



Meeting of the Operations Board of Directors

Wednesday, June 7, 2017

9:00 am – Noon: Regular Meeting
City of Marina Public Library, Community Meeting Room
190 Seaside Avenue, Marina, CA 93933

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 Carol Johnson at 831-454-2740 or carol.johnson@santacruzcounty.us.

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

9:00 am – 12:00 Noon – Regular Meeting

1. **Welcome and Oath of Office for New Board Members/Alternates**
2. **Roll Call**
3. **Oral Communications For Items Not on the Agenda**

REGULAR AGENDA

4. Selection of Chair and Vice-Chair of Operations Board (*Action Item*)
Appointment of Secretary of Operations Board (*Action Item*)
5. Discussion of MBCP Administrative/Organizational Updates
 - Banking and Credit update
 - Agency Administrative and Organizational Issues (PERS/NonPERS, Insurance, Form 700s, conflict of interest paperwork)
 - Implementation Timeline Review

6. Consider Approval of Administrative Services Agreement with County of Santa Cruz
(Action Item)

7. Consider Approval of Regular Meeting Schedule of the Operations Board and Adopt Resolution *(Action Item)*

8. Consider Adoption of Resolution Allowing Requests for Future Agenda Items *(Action Item)*

9. **CLOSED SESSION AGENDA**

EXECUTIVE SESSION

- **SCHEDULE A CLOSED PERSONNEL AND LITIGATION SESSION TO BE HELD AT THE CONCLUSION OF THE BOARD’S CONSENT OR REGULAR AGENDA, OR AT ANY OTHER TIME DURING THE COURSE OF THE MEETING ANNOUNCED BY THE CHAIRPERSON OF THE BOARD**

A. PUBLIC EMPLOYMENT

Public employment appointment process pursuant to Government Code Section 54957(b)(1)-Chief Executive Officer

- **Report of General Counsel will be given at the conclusion of the closed session on any reportable action(s) taken in the closed session.**

10. **Adjournment**

Public records that relate to any item on the open session agenda for a regular board meeting are available for public inspection. Those records that are distributed less than 72 hours prior to the meeting are available for public inspection at the same time they are distributed to all members, or a majority of the members of the Board. Until MBCP has offices, the Board has designated the County of Santa Cruz General Services Department, located at 701 Ocean Street, Room 330, Santa Cruz, CA 95060 for the purpose of making those public records available for inspection. The documents are also available on the MBCP website located at: MBCommunityPower.org.



Staff Report Item 4

TO: MBCP Operations Board of Directors

FROM: Carol Johnson, Administrative Services Manager, County of Santa Cruz

SUBJECT: Selection of Chair and Vice Chair and Appointment of Secretary for Operations Board

DATE: June 7, 2017

Recommendations

- a) Selection of Board Chair and Vice Chair who shall be a seated member of the Board;
- b) Appoint Laurel Gazza, Senior Board Clerk from the County of Santa Cruz, to serve as interim Board Secretary until a permanent Secretary is identified.

Background

Sections 3.9.1 through 3.9.4 of the Joint Exercise of Powers Agreement creating the Monterey Bay Community Power Authority provides that the Operations Board shall select, from among themselves, a Chair, who shall be the presiding officer of all Operations Board meetings, and a Vice Chair, who shall serve in the absence of the Chair. The term of office of the Chair and Vice Chair shall continue for one year, but there shall be no limit on the number of terms held by either the Chair or Vice Chair.

In addition, the Board shall appoint a Secretary, who may serve both the Operations and Policy Boards and shall be responsible for taking and keeping attendance records and minutes of each Board meeting and other official records of the Authority. The secretary need not be a seated member of the Board. As a reminder, the Policy Board (not the Operations Board) shall appoint a qualified person to act as the Treasurer and a qualified person to act as the Auditor of the Authority.

Analysis and Discussion

At the joint Policy/Operations Board meeting on May 3rd, the Boards established a self-nomination process for interested officer candidates. The deadline for nominations was May 17 and the Operations Board received one nomination for Chair from Rene Mendez, City Manager of the City of Gonzales. Please see Mr. Mendez's letter attached to this staff report.

There were no nominations for Vice Chair; thus, the Board can either nominate and vote on a Vice Chair from the floor at its meeting on June 7th or extend the deadline for self-nominations for the Vice Chair position.

The MBCP Joint Powers Agreement specifies the appointment of the Secretary who need not be a member of the Board and may serve as Secretary to both Boards. Staff is recommending the appointment of Laurel Gazza, Senior Board Clerk at the County of Santa Cruz, to serve as interim Secretary until such time that MBCP hires staff appropriate for this role.

Fiscal Impact

None, if all positions are filled by MBCP Board members or designated staff. If the Secretary position is filled by an outside contractor, then some additional costs, as yet undetermined, will be incurred.

