

**MINUTES OF THE VALLEY CLEAN ENERGY ALLIANCE
BOARD OF DIRECTORS
January 17, 2017**

The Board of Directors of the Valley Clean Energy Alliance met in regular session beginning at 5:30 p.m. in the Yolo County Board of Supervisor Chambers, 625 Court Street, Room 206, Woodland, CA 95695 and at Rosedale on Robson Suite Hotel, 838 Hamilton Street, Vancouver, BC V6B 6A2, Canada.

Board Members Present: Duane Chamberlain, Robb Davis, Lucas Frerichs (via teleconference), Don Saylor

Board Members Absent: None

Approval of Agenda R. Davis moved, seconded by L. Frerichs, to approve the agenda. Motion passed unanimously.

Public Comment None

Consent Calendar Valley Clean Energy Alliance Minutes from the Meeting of December 13, 2016

R. Davis moved, seconded by D. Chamberlain, to approve the consent calendar as listed above. Motion passed unanimously.

VCEA Staff Update a. Multi-Service Request for Proposals (RFP) Status Update
Shawn Marshall, LEAN Energy US and Sustainability Manager Mitch Sears: Received 9 submittals. Staff has assessed basic requirements; all have submitted proper number and type of materials. Next step is RFP review committee. Anticipate recommendation to VCEA Board in February.

b. CEO Search Update
Sustainability Manager Regina Espinoza: Recruitment closes January 20. Initial screening and interviews by staff, then applicants reviewed by panel of VCEA staff, consultants and advisory committee. Request board appoint members to participate. Most qualified will be scheduled for final interviews with VCEA Board. All applicant materials will be provided to VCEA board.

R. Davis/D. Saylor: Request staff schedule blocks of time for interviews with Board members as soon as possible. Anticipated February/March dates.

c. Community Advisory Committee – Selection of Members and Conflict of Interest Guidelines

M. Sears: Recommendation is to appoint members for 1 year term. Re-visit makeup of committee after 1 year. 2 members chosen by City (Gerry Braun/Lorenzo Kristov). 1 chosen by County (David Springer). 1 additional member chosen by County (Amanda Beck), however formal appointment is pending review of potential conflict of interest with current employment.

L. Frerichs moved, seconded by R. Davis to appoint the following members to the VCEA Advisory Committee, who shall also serve as the Subcommittee to review the RFP and CEO recruitment:

City: Gerry Braun, Lorenzo Kristov

County: David Springer

Motion passed unanimously.

D. Chamberlain: Interested in pursuing representation/committee membership from north western Yolo County.

Conflict of Interest

Whose interests should be disclosed?

By consensus, the Board directed that the interests should be the same as those required by the Political Reform Act. Member, spouse, employer and business interests.

What interests to disclose?

City Attorney Harriet Steiner: Pattern after Public Reform Act which requires disclosure of numerous interests, or narrowly tailor to electrical generation and procurement? Potentially others based on advisory committees tasks such as data companies (participation in RFP related to data call centers). Seeking input to draft recommendation to bring back for Board adoption.

D. Saylor: Limit to specific topics that advisory committee is tasked to deal with

R. Davis: Request additional case by case analysis outside of procurement and generation. Decisions could also include land use, development of specific parcels. Reasonable to ask to disclose that type of interest.

D. Saylor: Support

H. Steiner: Suggest cover main core subject matter, but provide opportunity for case by case categories. Not necessity at this time to disclose real property interests, but could be a consideration in future.

L. Frerichs: Agree with approach

D. Chamberlain: Want to narrowly tailor

What thresholds to apply?

H. Steiner: Staff can conduct more research and make suggestion

R. Davis: Look at what other CCEs are requiring

L. Frerichs: Review of best practices can help in Board decision

What to do if there is a financial interest?

H. Steiner: Require disclosure only, or disclosure and disqualification?

By consensus, Board decided on disclosure and disqualification.

How should potential conflicts be disclosed? Annual disclosure? For each item that someone participates in?

H. Steiner: Good to have annual disclosure but also real time interest disclosure.

By consensus, Board supported both annual disclosure and real time interest.

Remedy if committee member fails to disclose? Removed from committee?

D. Saylor: Not interested in removing

R. Davis: Acknowledge when happens, but not automatic removal

H. Steiner: Will draft regulation and come back at next meeting

d. Agency Insurance Update

M. Sears: Working with YCPARMIA to develop specific coverage proposal. Will bring resolution for action at next meeting.

Implementation Budget; Next Steps for Fiscal Management Services and Agency Financing

By consensus, Board decided to reorder Agenda to hear Implementation Budget prior to Critical Path Timelines.

S. Marshall: Overview of implementation budget. CCE Subcommittee reviewed in September/October. Budget includes only hard costs, not internal staff time or other soft costs incurred by city or county.

R. Davis moved, seconded by D. Chamberlain, to approve budget allocations of the City of Davis and Yolo County financial contributions for VCEA program implementation (see attachment A). Motion passed unanimously.

Treasury and Finance Manager Chad Rinde: Need to fit implementation budget into County's standard chart of accounts and authorize officials to approve payments.

R. Davis moved, seconded by D. Chamberlain, to direct County finance staff to establish a 'VCEA Fund' within the County Treasury, and develop a VCEA chart of accounts within County INFOR system to track external/hard costs (as per implementation budget) and internal/staff and soft costs incurred by County and City staff working on behalf of VCEA. Motion passed unanimously.

