



**BOARD OF DIRECTORS
THURSDAY, JUNE 2, 2016
MEETING MINUTES
50 SANTA ROSA AVENUE, SANTA ROSA, CA**

I. CALL TO ORDER (8:45 A.M.)

The meeting was called to order by Chair Slayter.

Present: Chair Slayter, Vice Chair King, Directors Landman, Cox, Cook and Wysocky

Staff present: CEO Geof Syphers, General Counsel Steve Shupe, Internal Operations Manager Stephanie Reynolds

II. BOARD OF DIRECTORS CLOSED SESSION CALENDAR (8:46 A.M.)

1. The Board of Directors of the Sonoma Clean Power Authority will consider the following in closed session: Public Employee Performance Evaluation – Chief Executive Officer (Gov't Code Section 54957); Public Employee Labor Negotiations – Chief Executive Officer Position. Authority negotiators: Chair, Patrick Slayter; Vice-Chair, Dave King; General Counsel, Steve Shupe (Govt. Code Section 54957.6)

Reconvene from Closed Session at 9:28 A.M.

Report out from Closed Session by General Counsel Steve Shupe. The Board authorized the Chair and Vice Chair to consult with General Counsel Shupe and attempt to negotiate a new employment contract for CEO Syphers. The current contract expires on January 2, 2017. Chair Slayter added that outside human resources counsel will be consulted, as well.

Public Comment: None

III. BOARD OF DIRECTORS CONSENT CALENDAR (9:29 A.M.)

2. Approve the May 5, 2016 meeting minutes of the Sonoma Clean Power Authority Board of Directors.

Public Comment: None

Motion to approve by: Director Landman

Seconded: Director Cox

Motion carried: 6-0-0-

IV. BOARD OF DIRECTORS REGULAR CALENDAR (9:30 A.M.)

3. Receive Operations Update and provide direction as appropriate (9:30 A.M.)
Present: CEO Syphers

Cash-outs for solar customers that over produced were paid out in May. The process is done annually. Out of 1362 solar customers, a total payout of approximately \$690,000 was paid to customers.

Peninsula Clean Energy hired a CEO and has a launch date in 2016. Silicon Valley Clean Energy also hired a CEO with a launch date early in 2017.

SCP is supporting Mendocino County as outreach to cities continues. SCP will be presenting at a Board of Supervisors workshop in Ukiah on June 21st.

Financials reflect the end of winter rates cycle. Wind contract may not be completed until next fiscal year. There may be an upcoming budget adjustment early in the next fiscal year as collateral needs have changed.

CEO Syphers attended a meeting in San Francisco, following the Paris Climate Accord. 135 different states, providences, counties in attendance. All intend to work with Governor Brown to reduce greenhouse gas emissions. The Governors of California, Washington and Oregon were in attendance.

Vice Chair King requested more detail on the newly formed statewide CCA organization and potential costs to SCP. CEO Syphers stated that in response to requests for a stronger voice in the legislature, a trade association was recently formed. The plan is to form a 501(c)6 organization, which would not be staffed until 2017. The intent is to use current lobbyists and staff until staff is hired. There is no dues structure, yet. Estimates for each CCA for the first year are approximately \$30k, declining as more CCAs become members.

Public Comment:

Bob Williamson - how are the expenses of the trade association going to be shared among members. CEO Syphers stated that had not been decided, most likely different levels of costs based on the size of individual member programs and the type of memberships available.

4. Receive State Legislative Update and provide direction as appropriate (9:47 A.M.)
Present: Kate Kelly

Updates from the report provided by lobbyist Kate Brandenburg on 5/23. Kate Brandenburg will be attending the July 7th SCPA BOD meeting.

Public Comment: None

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5. Approve Update to SCPA's Terms and Conditions of Service of the Customer Service Policy (A-2) (9:54 A.M.)
Present: Erica Torgerson

Staff requested approval of a minor addition to current Policy A-2, adding a notation stating where the policy can be found at the SCP website of by calling the call center. The update to the policy is required to be compliant with current law.

Public Comment: None

Motion to approve the update to Policy A-2 by Director King
Seconded: Director Landman

Motion approved: 6-0-0 -

6. Receive updates on proposed revisions to the SCPA Joint Powers Agreement and provide direction as appropriate; consider providing direction to staff to provide an update to the County of Mendocino relating to JPA revision progress and possible future expansion of service (9:55A.M.)
Present: General Counsel Shupe, CEO Syphers

This item was last addressed at the April BOD meeting. Edits from the Board and public suggested at the April meeting have been incorporated into the newest version, brought for the Board's review. Staff requested the Board's direction on making presentations to any city councils or the Board of Supervisors, if requested and if SCP is prepared to reach out to Mendocino County.

