



**Silicon Valley Clean Energy Authority
Board of Directors Meeting**

Wednesday, November 9, 2016

7:00 pm

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

MEETING MINUTES

Call to Order

Chair Sinks called the meeting to order at 7:10 p.m.

Roll Call

Present:

Chair Rod Sinks, City of Cupertino
Vice Chair Rob Rennie, Town of Los Gatos
Director Jeannie Bruins, City of Los Altos
Director John Harpootlian, Town of Los Altos Hills
Director Burton Craig, City of Monte Sereno
Director Steve Tate, City of Morgan Hill
Director John McAlister, City of Mountain View
Director Howard Miller, City of Saratoga
Director Jim Griffith, City of Sunnyvale
Director Liz Gibbons, City of Campbell

Absent:

Director Joe Simitian, County of Santa Clara
Director Daniel Harney, City of Gilroy

Public Comment on Closed Session

No speakers.

Chair Sinks announced the need to change the start time of the regular meeting on December 14 from 7 p.m. to 7:30 p.m. due to a room conflict.

MOTION: Director Miller moved and Vice Chair Rennie seconded the motion to change the start time of the regular meeting on December 14 from 7 p.m. to 7:30 p.m.
The motion carried with Directors Simitian and Harney absent.

Trisha Ortiz, Legal Counsel, Richards, Watson & Gershon introduced herself to the Board and stated she was attending the meeting for General Counsel Greg Stepanicich.

The Board adjourned to Closed Session in the Lower Level Conference Room at 7:13 p.m.

Convene to Closed Session

Public Employee Performance Evaluation
Title: Chief Executive Officer

Conference with Labor Negotiator
Agency Representative: Rod Sinks, Chair, Board of Directors
Unrepresented Employee: Chief Executive Officer

The Board reconvened from Closed Session at 8:57 p.m. in the Board Room with Directors Simitian and Harney absent.

Report from Closed Session

Chair Sinks reported the Board met in Closed Session regarding Public Employee Performance Evaluation of the Chief Executive Officer; verbal feedback was provided to the Chief Executive Officer and direction was given to the Chair to work on further aspects.

Public Comment on Matters Not Listed on the Agenda

No speakers.

Consent Calendar

MOTION: Director Craig moved and Director Miller seconded the motion to approve the Consent Calendar.

Chair Sinks opened public comment.
No speakers.
Chair Sinks closed public comment.

Director Harpootlian stated his vote would be an abstention on Item 1a) Approve Minutes of the October 12, 2016, Board of Directors Meeting.

The motion carried unanimously with an abstention by Director Harpootlian on Item 1a, and Directors Simitian and Harney absent.

1a) Approve Minutes of the October 12, 2016, Board of Directors Meeting

1b) Approve Amendment to Agreement with Richards, Watson & Gershon for Legal Services

1c) Authorize CEO to Execute Orders with the Del Gavio Group to Furnish SVCEA Office

1d) Approve FY2016-2017 Budget

Regular Calendar

2) Executive Committee Report

Chair Sinks reported Executive Committee meeting discussions included the Chief Executive Officer's performance review for the first six months, options for retirement benefits including that PARS is the preferred provider and staff will bring a proposal to the Board in December, and discussion and approval of the data management agreement with Noble Solutions subject to minor modifications and after review by the CEO and legal counsel.

3) CEO Report

CEO Tom Habashi provided the CEO report including updates regarding the City of Campbell City Council voting to opt-in to GreenPrime energy for city facilities, that the positions of Board Clerk/Executive Assistant, Community Outreach Specialist and the Account Services Manager have been filled, and an update regarding upcoming interviews for the Director of Finance and Administration. CEO Habashi reported the furniture and technology connections are to be installed in the new office, and reported the Executive Committee approved the Data Management Contract with Noble Solutions. CEO Habashi stated the Community Outreach Report is available in the packet, and responded to Board questions. Following discussion, CEO Habashi stated he will provide a sample staff report regarding opting-in to GreenPrime and will distribute it to the Board.

Chair Sinks opened public comment.

James Tuleya, Board member, Carbon Free Mountain View, offered the services of the board to assist with community outreach efforts.

Chair Sinks closed public comment.

4) Approve Credit Agreement and other related documents with River City Bank

Patty Kong, Finance and Administrative Services Director, City of Mountain View, presented the staff report and responded to Board questions. CEO Habashi stated Charles Wolf, Attorney, Nixon Peabody, reviewed the agreement and will write the favorable opinion. Ms. Kong stated she would send a sample staff report to Finance Directors and City Managers for use on an upcoming Council meeting agenda. CEO Habashi stated he would coordinate with Ms. Kong to send the sample staff report regarding GreenPrime.

Chair Sinks opened public comment.

No speakers.

Chair Sinks closed public comment.

MOTION: Director Bruins moved and Director Miller seconded the motion to authorize the CEO to execute the Credit Agreement, any nonfinancial amendments, and other related documents, with River City Bank to provide up to a \$2.0 million Non-Revolving Line of Credit (NRLOC) and up to a \$18.0 million Revolving Line of Credit (RLOC), substantially in the form attached to the staff report. The motion carried unanimously with Directors Simitian and Harney absent.

5) Approve Memorandum of Understanding with the Cities of Gilroy, Mountain View, and Sunnyvale and the County of Santa Clara for Provision of Loan Guaranty

CEO Habashi introduced the item. Operations Manager Melody Tovar presented the staff report.

