

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Agenda Item 4

TO: Valley Clean Energy Alliance Board of Directors
FROM: Alisa Lembke, VCEA Board Clerk/Administrative Analyst
SUBJECT: Approval of Minutes from October 18, 2018 Special Board Meeting
DATE: November 15, 2018

RECOMMENDATION

Receive, review and approve the attached draft Minutes from the October 18, 2018 Special Board Meeting.



**MINUTES OF THE VALLEY CLEAN ENERGY ALLIANCE
BOARD OF DIRECTORS SPECIAL MEETING
OCTOBER 18, 2018**

The Board of Directors of the Valley Clean Energy Alliance duly noticed their Special meeting scheduled for Thursday, October 18, 2018 at 6:00 p.m. at the Yolo County Library Davis Branch, Blanchard Room, 315 E. 14th Street, Davis, CA 95616. Chairperson Lucas Frerichs established that there was a quorum present and began the meeting at 6:04 p.m.

Board Members Present: Lucas Frerichs, Tom Stallard, Dan Carson, *Don Saylor, Skip Davies

Board Members Absent: Angel Barajas, Duane Chamberlain

* = Don Saylor left at 7:32 p.m.

- | | |
|---|--|
| Approval of Agenda | Motion made by Director Stallard to approve the October 18, 2018 Board Agenda, seconded by Director Saylor. Motion passed unanimously with Directors Barajas and Chamberlain absent. |
| Public Comment | Chairperson Frerichs opened the floor for public comment. There being no public comment, the floor was closed. |
| Approval of Consent Agenda | Director Carson abstained from the vote only on Item 4 – Approval of the draft September 13, 2018 meeting minutes. Motion made by Director Stallard to approve the Consent Agenda, Items 4-13, noting Director Carson abstention from Item 4, seconded by Director Saylor. Motion passed unanimously with Directors Barajas and Chamberlain absent, and Director Carson abstaining from Item 4 only. |
| Approval of Minutes from September 13, 2018 Meeting | Director Stallard made a motion to approve the September 13, 2018 meeting minutes, seconded by Director Saylor. Motion passed unanimously with Directors Barajas and Chamberlain absent, and Director Carson abstaining from the vote on this Item. |
| Long Range Calendars | Director Stallard made a motion to receive the long-range calendars, which include the remaining months in 2018 and the 2019 calendar year, seconded by Director Saylor. Motion passed unanimously with Directors Barajas and Chamberlain absent. |
| Receive Financial Update | Director Stallard made a motion to receive Financial Update – August 31, 2018 (unaudited) financial statements with revised comparative information from July 31, 2018, seconded by Director Saylor. Motion passed unanimously with Directors Barajas and Chamberlain absent. |



Approval of contract with Automate Mailing Services / Resolution 2018-027	Director Stallard made a motion to approve a resolution titled “a Resolution of the Board of Directors of the Valley Clean Energy Alliance approving the contract with Automate Mailing Services (AMS) for printing, mailing and processing services and authorizing the Interim General Manager to execute the contract”, seconded by Director Saylor. Motion passed unanimously with Directors Barajas and Chamberlain absent.
Approval of amending Circlepoint contract	Director Stallard made a motion to approve the amendment to the Circlepoint contract by increasing the contract amount by \$30,000 for a new not to exceed amount of \$428,035, seconded by Director Saylor. Motion passed unanimously with Directors Barajas and Chamberlain absent.
Approval of amending Task Order No. 4 of the Sacramento Municipal Utility District (SMUD) Professional Services Agreement / Resolution 2018-028	Director Stallard made a motion to approve a resolution titled “a Resolution of the Valley Clean Energy Alliance approving Amendment 5 to the Sacramento Municipal Utilities District professional services agreement for implementation and operational services Task Order 4, Section 1.2 Scope of Services and Section 4.1.1 Dedicated Operational Staff”, seconded by Director Saylor. Motion passed unanimously with Directors Barajas and Chamberlain absent.
Regulatory Update	Director Stallard made a motion to receive the regulatory monitoring report dated October 10, 2018 from Keyes & Fox, seconded by Director Saylor. Motion passed unanimously with Directors Barajas and Chamberlain absent.
Customer Enrollment Update	Director Stallard made a motion to receive the Customer Enrollment Update dated October 10, 2018, seconded by Director Saylor. Motion passed unanimously with Directors Barajas and Chamberlain absent.
Community Advisory Committee Meeting Update	Director Stallard made a motion to receive the October 1, 2018 Community Advisory Committee meeting updated, seconded by Director Saylor. Motion passed unanimously with Directors Barajas and Chamberlain absent.
Approve CAC Solicitation, Selection and Appointment Policy	Director Stallard made a motion to approve the Community Advisory Committee solicitation, selection and appointment policy, seconded by Director Saylor. Motion passed unanimously with Directors Barajas and Chamberlain absent.
Recognition of Tom Flynn	Chairperson Frerichs presented an honorary resolution to Mr. Tom Flynn for his service volunteering on the Community Advisory Committee and prior to VCE’s formation, the CCE Advisory Committee, representing the City of Woodland. Chairperson Frerichs thanked him for all of his work. Director and Council Member Tom Stallard thanked Mr. Flynn on behalf of the City of Woodland for his long and hard work of taking in lots of information prior to launch. Mr. Flynn



thanked everyone. Christine Shewmaker on behalf of Gerry Braun and the other Community Advisory Committee Members thanked him for his service on the CAC and his expertise and hard work during pre-launch and launch of Valley Clean Energy.