R. Davis moved, seconded by D. Saylor, to authorize interim program staff, Mitch Sears from the City of Davis and Taro Echiburu from Yolo County, as authorized officials to approve payments and costs of the VCEA as per Board approved contracts and budget. Motion passed unanimously

S. Marshall: Three categories of funding: startup capital, initial line of credit, and working capital/term debt. Need to be focused in first five years on building reserves. Critical to establish credit.

R. Davis: Interested in local preference for banking

H. Steiner: Suggest use RFP; ask responders to disclose information.

L. Frerichs moved, seconded by R. Davis, to direct staff to develop and issue a Request for Proposals for VCEA Banking and Credit Services. Motion passed unanimously.

Review Critical Path Timelines

L. Frerichs: Spring 2018 seems more likely timeframe. Will provide opportunity for Woodland to join as initial member. Interested in additional outreach, especially in rural areas.

L. Frerichs left the meeting at 6:43 p.m.

Sustainability Manager Mitch Sears: Option A—launch in October 2017. Option B—Spring 2018.

S. Marshall: Actions to launch in October 2017 include:

- Possibly will have recommendation to hire rest of vendor team by next VCEA Board meeting. Go/no go will be in March: Must get vendors in place and be able to move at pace requested.
- Implementation plan must be completed, approved by Board, and submitted to Public Utilities Commission by April 1.
- Must get CEO hired and financing in place by April/May.
- Finalize power supply contract and set rates in June.
- First statutory mailer must go out in mid-July.
- Much more in outreach will occur, typically 6 months prior to customer enrollment.
- Hopefully communications plan will be before Board in March.

Spring 2018—more time for public outreach, analysis of implementation plan, hire CEO, etc.

R. Davis: Not want to exclude vendors simply because not able to meet aggressive timelines. Priority is to hire CEO, want flexibility if possible. Want to know implications of credit line, and if need to ask for more funds from city/county if go with option B instead of A.

S. Marshall: Will be more time without revenue if go with option B. Shouldn't delay issuing RFP for banking and credit services, however, may affect terms and conditions in length of credit guarantee, may have to draw sooner, additional debt service, credit may go on longer.

D. Saylor: Balance of time, cost and quality. Will need to look at costs when consider potential delay.

Regular Meeting Schedule

R. Davis moved, seconded by D. Chamberlain, as follows:

1. Approve the second Tuesday of each month starting at 5:30 p.m. as the regular day and time for monthly VCEA Board of Directors meetings. Meeting locations will alternate between the Davis Community Chambers in Davis and the Yolo County Board of Supervisor Chambers in Woodland.
2. Approve the 2017 regular meeting calendar:

MEETING DATE	LOCATION
January 17	County Board Chambers, Woodland
February 14	City Council Chambers, Davis
March 14	County Board Chambers, Woodland
April 11	City Council Chambers, Davis
May 9	County Board Chambers, Woodland
June 13	City Council Chambers, Davis
July 11	County Board Chambers, Woodland
August 8	City Council Chambers, Davis
September 12	County Board Chambers, Woodland
October 10	City Council Chambers, Davis
November 14	County Board Chambers, Woodland
December 12	City Council Chambers, Davis

Motion passed by the following vote:

AYES: Chamberlain, Davis, Saylor
 NOES: None
 ABSENT: Frerichs

Board Member and Staff Announcements

M. Sears:

- Future agendas will include a long range calendar and AB1234 reporting.

- Invited to speak on behalf of VCEA at Woodland's Community Choice Energy Advisory Committee to provide update on activities and background of how city and county chose process.
- On February 1, California Public Utilities Commission will be holding meeting in San Francisco, discussing community choice aggregation and community choice energy across the state. Will schedule regulatory update on next VCEA agenda.

D. Saylor: Hope to attend CPUC meeting

R. Davis: Request staff post PowerPoint presentations on website after VCEA meetings

Z. Mirabile: Introduce Nancy Stephenson, will be taking over board secretary duties.

Meeting was adjourned at 7:06 p.m.



Zoe Mirabile
Interim Board Secretary

Valley Clean Energy Authority Proposed Implementation Budget	
Program Planning, Strategy and Project Management	
LEAN Energy US - Project Advisors	\$70,000
Subcommittee and Board Meeting Expenses	\$5,000
TOTAL:	\$75,000
JPA Formation	
JPA Agreement/Legal Services	\$25,000
Executive/staff salaries	\$100,000
Start up administrative costs (office rent, equipment, insurance, etc.)	\$50,000
TOTAL:	\$175,000
Technical and Energy Services	
Implementation Plan	\$35,000
Operating Budget/Proforma	\$5,000
Power Supply RFP, vendor selection and contract negotiations	\$100,000
Rate Design/Rate Setting	\$60,000
Assistance with NEM/FIT programs, registrations and compliance	\$50,000
TOTAL:	\$250,000
Communications/Customer Enrollment*	
Logo/Branding/Subbrands	\$20,000
Website	\$30,000
Collateral Design/Video	\$40,000
Paid Media	\$100,000
Community Outreach/Tabling	\$10,000
Customer Notifications (4 @ \$1.00 each)	\$200,000
TOTAL:	\$400,000
Finance/Legal	
Banking and Credit Services - RFP, Selection, Negotiation and Paperwork	\$25,000
Power Supply Contract - Legal Services	\$50,000
TOTAL:	\$75,000
Regulatory/Legislative	
Participation in Regulatory Proceedings/Legal	\$15,000
Monitoring and Reporting	\$10,000
TOTAL:	\$25,000
TOTAL:	\$1,000,000

*Assumes 4 notices to 50,000 customers in Davis and unincorporated County

Budget does not include reimbursable expenses for City and County support staff and internal costs incurred on behalf of VCEA.