



**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 18, 2019**

10:00 AM

1160 Nicole Court  
Glendora, CA 91740

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**

- May 16, 2019

**B. Monthly Investment Report**

- April 2019
- May 2019

**C. Quarterly Finance Report**

- March 31, 2019
- Combined Financial Statements

**D. Resolution 2019-087:** Approve and authorize Executive Director to sign an Election to Participate, Release and Claim Form to receive a share of a settlement of litigation brought by 42 state Attorneys General against Citibank, N.A. for securities fraud, unfair business practices, and similar claims.

**E. Resolution 2019-088:** Approval of an Agreement with the Los Angeles CleanTech Incubator (LACI) for SCPPA to engage at the Associate Level in LACI's Electric Transportation Partnership, in support of the Zero Emissions 2028 program ("ZE2028 Program").

- F. Resolution 2019-089:** Authorization to obtain a Champion level membership in Veloz, a non-profit corporation established to increase outreach to the public on the value of driving electric vehicles.
- G. Resolution 2019-090:** Approve and Authorize Executive Director and General Counsel to Sign Stipulation for Entry of Final Judgment in Condemnation in the case entitled *People of the State of California (CalTrans) v. Southern California Public Power Authority, et al., San Bernardino Superior Court Case No. CIVDS 1806609*.
- H. Resolution 2019-091:** Amendment to the Funding Agreement ("Agreement") with the California Municipal Utilities Association ("CMUA") and Northern California Power Agency ("NCPA") for development of a statewide Energy Efficiency program Cost-effectiveness Tool and Reporting Platform ("CET/RP" or "Platform").
- I. Resolution 2019-092:** Approval of a First Amendment to the existing Master Professional Services Agreement with Plug In America extending the agreement for one additional three-year term.
- J. Resolution 2019-093:** Approval of a First Amendment to the existing Master Professional Services Agreement with Pandora Consulting Associates, LLC extending the agreement for one additional three-year term.
- K. Resolution 2019-094:** Approval of a First Amendment to the existing Master Professional Services Agreement with CalStart, Inc extending the agreement for one additional three-year term.
- L. Resolution 2019-095:** Approval of a First Amendment to the existing Master Professional Services Agreement with Green Acres Advertising and Design, Inc extending the agreement for one additional three-year term.
- M. Resolution 2019-096:** Approval of a Second Amendment to the existing Master Professional Services Agreement with Adopt A Charger, Inc extending the agreement for one additional three-year term.
- N. Resolution 2019-097:** Approval of a First Amendment to the existing Master Professional Services Agreement with Enervee Corporation extending the agreement for one additional three-year term.
- O. Resolution 2019-103:** Authorizing the Executive Director to pay the Fiscal Year 2019-20 APPA annual dues.

### **3. EXECUTIVE DIRECTOR'S REPORT**

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

- A. Resolution 2019-102:** Approval and adoption of Vision, Mission and Value Statements, and Strategic Priorities for the 2019 Strategic Plan.
- B. Ron Nichols – In Memoriam**

### **4. FINANCE**

The CFO/CAO will report on current activities.

#### **A. Minutes of the Finance Committee**

- May 6, 2019

#### **B. STS Financing Schedule and Cost Update**

- C. Resolution 2019-098:** Approve a Reimbursement Resolution for expenditures relating to the issuance of gas and energy prepay project revenue bonds.

**5. 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 2019-100:** Execute Master Professional Service Agreement with KnowBe4, Inc., to provide Cybersecurity Awareness Training to SCPPA Member Agencies.

**B. Resolution 2019-101:** Approval of a Master Professional Services Agreement with EnergyX Solutions, Inc.

**C. Energy Efficiency Report/SB350**

**6. 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 July 2019

**B. SCPPA Monthly Federal Legislative Report**

- For June 2019

**C. Wildfires**

**D. CARB Clean Fleets Rule Making**

**7. 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. Budget Comparisons**

**B. Renewables Report**

**C. Project Updates**

- MPP Operations June Report
- Palo Verde Status Report

**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).

**10. ADJOURNMENT**

The Board will adjourn the meeting in memory of Ron Nichols, former General Manager of the Los Angeles Department of Water and Power and SCPA Board Member and Secretary.