Receive and
Approve audited
financial statements
for the period of
January 1, 2017
(inception) to June
30, 2018 presented
by James Marta &
Company

Lisa Limcaco introduced the item. James Marta of James Marta & Company provided a brief overview of his firm and the audit they prepared for VCE by looking at the financial statements from VCE's inception through June 30, 2018. Mr. Marta reviewed his PowerPoint summarizing what the audit was by going over the audit highlights, financial results, financial statements summary, and internal control itemization letter.

Director Saylor made a motion to receive and approve VCE's audited financial statements for the period of January 1, 2017 (inception) to June 30, 2018 prepared and presented by James Marta & Company, seconded by Director Carson. Motion passed unanimously by the following vote:

AYES: Frerichs, Stallard, Carson, Saylor, Davies
NOES: None
ABSENT: Barajas, Chamberlain
ABSTAIN: None

Director Stallard thanked Mr. Marta for a clear financial statement.

Receive Keyes &
Fox Update on
Power Charge
Indifference
Adjustment (PCIA)

Interim General Manager Mitch Sears stated to those present that the California Public Utilities Commission (CPUC) made a decision on the Power Charge Indifference Adjustment (PCIA) or commonly known as an "exit fee", which has implications to Community Choice Aggregates (CCAs) in general. Mr. Sears explained that VCE Staff Member Gary Lawson and attorney Tim Lindl of Keyes & Fox are here to outline the potential impacts of the PCIA to VCE, offer various scenarios, and provide options that may be available. Per Mr. Lindl, in early November, the CPUC and IOUs will announce their PCIA rates. This Board will need to analyze, evaluate and make some policy changes. Tonight, general information is being presented with potential policy changes, and that no decisions need to be made tonight.

Tim Lindl of Keyes & Fox reviewed his slide presentation which included PCIA history and how PCIA is calculated.

VCE Staff Gary Lawson reviewed several potential financial impact scenarios, focusing on maintaining the proper reserves to meet the banking and contractor required levels. Mr. Lawson also presented potential policy changes, such as eliminating/reducing the rate discount, deferring NEM



enrollment until 2021, reduction of renewable/clean energy content, trimming operating costs, and/or potentially VCE offering a rebate structure program.

Board Members offered their input of various other ideas to counterbalance the anticipated PCIA increase, such as: looking at other segments within the market rather than postponing the enrollment of NEM customers, the possibility of refinancing with River City Bank to extend out the repayment of the loan, looking at adding customers, looking into what the other CCAs are doing to address PCIA, looking into what can be done legislatively, and possibly looking at asking for a rehearing at the CPUC.

Mr. Lindl announced that the CPUC has scheduled to come out with the new rates on or around November 8th, when the Board has a regularly scheduled Board meeting. Mr. Lindl also explained the re-hearing process and request procedure available for “parties” to the CPUC PICA hearing. Other legal issues/considerations could be discussed.

The Board requested that a Closed Session be added to the November meeting Agenda to discuss legal options.

Mr. Sears reviewed the following suggested meeting calendar:

1. Late Oct/Early Nov - Special Meeting/working session on PCIA impacts and policy response
 - More refinement on the economic analysis
2. November Board Meeting (move to week of 11/12)
 - Additional PCIA information from CPUC rolled into analyses
 - Policy recommendation/action
3. December
 - Conditional Decision on 2019 rates (pending actual PG&E 2019 rates)
 - Any remaining decisions

Several questions and concerns were raised by the Board Members, such as: the importance of Board Members being educated on all options available to VCE, what is the impact of the “direct access” legislative bill on utilities, what are the future impacts on VCE when policy or rate changes are made, and to think about VCE’s overall strategy.

Mr. Sears announced that CalCCA is looking at being very active in the upcoming legislature and the potential of challenging the CPUC’s decision. He reminded those present that CCAs service over 160 cities and counties, which makes a strong voice for CalCCA and CCAs in the legislature.



Several Board Members commented on the CPUC hearing they attend in September, wherein the CPUC made a decision contrary to the signing of Senate Bill 100 by the Governor.

(Don Saylor left at 7:32 p.m.)

Public comment was provided Community Advisory Committee (CAC) Member Ms. Christine Shewmaker that VCE should look at Senate Bill 237 along with PCIA and that it is her opinion that CalCCA, of which VCE is a member, can help in the legislature.

Director Stallard made a motion to receive the Keyes & Fox Power Charge Indifference Adjustment (PCIA) update, seconded by Director Carson, motion carries unanimously, with Directors Saylor, Barajas and Chamberlain absent.

VCEA Staff Report on Quarterly Procurement Update VCE Staff Gary Lawson asked if the Board had any questions about the quarterly procurement update provided in his Staff Report. There being no questions, Director Carson made a motion to receive the Quarterly Procurement Update, seconded by Director Stallard. There being no questions or public comment, motion carried with Directors Saylor, Barajas and Chamberlain absent.

Board Member and Staff Announcements Mr. Sears provided a brief update of the City of Winters presentation made on VCE to the Winters City Council at their meeting held on October 16th. Mr. Sears also introduced Tracy Carlson, SMUD Director of Community Energy Services.

Announcements The next VCEA Board meeting scheduled for Thursday, November 8, 2018 at 5:30 p.m. at the Woodland Council Chambers and a special meeting will be scheduled for the week of November 12th.

Meeting was adjourned at 7:38 p.m.

Alisa Lembke
Board Clerk/Administrative Analyst