Public Comment:

Bob Williamson stated the JPA should be more like a constitution, instead of stating specifics that can be limiting. Better to show general objectives instead of listing preferences.

Jake Gold questioned the practice of figuring Voting Shares based on annual energy use, the calculation should also include generation or use of renewables in figures.

Bill Mattinson asked for clarification on the BOC and RAC dissolution date and the creation date of the new committee.

Paul Brophy the JPA's third purpose is to carry out programs. Electric vehicles will increase energy consumption, suggests a change to the language to allow for increased use of renewables.

George Beeler agreed with the suggestion of increased use of renewables, or reduction of use in energy as a factor when calculating weighted voting. Also commented on use of language under committee responsibilities.

Ken Wells requested clarification of developed local distributed energy resources,

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Director Landman responded to George Beeler's comment. He is not adverse to adding language but does not want to force committees to review everything. CEO Syphers suggested the language "Shall have the *opportunity* to review."

Chair Slayter discussed the membership of the Board of Directors, stating the directors should be elected officials from each member jurisdiction. He would language reflecting that included in future edits. Director Cook agreed with the concept, due to the needs of transparency, decision making by the Board and that SCP promised constituents that we are a government controlled entity. General Counsel Shupe stated if the JPA language were to be changed to require an elected official, all jurisdictions would need to comply. If the JPA change is due to an amendment and an entity is in objection, there is a clause for that member to drop out. Director Landman noted other new programs are following SCP's process. New CCAs are primarily using electeds as board members, but can have a non-elected as an alternate. Director Wysocky, agreed that an all elected board would be preferred going forward. Vice Chair King would like to allow for non-elected representation on the Board, based on each participant's choice to allow for flexibility and continued participation. Director Cox is in favor of an elected-only Board, but from a practical standpoint, having a non-elected as an alternate may be a good option based on each jurisdiction's choice.

Motion to change language in the JPA to reflect that the primary and alternate Directors be elected officials, allowing a one-year grace period for current Directors, if not elected officials by Director Landman
Seconded by Director Wysocky
Motion carried: 5-1-0

Carried: 5-1-0

Pub Comment on Committee language in the JPA:

Woody Hastings suggested formalizing the new committee in the JPA but not to take public committees out of the JPA to set an example for emerging CCA programs.

Bill Mattinson agrees with keeping committee language in JPA so the committees are not changed by future policy updates.

George Beeler agreed with Bill Mattinson's comments.

Andy Ferguson agreed with keeping language on committees in the amended JPA. Commented on the need for scientific evaluation as part of the committees. Creating new tech committees would be beneficial.

Peter Renfro agreed with importance of formalizing committees in JPA, guarantee that citizens and ratepayers will have a permanent voice in operations.

Ken Wells agrees that keeping committee language in the JPA is important

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Chair Slayter agreed that leaving committee language in the JPA is a significant statement that the community voice is important to SCP. Directors Cook, Landman and King agreed. Director King stated the need for including language regarding the changeover from the current committee structure to the new committee.

Motion by Director Wysocky to approve changes to paragraphs 4.5 and substantial language regarding formation of Community Advisory Committee and elimination of current committees, with addition of language for continuous committee operations and other edits as reviewed by the Board.
Seconded by Director Cox.

Motion approved: 6-0-0

CEO Syphers asked for direction in communications with Mendocino County on service from SCP. Director Landman asked for confirmation that startup costs would be recovered and not long term. CEO Syphers confirmed. Director Wysocky asked about the impact to the voting shares. General Counsel Shupe stated that would be part of the JPA amendments, allowing the Board to determine the number of seats allowed as jurisdictions are added. The Board directed staff to continue communications with Mendocino County, but not to take specific action.

Director Landman requested that a potential offer to Mendocino County be added to the agenda for the July 7th SCPA BOD meeting.

V. BOARD MEMBER ANNOUNCEMENTS (11:21 A.M.)

None

VI. PUBLIC COMMENT ON MATTERS NOT LISTED ON THE AGENDA (11:21 A.M.)

Paul Brophy discussed the need to determine reserves based on six months of costs to provide safety for unsure markets and conditions. An increase in reserves would allow for expansion or contraction of service area, as well.

VII. ADJOURN (11:24 A.M.)

The meeting was adjourned by Chair Slayter at 11:24 A.M.

Respectfully submitted:



Stephanie Reynolds,
Internal Operations Manager