



**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, July 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**

5

May 19, 2016

**b. Monthly Investment Reports**

11

April and May 2016

c.	<b>SCPPA Financials</b>	15
	Ending March 31, 2016	
d.	<b>SCPPA Conflict of Interest Code</b>	61
e.	<b>Resolution 2016-069</b>	64
	Revision to Employee Benefits Policy	
f.	<b>Resolution 2016-070</b>	69
	Legal Services Agreement with Munch Hardt Kopf & Harr, P.C.	

#### STAFF REPORTS

3.	<b><u>Executive Director's Report</u></b>	87
----	---	----

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

- Website Presentation
- Associate Memberships
- 1172 Nicole Court

a.	<b>Resolution 2016-071</b>	88
	Authorizing Courts Construction Company for Interior Improvement Projects for 1172 Nicole Court.	
b.	<b>Resolution 2016-072</b>	92
	Associate Membership Program	
c.	<b>Resolution 2016-079</b>	96
	Executive Search Firm	

4.	<b><u>Chief Financial Officer's Report</u></b>	100
----	--	-----

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

- Co-Bond Counsel
- Gas Pre-Pay Audit
- Financial Market Update

a.	<b>Finance Committee Minutes</b>	102
	July 11, 2016	
b.	<b>Resolution 2016-073</b>	103
	SCPPA Co-Bond Counsel Policy	

c.	<b>Resolution 2016-074</b>	106
	SCPPA Employer Paid Contributions for Employees Hired Prior to December 31, 2012 - Effective July 21, 2016	

d.	<b>Resolution 2016-075</b>	108
	SCPPA Employer Paid Contributions for Employees Hired Prior to December 31, 2012 - Effective July 1, 2017	

**5. 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:

- Springbok 1
- RFP Status and Program Updates
- Community Solar
- Energy Storage
- AB2514

a.	<b>Energy Systems Report</b>	110
----	------------------------------	-----

b.	<b>Program Development Report</b>	115
----	-----------------------------------	-----

**6. Project Administration Director's Report** 118

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

- Budget Comparison
- Palo Verde Participation Agreement
- Gas Projects
- Hoover 2017 Contracts
- Audit RFP

a.	<b>Hoover Status Report</b>	122
	July 2016	

b.	<b>MPP Status Report</b>	126
	May 2016 and June 2016	

c.	<b>Palo Verde Status Report</b>	136
	July 2016	

d.	<b>San Juan Status Report</b>	139
	June 2016 and July 2016	

e.	<b>Resolution 2016-076</b>	143
	Palo Verde Interconnection Agreement	
f.	<b>Resolution 2016-077</b>	239
	Springbok 2 Budget	
g.	<b>Resolution 2016-078</b>	243
	Antelope Big Sky Ranch Budget	

**7. Government Affairs Reports** 247

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

- ARB Cap-and-Trade Program & Rulemaking Updates
- CEC Energy Efficiency & RPS Updates
- Regionalization
- State & Federal Legislative Updates
- Aliso Canyon

**a. Legislative Monthly Report** 249

**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.
- **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 July 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), Dave Kolk (B), Stephen Zurn (B), Marcie Edwards (B), Shari Thomas (B), Reiko Kerr (A), Abraham Alemu (A), David Wright (A), Bob Liu (A)

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

**Attorneys, member employees and consultants present were:** Henry Martinez, Pete Garris, Jamie Asbury, Mike Bell

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

Mr. Mason afforded the public an opportunity to address the Board.

Mike Bell introduced himself as the Interim Executive Director for CMUA while recruitment for the position is in process.

**2. Consent Calendar**

- (a) SPPA Board Minutes for 05-19-16**
- (b) Monthly Investment Report for 04-16 and 05-16**
- (c) SPPA Financials for 03-31-15**
- (d) SPPA Conflict of Interest Code**
- (e) Resolution 2016-069 (Employee Benefits Policy)**  
Revision of the policy
- (f) Resolution 2016-070 (Munch Hardt Kopf & Harr)**  
Legal Services Agreement

**Moved By:** George Morrow  
**Seconded By:** Dave Kolk  
**Unanimously Approved**

## **STAFF REPORTS**

### **3. Executive Director's Report**

Erin Lewis presented the newly launched SCPA website.

Mr. Carnahan discussed the Resolution for Courts Construction Company explaining the bidding process that occurred for 1172 Nicole Court. Mr. Morrow (Azusa) asked if the cost is for both the design and the build of the whole building. Mr. Carnahan responded that the construction is only for the south side of the building and the design is already complete. Ms. Thomas (Pasadena) asked what competitive process SCPA undertook for the selection. Mr. Morillo and Mr. Carnahan provided insight on the process that SCPA took to select Courts Construction.

Mr. Carnahan brought the resolution regarding the Associate Membership program including current interest, cost allocations, potential benefits and new services that could be offered to existing SCPA Members. After many questions from the Board and concerns regarding how to integrate new members, Resolution 2016-072 was tabled and to be brought back at a future meeting with possibilities to develop a pilot program and a more comprehensive program.

