. CEO Syphers stated that this policy would be good to revisit in a year to see if it is working as planned.

Public comment: none

Motion by Director Landman to approve SCP Policy C.3 – Procurement Criteria, Policies, and Signature Authority.

Second: Vice Chair King

Motion carried: 7-0-0

8. Appoint new Community Advisory Committee and appoint Chair and Vice Chair (11:38)

Chair Slayter stated that through actions earlier in the meeting on the JPA, the two committees (Business Operations and Ratepayer Advisory) have been combined into the single Community Advisory Committee. The Chair and Vice Chair recommend appointing all members of the two past committees who showed a strong interest in serving the new committee, to the new CAC. He stated that one member who will not be serving on the CAC is Margaret Spaulding of the Ratepayer Advisory Committee and on behalf of the Board he expressed his thanks to her. Chair Slayter also recommended the Business Operations Committee Chair, Dick Dowd, as Chair of the new Community Advisory Committee and the Chair of the Ratepayer Advisory Committee, Art Deicke, as the Vice Chair. Director Carrillo stated that we have more work to do when we look at the opportunities of having a Community Advisory Committee as being more broadly representative of the communities we serve.

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Public Comment:

Ken Wells stated that he appreciates the opportunity to serve on the new CAC and he addressed a distinction between the Ratepayer and the Business Operations members. He stated that he is an EverGreen customer and implicitly has an interest in rates.

Motion by Director Schwartz to approve appointment of Community Advisory Committee members, Chair and Vice Chair.

Second: Vice Chair King

Motion carried: 7-0-0

9. Approve recommendation of proposed electric vehicle, electric vehicle charging equipment and installation incentives related to Sonoma Clean Power's Bulk Electric vehicle Purchase and Lease pilot. (11:45 A.M.)

Present: Director of Programs Jan McFarland, CEO Geof Syphers

CEO Syphers thanked Program Manager Jan McFarland for helping put together a specific, well-crafted program. He stated that she was significantly supported by Nelson Lomeli, Kate Kelly and April Varellas among others outside of the organization. Program Director McFarland spoke of negotiating substantial discounts for electric vehicles. She thanked Cordel Stillman, General Counsel Steve Shupe and all the EV manufacturers. Requests for offers were sent to all electric vehicle manufacturer with guidelines. Three offers were approved, Nissan, BMW, and Honda. She explained that SCP is offering a \$2,500 incentive in combination with the discount from the manufacturers and the dealers as well as up to \$1,000 incentive to deploy grid-enabled chargers. She stated that the vehicle program's start date is October 27 and will run through January 5, 2017. The EV charging program is proposed to run October 27 through June 30, 2017. She stated that SCP is proposing for \$1.5 million for EV incentives which would be \$2,500 per vehicle for regular customers and \$5,000 per vehicle for CARE/FERA customers. CEO Syphers explained the thresholds of a CARE/ FERA customer to the Board and that these are determined by the State for electric providers. Program Director McFarland stated that if we were successful of the \$1.5 million it would total 400 EVs and 80 CARE/FERA customers. Program Director McFarland stated that there is a considerable public relations and marketing effort including print, newspaper, direct mail, and radio ads. CEO Syphers stated that staff is working on outreach with bilingual advertising and targeting geographic areas with low-income folks while working on how to effectively get charging installed in multi-family locations.

*Director Combs left the meeting at 12:20 P.M.*

Director Schwartz asked what the program does to mitigate loss of gasoline tax revenues. CEO Syphers stated that this program doesn't address that issue. He stated that we know that fuel efficient vehicles have caused a shift in taxes and we've alerted our lobbyist to reach out to lawmakers to try to be supportive of efforts to charge based on vehicle miles, registration, etc. Director Schwartz also asked

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about the costs of PR and staff. CEO Syphers stated that the PR expenses are already a part of the budget that we have as are the staff costs. Director Schwartz asked if staff could come up with a way to estimate the amount of GHG reduction per dollar spent in programs so that we can compare the benefits of each program.

Public Comment:

Geoffrey Smith commended Nissan and BMW on working with SCP and discussed the importance of incorporating a message on roof top solar.

David Harris stated he has a Nissan LEAF and suggested people attend the monthly meetings of the North Bay Electric Auto Association to get their questions answered.

Bill Mattinson stated that the multi-family issue is challenging and that he and CEO Syphers are working on a solution. He stated that this program allows existing owners of EVs to get a charger who normally couldn't get one. He commended staff for adding to the program since it was first discussed.

George Beeler stated he was very pleased that staff included other benefit cost and tried to monetize that for the community. He would like to see road taxes on miles driven. He also stated that motor oil eats away at the asphalt and damage is being done by conventional cars and that with EVs there is a reduction in asthma, etc.

Alan Soule encouraged the Board to approve this item. He stated that he thinks a lot of the resistance towards getting an EV is the unknown factor and approximately 80% of people that drive an EV for a day end up purchasing one. He stated that road taxes are a state issue. He stated that North Bay Auto Electric Association has many members who love to give people information about driving EVs.

Andy Ferguson asked if SCP is transforming itself into a marketing agency by promoting certain models as opposed to other models in exchange for getting discounts for customers. He asked could we have this program as it is set up and offer the discount to all EVs regardless of whether they are in this program or not..

John Palmerlee expressed gratitude towards SCP for support and their outreach. He stated that this would be a very important step for the City of Santa Rosa and the County of Sonoma to continue their role in this movement.

Director Landman stated that he is appreciative of partners in the Governor's office and throughout the county. He commended staff for reaching out to all levels of income. He also stated he'd like to see other manufacturers involved in the future.

Director Carrillo stated that a comprehensive policy is necessary to incentivize the EV market and the community will recoup the investment by savings gained by EV drivers. He stated education, advocacy and awareness are areas we need to continue to focus PR efforts.

Director Schwartz stated that road costs and taxes are a state issue and his council feels that we are exacerbating the issue by moving this forward. He would like to see more indication that we are actually solving the problem. He was given direction to oppose this item.



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Motion by Director Carrillo to approve \$1.5 million in incentives for electric vehicles and \$1 million in incentives for electric vehicle charging equipment in Sonoma Clean Power's Drive EverGreen program.

Second: Director Cox

Motion carried: 6-1-0

**IV. BOARD MEMBER ANNOUNCEMENTS (1:01 P.M.)**

None

**V. PUBLIC COMMENT ON MATTERS NOT LISTED ON THE AGENDA (1:01 P.M.)**

Public comment: None

**ADJOURN (1:01 P.M.)**

The meeting was adjourned by Chair Slayter.

Respectfully submitted,

*Braiden Gugel*

Braiden Gugel  
Executive Assistant