

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 5

TO: Board of Directors
FROM: Alisa Lembke, Board Clerk / Administrative Analyst
SUBJECT: Approval of Minutes from September 9, 2021 Board Meeting
DATE: October 14, 2021

RECOMMENDATION

Receive, review and approve the attached September 9, 2021 Board meeting Minutes.



**MINUTES OF THE VALLEY CLEAN ENERGY ALLIANCE
BOARD OF DIRECTORS REGULAR MEETING
THURSDAY, SEPTEMBER 9, 2021**

The Board of Directors of the Valley Clean Energy Alliance duly noticed their regular meeting scheduled for Thursday, September 9, 2021 at 5:00 p.m., to be held via Zoom webinar. Chair Dan Carson established that there was a quorum present and began the meeting at 5:03 p.m.

Board Members Present: Dan Carson, Tom Stallard, Don Saylor, Gary Sandy, Wade Cowan, Lucas Frerichs, Mayra Vega (*arrived at 5:25 p.m.)

Members Absent: Jesse Loren

Welcome Chair Carson welcomed everyone.

Approval of Regular Meeting Agenda Motion made by Director Don Saylor to approve the September 9, 2021 meeting agenda, seconded by Director Lucas Frerichs. Motion passed with Directors Jesse Loren and Mayra Vega absent.

Public Comment – General and Consent Chair Carson opened the floor for public comment for items not listed on the agenda and items listed on the Consent Agenda. Board Clerk informed those present that there were no verbal or written comments.

Approval of Consent Agenda (Resolution 2021-019) Chair Carson commented that the November 11th regular Board meeting is a holiday and needs to be rescheduled and that the status of some of the bills reported in the legislative update provided by Pacific Policy Group. Motion made by Director Saylor to approve the consent agenda, seconded by Director Frerichs. Motion passed with Directors Loren and Vega absent.

The following items were approved, ratified, and/or received:

4. July 8, 2021 Board meeting Minutes;
5. 2021 Long Range Calendar;
6. Financial Updated – a) June 30, 2021 and B) July 31, 2021 (unaudited) financial statements;
7. Legislative Update from Pacific Policy Group;
8. September 3, 2021 Regulatory update provided by Keyes & Fox;
9. September 1, 2021 Customer Enrollment Update;
10. Community Advisory Committee July 22, 2021 and August 26, 2021 meeting summaries;
11. (ratified) Amendment 25 to SMUD professional services agreement Task Orders 2, 3 and 4 for annual Consumer Price Index based increase for Compensation for Services;



12. (approved) Second Amendment to VCE’s marketing consultant agreement with Green Ideals to extend the contract one (1) year and increase the not to exceed amount by \$200,000 as Resolution 2021-019;
13. SACOG Grant – Electrify Yolo Project update;
14. (ratify) execution of waiver of potential legal conflicts letter for VCE’s legal counsel Richards, Watson & Gershon; and,
15. accepted and attested the accuracy of VCE’s 2020 Power Content Label for the Standard Green and UltraGreen products.

Item 16: Receive Operating Budget update. (Informational)

Chair Carson announced that this operating budget update item is closely related to the next item, customer rate schedule. Interim Mitch Sears introduced this item. VCE Staff Edward Burnham reviewed slides summarizing the Staff Report within the Board’s packet.

Mr. Burnham informed those present that Staff will continue to monitor the operating budget and financial cash reserves; refine multi-year forecast updates and fiscal impacts mitigation; and, rates strategies. Staff will provide quarterly updates to the Board and Community Advisory Committee (CAC).

The Board asked questions and several topics were discussed, such as: communications with River City Bank, forecasting power charge indifference adjustment (PCIA) fees and budget forecasting, and variants in forecasting.

Director Mayra Vega arrived at 5:25 p.m.

Verbal public comment: Christine Shewmaker commented that VCE should assume that climate change (heat) contributed to VCE’s \$2.4 million loss. She suggested that VCE use 2020 and 2021 load moving forward in forecasting. She also asked the question of whether it is cheaper to buy power now rather than buying power when needed and at higher prices on the open market.

There were no written public comments.

Item 17: Receive report and provide direction on a concept for an expanded and cost-recovery based customer rate structure.

Mr. Sears introduced this item and reviewed slides summarizing the Staff Report within the Board’s packet.

The Board asked questions and several topics were discussed, such as: PCIA - is there a cap and is there a way to forecast; clear messaging to customers about their bills; how will increased rates effect the customer; CCA economies of scale; and, program partnerships.



(Informational/Discussion)

Verbal public comment: Christine Shewmaker, as the Chair, informed those present that the CAC has not seen the budget numbers or rate structure presentation, but will see this information at their September meeting. All solutions should be considered when looking at rates.

