

**SAN DIEGO COMMUNITY POWER (SDCP)
BOARD OF DIRECTORS**
San Diego City Administration Building, 12th Floor
202 "C" Street
San Diego, CA 92101

MINUTES

April 23, 2020

This meeting was conducted utilizing teleconferencing and electronic means consistent with State of California Executive Order N-29-20 dated March 17, 2020, regarding the COVID-19 pandemic.

The Board minutes are prepared and ordered to correspond to the Board Agenda. Agenda Items can be taken out of order during the meeting.

The Agenda Items were considered in the order presented, except for Item 4 which was considered after Item 8.

CALL TO ORDER

Chair Mosca (Encinitas) called the SDCP Board of Directors meeting to order at 5:03 p.m.

PLEDGE OF ALLEGIANCE

Chair Mosca (Encinitas) led the Pledge of Allegiance.

ROLL CALL

PRESENT: Chair Mosca (Encinitas), Board Member Baber (La Mesa), Board Member Montgomery (San Diego), and Board Member West (Imperial Beach)

ABSENT: Vice Chair Padilla (Chula Vista)

Also Present: Interim Executive Officer Hooven, General Counsel Baron, Assistant General Counsel Norvell, Interim Board Clerk Wiegelman

ITEMS TO BE ADDED, WITHDRAWN OR REORDERED ON THE AGENDA

Chair Mosca (Encinitas) announced Item 4 would be considered following Item 8.

PRESENTATION

Presentation from the City of San Diego on its Franchise Agreement negotiations with San Diego Gas & Electric

Lee Friedman, City of San Diego Program Manager, provided a PowerPoint presentation on the City of San Diego's (San Diego) Franchise Fee highlighting San Diego's franchise agreements, San Diego's franchise agreement history with San Diego Gas & Electric (SDG&E), San Diego's utility undergrounding program, San Diego's energy history, San Diego's current franchise agreement for electricity and gas, SDG&E's franchise fee in San Diego's budget, utility undergrounding projects, the possibilities for a new franchise agreement, and the projected timeline for approving and adopting a new franchise agreement.

Board questions and comments ensued.

PUBLIC COMMENTS

There were no public comments.

CONSENT CALENDAR **(Item 1)**

1. Approval of the minutes for the Board of Directors of San Diego Community Power Regular Meeting held Thursday, February 27, 2020

ACTION: Motioned by Board Member Baber (La Mesa) and seconded by Board Member West (Imperial Beach) to approve Consent Calendar Item 1. The motion carried by the following vote:

Vote: 4-0

Yes: Chair Mosca (Encinitas), Board Member Baber (La Mesa), Board Member Montgomery (San Diego), and Board Member West (Imperial Beach)
No: None
Abstained: None
Absent: Vice Chair Padilla (Chula Vista)

REGULAR AGENDA

2. Operations and Administration Report from the Interim Executive Officer

Interim Executive Officer Hooven provided an update on the impact of COVID-19 on SDCP operations, the status of the various vendor requests for proposals (RFPs), staff discussions with SDG&E, compliance matters, and regulatory and legislative matters.

Ty Tosdal, Tosdal APC, provided an update on energy regulatory affairs as they relate to the interests of SDCP.

Board questions and comments ensued.

Kirby Dusel, Pacific Energy Advisors, spoke on the impacts the COVID-19 public health emergency has had on the energy industry.

Board questions and comments continued.

Following Board questions and comments, no action was taken.

3. Ad Hoc Subcommittee Update on Chief Executive Officer Recruitment

Interim Executive Officer Hooven left the meeting at 5:44 p.m.

Chair Mosca (Encinitas) provided an update on the progress of the recruitment for a Chief Executive Officer (CEO). Chair Mosca (Encinitas) reviewed the tasks that had been completed and the outreach efforts, stated the application deadline was May 20, 2020, and provided a timeline for the remainder of the recruitment process.

Board questions and comments ensued.

Following Board questions and comments, no action was taken.

Interim Executive Officer Hooven rejoined the meeting at 5:54 p.m.

4. Report from Finance and Risk Management Committee

Interim Executive Officer Hooven reported on the April 17, 2020 Finance and Risk Management Committee meeting. Interim Executive Officer Hooven said the Committee considered two items: (1) discussion and recommendation on credit and banking services and collateral agreements; and (2) discussion and provide direction on rate discount, power content, and phasing plan. Interim Executive Officer Hooven stated the Committee recommended the Board approve the credit and banking services and collateral agreements, provided consensus and general direction on the customer phasing plan, and directed staff to conduct further research on rate discount and power content.

Following Board questions and comments, no action was taken.

5. Review of San Diego Community Power Bylaws

Assistant General Counsel Norvell summarized the SDCP draft bylaws highlighting the provisions regarding SDCP's formation and Board structure, Board officers' terms of office, Board meeting procedures, preparation of Board agendas, and Board committees. Assistant General Counsel Norvell explained the roles of alternate Board Members as it relates to closed session meetings and the circumstances in which JPA Board Members may disclose certain closed session items to the legislative bodies and legal counsel of their home agency.

