



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 **October 17, 2019** at the offices of the Authority:*

**1160 Nicole Court
Glendora, California 91740**

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

**The following Board Members (B)
and Alternates (A) were present:**

Jorge Somoano (B), Dukku Lee (B), Manny Robledo (B), Jorge Somoano (B), Todd Corbin (B), Tom Miller (B), Todd Corbin (B), Danny Garcia (A), Dave Kolk (B), Gurcharan Bawa (B), Ramzi Raufdeen (A), Henry Martinez (B), Jason Randu (A)

Staff Members present were:

Daniel Hashimi, Mike Webster, Rick Morillo, Bryan Cope, Yoli Pantig, Aileen Ma, Randy Krager, Matt Curtis, Joanna Lopez, Nick Blair, Tanya DeRivi, Amy Mmagu, Nicole Solano, Salpi Ortiz, Jessica Chu, John Quan, Peter Huynh, Tamer Ellyahky, Theodore Zeiss

**Attorneys, Member Employees
and Consultants present were:**

Victor Hsu, Norton Rose Fulbright, Julie Desimone – Moss Adams, Keith Simovic – Moss Adams

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

Mr. Somoano called the meeting to order at 10:00am. After introductions, Mr. Somoano asked for a motion to approve the consent calendar.

2. Consent Calendar:

- **Minutes of the Board of Directors**
 - September 19, 2019
- **Monthly Investment Report**
 - August 2019
- **Monthly Finance Committee Minutes**
 - September 2019
- **Resolution 2019-123:** Adopt Resolution approving the Fourth Amendment to Professional Services Agreement with PFM Financial Advisors LLC (PFM) extending the agreement on a month-to-month basis for six months.
- **Resolution 2019-124:** Adopt Resolution approving the withdrawal of all funds from the City of Riverside Project Stabilization Fund Account.
- **Resolution 2019-125:** Adopt a resolution to serve as a single reference resolution number for agreements of \$100,000 or less annually approved by the Executive Director pursuant to his

authority under the SCPA Procurement Code.

Consent Calendar

Moved By: Tom Miller

Seconded By: Dukku Lee

Unanimously Approved

3. Executive Director's Report

After the unanimous approval of the Consent Calendar, Mr. Webster gave his Executive Director's Report. Mr. Webster reviewed emergency protocol. He then thanked the Board for one-on-one meetings that were held to discuss how SCPA can meet utilities' needs. Takeaways from one-on-ones included lessons learned on SmartGrid/flexible grid, helping utilities with transmission tariffs, and more work on generation transmission studies. Mr. Webster also gave a Training report and a Working Group report, and he advised the Board of a Rate Design workshop coming up on October 24.

Mr. Somoano invited questions from the Board. After a brief discussion, the Executive Director's Report was concluded.

STAFF REPORTS

4. Project and Program Development: Managers' Reports

Following the Executive Director's Report, Ms. Lopez presented for the Board's consideration Resolution 2019-122, regarding the Arbor Day Foundation, and 2019-127, regarding Siemens Industry, Inc.

Ms. Lopez provided a brief background on the Arbor Day Foundation. Their Energy Saving Tree Program provides customers trees to plant on their property, as well as an online platform that advises tree placement for optimum energy efficiency. Contract is a 3-year term with an option to extend 3 years.

After discussion by the Board, **Resolution 2019-122** was presented for a vote:

Resolution 2019-122

Moved By: Dave Kolk

Seconded By: Tom Miller

Abstention by: Riverside

Ms. Lopez then presented to the Board **Resolution 2019-127**. Siemens Industry provides Wildfire mitigation services. This is a third agreement for services similar to those approved by the Board last month.

Resolution 2019-127

Moved By: Gurcharan Bawa

Seconded By: Manny Robledo

Unanimously Approved

Mr. Quan then presented to the Board **Resolutions 2019-119**, regarding Archer Energy Solutions, Inc., and **2019-120**, regarding Cooper Compliance Corporation, for the Board's approval. SCPA members reached out to SCPA staff regarding NERC compliance. SCPA issued an RFP and received 16 responses. SCPA

Members and Staff reviewed responses and decided to pursue two vendors: Archer and Cooper Compliance. After brief discussion, the resolutions were put to a vote.