The Board asked Staff to explore a cost recovery-based rate structure and come back to the Board with a report that includes modeling, baseline, optimistic and pessimistic scenarios, a low-cost option, messaging timeline, and, information from other CCAs who have adopted a cost recovery-based rate structure on what customer groups opted out or down. The Board reiterated VCE's goal of financial success through funding of programs, increased reserves, and reduced generation rates.

There were no written public comments.

Item 19: Receive Bi-annual Enterprise Risk Management Report.
(Informational)

Due to time constraints, Chair Carson addressed Item 19 prior to Item 18. Director Tom Stallard made a motion to receive the Bi-annual Energy Risk Management Report, seconded by Director Don Saylor. Motion passed with Director Loren absent.

There were no written or verbal public comments.

Item 18: Receive progress update on the VCE carbon neutrality study – Strategic Plan Goal Implementation.
(Informational)

Mr. Sears introduced this item. VCE Staff Gordon Samuel reviewed the status of the carbon neutrality study. Mr. Samuel introduced Maggie Riley of Energeia USA. Ms. Riley provided an overview and timeline of the study.

There were no written or verbal public comments.

Item 20: Discussion of the Community Advisory Committee structure.
(Discussion)

Mr. Sears introduced this item and provided a summary of the Staff Report. Mr. Sears reminded those present that the current CAC structure consists of 12 members [3 seats for each jurisdiction - there are four (4) jurisdictions] and there are eight (8) seats filled with Members whose appointments have not expired. Staff are seeking feedback and direction from the Board on the structure of the CAC. Board direction will help Staff and the CAC develop a recommendation for future Board consideration.

Verbal public comments:

Mark Aulman, CAC Member, commented that it is important to have equal representation on the CAC and to have competent, motivated individuals who have the bandwidth to participate and provide input.



Yvonne Hunter, CAC Member, commented that as VCE has matured, at large members who provide technical or specific expertise should be considered as long as one jurisdiction does not have a majority representation on the CAC.

Christine Shewmaker, CAC Chair, read portions of Board Item 10 – CAC meeting summaries, specifically the CAC’s discussion on this matter at their August 26, 2021 meeting. As the CAC Chair, she would like to see the seats filled as currently there are twelve (12) seats, and a quorum is seven (7).

Chair Carson sought input from the other Board Members. Input was provided by those Board Members present.

Chair Carson made a motion to:

- Compose the Community Advisory Committee of eight (8) seats consisting of two seats from each jurisdiction and three (3) “at large” seats, for a total of 11 seats, with the current eight (8) members continue to serve and fill the seats until the completion of their terms;
- it is the Board’s intention to create three (3) “technical” or “at large” seats, with the “at large” category to be broadly defined to include, but not limited to, areas of expertise, represent the service territory effectively, and with a strong interest in the way VCE operates;
- have Interim General Manager come back to the Board at the next meeting or two, to present recommended categories of expertise for at large members, recommend candidates to fill the at large seats and/or a process to recruit for suitable candidates; and/or recommend selecting candidates for the three at large seats;
- abide by the quorum requirements of a Community Advisory Committee; and,
- with a total of 11 seats (8 plus 3 “at large”) the quorum would be 6.

Director Tom Stallard second the motion. The Board continued to discuss and input on defining the “at large” category was provided by the members.

Inder Khalsa, legal counsel, informed those present that per the JPA, power is given to the Board to create commissions, committees and those commissions and committees must abide by the Brown Act. Therefore, the CAC must abide by quorum requirements.

Mr. Sears requested clarification on whether or not two vacant seats, of which there are applicants, representing the Cities of Davis and Winters, are included in his motion. Chair Carson said that filling these two seats is not



included but that the applicants could be suitable candidates for the “at large” seats.

Additional verbal public comment: Christine Shewmaker, CAC Chair, reiterated that the CAC is functioning with nine (9) participants, with the third Davis seat filled by a person who functions as the Chair of the Rates Task Group and is also an integral member of the Carbon Neutral Task Group. As she currently understands the motion, we would lose this valuable member.

There were no written public comments.

There being no further discussion, Chair Carson amended his motion to include: that the existing CAC membership remain until Interim General Manager returns to the Board with a process and/or recommendation regarding the three (3) “at large” seats and appointments are made by the Board to these “at large” seats.

Director Stallard agreed to the amended motion. Motion passed by the following vote:

AYES: Carson, Saylor, Stallard, Cowan, Frerichs, Sandy, Vega

NOES: None

ABSENT: Loren

ABSTAIN: None

Item 21: Board Member and Staff Announcements

Mr. Sears informed those present that the legislative session is ending; Staff continue to track “remote meeting” legislation related to Executive Orders that suspended certain provisions of the Brown Act; the agricultural response proposal was submitted; and, comments were submitted on PG&E’s regionalization efforts. There were no announcements from the Board Members.

The Board’s next regular meeting is scheduled for October 14, 2021 at 5 p.m.

Adjournment

Chair Carson adjourned the regular Board meeting at 7:34 p.m.

Alisa M. Lembke
VCEA Board Secretary