#### **Resolution 2016-071 (Courts Construction)** 1172 Nicole Court

**Moved By:** George Morrow  
**Seconded By:** Girish Balachandran  
**Unanimously Approved**

#### **Resolution 2016-072 (Associate Memberships)**

Tabled for Future Meeting

#### **Resolution 2016-079 (Mycoff, Fry and Prouse)**

**Moved By:** Marcie Edwards  
**Seconded By:** Dukku Lee  
**Unanimously Approved**

#### **4. Chief Financial Officer's Report**

Mr. Crawford provided a report on the Gas Project Revenue Bonds IRS Audit that SCPPA responded to in July.

Mr. Crawford presented Resolution 2016-073, establishing a policy on the use of Co-Bond Counsel.

Resolutions 2016-074 and 2016-075 were taken concurrently as they are both related to decreasing the employer's paid portion of employee pension contributions. The decrease will occur in two phases over the next year.

Mr. Crawford reported on current financial markets, highlighting the re-affirmed ratings update from Fitch as well as the UK leaving the EU and how that impacts the US and municipal Bond issues.

#### **Resolution 2016-073 (Co-Bond Counsel)**

**Moved By:** Dukku Lee  
**Seconded By:** Marcie Edwards  
**Unanimously Approved**

#### **Resolution 2016-074 (Pension - Taking Effect 07/21/2016) Resolution 2016-075 (Pension - Taking Effect 07/01/2017)**

**Moved By:** George Morrow  
**Seconded By:** Girish Balachandran  
**Unanimously Approved**

#### **5. Resource and Program Development Director Report**

Mr. Beatty reported on renewables development occurring at SCPPA and the projects that are coming online over the next two months that total 365 MW.

Mr. Beatty discussed energy storage at the current state and the future joint RFP with NCPA to find a consultant to review energy storage technologies and cost effectiveness.

SCPPA recently had an RFP for community solar and Mr. Beatty provided a review of the bids and what SCPPA Members plan to do with the information that has been provided.

Mr. Beatty informed the Board of the recent and current program RFPs that SCPPA has posted as well as RFPs that are in development for future programming.

Mr. Beatty reported that the Public Power status Report from SCPPA, NCPA and CMUA was submitted on time, before the July 1<sup>st</sup> deadline.

## **6. Project Administration Director's Report**

Mr. Homer provided the budget comparison, reporting the projects are running fairly true to schedule with very few outliers.

Mr. Homer discussed the Palo Verde Participation Agreement and the ongoing negotiations occurring within them.

Gas Reserves reports for both Pinedale and Barnett are expected to be completed in January of 2017.

Ms. Ellis provided an update on the Hoover Contract negotiations and the RFP that has been issued for the new Hoover Audit.

### **Resolution 2016-076 (Palo Verde) Interconnection Agreement**

		<b>Approve</b>	<b>Deny</b>	<b>Present, Not Voting</b>
<b>Project Vote:</b>	Azusa	X		
	Anaheim	X		
	Banning	X		
	Burbank	X		
	Cerritos			X
	Colton	X		
	Glendale	X		
	IID	X		
	LADWP	X		
	Pasadena	X		
	Riverside	X		
	Vernon	X		



**Moved by:** Marcie Edwards  
**Seconded by:** Reiko Kerr  
**Unanimously Approved**

**Resolution 2016-077 (Springbok 2)**  
**Budget**

	Approve	Deny	Present, Not Voting
<b>Project Vote:</b>			
Azusa			X
Anaheim			X
Banning			X
Burbank			X
Cerritos			X
Colton			X
Glendale			X
IID			X
LADWP	X		
Pasadena			X
Riverside			X
Vernon			X

**Moved By:** Marcie Edwards  
**Seconded By:** Dukku Lee  
**Unanimously Approved**

**Resolution 2016-078 (Antelope Big Sky Ranch)**  
**Budget**

		<b>Approve</b>	<b>Deny</b>	<b>Present, Not Voting</b>
<b>Project Vote:</b>	Azusa	X		
	Anaheim			X
	Banning			X
	Burbank			X
	Cerritos			X
	Colton			X
	Glendale			X
	IID			X
	LADWP			X
	Pasadena	X		
	Riverside	X		
	Vernon			X

**Moved By:** Reiko Kerr  
**Seconded By:** Shari Thomas  
**Unanimously Approved**

## **7. Government Affairs Report**

Ms. DeRivi discussed recent happenings with ARB rulemakings inclusive of RPS enforcement penalties for POUs, the 2030 Scoping Plan Four-Concept Paper and the 2016 Cap & Trade Amendments.

Ms. DeRivi provided updates on the CEC that covered RPS eligibility, energy efficiency and AB802.

In regards to CAISO Regionalization, Ms. DeRivi informed the Board that the SB350 benefits studies have been finalized and draft governance principals have been made and SCPPA has provided comments.

Ms. DeRivi also provided updates on state and federal legislation as well as Aliso Canyon.

## **8. New Business**

Mr. Mason provided an opportunity for new business to be brought before the board. There being no new business the board moved to closed session.

## **9. Closed Session**

The board entered into closed session at 12:35pm.

The board re-convened in open session at 1:00 pm and there being no further business, the meeting was adjourned at 1:00 pm.

Respectfully Submitted,

---

David H. Wright  
Secretary

c: Board of Directors