



**SILICON VALLEY
CLEAN ENERGY AUTHORITY**

Board of Directors Meeting

Wednesday, May 11, 2016

7:00 pm

Santa Clara County Board Room
70 West Hedding Street, 1st Floor
San Jose, CA

MEETING MINUTES

Call to Order

Interim Chair McAlister called the meeting to order at 7 p.m.

Roll Call

Present:

Director Jeannie Bruins, City of Los Altos
Director John Harpootlian, Town of Los Altos Hills (arrived at 7:01 p.m.)
Director Rob Rennie, Town of Los Gatos
Director Burton Craig, City of Monte Sereno
Alternate Director Anthony Eulo, City of Morgan Hill
Interim Chair John McAlister, City of Mountain View
Director Joe Simitian, County of Santa Clara (arrived at the time Closed Session was convened)
Director Howard Miller, City of Saratoga
Director Jim Griffith, City of Sunnyvale
Director Liz Gibbons, City of Campbell (by teleconference from 55 Alder Lane, North Falmouth, MA 02556)
Director Rod Sinks, City of Cupertino
Director Daniel Harney, City of Gilroy

Absent:

None.

Public Comment on Closed Session

No speakers.

The Board adjourned to Closed Session in Room 157 at 7:02 p.m.

Convene to Closed Session

Public Employee Appointment (Government Code Section 54957), Title: Chief Executive Officer

The Board returned to the Board Room from Closed Session at 7:53 p.m. with all members present.

Report from Closed Session

Interim Chair McAlister stated the Board met in Closed Session and there was nothing to report.

Special Presentation – Recognition of Communications Manager Erin Cooke

Interim Chair McAlister recognized Communications Manager Erin Cooke for her contributions to the formation of the Silicon Valley Clean Energy Authority.

Consent Calendar

Director Miller requested to pull Item 1a from the Consent Calendar.

1a) Approve Minutes of the April 13, 2016, Board of Directors Meeting

Director Miller inquired as to the Board's expectations of the Clerk regarding the procedure for recording direction to staff in the minutes.

The Board discussed the process for including direction to staff in the minutes, either by formal motion or as the Chair's responsibility to summarize the collective direction to staff for inclusion in the minutes and if a member objects, it could be clarified, otherwise the Chair's final summary of the direction would be included in the minutes.

MOTION: Director Miller moved and Director Gibbons seconded the motion to approve the minutes of the April 13, 2016, Board of Directors Meeting as submitted with the expectation that future minutes include direction to staff.

Interim Chair McAlister opened public comment
No speakers.
Interim Chair McAlister closed public comment.

The motion carried unanimously.

1b) Approve Administrative Services Agreement with the County of Santa Clara

MOTION: Director Bruins moved and Director Harpootlian seconded the motion to approve the administrative services agreement with the County of Santa Clara.

Interim Chair McAlister open public comment.
No speakers.
Interim Chair McAlister closed public comment.

The motion carried unanimously.

Regular Calendar

2) Elect Chair and Vice Chair

Operations Manager Melody Tovar provided the staff report and responded to Board questions. General Counsel Stepanicich provided additional information and responded to Board questions.

The Board discussed term lengths and the potential duties and roles of the Chair and Vice Chair.

MOTION: Director Simitian moved and Director Miller seconded the motion proceed with the election of a Chair and Vice Chair from this day forward through the first meeting in January, at which time a Chair and Vice Chair would be elected for calendar year 2017.

Director Miller clarified with the maker of the motion that when the Chair is elected in January, the gavel is passed to the new Chair who runs the meeting from that point forward.

The motion carried unanimously.

Interim Chair McAlister opened nominations from the floor for Chair.

MOTION: Director Simitian moved and Director Gibbons seconded the motion that the three self-nominated candidates, Director Griffith, Director McAlister and Director Sinks, be entered as nominees. The motion carried unanimously.

MOTION: Director Simitian moved and Director Bruins seconded the motion to close nominations. The motion carried unanimously.

Interim Chair McAlister opened public comment.
No speakers.
Interim Chair McAlister closed public comment.

Director Sinks provided brief comments regarding his interest in serving as Chair.

