

**MEETING MINUTES
SONOMA CLEAN POWER AUTHORITY
BOARD OF DIRECTORS
THURSDAY, AUGUST 6, 2015
50 Santa Rosa Avenue, Fifth Floor
Santa Rosa, California**

I. CALL TO ORDER

The meeting was called to order by Chair Landman at 8:46 A.M. with the following directors present: Landman, King, Cox, Gorin, Slayter, Hundley (alternate for Cook), and Combs (alternate for Wysocky). Director Schwartz was absent with prior notice.

Staff Present: CEO Geof Syphers, Authority Counsel Steve Shupe, Program Manager Amy Rider, Director of Public Affairs and Marketing Kate Kelly, and Internal Operations Manager Stephanie Reynolds

II. CLOSED SESSION

1. The Board of Directors met in Closed Session at 8:47 A.M. regarding the performance evaluation of the Chief Executive Officer.

Director Okrepkie arrived at 8:58 A.M.

The Board reconvened from Closed Session at 9:53 A.M. No report given.

III. BOARD OF DIRECTORS CONSENT CALENDAR

2. Approve the June 4, 2015 meeting minutes of the Sonoma Clean Power Authority Board of Directors.
3. Approve the July 9, 2015 meeting minutes of the Sonoma Clean Power Authority Board of Directors.
4. Approve motion attesting to the veracity of the Annual Power Source Disclosure Report.

(9:53 A.M.) Motion to approve Consent Calendar by Director Gorin.
Seconded by Director Cox

Public Comment: None

Motion to approve carried 6-0-2 (Okrepkie, Combs abstained)



IV. BOARD OF DIRECTORS REGULAR CALENDAR

5. Receive Operations Update and provide direction as appropriate (9:56 A.M.)

Present: CEO Syphers, CPA Mike Maher, Director Kate Kelly

Milestones reviewed by CEO Syphers: Discussion on pay-as-you-save type programs, SCP had been approached by interested parties. The concept will go to the Business Operations Committee for discussion on a possible program. Ideas will come to the board as progress is made. Progress in 70mw solar project (Mustang) on track and on schedule. Outreach and marketing plans discussed and described in agenda packet. CPA Maher reviewed the unaudited preliminary financial statements. All categories came in under budget. Maher also reviewed the Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position. An explanation of how the reserves are calculated was given. Director Gorin asked for a version that can be disseminated to the public. CEO Syphers stated the Annual report will be out in mid-late September and will include audited financial information in a clear format. Chair Landman requested a timeline on when the capital/reserves will help our credit rating. CEO Syphers stated that normally 5 years of edited financials are used to establish a solid credit rating.

Public comment: None

Item 9 taken out of order, due to time constraints of Board members.

9. Discuss possible expansion of service territory and provide input to staff (10:18 A.M.)

Present: CEO Syphers, General Counsel Shupe

CEO Syphers reported that a number of cities and counties in California are doing research on starting their own CCAs, possibly being served by Sonoma Clean Power, or a private organization. He asked for questions/concerns from the board that would assist in the process of researching expansion.

Syphers discussed principles brought forward by staff for consideration. Director Gorin asked for information on how Marin Clean Energy (MEA) handles the issue of additional board members. CEO Syphers stated that MEA has a much larger board and there are other options that could be explored, as well. Director Gorin expressed interest in moving forward with research. Director Combs asked for clarification on whether we are researching adding new members to the JPA, or only serving other communities without changing structure to the Board. CEO Syphers stated that we have been requested to



provide information regarding service, but Board structure has not been discussed. Chair Landman asked for clarification on how soon we would accept membership, even if we did not serve until 2017 and on distance. CEO Syphers responded that had not been determined and followed with questions to the Board. Would the out of county board members and public have ready access to public meetings and would SCP staff be able to easily travel to that community to present workshops and work with the public?

Public Comment:

Bob Williamson – Expressed the need to consider the size of the board and what services SCP can provide to help reduce ghg emissions. Also to consider, what scale could SCP serve on the short and long-term without changing the governance process.

Andy Ferguson – Asked if it would be possible to test with one new area in closer proximity and then move forward.

Chair Landman asked the board for a general sense of whether or not there is an interest in expansion and what guidelines should be followed regarding governance and what type of analysis is expected from staff to aid in decision making. Director Gorin supported the exploration of expansion. She would need to know more of what the interested communities want, service and/or a seat on the board. Director Okrepkie stated concern with fiduciary responsibility to current customers, and the overall responsibility of current JPA members to follow the JPA goals (lower emissions, local programs, etc.). He is in support of exploration. Director King stated he would be returning to his City Council for guidance and that SCP needs to follow the current goals while keeping in mind geographical limitations and overall governing goals. Financial stability and impact to ratepayers is important so keeping to one addition at a time would be recommended. Director Slayter was in favor of exploring expansion and asked how to determine and analyze which community is a good fit. He suggested an option of expanding consulting services instead of power supply to the interested communities. Director Hundley stated it remains meaningful that SCP is locally owned and operated and there may be an effect on the board and customers if we expand outside of the County. Director Combs also asked that the question of expansion be brought back to the city councils for review. She is in favor of keeping the current JPA structure. Director Gorin stated there is a need to decide what the minimal commitment we can expect from a prospective county or city (liaison, community outreach, etc.). Director Cox expressed that SCP is still a new organization and would like to work primarily as a consultant to other jurisdictions. Chair Landman agreed that consulting for the communities would be a good idea. CEO Syphers stated that the smaller communities do not have the staff or funds to hire staff to start their own CCA. He will work on exploring the idea of expanding consulting work to other communities. Chair Landman agreed with the principles to consider and expressed concern regarding a change in governance. He asked staff to find out who is serious about joining and if they would be a full



