



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, May 16, 2019

8:00 AM

Burbank Airport Marriott Hotel*
2500 North Hollywood Way
Burbank, California

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

1. NOTICE / AGENDA AND OPPORTUNITY FOR THE PUBLIC TO ADDRESS THE BOARD

Members of the public may address the Board at this time on any item on today's agenda or any other item that 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. 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.

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 requests that specific items be discussed and/or removed for separate discussions or action.

A. Minutes of the Board of Directors

- April 18, 2019

B. Monthly Investment Report

- March 2019

C. Resolution 2019-034: First Amendment to the Legal Services Agreement with Munsch Hardt Kopf & Harr, P.C. to extend the term for two years commencing June 27, 2019.

D. Resolution 2019-035: Second Amendment to the Legal Services Agreement with Holland & Hart, extending the term to June 30, 2021.

E. Resolution 2019-036: Approval of an Amendment to the Master Professional Services Agreement with PA Consulting Group, Inc. (PA).

3. EXECUTIVE DIRECTOR'S REPORT

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

A. Finance Committee Meeting Minutes

- For April 1, 2019

B. Resolution 2019-037: Modifications to the Employee Benefits Policy

4. FINANCE

The Interim CFO/CAO will report on current activities.

A. Resolution 2019-038: Administrative and General Budget for Fiscal Year 2019-20.

B. Resolution 2019-080: Allocation of initial costs among participants in proposed Gas and Energy Prepay Project.

C. Resolution 2019-081: Adjustments to the Classification and Salary Schedule.

D. Resolution 2019-082: Legal Services Agreement with the law firm of Orrick, Herrington & Sutcliffe LLP for special tax counsel services.

5. ASSET MANAGEMENT AND SPECIAL PROJECTS: DIRECTOR'S REPORT

The Director of Asset Management and Special Projects will report on project-related staff and agent activities.

A. Resolutions 2019-040—2019-079: Project Budgets

B. Resolution 2019-083: Amendment No.3 to the Parts and Special Services Agreement and Extra Work Agreement with General Electric International, Inc., for the Magnolia Power Project.

C. Project Reports

- MPP Operations Report 04-2019
- Palo Verde Status Report 05-2019

6. PROJECT AND PROGRAM DEVELOPMENT: MANAGERS' REPORTS

The Managers of Project and Program Development will report on current activities, including renewable energy project development, resource planning issues, Public Benefits, Electrification, and smart grid.

A. Resolution 2019-084: Eland Solar & Storage Center, Phase 1 Project and associated Power Purchase Agreement with 68SF 8me LLC, separate Power Sales Agreements one with each of the City of Los Angeles and the City of Glendale and an Agency Agreement with the City of Los Angeles.

B. Resolution 2019-085: Eland Solar & Storage Center, Phase 2 Project (the "Project") and associated Power Purchase Agreement with 69SV 8me LLC, Power Sales Agreement with the City of Los Angeles and an Agency Agreement with the City of Los Angeles.

C. Resolution 2019-086: Service Agreement with Alliance for Cooperative Energy Services Power Marketing LLC to provide Scheduling and Trading, Settlements, and Credit Services to SCPA Member Agencies.

7. GOVERNMENT AFFAIRS: DIRECTOR'S REPORT

The Director of Government Affairs will report on regional, state, and/or federal legislative and regulatory activities affecting Southern California public power utilities, including climate change and air quality, wildfires, renewable energy and traditional energy resources, transportation and building electrification, alternative energy supplies, resource planning, market and utility operations, and joint powers agreements.

A. Legislative Update

- For May 2019

B. SCPPA Monthly Federal Legislative Report

- For May 2019

C. Wildfires

8. ROUNDTABLE DISCUSSION

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

9. CLOSED SESSION

A. Security: Consultation with Michael S. Webster, Executive Director, and Richard J. Morillo, General Counsel regarding security issues pertaining to essential public services (water and electric service), pursuant to Section 54957 (a) of the California Government Code.

B. Public Employment: Work review and performance evaluation of the Executive Director of the Authority pursuant to section 54957 of the California Government Code.

C. Public Employment: Work review and performance evaluation of the General Counsel of the Authority pursuant to section 54957 of the California Government Code.