Chair Sinks opened public comment.

No speakers.

Chair Sinks closed public comment.

MOTION: Director McAlister moved and Director Tate seconded the motion to authorize the Chief Executive Officer to execute a Memorandum of Understanding (MOU), in substantially the same form as attached, between SVCEA and the Cities of Gilroy, Mountain View, Sunnyvale, and the County of Santa Clara regarding the provision of a loan guaranty totaling \$2,000,000. The motion carried unanimously with Directors Simitian and Harney absent.

6) Approve Resolution Delegating Authority to the Chief Executive Officer to execute Master Agreements for Power Supply with 3 Phases Renewables, Inc., Energy America, LLC, Exelon Generation Company, LLC, Morgan Stanley Capital Group, Inc., Powerex Corp., and Shell Energy North America (US), L.P.

CEO Habashi presented the staff report.

Chair Sinks opened public comment.

No speakers.

Chair Sinks closed public comment.

MOTION: Director Bruins moved and Director McAlister seconded the motion to approve resolution delegating authority to the Chief Executive Officer to execute Master Agreements with each of the six short listed power suppliers with terms consistent with those contained in the agreements attached to the staff report.

The motion carried unanimously with Directors Simitian and Harney absent.

7) Approve Agreement for ZGlobal Inc. for Power Supply Scheduling Coordination Services

CEO Habashi presented the staff report and responded to Board questions. Trisha Ortiz, Legal Counsel, Richards, Watson & Gershon, responded to Board questions. John Dalessi, Pacific Energy Advisors, provided additional information and responded to Board questions.

Director Bruins inquired regarding page 5 of the agreement, Article 4.1 Confidentiality (a) *Each Party shall hold in confidence all information disclosed to it by the other Party or its representatives that pertains to Client's or ZGlobal's business, as the case may be, and that is not publicly available, including this Agreement, proprietary practices, technical information and relevant data ("Confidential Information")* which states that the agreement is a confidential document.

Trisha Ortiz, Legal Counsel, Richards, Watson & Gershon, stated the Board could approve the agreement and give direction to the Executive Director to include any changes to clarify the confidential nature of the agreement.

In response to comments by the Board regarding performance monitoring of ZGlobal, CEO Habashi stated one of ZGlobal's deliverables is to put together a risk management policy and procedure which will lead to the creation of a risk management committee who will receive monthly reports on how much was purchased, when and for whom. In addition, CEO Habashi stated staff will create an internal mechanism to review ZGlobal's performance and share it with the Board regularly.

Chair Sinks opened public comment.

No speakers.

Chair Sinks closed public comment.

MOTION: Director Miller moved to authorize the Chief Executive Officer to enter into a 5 year agreement with ZGlobal Inc. (ZGlobal) for power supply scheduling coordination services (SC), and authorize the Executive Director to make modifications necessary for the Confidentiality clarification and direction to staff regarding critical contracts to set a schedule by which all of those contracts are presented to the Board with a report and/or metrics that describe how we are doing versus what we expect, so that there is nothing that goes for more than a year without coming before the Board so that the Board may exercise its right for oversight; and to the extent necessary, establish risk management committees and they may review things more frequently.

The motion died due to lack of a second.

MOTION: Director Miller moved and Director Bruins seconded the motion to authorize the Chief Executive Officer to enter into a 5 year agreement with ZGlobal Inc. (ZGlobal) for power supply scheduling coordination services (SC), and authorize the Executive Director to make modifications to clarify the Confidentiality aspects of the agreement.

The motion carried unanimously with Directors Simitian and Harney absent.

Without objection, Director Miller provided direction to staff regarding critical contracts, to prepare a schedule by which all contracts come back to the full Board annually with a report on where we are and how we are performing with respect to those contracts.

CEO Habashi confirmed the direction to staff.

Board Member Announcements

Director McAlister reported issues regarding SPAM email appointments being sent to and from the Board. Other Board members reported experiencing the same issue.

Chair Sinks reminded the Board that the start time for the December 14 meeting will be 7:30 p.m.

CEO Habashi reported the Board meetings for 2017, with the exception of the month of January, will be held at the City of Cupertino Community Hall.

Chair Sinks inquired about the flyers left on the dais for the Board.

Communications Manager Misty Mersich stated the flyers are updated flyers for the Board to bring back to their cities.

Director McAlister inquired about the status of new Board members for 2017.

CEO Habashi staff will work with each city to get the names of new Directors and Alternates.

Chair Sinks confirmed with CEO Habashi that members leaving the Board will be recognized for their service.

Vice Chair Rob Rennie reported he gave a presentation regarding Community Choice Aggregation and Silicon Valley Clean Energy to the Lions Club in Los Gatos and has been recommended to present at the Kiwanis Club. Vice Chair Rennie stated he, Director Gibbons and Communications Manager Mersich will give a presentation at an upcoming League of Women Voters meeting.

CEO Habashi reported he will give a presentation at the Town of Los Altos Hills on November 17 and stated he is available to present at other City Council meetings.

Director Liz Gibbons thanked Don Bray for his attendance at the City of Campbell Council meeting and thanked outgoing Interim City Clerk Lisa Natusch for her service to the Board.

Adjourn

Chair Sinks adjourned the meeting at 10:09 p.m.