Director Griffith provided brief comments regarding his interest in serving as Chair.

Interim Chair McAlister provided brief comments regarding his interest in serving as Chair.

VOTE FOR THE POSITION OF CHAIR (1st vote):

Director Bruins: Griffith
Director Harpootlian: Sinks
Director Rennie: Griffith
Director Craig: Sinks
Director Eulo: Sinks
Interim Chair McAlister: McAlister
Director Simitian: McAlister
Director Miller: Griffith
Director Griffith: Griffith
Director Gibbons: Sinks
Director Sinks: Sinks
Director Harney: Sinks

Interim Chair McAlister reported six votes for Sinks, four votes for Griffith and two votes for McAlister.

As there were not at least seven votes for one nominee, the Board proceeded with a second vote for the position of Chair.

VOTE FOR THE POSITION OF CHAIR (2nd vote):

Director Bruins: Griffith
Director Harpootlian: Sinks
Director Rennie: Sinks
Director Craig: Sinks
Alternate Director Eulo: Sinks
Interim Chair McAlister: McAlister
Director Simitian: McAlister
Director Miller: Sinks
Director Griffith: Sinks
Director Gibbons: Sinks
Director Sinks: Sinks
Director Harney: Sinks

Interim Chair McAlister reported one vote for Griffith, nine votes for Sinks and two votes for McAlister. Interim Chair McAlister announced Director Sinks has been selected as Chair.

Interim Chair McAlister opened nominations from the floor for Vice Chair.

Director Bruins nominated Director Rennie.

Director Rennie accepted the nomination and provided brief comments regarding his qualifications.

Director Griffith provided brief comments and withdrew his nomination for Vice Chair.

Interim Chair McAlister opened public comment.

No speakers.

Interim Chair McAlister closed public comment.

Director Rennie was selected to serve as Vice Chair by unanimous roll call vote.

Following selection of the Chair and Vice Chair, Director McAlister exchanged seats with newly appointed Chair Sinks and Chair Sinks presided over the remainder of the meeting.

3) Appoint a Board Executive Committee

MOTION: Director Bruins moved and Director Miller seconded the motion to consider Item 3 after Item 5. The motion carried unanimously.

Following action on Item 5, the Board considered the appointment of a Board Executive Committee.

Operations Manager Melody Tovar provided the staff report and responded to Board questions. CEO Habashi provided comments and responded to Board questions.

MOTION: Director Miller moved and Alternate Director Eulo/Director Gibbons seconded the motion to set the term for the Executive Committee to the same term as that of the Chair and Vice Chair, to be reappointed in January.

CEO Habashi provided comments regarding the role of the Executive Committee.

Chair Sinks opened public comment.

No speakers.

Chair Sinks closed public comment.

The motion carried unanimously.

MOTION: Alternate Director Eulo moved and Director Gibbons seconded the motion to delay the decision until next month.

FRIENDLY AMENDMENT: Director Miller offered a friendly amendment to have the Chair and Vice Chair involved in the meeting with staff to sort out roles for the Executive Committee and to consider a level of finance expertise such as might be valuable for moving forward regarding the bridge financing.

Alternate Director Eulo accepted the friendly amendment.

The motion carried unanimously.

Following final action on Item 3, the Board considered Item 6.

4) Adopt Amended Conflict of Interest Code

General Counsel Stepanicich provided the staff report.

Chair Sinks opened public comment.

No speakers.

Chair Sinks closed public comment.

MOTION: Director Miller moved and Alternate Director Eulo seconded the motion to adopt an amended conflict of interest code.
The motion carried unanimously.

5) Approve Employment Agreement with Chief Executive Officer

Outgoing Communications Manager Erin Cooke provided a summary of the Executive recruitment efforts.

Chair Sinks opened public comment.

No speakers.

Chair Sinks closed public comment.

MOTION: Director Miller moved and Alternate Director Eulo seconded the motion to approve the Ad-Hoc Committee recommendation and employment agreement with the Chief Executive Officer.
The motion carried unanimously.

Chief Executive Officer Tom Habashi provided introductory comments.

Following action on Item 5, the Board considered Item 3.

6) Authorize the CEO to Execute Agreements up to \$25,000

Operations Manager Melody Tovar provided the staff report.