*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.*



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**MICHAEL S. WEBSTER**

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 **May 16, 2019** in the Sunset B Room of the Burbank Airport Marriott Hotel:*

**2500 North Hollywood Way  
Burbank, California**

*This meeting was called to order at **11:15 am** by the President. \**

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

Dukku Lee (B), Bawa Gurcharan (B), Henry Martinez, (B), Manny Robledo (B), Reiko Kerr (A), Jorge Somoano (B), Todd Corbin (B), Danny Garcia (A), Rebecca Gallegos (A), Abraham Alemu (B), Tom Miller (B), Stephen Zurn (B); Kanna Vancheswaran (A)

**Staff Members present were:**

Richard Morillo, Michael Webster, Bryan Cope, Tanya DeRivi, John Quan, Mike Bell, Yoli Pantig, Nick Blair, Amy Mmagu, Katie Ellis, Randy Krager, Daniel Hashimi

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

Cecilia Dyba (Norton Rose Fulbright); Ashley Wald (Holland & Hart); Frank Messiano (Burbank); Louis Ting (LADWP); Mark Young (Glendale)

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

The Board convened in the Sunset B Room at 11:15. Mr. Somoano brought the meeting to order and asked for introductions.

Mr. Somoano then moved to the consent calendar.

### **2. CONSENT CALENDAR:**

- **Minutes of the Board of Directors**
  - April 18, 2019
- **Monthly Investment Report**
  - March 2019
- **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.
- **Resolution 2019-035:** Second Amendment to the Legal Services Agreement with Holland & Hart, extending the term to June 30, 2021.
- **Resolution 2019-036:** Approval of an Amendment to the Master Professional Services Agreement with PA Consulting Group, Inc. (PA).

Consent items were approved and adopted in one motion, as follows:

**Moved By:** Rebecca Gallegos    **Seconded By:** Steve Zurn

**Unanimously Approved**

### **3. EXECUTIVE DIRECTOR'S REPORT**

The Executive Director thanked the Board Members for allowing their staffs to attend the Annual Conference. He then addressed the proposed modifications to the Employee Benefits Policy, indicating there are two substantive changes: (1) a reduction of required minimum balance of Universal Leave to remain in an employee's account for cash out of leave time; and (2) an increase in the amount of tuition reimbursement. Additionally, a clarification was made to draw a distinction between Protected Leave and Unprotected Leave.

- **Finance Committee Meeting Minutes for** April 1, 2019 were received and filed.
- **Resolution 2019-037:** Modifications to the Employee Benefits Policy

The Resolution was adopted, as follows:

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

**Unanimously Approved**

### **4. FINANCE**

Mike Bell, Interim CFO/CAO reported on the following items:

- **Resolution 2019-038:** Administrative and General Budget for Fiscal Year 2019-20.  
Mr., Bell noted one correction to the budget from the version previously distributed to the Board. As recommended by the Finance Committee, the budget now shows a full year's salary for the Director of Project and Program Development, even though the position is currently vacant.

The Resolution was adopted, as follows:

**Moved By:** Henry Martinez    **Seconded By:** Gurcharan Bawa

**Unanimously Approved**

- **Resolution 2019-081:** Adjustments to the Classification and Salary Schedule.  
Mr. Bell noted there is a 1.77% cost of living increase for SCPPA employees reflected in the budget.



The Resolution was adopted, as follows:

**Moved By:** Steve Zurn

**Seconded By:** Manny Robledo

**Unanimously Approved**

Resolutions 2019-080 and 2019-082 both relate to the proposed Gas and Energy Prepay Project and were discussed together. Mr. Bell explained the purpose of the proposed cost allocation resolution is to enable SCPA to pay the initial costs incurred by consultants and outside attorneys. Such costs will be divided into equal shares among the four indicated participants, Anaheim, Burbank, Imperial Irrigation District and Vernon, subject to truing up later when bonds are issued and if additional members elect to participate. Mr. Somoano asked how long will the negotiations take to reach substantially final agreements for the transaction. Mr. Lee said he would like to hear more from PFM or Goldman Sachs on the risks associated with the project before fully committing to participate. Mr. Robledo indicated that Azusa was still considering participation but had some further questions to be discussed before committing.