Attachment

Nomination letter from Rene Mendez, City Manager, City of Gonzales



City of Gonzales

P.O. BOX 647
PHONE: (831) 675-5000

147 FOURTH ST.
FAX: (831) 675-2644

GONZALES, CALIFORNIA 93926
www.ci.gonzales.ca.us

May 15, 2017

Maria Orozco
Mayor

Carol Johnson, Administrative Services Manager
County of Santa Cruz
General Services Department
701 Ocean Street, Room 330
Santa Cruz, CA 95060

Liz Silva
Mayor Pro Tem

RE: MBCP Operations Board: Chair

Scott Funk
Councilmember

Dear Carol:

Please accept this short letter of interest for the position of Chair of the Operations Board for the Monterey Bay Community Power Agency.

Jose G. Lopez
Councilmember

I am interested in serving as Chair not only because I have a personal interest in helping develop and fulfilling the potential of MBCP, but I can unequivocally state that the City of Gonzales has a proven track record of sustainability and stewardship. Examples include, but are not limited to:

Robert Bonincontri
Councilmember

1. Being one of the first Cities in the Tri-County area to adopt a Climate Action Plan; and
2. Establishing the award winning Gonzales Grows Green Initiative (G3) that among many things, resulted in (a) the creation of an Environmental Leadership Academy with our School District; (b) solarizing all the City facilities; and (c) the development of a proactive recycling and diversion program with our business and school; and
3. Working on an innovative partnership with Monterey County and the private sector to acquire the property and construct a Wind Turbine, utilized by Taylor Farms to help power their facility, and are currently working on a second Wind Turbine for Mann Packing; and
4. More recently being accepted by the Institute of Local Government to participate in the Beacon Program.

René L. Mendez
City Manager

Finally, the City of Gonzales has a very clear interest in MBCP, which is illustrated by our willingness to step forward and represent the Cities of South Monterey County, and the belief clearly articulated by staff and the City Council of the potential benefits that MBCP can not only bring to our region but more importantly, to people that live in our communities.

Respectfully Submitted,

Rene L. Mendez
City Manager

Gonzales will continue to be a safe, clean, family-friendly community, diverse in heritage, and committed to working collaboratively to preserve and retain its small town charm



Staff Report Item 5

TO: MBCP Operations Board of Directors

FROM: Carol Johnson, Administrative Services Manager, County of Santa Cruz

SUBJECT: MBCP Administrative/Organizational Updates

DATE: June 7, 2017

Recommendation

Receive updates and provide direction and feedback as needed.

Background

Staff will provide regular updates regarding on-going activities in the areas of Agency organizational development, administration and CCE program start-up.

Analysis and Discussion

- A) Banking and Credit Update:** On May 3, 2017, the MBCP Policy and Operations Boards of Directors accepted a report and authorized next steps for establishing credit and banking services with River City Bank (RCB). A Finance Subcommittee including representatives from the counties of Santa Cruz, Monterey, and San Benito met on May 24th to begin review of the necessary documents and timeline required for Agency start-up funding. RCB has indicated that due to San Benito County not having a credit rating, RCB will limit their share of the guaranty to 10% of the total (i.e., capped at \$300,000 plus any enforcement costs). The County of Santa Cruz and County of Monterey have indicated a willingness to equally cover the guaranty for San Benito County for the amount over 10% or \$300,000. Discussions are ongoing.

The following presents a timeline of the key steps with a target of mid-August to have banking services in place and credit available to MBCP. The final loan agreement will be approved by the Policy Board at its regular meeting in August.

TENTATIVE DATE	RESPONSIBILITY	ACTION
June 12	Financing Subcommittee	Finalize interagency agreement for circulation
June 30	RCB	Final loan agreement to MBCP for approval
June/July	County BOS and City Councils	Approval of Non-Revolving Credit Guaranty agreement/ interagency agreements
July 12	Joint Policy Board	Update/recommendations - TBD
August - TBD	MBCP Policy Board	Formal loan approval with redacted RCB contract; signatures and draw request forms
August - TBD	RCB	Review final signatures; process forms
August TBD	RCB	Establish checking account; credit available

B) Agency Administrative and Organizational Issues

Staff is following up on the administrative action items listed below, some of which require Board participation:

- 1) Board members are reminded to submit their form 700 and include participation on MBCP. This can be done on-line.
- 2) Staff is researching the pros and cons of establishing a PERS vs. Non PERS Agency for Operations Board consideration at a future meeting. This issue will not affect the interim CEO position which is a contract position until such time the Agency posts for and hires a permanent CEO.
- 3) Staff is currently researching appropriate insurance coverage for the Agency based on the practices of other CCAs. An update will be provided at the next operations Board meeting.
- 4) Staff is recommending that MBCP become an affiliate member of Cal-CCA the new CCA trade association established for statewide regulatory and legislative joint action. Annual dues in the affiliate category are a modest \$1,500 per year. Once operational, MBCP may consider becoming a full operating member of the association which will carry substantially higher dues based on annual revenues. For more information about Cal -CCA, please visit www.cal-cca.org.