D. 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).

E. 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

*The Board will participate in the Annual Conference beginning at 8AM in the Academy 1 Room and will meet to discuss the business indicated above in the Sunset B Room at 11:15 AM.



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 18, 2019** at the offices of the Authority:*

**1160 Nicole Court
Glendora, California 91740**

*This meeting was called to order at **8:02am** by the President.*

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

Dukku Lee (B), Eric Klinkner (A), Tony Alegranza (A), Manny Robledo (B), Reiko Kerr (A), Jorge Somoano (B), Todd Corbin (B), Danny Garcia (A), Rebecca Gallegos (A), Todd Dusenberry (A), Tom Miller (B), Dave Wright (B), Stephen Zurn (B)

Staff Members present were:

Richard Morillo, Michael Webster, Bryan Cope, Tanya DeRivi, John Quan, Jim Compton, David Alexander, Stephen Kwok, Mike Bell, Yoli Pantig, Nick Blair, Nicole Solano, Amy Mmagu, Katie Ellis, Randy Krager, Salpi Ortiz, Rachel Pearson, Daniel Hashimi

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

Victor Hsu (Norton Rose Fulbright)

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

Mr. Somoano brought the meeting to order at 8:02 and asked for introductions. He then opened discussion to changes. Mr. Morillo stated the following changes on to consent calendar: Resolution 2019-027 for Cooper Compliance had an incorrect date; last-minute change to EcosEnergy; KTY was pulled from the Agenda. Mr. Morillo advised the board of the revised agreement in their packets.

Mr. Somoano moved to election of new First Vice President since Kelly Nguyen has vacated the position. He opened the floor for nominations. Mr. Lee noted that Mr. Bawa is currently the Second Vice President. He nominated Mr. Bawa for First VP position. Mr. Zurn seconded.

Moved By: Dukku Lee **Seconded By:** Stephen Zurn

Unanimously Approved

Mr. Lee then nominated Mr. Miller as Second VP and Mr. Robledo seconded.

Moved By: Dukku Lee **Seconded By:** Manny Robledo

Unanimously Approved

Mr. Somoano then moved to the consent calendar.

Consent Calendar:

- **Minutes of the Board of Directors**
 - March 21, 2019
- **Monthly Investment Report**
 - February 2019
- **Resolution 2019-025:** Approval of a Master Professional Services Agreement with Cohen Ventures, Inc., dba Energy Solutions, ("Energy Solutions").
- **[Pulled]**
- **Resolution 2019-027:** Approval of the Third Amendment to the Master Professional Services Agreement between SCPPA and Cooper Compliance Corporation, for consulting services for NERC compliance, software, and training.
- **Resolution 2019-028:** Approval of Request by Pasadena for Withdrawal from its Project Stabilization Fund account.
- **Resolution 2019-029:** Approval of the Fourth Amendment to the Operation and Maintenance Agreement Between SCCPA and EthosEnergy Power Operations (West), LLC, for the Apex Generation Station (**Project Vote**)
- **Resolution 2019-030:** Approval of Professional Services Agreement with KTY Engineering for consulting services for development of a feed-in tariff. **[Pulled – No action taken]**

Moved By: Tom Miller

Seconded By: Reiko Kerr

Unanimously Approved

Mr. Webster requested the Resource and Program Development Reports be taken out of order to accommodate guests.

STAFF REPORT

2. Resource and Program Development Reports

Mr. Quan introduced Mr. Jim Compton and Mr. David Alexander to discuss Cybersecurity. Mr. Alexander and Mr. Compton presented the RFP which was discussed in the Working Group Meeting. The cybersecurity RFP process was discussed.

Cybersecurity Process:

- RFP issued on February 8, 2019
- RFP closed on March 11, 2019
- Evaluations completed March 18, 2019
- 11 cybersecurity services grouped among 3 categories
- SCPPA received 34 proposals, 4 rejected due to being non-responsive
- Scoring Criteria:
 - 30% of the total grade comprises of content, structure
 - 70% of the remaining grade revolves on capabilities in cybersecurity services
- 3 vendors selected for this initial round of approval

Mr. Alexander and Mr. Compton discussed the three vendors that were selected based on a comprehensive matrix of criteria. Archer, Drago, and Ardent were presented to the Board for consideration.