Board questions and comments ensued.

ACTION: Following questions and comments, it was the consensus of the Board to direct staff to provide SDCP Member Agencies with a copy of the proposed Bylaws, as amended, to allow a member of the public to pull an item from the Consent Calendar without the support of a Board Member, and place the amended Bylaws on a future SDCP agenda for final approval.

6. Review and Approve Procurement Policy

Interim Executive Officer Hooven provided an overview of the proposed procurement policy. Interim Executive Officer Hooven stated the procurement policy outlines a series of procedures and requirements for procurement of professional services, general services, and supplies.

Assistant General Counsel Norvell stated the proposed procurement policy would establish a set of competitive procurements for everything over \$10,000 with increasing formality as the cost increases. Assistant General Counsel Norvell said the proposed procurement policy would allow sole source procurement only in specific limited circumstances.

Board questions and comments ensued.

Board Clerk Wiegelman read aloud the first 400 words of the emailed public comments submitted by 3:00 p.m. the day of the Board meeting.

Jason Anderson, San Diego resident, submitted a comment in support of the proposed procurement policy.

ACTION: Motioned by Board Member Montgomery (San Diego) and seconded by Board Member Baber (La Mesa) to adopt Resolution No. 2020-02 adopting a Procurement Policy for SDCP, as amended, to increase the diversity bonus from 2.5% or 2.5 points out of a 100-point scoring system in competitive solicitations to 5% or 5 points out of a 100-point scoring system in competitive solicitations. The motion carried by the following vote:

Vote: 4-0

Yes:	Chair Mosca (Encinitas), Board Member Baber (La Mesa), Board Member Montgomery (San Diego), and Board Member West (Imperial Beach)
No:	None
Abstained:	None
Absent:	Vice Chair Padilla (Chula Vista)

7. Review and Approve Policy on Delegation of Authority to Chief Executive Officer For Regulatory and Legislative Matters

Interim Executive Officer Hooven provided an overview of the proposed policy on the delegation of authority to the CEO for regulatory and legislative matters. Interim Executive Officer Hooven stated the proposed policy would allow the SDCP's CEO to appropriately

and timely respond to regulatory or legislative actions that may impact the mission and/or operations of SDCP. Interim Executive Officer Hooven said the proposed policy would delegate authority to the CEO and/or relevant designees when certain conditions are met.

Board questions and comments ensued.

ACTION: Motioned by Board Member Montgomery (San Diego) and seconded by Board Member West (Imperial Beach) to adopt Resolution No. 2020-03 adopting a policy on delegation of authority to the Chief/Interim Executive Officer on regulatory and legislative matters impacting SDCP functions. The motion carried by the following vote:

Vote: 4-0

Yes: Chair Mosca (Encinitas), Board Member Baber (La Mesa), Board Member Montgomery (San Diego), and Board Member West (Imperial Beach)
No: None
Abstained: None
Absent: Vice Chair Padilla (Chula Vista)

8. Approve Conflict of Interest Code for San Diego Community Power

Assistant General Counsel Norvell explained the purpose of the proposed Conflict of Interest Code (Code). Assistant General Counsel Norvell stated that because SDCP was new the proposed Code only identified a handful of positions but as positions are added to SDCP, persons in those positions would be required to file a Form 700 – Statements of Economic Interests, and the Code would be amended in the future to include those positions.

Board questions and comments ensued.

ACTION: Motioned by Board Member Baber (La Mesa) and seconded by Board Member West (Imperial Beach) to (1) adopt Resolution No. 2020-04 adopting a Conflict of Interest Code for San Diego Community Power; and (2) authorize staff to execute the appropriate documents and submit the adopted Code to the Board of Supervisors of San Diego County as SDCP’s code-reviewing body and request approval of the Code pursuant to Government Code Section 87303. The motion carried by the following vote:

Vote: 4-0

Yes: Chair Mosca (Encinitas), Board Member Baber (La Mesa), Board Member Montgomery (San Diego), and Board Member West (Imperial Beach)
No: None
Abstained: None
Absent: Vice Chair Padilla (Chula Vista)

9. Approval of Agreements with River City Bank and Emerald Blue for Credit and Banking Services

Interim Executive Officer Hooven provided an overview of the agreement process for the credit and banking services agreements with River City Bank and Emerald Blue.

Glen Price, Best Best & Krieger, reviewed the provisions of the credit agreement with River City Bank.

Board questions and comments ensued.

Glen Price, Best Best & Krieger, reviewed the provisions of the loan agreement with Emerald Blue for the cash collateral account.

Board questions and comments continued.

