



**SOUTHERN CALIFORNIA PUBLIC POWER
AUTHORITY
NOTICE OF MEETING
Board of Directors**

NOTICE IS HEREBY GIVEN by the undersigned, as the Executive Director of the Southern California Public Power Authority, that a regular meeting of the Board of Directors is to be held as follows:

Thursday, February 15, 2018
10:00 AM
SCPPA Glendora Office
1160 Nicole Court
Glendora, California 91740
(626) 793-9364

The following matters are the business to be transacted and considered by the Board of Directors /n

Pages

1. Notice/Agenda and Opportunity for the Public to Address the Board

Any member of the Board may request that items on the agenda be taken out of order, or that items be added to the agenda pursuant to the provisions of Section 54954.2(b) of the California Government Code. Members of the public may address the Board at this time on any agenda item of general interest, provided that item is within the subject matter jurisdiction of the Board. Comments from members of the public shall be limited to three (3) minutes unless additional time is approved by the board.

2. Election-Appointment of Officers

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Election/Appointment of SCPPA Officers by motion of the Board.

3. Consent Calendar

All matters listed under the Consent Calendar are considered to be routine and will all be enacted by one motion. There will be no separate discussion of these items prior to the time the Board votes on the motion, unless one or more board members, staff or the public request that specific items be discussed and/or removed for separate discussions or action.

a. Minutes of the Board of Directors

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For January 18, 2018.

b. Monthly Investment Report 10

For December 2017.

c. Resolution 2018-007 12

Approve Fiscal Agency Agreement with LADWP for accounting and related services for the ARP-Loyalton Biomass Project.

d. Resolution 2018-008 32

Approve Master Professional Services Agreement with Ashworth Leininger Group for greenhouse gas verification services.

STAFF REPORTS

4. Executive Director's Report 49

The Executive Director will report on activities since the last Board meeting.

- Six-Month Strategic Objectives

5. Government Affairs Reports 53

The Director of Government Affairs will report on the regulatory activities at the state and federal level. Topics include:

- Legislative & Regulatory Update
- APPA Legislative Rally
- Proposed Structural Changes to Legislative Working Group
- Lobbying Rules Presentation

a. SCPPA Monthly Federal Legislative Report 55

6. Project Administration Director's Report 69

The Director of Project Administration will report on project-related staff and agent activities. Topics include:

- Quarterly Budget Reports
- Discussion of Return of Hoover Over-Collection

a. Project Reports 72

- MPP Operations Report 01-2018
- Palo Verde Status Report 02-2018

- San Juan Status Report 12-2017

b. Resolution 2018-009 83

Approving the annual budget for the Loyaltan Biomass Project for the fiscal year July 1, 2017 through June 30, 2018.

c. Resolution 2018-010 87

Approving the revised annual budget for the Ormat Geothermal Energy Project for the fiscal year July 1, 2017 through June 30, 2018.

7. Chief Financial Officer's Report

The Chief Financial Officer will report on the status of current financing activities. Topics Include:

- Canyon Bond Issue Authorization
- Proposed S&P Ratings Methodology Change
- Rates Comparison Analysis
- Market Update

a. Finance Committee Minutes 91

For January 8, 2018.

b. Resolution 2018-011 93

Authorizing the Preparation of Financing Documents for the Refunding of the Canyon Power Project, Revenue Bonds 2017 Series A.

8. Director of Resource and Program Development

The Director of Resource and Program Development will report on current activities, including renewable energy project development, resource planning issues, Public Benefits and smart grid. Topics include:

- Public Benefits Expenditures 2017

a. Project Development Report 96

For January 2018.

b. Program Development Report 98

For January 2018.

9. Roundtable Discussion

Opportunity for Board Members to bring up informational items or request that an item be added to a future Board Agenda.

10. Closed Session

- Conference with Labor Negotiators: SCLPPA designated representative: Michael S. Webster, Executive Director. Unrepresented employees: All SCLPPA staff (excluding Executive Director).
- Security: Consultation with Michael S. Webster, Executive Director, and Richard J. Morillo, General Counsel regarding security issues pertaining to the essential public services (water and electric service), pursuant to Section 54957 (a) of the California Government Code.
- Public Employment: Work review and performance evaluation of the Executive Director of the Authority pursuant to Section 54957 of the California Government Code.
- Potential Litigation: Conference with legal counsel regarding the potential initiation of litigation pursuant to subdivision (c) of Section 54956.9 of the California Government Code (one potential case).
- Potential Litigation: Conference with legal counsel regarding significant exposure to litigation pursuant to subdivision (b) of Section 54956.9 of the California Government Code (one potential case).

