



**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, April 21, 2016
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

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. 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. Board Meeting Minutes

From the March 21, 2016 Meeting

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b. Monthly Investment Report	11
For February 2016	
c. Quarterly Financial Report	13
Quarter Ending December 31, 2016	

STAFF REPORTS

3. <u>Executive Director's Report</u>	59
The Executive Director will report on activities since the last Board meeting. Topics include:	
<ul style="list-style-type: none"> • Discussion of Associate Memberships • Update on 1172 Nicole Court 	
4. <u>Project Administration Director's Report</u>	60
The Director of Project Administration will report on project-related staff and agent activities. Topics include:	
<ul style="list-style-type: none"> • Budget Comparison for Quarter Ending December 2015 • Palo Verde • Hoover 	
a. Resolution 2016-015	67
Mead-Adelanto LADWP Budget	
b. Resolution 2016-016	72
Mead-Phoenix LADWP Budget	
c. Hoover Status Report	77
d. MPP Operations Report	80
e. Palo Verde Status Report	85
f. San Juan Unit 3 Status Report	88

5.	<u>Government Affairs Reports</u>	90
	The Director of Government Affairs will report on the regulatory activities at the state and federal level. Topics include:	
	<ul style="list-style-type: none"> • ARB Rulemakings • CEC Rulemakings • CAISO SB350 Implementation • State and Federal Legislative Updates • Aliso Canyon 	
	a. Morgan Meguire Monthly Report	93
6.	<u>Chief Financial Officer's Report</u>	104
	The Chief Financial Officer will report on the status of current financing activities. Topics Include:	
	<ul style="list-style-type: none"> • Mead-Adelanto LADWP & Mead-Pheonix LADWP Bonds • Canyon Power Update • Proposed SCPPA Budget • Financial Market Update 	
	a. Resolution 2016-017	105
	Mead-Adelanto LADWP Bond Issuance	
	b. Resolution 2016-018	114
	Mead-Adelanto LADWP Continuing Disclosure	
	c. Resolution 2016-019	123
	Mead-Phoenix LADWP Bond Issuance	
	d. Resolution 2016-020	132
	Mead-Phoenix LADWP Continuing Disclosure	
	e. Finance Committee Minutes	436
	From the April 05, 2016 Meeting	

7. Director of Resource and Program Development

The Director of Resource and Program Development will discuss Energy Efficiency which will be followed by a presentation from Black & Veatch on the following topics:

- Future Utility Business Model
- Disruptive Technologies

a. Energy Systems Report

438

b. Program Development Report

441

8. New Business

New topics may be introduced in order to be added to the next meeting agenda for future consideration and action by the Board.

9. Closed Session

- **Public Employment:** Work review and performance evaluation of the Executive Director of the Authority pursuant to Section 54957 of the California Government Code.
- **Conference with Labor Negotiators:** SCLPPA designated representatives: Fred H. Mason, President; Richard J. Morillo, General Counsel. Unrepresented employee: Bill D. Carnahan, Executive Director.
- **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).



BILL D. CARNAHAN
Executive Director
Southern California Public Power Authority

**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 April 21, 2016 at the offices of the Authority, 1160 Nicole Court, Glendora, California.

This meeting was called to order at 10:00 A.M. by President Mason.

The following board members (B) and alternates (A) were present: Fred Mason (B), Girish Balachandran (B), Dukku Lee (B), George Morrow (B), Vince Brar (A), Dave Kolk (B), Stephen Zurn (B), Jorge Somoano (A), Mike Webster (A), David Wright (A), Shari Thomas (A), Reiko Kerr (A), Vicken Kasarjian (A), Todd Dusenberry (A)

Staff members were: Bill Carnahan, Richard Morillo, Steve Homer, Ted Beatty, Tanya DeRivi, Salpi Ortiz, Daniel Hashimi, Katie Ellis, Kelly Nguyen, Arpi Lepedzhyan, Erin Lewis, Kevin Crawford, Sarah Taheri, Robert Duran, Therese Savery

Attorneys, member employees and consultants present were: Stephen Cole (Consultant), Henry Martinez, Ryan Pletka (Black & Veatch), Alvarez (Cordova), Lincoln Blevins, Lewis Ting, Dan Wilson (B&V)

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

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

2. Consent Calendar

(a) SPCPA Board Minutes for 03-17-16

(b) Monthly Investment Report for 02-16

(c) Quarterly Financial Report for 12-15

Moved By: Vicken Kasarjian
Seconded By: George Morrow

Unanimously Approved

STAFF REPORTS

3. Executive Director's Report

Mr. Carnahan reported on the progress of the associate memberships and expects to have a report for the next meeting.

Mr. Carnahan announced the beginning of the Strategic Planning process for SCPA. Mr. Carnahan plans to travel to each member and discuss what SCPA needs to focus on to better enhance the member experience. He is also planning a one day session for the board to meet and develop the strategic plan for the coming year towards the end of summer.