Mr. Morillo noted that two of the agreements had last-minute changes that were reflected in the packets. Mr. Hashimi clarified that the corrections included cost of travel.

After noting the significance of cybersecurity, Mr. Wright moved to approve. Questions were raised by Board members Lee and Somoano and were answered by presenters.

Mr. Wright moved to approve Resolutions, as follows:

Resolution 2019-031: Approval of a Master Professional Services Agreement with Ardent Cyber Solutions, LLC to provide Cybersecurity Services to SCPPA Member Agencies.

Resolution 2019-032: Approval of a Master Agreement with Archer Utility Solutions, LLC to provide Cybersecurity Services to SCPPA Member Agencies.

Resolution 2019-033: Approval of a Master Professional Services Agreement with Dragos, Inc. to provide Cybersecurity Services to SCPPA Member Agencies.

Moved By: Dave Wright

Seconded By: Eric Klinkner

Unanimously Approved

3. Executive Director's Report

Mr. Webster then gave the Executive Director's report. He mentioned that CFO candidates were being reviewed.

Mr. Webster addressed an issue which was raised by Riverside. He referred the Board to Norton Rose Fulbright's memorandum, in the packet.

STAFF REPORTS, CONTINUED

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

Ms. Ellis presented the MPP Operations Report for 03-2019. She also presented the Palo Verde Status Report for 04-2019. Ms. Ellis then addressed Project Budgets. She directed the Board to the handout in their packets. Project budget is up 3% from last year. Palo Verde is down 2% year-over-year. Ms. Ellis addressed each of the projects and their various states of increase and decrease.

Ms. Ellis invited questions from the Board. Mr. Somoano and Mr. Webster asked follow-up questions, which were addressed by Ms. Ellis.

Mr. Bell then presented the A&G Budget, which has been reviewed twice. A Finance Committee meeting is scheduled for May 5, 2019 after which time an official recommendation will be made to the Board. Mr. Webster directed the Board's attention to the budget, which was included in their packets. Overall, there is minimal change.

Mr. Bell mentioned that there are 18 budgeted positions, same as last year. He also mentioned that Mr. Beatty's former position was budgeted for half the year and mentioned salary increase, which is minimal. He mentioned that the L&R budget is increasing, due to travel and meeting costs.

Mr. Bell invited questions from the Board. Mr. Robledo confirmed the amount of the overall budget. Mr. Somoano suggested Mr. Beatty's former position be budgeted for the entire year. That issue was deferred to the Finance Committee for its recommendation.

After a brief discussion, the Board turned its attention to L&R.

5. Government Affairs: Director's Report

Ms. DeRivi presented on Government Affairs, focusing on the Governor's Strike Team. Wildfires are going to be a very big issue. She mentioned that at the next scheduled Board meeting, there will be limited time due to the SCPPA Annual Conference, but she will do her best to update the Board on wildfire matters.

SB901 has a July 12 deadline. Every single utility will need to have a wildfire mitigation plan, which must be reviewed by a third party. Ms. DeRivi mentioned that we are looking into independent wildfire mitigation plans and that we possibly will be getting an expert from Australia.

Mr. Robledo suggested LA County Fire; however, the requirement states that it must be a third party. Mr. Wright addressed the disparity of payment between Southern California and Northern California. He emphasized the desire to see a stronger push for not charging our people for the risk of Northern California.

Mr. Wright expressed a desire for a separate line item on the bill, not included in rates. Ms. DeRivi said one of the requests made is to actually put lines on a map to show where the wildfire threats are. Ms. Kerr asked about greenhouse funds; however, Ms. Mmagu said the reason is pet projects.

Mr. Blair has been attending CalFire meetings. They are discussing vegetation management. One of the big pain points is that no one in the state can determine who should be regulating what. PG&E has been at these meetings. The Governor wants to get something going by July 12.

- 901 Commission: July 1 due date.
- Legislation – July 12 deadline.

Brief conversation ensued. At 9:33am, the Board went into closed session.

6. Closed Session

Adjournment. The meeting was adjourned at 3:24 pm.

Respectfully Submitted,

David H. Wright
Secretary