



**MINUTES OF THE VALLEY CLEAN ENERGY ALLIANCE
BOARD OF DIRECTORS SPECIAL MEETING
THURSDAY, OCTOBER 10, 2019**

The Board of Directors of the Valley Clean Energy Alliance duly noticed their special meeting scheduled for Thursday, October 10, 2019 at 3:00 p.m. at the City of Woodland Council Chambers located at 300 1st Street, Woodland, California 95695. Chairperson Tom Stallard established that there was a quorum present and began the meeting at 3:00 p.m.

Board Members Present: Tom Stallard, Lucas Frerichs, Don Saylor, Dan Carson, and Xochitl Rodriguez (Woodland Alternate)

Members Absent: Angel Barajas, Gary Sandy

Approval of Agenda Director Saylor made a motion to approve the October 10, 2019 Agenda, seconded by Director Frerichs. Motion passed unanimously.

Public Comment Chairperson Stallard opened the floor for public comment. There being no public comments, he moved into Closed Session.

CLOSED SESSION: The Board adjourned their meeting to go into Closed Session at 3:02 p.m. The Board returned to their regular Agenda at 4:13 p.m. Chairperson Stallard reported that the Board had no reportable action out of closed session. Chairperson Stallard then moved on to the Consent Agenda.

Conference with Legal Counsel – Anticipated Litigation

Approval of Consent Agenda Director Frerichs made a motion to approve the Consent Agenda, Items 5 through 15, seconded by Director Rodriguez. Motion passed unanimously with Angel Barajas and Gary Sandy absent. The following consent items were approved:

5. Approval of September 6, 2019 Special meeting – Closed Session and September 12, 2019 regular Board meeting Minutes.
6. Receive 2019 Long Range Calendar.
7. Receive Financial Updates – August 31, 2019 (unaudited) financial statements.
8. Receive October 2, 2019 Regulatory Update provided by Keyes & Fox.
9. Receive Legislative Update.
10. Receive October 3, 2019 Customer Enrollment Update and Monthly Call Center Report as of September 22, 2019.
11. Receive Community Advisory Committee’s September 26, 2019 Meeting Summary.
12. Acceptance of City of Winters membership in Valley Clean Energy and approve new membership requirements for the City of Winters.



Audited Financial Statements for Fiscal Year 2018-2019 (James Marta & Company)

Interim General Manager Mitch Sears introduced VCE staff George Vaughn, Director of Finance and Internal Operations. Mr. Vaughn provided a brief introduction of this item then introduced Mr. James Marta of James Marta & Associates. Mr. Marta reviewed numerous slides regarding the financial audit of Valley Clean Energy's fiscal year beginning July 1, 2018 through June 30, 2019.

Director Saylor made a motion to:

1. accept and approve the Audited Financial Statements for the period of July 1, 2018 to June 30, 2019;
2. accept the Communication with Governance Letter; and,
3. accept the Internal Control Letter.

Motion seconded by Director Rodriguez. Motion passed by the following vote:

AYES: Stallard, Frerichs, Saylor, Carson, Rodriguez

NOES: None

ABSENT: Barajas, Sandy

ABSTAIN: None

River City Bank Renewal Terms for Revolving Line of Credit and Debt Restructuring Proposal / Resolution 2019-014

Mr. Sears provided a brief introduction of this item. VCE staff Lisa Limcaco and George Vaughn reviewed the proposed renewal terms for VCE's Revolving Line of Credit (RLOC) and debt restructuring. Several questions were asked by the Board, such as: why a one-year RLOC and origination fees.

Director Saylor made a motion to adopt:

1. Option 2 – approve the conversion of the current \$1,976,610 Revolving Line of Credit (RLOC) balance to an amortizing 5-year term loan; and,
2. a Resolution entitled “a Resolution of the Valley Clean Energy Alliance (VCEA) approving River City Bank renewal terms for the existing Revolving Line of Credit and authorizing the VCEA Interim General Manager, in consultation with VCEA legal counsel, to negotiate the credit agreement with River City Bank based on the renewal terms set forth herein”, with the final credit agreement submitted to the Board for final approval at the November 14, 2019 Board meeting. (Resolution 2019-014).

Motion seconded by Director Rodriguez. Motion passed as Resolution 2019-014 by the following vote:

AYES: Stallard, Frerichs, Saylor, Carson, Rodriguez

NOES: None

ABSENT: Barajas, Sandy

ABSTAIN: None

Update on Legacy Net Energy Metering (NEM) Customer Enrollment –

Mr. Sears introduced this item pointing out that a few additions were made to the Net Energy Metering (NEM) policy provided in the Board's packet. An updated copy is provided to the Board Members and available to the public tonight showing the redline version of the policy. A clean copy of the NEM policy is also provided. VCE staff Jim Parks reviewed the proposed revised and updated NEM



Valley Clean
Energy Net Energy
Meter (NEM)
Policy Amendment

policy. Several questions were asked by the Board, such as: do NEM customers have a choice of annual or monthly billing, opt out options, financial impact of the NEM policy, third party vendors, and whether or not the CAC reviewed the revised NEM policy. Mr. Parks informed those present that the revised NEM policy has not be reviewed by the CAC as a whole, but some individual Members have reviewed it. In addition, legacy NEM customers can choose annually billing and the relationship between Customer, PG&E and the third-party vendor is not affected by the VCE's NEM policy. Mr. Parks stated that legacy NEM customers will be brought in starting January 1, 2020.