Regarding the proposed agreement for tax counsel services, Mr. Morillo noted that the scope and the estimated contract amount may increase should there be two separate bond issues instead of one.

- **Resolution 2019-080:** Allocation of initial costs among participants in proposed Gas and Energy Prepay Project.
- **Resolution 2019-082:** Legal Services Agreement with the law firm of Orrick, Herrington & Sutcliffe LLP for special tax counsel services.

Both resolutions were approved in one motion, as follows:

**Moved By:** Dukku Lee

**Seconded By:** Henry Martinez

**Unanimously Approved**

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

Katie Ellis, Director of Asset Management and Special Projects, first mentioned that work was finished on the 2019 SCPA Training Catalogue, which was included in the packet of materials for the 2019 Annual SCPA Conference. She then presented the proposed project budgets for Fiscal Year 2019-2020. Ms. Ellis indicated that revisions were made to the Palo Verde budget to account for increased loading rates adopted by Arizona Public Service and to the transmission project budgets to account for increases to capital expense forecasts. Revisions were made to all budgets to account for the inclusion of the full year's salary of the Director of Program and Project Development in the allocation of A&G expenses.

▪ **Resolutions 2019-040—2019-079:** Project Budgets

All project budget resolutions were adopted in one motion, with each resolution deemed recorded as a project vote:

**Moved By:** Reiko Kerr      **Seconded By:** Henry Martinez

**Unanimously Approved**

Before consideration of the next item, Mr. Somoano briefly recessed the Board meeting for a brief meeting of the Magnolia Coordinating Committee. When that meeting adjourned, the Board meeting reconvened. The Board then took the following action:

- **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.

**Moved By:** Rebecca Gallegos      **Seconded By:** Dukku Lee

**Unanimously Approved**

▪ **Project Reports**

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

**6. PROJECT AND PROGRAM DEVELOPMENT: MANAGERS' REPORTS**

Mr. Krager reported that negotiations were complete for the Eland Phase 1 and Phase 2 Photo Voltaic Solar and Storage Center Projects and that the project agreements were ready for adoption. Each project would have a capacity of 200 MW with a 100MW/400Mwh battery storage system. When completed, it will be the largest battery storage project in the United States. The project agreements each include an option to increase the battery size to 150MW/600Mwh battery storage system. The project is also first Solar project with a contract price below \$20.

The project resolutions were adopted in one motion:

- **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.
- **Resolution 2019-085:** Eland Solar & Storage Center, Phase 2 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.



**Moved By:** Reiko Kerr

**Seconded By:** Steve Zurn

**Unanimously Approved**

Mr. Krager then presented a proposed master scheduling services agreement with Alliance for Cooperative Energy Services ("ACES") Power Marketing LLC. He said that an RFP was issued by SCPPA to which nine firms responded. The members interested in obtaining such services through SCPPA conferred and selected ACES for an award of a contract.

The Board then adopted the following resolution:

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

**Moved By:** Steve Zurn

**Seconded By:** Gurcharan Bawa

**Unanimously Approved**

## **7. GOVERNMENT AFFAIRS: DIRECTOR'S REPORT**

Ms. DeRivi and Ms. Mmagu led a discussion of legislative matters that included a discussion of Wildfires, NextEra's pumped storage bill, and AB 854 being held on the suspense file. Regarding the proposal for a \$40 billion wildfire fund, Mr. Bawa asked where the money would come from.

Mr. Martinez was thanked for IID's assistance in the mapping of transmission lines requested by SCPPA staff.

- 8. CLOSED SESSION AND ADJOURNMENT:** The Board moved into closed session at 12:15 pm, from which it emerged at 12:45 pm. Board members then returned to the Conference until the end of the even.

Respectfully Submitted,

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David H. Wright  
Secretary

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\* The meeting was noticed for 8:00 am to allow Board Members to attend the Annual Conference in the Academy 1 Room at the same location.