partner. CEO Syphers proposed staff start exploring the questions and contact the regions to find out specifically what their goals are, then look at specific realities, such as loads, staffing needs, etc. then return to the Board in two months with an update.

Public Comment:

Duane DeWitt – Concerned as an environmental planner, hopes before expansion that we bring forward positive attributes in an easy to understand format to the public.

John Parry - Asked if there was a time limit on when we need to make an offer. CEO Syphers stated that he is not under pressure to move quickly and even though market conditions are favorable now, it is still better to move slowly.

6. Receive State Legislative update and provide direction as appropriate (11:20)

Present: CEO Syphers, Director of Public Affairs and Marketing Kate Kelly

Work done by staff and consultant Kate Brandenburg on recent proposed legislation (SB350, SB32, AB1110). Kate Kelly recently was in Sacramento and testified on SB32. Kelly stated that AB1110 would negatively affect new CCA programs. Chair Landman encouraged staff to bring items to the Board so electeds can work with their own cities and the County to communicate to State legislators.

Public Comment: None

7. Formation of an Ad Hoc Committee to review RAC and BOC committee appointments (11:25 A.M.)

Present: CEO Syphers

CEO Syphers explained the need to form an Ad Hoc Committee and the goals of the committee including reviewing the recruitment process and applications from prospective committee members. Existing members may reapply and there are no term limits. Staff would like to do further outreach. It was stated the Ad Hoc would meet no more than three times.

Public comment: None

Chair Landman asked the Board members for volunteers. Director King stated that he would be interested. Director Combs stated that Director Wysocky was interested. Director Cox and Chair Landman also stated they would be interested.



Motion by Director Gorin to appoint Chair Landman, Directors King, Cox and Wysocky to the Ad Hoc.

Seconded by Director Okrepkie

Motion passed 8-0-0

8. Receive report on California Electric Rate Reform changes and provide direction as appropriate (11:32 A.M.)

Present: CEO Syphers, Account Executive Nathan Kinsey, Customer Care Manger Erica Torgerson

Nathan Kinsey gave background on the 7/3/15 CPUC decision on residential rate reform. The decision affects the Investor Owned Utilities (IOUs). The decision would not affect SCP's rates, but would affect our customers through Pacific Gas & Electric charges on their bills. Other impacts were discussed, such as a reduction in tiers, a minimum bill amount and the elimination of E-7 and E-8 rates. Erica Torgerson stated there were also impacts for the solar industry. Nathan Kinsey reviewed the timeline of what will be happening and how SCP will be monitoring the transitions and working on how we can assist our customers on upcoming changes. CEO Syphers stated that the changes are unfortunate and tend to shift costs to mid to lower income customers and to people who are utilizing solar energy. Director Gorin expressed concern on how lower-income customers are going to be impacted and stated that the marketing challenge will need to be addressed.

Director Gorin left the meeting 11:52 A.M.

CEO Syphers stated we do not know the origin of the bill. There are some good portions, along with the bad. Chair Landman stated that there is continuing tension between new organizations like SCP and the existing structure. He expressed the need to market the changes to the public so they know where the changes come from.

Public Comment:

Bob Williamson – Important to communicate to the public that the change was not due to SCP rates.

Dick Dowd – Supports Chair Landman's comments on how diligent the group needs to be in regulatory/legislative matters and this is a good example on the need to continue to stay on top of similar efforts.

John Parry – Agrees with D. Dowd's comments. Continue to stay on top of assaults to decrease impact. Agrees with importance in messaging that this is not an increase in SCP rates.



Art Deicke – Asked if the rate increase could be mitigated by reducing SCP rates and if EverGreen customers would be affected. CEO Syphers stated all SCP customers are identically affected.

Andy Ferguson – Suggested finding a way to craft message and use our program development to mitigate and offset increased charges.

IV. BOARD MEMBER ANNOUNCEMENTS

(12:00 P.M.)

None

V. PUBLIC COMMENT ON MATTERS NOT ON THE AGENDA

(12:00 P.M.)

CEO Syphers requested the Board to cancel the September meeting and reschedule the October meeting due to anticipated lack of attendance. Staff was directed to send a poll for possible October dates to Board members.

VI. ADJOURN

12:02 P.M.

Respectfully submitted,

Stephanie Reynolds
Internal Operations Manager