Mr. Parks informed those present that two (2) NEM workshops were scheduled for residents to answer their questions and provide information. He shared with those present the results of the Wednesday, October 2nd workshop held at the City of Davis Community Chambers.

Public comment: Christine Shewmaker, Woodland resident, informed those present that she is a long-time owner of rooftop solar and she supports the changes to the NEM policy.

Board Member Saylor suggested that outreach efforts be done sooner than later. Mr. Parks informed those present that outreach efforts have already begun with notification of the NEM workshops and posting information on VCE's website. In addition, several additional written communications will be sent to customers before and after their true-up date.

Director Rodriguez moved to approve changes to the Valley Clean Energy Net Energy Metering policy as presented, seconded by Director Frerichs. Motion passed by the following vote:

AYES: Stallard, Frerichs, Saylor, Carson, Rodriguez
NOES: None
ABSENT: Barajas, Sandy
ABSTAIN: None

Status update:
Potential
Acquisition of
PG&E's Local
Electricity
Distribution
System
(Informational)

Mr. Sears briefly reviewed the three phases of the publicly owned utility initiative and informed those present that an offer letter to PG&E is being prepared. He informed those present that the PG&E bankruptcy Judge has accepted reorganization proposals from PG&E.

Board Member and
Staff
Announcements

Director Frerichs informed those present that at the City of Davis' Council meeting held on Tuesday, October 8, 2019, Mayor Pro Tempore Gloria Partida was appointed as the alternate Davis VCE Board Member.



Director Carson informed those present that the Davis Council also passed an ordinance that adopted new energy efficiency standards for new single family and low-rise multifamily dwellings.

Director Saylor informed those present that he will be providing an update on Yolo County issues and VCE work to the Davis Progressive Business Exchange at their meeting scheduled for October 16, 2019.

Chairperson Stallard informed those present that he opted up his accounts to UltraGreen. He also informed those present that over 700 solar permits were issued in 2018 and as of September 2019, approximately 630 have been permitted, which is way ahead of schedule.

Public comment: Ms. Shewmaker reminded those present that there have been ten (10) municipalities that have adopted the “all electric new builds” ordinance.

Mr. Sears reminded those present that the CalCCA annual conference is scheduled for November 6th – 7th in Redondo Beach, with a CalCCA sponsored lunch for elected officials scheduled for November 6th.

He provided the following status reports.

- He has been working with the central valley on them forming their own CCA in the year 2021 He has also spoken with the City of Fresno Sustainability Manager who is looking at a feasibility study of forming a CCA.
- A Public Safety Power Shutoff (PSPS) was announced on October 8th – he is not certain when the areas will be restored with power.
- The Resource Adequacy (RA) market continues to tighten due to CPUC-CAISO talks. Many CCAs have contracts for this kind of power to be counted as RA; however, VCE does not have this kind of contracted power.
- City of Winters will formally adopt at their October 14th meeting, joining VCE Joint Powers Agreement (JPA), with a start date of January 2021. This will result in two additional seats on the VCE Board. City of West Sacramento is taking action next week to become an Associate Member of VCE JPA.

Mr. Parks informed those present that there was an issue with the rates billed to customers. With rate changes in July, VCE used the incorrect vintage Power Charge Indifference Adjustment (PCIA) and Franchise Fee amounts. VCE is in the process of rebilling customers the corrected amounts. Mr. Sears informed those present that steps have been put into place to prevent this from happening. VCE will be posting information on the website explaining rebilling. Phone calls to the call center have increased but remain positive.

Lastly, Mr. Parks provided brief information and a few sample photographs of VCE’s outreach efforts - Awareness Campaign. Mr. Sears wanted to recognize



Yvonne Hunter for her donation of taking photographs for this campaign and VCE staff Tessa Tobar for assisting in many different ways with this campaign.

Adjournment

Chairperson Stallard adjourned the meeting at 5:26 p.m. to the next meeting scheduled for Thursday, November 14, 2019 at 5:30 p.m. at the City of Woodland Council Chambers located at 300 1st Street, Woodland, California.

A handwritten signature in blue ink that reads "Alisa M. Lembke". The signature is fluid and cursive.

Alisa M. Lembke
VCEA Board Secretary