

**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) SCLPPA Board Minutes for 05-19-16**
- (b) Monthly Investment Report for 04-16 and 05-16**
- (c) SCLPPA Financials for 03-31-15**
- (d) SCLPPA 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 SCPPA 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 SCPPA undertook for the selection. Mr. Morillo and Mr. Carnahan provided insight on the process that SCPPA 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 SCPPA 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 SCPA has posted as well as RFPs that are in development for future programming.

Mr. Beatty reported that the Public Power status Report from SCPA, NCPA and CMUA was submitted on time, before the July 1st 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

		Approve	Deny	Present, Not Voting
Project Vote:	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
Project Vote:			
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**

	Approve	Deny	Present, Not Voting
Project Vote:			
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