4. Project Administration Director's Report

Mr. Homer discussed budget comparisons for the projects. There will be no true-ups for the six month review.

Mr. Homer reviewed the progress of the negotiations for the Hoover 2017 contracts. Mr. Morrow (Azusa) asked about the progress of the audit. Mr. Homer replied that the progress would be discussed in closed session.

Mr. Homer presented Resolution 2016-015 and 2016-016 to approve the Mead-Adelanto (LADWP) and Mead-Phoenix (LADWP) budgets for the remainder of the fiscal year.

Mr. Homer discussed Palo Verde's efforts to maintain their efficiency and safety within the plant.

Resolution 2016-015
Mead-Adelanto (LADWP) Budget

Resolution 2016-016
Mead-Phoenix (LADWP) Budget

Moved By: Mike Webster
Seconded By: George Morrow

Unanimously Approved

5. Chief Financial Officer's Report

Mr. Crawford reviewed the Canyon Power Project 2016 Series A Pricing Results. Mr. Mason (Banning) asked why SCPA was able to procure a great result.

Mr. Lee (Anaheim) asked when do we expect a ruling on the Series B bonds. Mr. Cole (Fulbright) responded that it was submitted recently and a ruling should come within six months.

Mr. Crawford provided the budget to the members and noted major changes from FY 2015-16. The budget will be presented to the board for approval at the May meeting.

Mr. Crawford provided a financial market update including the Fed Rate, Labor Shortage Index, Puerto Rico Debt Crisis and tax percentages by state.

Resolution 2016-017

Mead-Adelanto (LADWP) Bond Issuance

Resolution 2016-018

Mead-Adelanto (LADWP) Continuing Disclosure

Resolution 2016-019

Mead-Phoenix (LADWP) Bond Issuance

Resolution 2016-020

Mead-Phoenix (LADWP) Continuing Disclosure

Moved By: Mike Webster

Seconded By: George Morrow

Unanimously Approved

6. Government Affairs Reports

Ms. DeRivi reviewed upcoming ARB Rulemakings in regards to RPS Enforcement Penalties, RPS Adjustment and 2016 Cap and Trade Amendments. Mr. Morrow (Azusa) asked if utilities should be concerned about industry transfer. Ms. DeRivi replied that it is a compliance issue.

Ms. DeRivi reviewed the CEC SB 350 Implementation IRP workshop for POUs. Mr. Webster (LADWP) voiced that we should be concerned regarding the commissioners questions. Saying that we should be steering ARB to address the issues with the IRP. Mr. Kasarjian (IID) also expressed concerns that we should be watching what the ARB is focusing on.

Ms. Taheri reviewed the CEC AB 802 Implementation benchmarking and disclosure workshop. In April, SCPPA filed comments and jointly with NCPA drafted a proposal.

Ms. Taheri discussed the SB 350 studies being conducted by CAISO. Mr. Mason (Banning) was concerned that things are sounding better than reality. Mr. Webster (LADWP) expressed concern that it may not be a good option for the municipalities by losing ratemaking authority. Mr. Balachandran (Riverside) asked how LADWP would lose this authority. Mr. Webster (LADWP) replied that the ancillary rates would be left to the CAISO to decide. Mr. Kasarjian (IID) agreed that LADWP should be concerned due to how much transmission they participate in. He continued to say the plan rests on California paying the bill to complete the expansion. Mr. Morrow (Azusa) was also doubtful on how this plan will benefit all parties. Mr. Carnahan suggested that the board compile questions regarding the plan and can make the meeting run more smoothly and allow CAISO to respond fairly at the next board meeting. The CAISO will be present and scheduled to speak at the May board meeting.

Ms. DeRivi presented state legislation updates on SB 380, AB 2339 and AB 2709. She also reviewed the FAA Reauthorization and the Senate Energy Bill which were both passed by the Senate.

Ms. DeRivi gave an update on the Aliso Canyon draft action plan and April workshop. Ms. Taheri discussed the CAISO Operations and Straw Proposal. IID asked if it has been discussed out of the ISO and their possible influence of SC Gas and packing lines. Mr. Webster (LADWP) responded that the gas companies are being pressured to have curtailment. Ms. Taheri continued to discuss CPUC Daily balancing Rules and expected timelines of the settlement agreement.

7. Director of Resource and Program Development

Ryan Pletka, Associate Vice President with Black & Veatch provided a presentation on Disruptive Technologies and Future Utility Business Models.

8. New Business

Mr. Wright (LADWP) requested the board discuss PERS and executive hiring at the next board meeting.

9. Closed Session

The board entered into closed session at 12:45pm

After re-convening in open session at 1:30PM, the meeting was adjourned at 1:30PM.

Respectfully Submitted,

Mario Ignacio
Assistant Secretary

c: Board of Directors