MOTION: Alternate Director Eulo moved and Director Miller seconded the motion to authorize the CEO to executive agreements for goods and services up to \$25,000 provided that (1) the expenditures authorized by these agreements are consistent with the approved budget and (2) agreements are reported at the Board's next meeting.

Chair Sinks opened public comment.

No speakers.

Chair Sinks closed public comment.

The motion carried unanimously.

7) Receive Introductory Presentation on Power Supply Procurement and Customer Phasing

Operations Manager Melody Tovar introduced the presentation and responded to Board questions. John Dalessi, Pacific Energy Advisors, provided a presentation and responded to Board questions regarding the phasing schedule and customer phasing. Kirby Dusel, Pacific Energy Advisors, and CEO Tom Habashi responded to Board questions.

CEO Tom Habashi provided brief comments and stated he will be meeting with Pacific Energy Advisors and coming back to the Board with recommendations, and stated a risk management policy and procedure would come to the Board for approval.

Chair Sinks requested CEO Habashi provide an analysis of the scenarios to find the right balance between capital requirements and risk, and to receive information about what other agencies have done.

Chair Sinks opened public comment.

Michael Clausen, Center for Climate Protection, spoke regarding the advantages of moving rapidly and requested the Board consider the marketing advantages of rolling the program out by City. Clausen encouraged a goal of a 95% participation rate, stated Peninsula Clean Energy is considering an early adopter strategy, and stated the importance of having a rate slightly below PG&E's rate.

James Tuleya, Sunnyvale resident, spoke regarding Peninsula Clean Energy's phasing and commented on phasing by neighborhood and the importance of municipal accounts signing up early. Tuleya spoke regarding flexibility in the use of surplus funds.

Chair Sinks closed public comment.

On behalf of the Board, Chair Sinks provided direction to CEO Habashi to work with the consulting team and staff to come back with recommendations and more information based on the capabilities of contractors that could be used to ramp up, the capacity and the risk involved, in order for the Board to weigh in more definitively at the next Board meeting. Director Gibbons added consideration of risk factors and phasing options.

The Board recessed at 10:49 p.m.

The Board reconvened at 10:56 p.m. with Director Simitian absent.

Kirby Dusel, Pacific Energy Advisors, provided an overview regarding the RFP and the timeline and responded to Board questions.

8) Receive Report on SVCEA Financing and Authorize RFP for Credit and Banking Services

Patty Kong, Finance and Administrative Services Director, City of Mountain View, presented information regarding the credit and financing plan. Shawn Marshall, LEAN Energy US, provided additional information and responded to Board questions. General Counsel Stepanicich provided additional information.

Director Bruins noted on page 2 of the RFP, Section B, second paragraph, "Executive Committee" should read "CEO."

Chair Sinks opened public comment.

No speakers.

Chair Sinks closed public comment.

MOTION: Alternate Director Eulo moved and Director Miller seconded the motion to authorize the City of Mountain View to finalize and release a RFP for banking and credit services.

The motion carried unanimously.

9) Receive Communications and Operations Update

Communications Manager Misty Mersich introduced herself, provided a communications update and responded to Board questions.

Chair Sinks opened public comment.

No speakers.

Chair Sinks closed public comment.

Operations Manager Melody Tovar provided an operations update and responded to Board questions.

Chair Sinks opened public comment.

No speakers.

Chair Sinks closed public comment.

Board Member Announcements

Director Miller requested digital copies of all reports prior to meetings.

Director Miller requested of the Chair and Vice Chair regarding agenda preparation, a standing CEO Report/Update item to include a timeline and feedback on any issues.

Director Miller requested of the Chair and Vice Chair a process for nominating items to be placed on the agenda for future discussion.

Director McAlister recommended Public Comment on matters not on the agenda be moved to after the Consent Calendar.

Director McAlister requested staff reports be provided on Friday before the Wednesday meeting.

Director McAlister requested Board questions be submitted to staff in advance and a written staff response be provided to all members.

Public Comment on Matters Not Listed on the Agenda

No speakers.

Adjournment

Chair Sinks adjourned the meeting at 11:50 p.m.