ACTION: Motioned by Board Member Baber (La Mesa) and seconded by Board Member West (Imperial Beach) to (1) authorize the Interim Executive Officer to execute a Credit Agreement and related documents necessary to implement a \$35 million credit facility with River City Bank in a form approved by the Interim Executive Director and reviewed and approved as to form by the General Counsel and adopt the formal Resolution required by River City Bank. Related documents would include documents necessary to open accounts and obtain banking services from River City Bank as required by the Credit Agreement; and (2) authorize the Interim Executive Officer to execute a promissory note with Emerald Blue, LLC, to borrow \$5 million that would be used as cash collateral for the credit facility with River City Bank in a form approved by the Interim Executive Director and reviewed and approved as to form by the General Counsel. The motion carried by the following vote:

Vote: 4-0

Yes: Chair Mosca (Encinitas), Board Member Baber (La Mesa), Board Member Montgomery (San Diego), and Board Member West (Imperial Beach)
No: None
Abstained: None
Absent: Vice Chair Padilla (Chula Vista)

10. Approval of Agreement with Calpine Energy Solutions for Data Management and Customer Call Center Services

Interim Executive Director Hooven explained the scope of work and selection process and reviewed the provisions of the agreement with Calpine Energy Solutions for data management and customer call center services.

Board questions and comments ensued.

Josh Brock, Calpine Energy Solutions, LLC, explained the process for determining the number of agents needed to staff the customer call center.

Board questions and comments continued.

Board Clerk Wiegelman read aloud the first 400 words of the emailed public comments submitted by 3:00 p.m. the day of the Board meeting.

Jason Anderson, San Diego resident, submitted a comment in support of approving the agreement with Calpine Energy Solutions for data management and customer call center services.

ACTION: Motioned by Board Member Baber (La Mesa) and seconded by Board Member West (Imperial Beach) to (1) approve the Data Management and Customer Service Center Agreement with Calpine Energy Solutions, LLC, for a 3-year term beginning in March 2021 with optional 1-year extension; and (2) authorize the Interim Executive Officer to execute the Agreement in a form approved by the Interim Executive Director and reviewed and approved as to form by the General Counsel. The motion carried by the following vote:

Vote: 4-0

Yes: Chair Mosca (Encinitas), Board Member Baber (La Mesa), Board Member Montgomery (San Diego), and Board Member West (Imperial Beach)
No: None
Abstained: None
Absent: Vice Chair Padilla (Chula Vista)

11. Approval of CCA Registration and Bond Agreement

Interim Executive Officer Hooven stated that the California Public Utilities Commission (CPUC) requires a registration packet that includes a signed agreement with the incumbent utility and a bond be submitted as part of the Community Choice Aggregation Implementation Plan. Interim Executive Officer said the agreement governs the business relationship between the Community Choice Aggregation program and SDG&E.

Board questions and comments ensued.

ACTION: Motioned by Chair Mosca (Encinitas) and seconded by Board Member Montgomery (San Diego) to (1) authorize the Interim Executive Officer to sign the Community Choice Aggregator (CCA) Service Agreement between SDCP and SDG&E; (2) authorize River City Bank or the Interim Executive Officer to post the \$100,000 bond with CPUC; and (3) authorize staff to submit SDCP's CCA Registration Packet to CPUC for approval. The motion carried by the following vote:

Vote: 4-0

Yes: Chair Mosca (Encinitas), Board Member Baber (La Mesa), Board Member Montgomery (San Diego), and Board Member West (Imperial Beach)
No: None
Abstained: None
Absent: Vice Chair Padilla (Chula Vista)

12. Approval of Community Advisory Committee nominees

Chair Mosca (Encinitas) commented on the importance of the Community Advisory Committee.

Interim Executive Officer provided an overview of the recruitment and selection process and stated that the City of Chula Vista nominees would be brought before the Board for approval at the SDCP Board meeting in May.

Board Clerk Wiegelman read aloud the first 400 words of the emailed public comments submitted by 3:00 p.m. the day of the Board meeting.

Jason Anderson, San Diego resident, submitted a comment in support of approving the City of San Diego nominees, Eddie Price and Matthew Vasilakis.

The Chair and each Board Member stated the reasons for their nominations.

ACTION: Motioned by Board Member Montgomery (San Diego) and seconded by Board Member West (Imperial Beach) to approve the appointment of City of San Diego nominees Eddie Price and Matthew Vasilakis, City of La Mesa nominees Lacy Bird and David Harris, City of Encinitas nominees Gary Lorens Jahns and Tara Hammond, and City of Imperial Beach nominees Anna Web and Charles T. Summers to the SDCP Community Advisory Committee. The motion carried by the following vote:

Vote: 4-0

Yes:	Chair Mosca (Encinitas), Board Member Baber (La Mesa), Board Member Montgomery (San Diego), and Board Member West (Imperial Beach)
No:	None
Abstained:	None
Absent:	Vice Chair Padilla (Chula Vista)

DIRECTOR COMMENTS

There were no comments.

REPORTS BY MANAGEMENT AND GENERAL COUNSEL

There were no reports.

CLOSED SESSION

Chair Mosca adjourned the meeting to Closed Session at 7:19 p.m.

13. Public Employment

Title: Chief Executive Officer

14. Conference with Labor Negotiators

Agency designated representative: Shawn Marshall, LEAN

Unrepresented employee: Chief Executive Officer

At 8:12 p.m. General Counsel Baron announced there were no reportable actions.

ADJOURNMENT

General Counsel Baron adjourned the meeting at 8:12 p.m.

Megan Wiegelman, CMC

Interim Board Clerk