Resolution 2019-119 and Resolution 2019-120

Moved By: Dukku Lee

Seconded By: Gurcharan Bawa

Unanimously Approved

Mr. Quan then presented **Resolution 2019-121**, regarding the project agreements for the Roseburg SB 859 Biomass Project, for the Board's approval. LADWP, Riverside, IID, and Anaheim, as well as three non-SCPPA members, are participating in this agreement. Roseburg was selected via RFP process. It was noted that Riverside has elected not to participate through SCPPA in this matter but is contracting directly with Roseburg. After discussion from the Board, the resolution was put to a vote.

Resolution 2019-121

Moved By: Dukku Lee

Seconded By: Todd Corbin

Unanimously Approved

5. Asset Management and Special Projects: Director's Report

Following Mr. Quan's presentation, Ms. Solano addressed the Board. Ms. Solano discussed the Roseburg Budget and presented **Resolution 2019-126** for the Board's approval.

Project Vote (Roseburg)
Resolution 2019-126

Moved By: Dukku Lee

Seconded By: Jason Randu

Members	Approve	Deny	Present, Not Voting
Anaheim	X		
IID	X		
LADWP	X		

Ms. Solano then discussed the STS overrun. 32.8M dollars is partially offset by an insurance reimbursement of approximately 15.4M. We have used the IPP Contingency fund for part of the shortfall. Projected overbilling in the next fiscal year of over 7M, which will be used to offset the underbilling. One takeaway Ms. Solano mentioned was that SCPPA is not asking the Board for any additional money. IPP and SCPPA plans to better time their budget processes so they occur concurrently in order to avoid this in the future.

Ms. Solano then presented Budget comparisons for projects. Loyalton is significantly under generating. Wind projects are on par with budget.

6. Government Affairs: Director's Report

Following Ms. Solano's presentation, Ms. DeRivi presented a regulatory update to the Board. She discussed CARB, highlighting RPS penalties for POUs, as well as SF6 Gas Insulated Switch Gear. Mr. Blair stated that SCPPA is working with investor utilities to control phase out schedule and baseline. SCPPA is working with CARB to look at solutions for an agreeable phase-out schedule and baseline year. A report will be sent out

by CARB. SCPPA will have 45 days to comment. SF6 alternatives are not readily available. Utilities need more time to phase out equipment. Phase-out will affect utilities currently purchasing SF6 equipment. Mr. Blair took questions from the Board. After brief discussion, Ms. DeRivi moved on to a legislative update. She mentioned that in-district meetings are about 1/3 of the way through with legislative staff. Ms. DeRivi discussed Wildfires. Cal-Fire is reviewing standards for wires' distance from trees. CalFire regulation will reach a vote around August 2020. SB357 public safety power shutoffs in January. There is concern that POUs may not be included in the bill.

7. Finance

Representatives from Moss Adams discussed the audit results for Fiscal Year 2019. Financial reports will be provided in November. 1400 hours were put in for this year's audit. Each project was assessed individually for risk. There are 1700 pages in the audit binder. Moss Adams met with the Audit Committee on October 7, 2019. No instances of non-compliance were found. GASB No. 83 – Asset Retirement Obligation now requires the entire obligation to be booked on day one of the project. Audit adjustments for Apex and Pinedale. Moss Adams then took questions from the Board. Ms. Ma then discussed Milford I Bond refunding. She reported there was a 20.6% savings of refunding bonds. Ms. Ma took questions from the Board.


8. Roundtable

Mr. Somoano opened discussion to the Board for any updates. Mr. Miller expressed concerns about overbilling. Mr. Corbin mentioned that Danny Garcia is the new Deputy General Manager for Riverside. Mr. Somoano addressed the budget concern brought up by Mr. Miller. Mr. Martinez gave a brief update on IID.

9. Closed Session

There being no items for discussion in Closed Session, Mr. Somoano adjourned the meeting at 12:00pm.

Respectfully Submitted,

DocuSigned by:

 B6AA32131A0046E...

Michael Webster
 Assistant Secretary