



REGULAR MEETING
of the Operations Board of Directors
Wednesday, September 5, 2018
10:30 am
Monterey Bay Community Power
70 Garden Court, Suite 300
Monterey, CA 93940

MINUTES

Meetings are accessible to people with disabilities. Individuals who need special assistance or a disability-related modification or accommodation to participate in this meeting, or who have a disability and wish to request an alternative format for the meeting materials, should contact Bren Lehr, Board Clerk, at 831-641-7203 or blehr@mbcommunitypower.org. Requests should be made as soon as possible but at least 72 hours prior to the scheduled meeting.

If you have anything that you wish to be distributed to the Board please hand it to a member of MBCP staff or Bren Lehr, Board Clerk, who will distribute the information to the Board members and other staff.

1. The meeting was **called to order at 10:32 a.m.** with 8 members present and a quorum established.

Directors Present: Palacios, Huffaker, Goldstein, Bauman, Harvey (arrived at 10:34 a.m.), Long (10:37 a.m.); Vice Chair Corpuz; Chair Mendez

Directors Absent: Bernal; Espinosa

Directors Disqualified: None

2. The Director Huffaker led the pledge of allegiance.
3. No members of the public spoke during Public Comment for matters not listed on the agenda.
4. There were no Board member disqualifications.

5. The Agenda was set and the Consent Agenda was approved.

MOTION: Director Goldstein moved, seconded by Director Palacios, to set the agenda and approve the Consent Agenda with exception of Agenda Item 10 that was pulled for further discussion.

ACTION: The motion carried with a 8/0/2/0 vote, and one vacant seat for City of Hollister:

AYES: Palacios, Huffaker, Goldstein, Bauman, Harvey, Long; Vice Chair Corpuz; Chair Mendez

NOES: None

ABSENT: Bernal, Espinosa

DISQUALIFIED: None

CONSENT AGENDA

6. Minutes of the July 12, 2017 Joint Meeting of the Policy and Operations Board of Directors meeting was approved as submitted.
7. Minutes of the May 2, 2018 Operations Board of Directors meeting was approved as submitted.
8. Minutes of the June 27, 2018 Operations Board of Directors Meeting was approved as submitted.
9. Treasurer Report was reviewed and approved as submitted.
10. MBCP Sponsorship Policy was approved as submitted.

Director Harvey provided an objection in principle to any agency that has rate payer or quasi governmental funds doing sponsorships.

Vice Chair Corpuz asked about the selection process and if there's a list of potential sponsorships.

Director of Communications & External Affairs JR Killigrew explained that the mission of MBCP is to be in the communities providing support with an equitable distribution of funds that go towards such things as programs, businesses, chambers of commerces events, etc. with a consistent message. Killigrew also mentioned that a list of potential sponsorships is being created by staff.

Director Goldstein somewhat agrees with Director Harvey's position but would prefer the focus be on the advertisement rather than a fee for service.

Director Palacios supports the policy because it's part of the marketing and communications efforts.

CONSENT AGENDA / AGENDA ITEM 10 (continued)

Director Huffaker supports the Sponsorship Policy because it reaches other organizations that may not otherwise be accessible with alternative communications efforts.

The Chair opened the public comment. The following individual addressed the Council:

- Seth Capron supports the policy and wants to caution the board not to tie the hands of MBCP because the marketing and outreach strategies used to-date have been successful

The Chair closed the public comment period.

MOTION: Director Bauman moved, seconded by Director Huffaker, to approve the Consent Agenda with a request that after a 12-month period that both the Operations & Policy Boards be provided with a report from staff regarding entities that were sponsored, the outcomes, and the context of the stated purpose of the program.

ACTION: The motion carried with a 7/1/2/0 vote, and one vacant seat for City of Hollister:

AYES: Palacios, Huffaker, Goldstein, Bauman, Long; Vice Chair Corpuz; Chair Mendez
NOES: Harvey
ABSENT: Bernal, Espinosa
DISQUALIFIED: None

11. The CEO was authorized to execute agreement with MPress for printing and mailing services.
12. The CEO was authorized to execute agreement with Maher Accountancy for accounting and annual audit assistance services.
13. Revisions to MBCP Energy Risk Management (ERM) Policy were approved as submitted.

REGULAR AGENDA

14. Vice Chair Natalie LaVan gave a report to Board Members of business conducted at the July 10, 2018 and August 16, 2018 regular meetings of the Community Advisory Council.

The Chair opened the public comment period. There were no speakers. The Chair closed the public comment period.

REGULAR AGENDA (continued)

15. CEO Tom Habashi gave a report to Board Members of business conducted as well as legislative and regulatory updates since the last meeting.

The Chair opened the public comment period. There were no speakers. The Chair closed the public comment period.

16. Board members forwarded a recommendation to the Policy Board to retire MBCP's loan and line of credit by September 30, 2018.

The Chair opened the public comment period. There were no speakers. The Chair closed the public comment period.

MOTION: Director Palacios moved, seconded by Director Bauman, to approve Agenda Item 16.

ACTION: The motion carried with an 8/0/2/0 vote, with one vacant seat for City of Hollister:

AYES: Palacios, Huffaker, Goldstein, Bauman, Harvey, Long; Vice Chair Corpuz; Chair Mendez

NOES: None

ABSENT: Bernal, Espinosa

DISQUALIFIED: None

17. Board Members forwarded a recommendation to the Policy Board to add, delete and reclassify staff positions.

Director Bauman inquired if the changes could wait until after the PCIA issues were resolved. CEO Tom Habashi replied that there will be a decrease in spending by about \$16,000 and that more staffing is needed now due to an increase in business.