The Authority upon request will provide reasonable accommodation to the disabled to ensure equal access to its meetings. To ensure availability, such request should be made 48 hours in advance by contacting the Authority at (626) 793-9364 during business hours.



MICHAEL S. WEBSTER
Executive Director
Southern California Public Power Authority



RECOMMENDED NOMINATIONS OF SCPPA OFFICERS

February 15, 2018

The following individuals are recommended for election/appointment by motion of the Board:

PresidentDukku Lee, Anaheim

Vice PresidentJorge Somoano, Burbank

SecretaryDavid H. Wright, LADWP

Assistant SecretaryMario C. Ignacio, LADWP

Treasurer/AuditorMichael S. Webster, SCPPA
Assistant Secretary

**MINUTES OF THE
REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY**

A regular meeting of the Board of Directors was held on February 15, 2018 at the offices of the Authority, 1160 Nicole Court, Glendora, California.

This meeting was called to order at 10:00 AM by the President.

The following Board Members (B) and Alternates (A) were present:	Dukku Lee (B), David Kolk (B), Jorge Somoano (B), Gurcharan Bawa (B), Kelly Nguyen (B), Vince Brar (A), Vicken Kasarjian (A), April Fitzpatrick (A), Reiko Kerr (A), Yarek Lehr (B), Steve Badgett (B), Martin Ochotorena (A)
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Staff Members present were:	Mike Webster, Richard Morillo, Russell Mills, Steve Homer, Tanya DeRivi, Daniel Hashimi, Bryan Cope, Katie Ellis, Salpi Ortiz, Joanna Lopez
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Attorneys, Member Employees and Consultants present were:	Stephen Cole (Norton Rose Fulbright), Yolanda Pantig (SCPPA-LA), Roy Xu (Riverside), Benjamin Herhold (NextEra Energy), Emily Andrews (Olson, Hagel & Fishburn), Andy Brar (CPS HR Consulting), Bruce Davis (CPS HR Consulting), Janice Lehman (Anaheim), Alison Kott (Anaheim)
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1. Election-Appointment of Officers

Mr. Lee called for the election and appointment of SCPPA Officers.

By motion of the Board, Michael S. Webster, David H. Wright, and Mario C. Ignacio were appointed as Board Treasurer/Auditor & Assistant Secretary, Board Secretary, and Board Assistant Secretary respectively.

There was discussion on the election process and recommendation was made to vote on the nominees that were presented and defer further discussion on changing the process to a future Board meeting.

Nominations for Board Vice President included: Kelly Nguyen, Jorge Somoano, and Gurcharan Bawa.

By motion of the Board, Dukku Lee was elected President; Jorge Somoano was elected 1st Vice President; and Kelly Nguyen was elected 2nd Vice President.

Moved By: **Vince Brar**

Seconded By: **David Kolk**

Vicken Kasarjian abstained.

2. Notice/Agenda and Opportunity for the Public to Address the Board

Mr. Lee offered the public an opportunity to address the Board. There being no request to do so, the Board proceeded to the Consent Calendar.

Consent Calendar

Resolution 2018-007 (Project Vote – Loyalton Biomass) – Approve Fiscal Agency Agreement with LADWP for accounting and related services for the ARP-Loyalton Biomass Project.

Member	Project Vote		
	Approve	Deny	Present, Not Voting
Azusa			X
Anaheim	X		
Banning			X
Burbank			X
Cerritos			X
Colton			X
Glendale			X
Imperial Irrigation District	X		
Los Angeles	X		
Pasadena			X
Riverside	X		
Vernon			X

Resolution 2018-008 – Approve Master Professional Services Agreement with Ashworth Leininger Group for greenhouse gas verification services.

The consent calendar was approved as follows.

Moved By: **Reiko Kerr**
Seconded By: **Gurcharan Bawa**

Unanimously Approved

3. Executive Director's Report

Mr. Webster provided the Board with an update on the progress of the Six-Month Strategic Objectives noting that item number six would be discussed in Ms. DeRivi's report.

Mr. Webster provided the Board with a comprehensive meeting calendar and noted the inclusion of several SCPPA events.

STAFF REPORTS

4. Government Affairs Report

Ms. DeRivi provided the Board with a Legislative/Regulatory update which highlighted the 2018 Cap-and-Trade Rulemaking.

Ms. DeRivi made suggestions for the restructuring of the Legislative Working Group to improve scheduling/coordinating, decision-making, and guideline structure. Ms. DeRivi asked for Board opinions and recommendations on expanding the group's effectiveness.

Mr. Morillo introduced Emily Andrews from Olson, Hagel & Fishburn LLP to make a presentation on state lobbyist reporting obligations.

Ms. Andrews provided a brief overview on what constitutes “lobbying” and the definition of “lobbyist.” Ms. Andrews defined the two key factors as legislative action and administrative action. Ms. Andrews noted the two types of lobbyists – contract lobbyists and employee lobbyists. Ms. Andrews discussed the importance of accounting for activities that would make an employee a lobbyist and how the laws may impact SCPPA Members.

5. Project Administration Director’s Report

Mr. Homer reviewed the Quarterly Budget Reports citing which projects were over/under budget due to seasonal effects on performance.

Mr. Homer asked the Board to approve the annual budgets of the Loyalton Biomass project and Ormat Geothermal Energy project through resolution 2018-009 and resolution 2018-010 respectively.

Mr. Homer invited Ms. Ellis to discuss the status of the return of Hoover over-collected funds. Ms. Ellis informed the Board as to how the funds would be returned and how returns would be allocated.

Resolution 2018-009 (Project Vote – Loyalton Biomass)

SCPPA to approve the annual budget for the Loyalton Biomass Project for the fiscal year July 1, 2017 through June 30, 2018.

Moved By: **Reiko Kerr**
Seconded By: **Gurcharan Bawa**

Resolution 2018-010 (Project Vote – Ormat Geothermal)

SCPPA to approve the revised annual budget for the Ormat Geothermal Energy Project for the fiscal year July 1, 2017 through June 30, 2018.

Moved By: **Steve Badgett**
Seconded By: **Gurcharan Bawa**

Project Vote
(X=Loyalton Biomass, Y=Ormat Geothermal)

Member	Approve	Deny	Present, Not Voting
Azusa			X/Y
Anaheim			X/Y
Banning	Y		X/Y
Burbank			X/Y
Cerritos			X/Y
Colton			X/Y
Glendale			X/Y
Imperial Irrigation District			X/Y
Los Angeles	X		
Pasadena	X/Y		
Riverside			X/Y
Vernon			X/Y

Unanimously Approved

6. **Chief Financial Officer's Report**

Mr. Mills discussed the results of the Canyon Power Project Refunding Revenue Bonds RFP. MR. Mills reviewed a preliminary schedule to prepare the financing documents. Mr. Mills asked the Board to approve resolution 2018-011.

Mr. Mills noted the proposed S&P Ratings Methodology change.

Mr. Mills provided a brief rates comparison analysis.

Mr. Mills delivered a market update and cited the effects of the economy on current stock rates with respect to current tax rate changes.

Resolution 2018-011 (Project Vote –Canyon Power Project)

Adopt resolution authorizing the preparation of financing documents for the refunding of the Canyon Power Project, Revenue Bonds 2017 Series A.

Member	Project Vote		Present, Not Voting
	Approve	Deny	
Azusa			X
Anaheim	X		
Banning			X
Burbank			X
Cerritos			X
Colton			X
Glendale			X
Imperial Irrigation District			X
Los Angeles			X
Pasadena			X
Riverside			X
Vernon			X

Moved By: **Dukku Lee**
Seconded By: **Kelly Nguyen**

Unanimously Approved

7. **Director of Resource and Program Development**

Mr. Cope reviewed the 2017 Public Benefits Expenditures.

8. **Roundtable Discussion**

Due to time constraints, the Roundtable Discussion was rescheduled to the regularly scheduled March Board Meeting.

9. **Closed Session**

The President declared an end to the public portion of the meeting and the Board then went into closed session to discuss the items listed on the meeting notice. The meeting was adjourned at **11:57 AM** by the Board at the conclusion of the closed session discussion.

Respectfully Submitted,

David H. Wright
Secretary

cc: SCPPA Board