Director Huffaker inquired about examples, targets, and goals of the Spanish speaking events. Director of Communications & External Affairs JR Killigrew replied that the new position would split up the work as well as assist with the bilingual community efforts.

The Chair opened the public comment period. There were no speakers. The Chair closed the public comment period.

MOTION: Vice Chair Corpuz moved, seconded by Director Huffaker, to approve Agenda Item 17.

REGULAR AGENDA / AGENDA ITEM 17 (continued)

ACTION: The motion carried with an 8/0/2/0 vote, with one vacant seat for City of Hollister:

AYES: Palacios, Huffaker, Goldstein, Bauman, Harvey, Long; Vice Chair Corpuz; Chair Mendez

NOES: None

ABSENT: Bernal, Espinosa

DISQUALIFIED: None

18. Board Members forwarded a recommendation to the Policy Board to approve MBCP's Fiscal Year 2018/2019 Operating Budget.

Vice Chair Corpuz inquired about the distinction between the increase in the PCIA versus the Base Case and Worst Case scenarios? CEO Tom Habashi replied that PG&E provided their filing this year and MBCP was able to derive the difference between the PCIA and the Generation Cost reduction through analysis.

Director Long inquired how the PCIA effects the Base Case scenario. Mr. Habashi replied that the 6.9% goes in after the PCIA and Generation Costs to create the rates. Director Long asked if the Best Case scenario would reduce the 6.9% to the customer. Mr. Habashi replied that the percentage is increased.

Director Long inquired about the EV charging stations: Will customers receive in the form of rebates?; How is it structured?; Do we have a sense of the rebate amounts?; Is it businessnes that will install the stations and how much to charge?; Programs Coordinator Beth Trenchard replied that the program is being negotiated by the CEC, MBARD & MBCP. The CEC is proposing certain insentives such as Level II and DC Fast Chargers, but this has not been finalized yet. The Level II suggested to be installed at worksites, and the DC Fast Chargers would be installed at desitnations or corridor locations. Customers could apply online for funding and be provided their rebate via the website.

Director Long inquired about whether technology has evolved to the point that storage is viable and if it's for wind or solar or both, and what's the capacity. Mr. Habashi replied that the storage is for solar only and the prices have come down because it is tied to the generation of the solar.

Vice Chair Corpuz inquired if the CPUC brings in a different decision other than the 15% increase then would MBCP be back with an amended proposed budget. Mr. Habashi, agreed, yes.

Director Goldstein suggested that in the future that MBCP provide in the budget, five or six key metrics that are monitored.

REGULAR AGENDA / AGENDA ITEM 18 (continued)

Director Goldstein inquired about the difference in revenue projects, including the rebate and programs expenditures, and inquired about what the control point. Mr. Habashi replied that the control point is 2% of total revenue. Mr. Habashi further clarified that the Operations Board is adopting the budget dollar figure.

Director Goldstein suggested the Board consider how staff might have the authority to move funds between accounts. Mr. Habashi agreed that a more streamlined process of moving funds is a good idea to avoid bringing several budget amendment approvals back to the boards.

Director Palacios inquired about how the amount is calculated for reserves. Mr. Habashi replied that staff looked at total revenue minus total expenses, and multiplied it by .8 and that became the amount of funds to be put into reserves, then multiplied again by .2 which created an amount that goes towards rebates. Director Palacios inquired if this will be the same approach annually. Mr. Habashi replied that in a best case scenario that next year 70% will go to reserves, and 30% will go to rebates until reserve balance reaches 50% of operating expenses. Annually there after, the reserves will be topped and any surplus would be split between programs and rebates, if available.

Director Palacios inquired as to how the reserves will be invested. Mr. Habashi replied that a discussion will be had with the proposed Audit & Finance Committee after its formation.

Director Huffaker inquired if the marketing & enrollment programs will stabilize overtime as MBCP moves out of startup mode and into regular operating mode. Mr. Habashi replied that there may be a redirection of efforts overtime.

Director Huffaker inquired about the comparison table on page 20 and if the other CCAs are offering rebate expenditures. Mr. Habashi replied that if they do offer it its at a discount of PG&E's rates.

Director Huffaker inquired if there was other discussions related to the percentages for rebates and programs such as 75% or 100%. Mr. Habashi replied that no because MBCP first needs to get to 50% of reserves over the next year or two.

The Chair opened the public comment period. There were no speakers. The Chair closed the public comment period.

MOTION: Vice Chair Corpuz moved, seconded by Director Bauman, to approve Agenda Item 18.

REGULAR AGENDA / AGENDA ITEM 18 (continued)

ACTION: The motion carried with an 8/0/2/0 vote, with one vacant seat for City of Hollister:

AYES: Palacios, Huffaker, Goldstein, Bauman, Harvey, Long; Vice Chair Corpuz; Chair Mendez

NOES: None

ABSENT: Bernal, Espinosa

DISQUALIFIED: None

19. Board Members did not report out or provide any comments on events since their last meeting.
20. The meeting was adjourned **at 11:55 a.m.** to the next Operations Board Meeting on Wednesday, October 10, 2018.