C) Implementation Timeline Review: At its joint meeting on May 3, the Boards reviewed a critical dates timeline that provided a summary-level view of the key milestones required to launch by April or early May 2018. The attached is a more detailed version of that timeline, presented by month and color coded by each of the functional planning areas required for Agency and program implementation. Time sensitive milestones include:

July: Interim CEO hired

July/August: Preparation and submission of MBCP Implementation Plan

August: Credit and banking services established

September: Data Mgr./Call center hired

October-Dec: Power supply contracts negotiated

October – Dec: Public marketing campaign; website redesign

January: Set rates; prepare customer notices

February/March: Send customer Notices 1 and 2

April/May: Phase 1 program launch!

June/July: Send customer notices 3 and 4; prepare for phase 2 enrollment

Fiscal Impact: None

Attachments: Detailed Project Timeline/Gantt Chart



Staff Report Item 6

TO: MBCP Operations Board of Directors

FROM: Carol Johnson, Administrative Services Manager, County of Santa Cruz

SUBJECT: Consideration and Approval of Administrative Services Agreement with County of Santa Cruz

DATE: June 7, 2017

Recommendation

Receive report and approve Administrative Services Agreement with County of Santa Cruz.

Background

The Monterey Bay Community Powers Joint Powers Agreement authorizes the provision of administrative services by agreement with the County of Santa Cruz. The County is currently providing such services and is willing to continue doing so.

Some of the services provided include:

- Preparation, staffing and clerking meetings of the Policy and Operations Board
- Preparing various requests for proposals of qualifications for services needed
- Negotiating banking services and startup capital
- Paying bills and other similar financial services
- Any other administrative services required by MBCP

As compensation for these services, MBCP agrees to pay the cost of County staff time (salaries and benefits). County employees will record hours associated with this work on their time card with a designated MBCP code. No overhead or additional charges will be added.

Payment for these services will be due after ratepayer revenues begin to be received and after the initial line of credit has been repaid. The County will invoice MBCP quarterly and payments will be due within 90 days of receipt of revenue from ratepayers.

These services will be provided until such time as MBCP secures other or permanent replacement staff.

The purpose of this memo and the attached administrative services agreement is to provide your Board with an opportunity to review and approve the agreement to allow the County of Santa Cruz to continue performing the duties described above and to be compensated for such services.

ADMINISTRATIVE SERVICES AGREEMENT
BETWEEN THE COUNTY OF SANTA CRUZ AND
MONTEREY BAY COMMUNITY POWER

THIS AGREEMENT is entered into this 7th of June 2017 by and between the County of Santa Cruz and Monterey Bay Community Power.

WHEREAS, Monterey Bay Community Power (MBCP) is a joint powers authority formed pursuant to State law and by agreement effective February 21, 2017 (JPA Agreement); and

WHEREAS, the JPA Agreement provides at paragraph 3.3.4(a) that the MBCP Operations Board has the authority to approve MBCP contracts and agreements (subject to exceptions not applicable here); and

WHEREAS, the JPA Agreement authorizes the provision of administrative services by agreement and the County of Santa Cruz (County) is currently providing such services and is willing to continue providing such services; and

WHEREAS, the parties desire to memorialize the nature, extent and continued provision of these services as provided for in the JPA Agreement.

NOW THEREFORE,

For good and valuable consideration, the sufficiency of which is hereby acknowledged, the County and MBCP agree that the County, as of February 21, 2017, has provided and will continue to provide administrative services to MBCP as follows:

1. Preparing for, staffing and clerking meetings of the Policy Board and Operations Board;
2. Preparing requests for qualifications/proposals for various services as needed;
3. Negotiating for banking services and start-up capital;
4. Paying bills and other similar financial services; and
5. Any other administrative services required by MBCP.

As compensation for the County providing these services, MBCP agrees to pay the cost of the County's staff time (salary and benefits) spent providing administrative services to MBCP. Any County employee providing services to MBCP pursuant to this Agreement will record their time on their County timesheets with a dedicated MBCP code. MBCP will be charged only for the cost to the County for each employee's time (salary and benefits) spent providing services to MBCP, free of overhead or other additional charge.

The County will invoice MBCP quarterly for services provided pursuant to this Agreement. The County agrees that MBCP will not be obligated to pay the invoices until MBCP begins receiving revenues from ratepayers and after the initial line of credit has been repaid. After the receipt of such revenues and repayment of credit line, MBCP shall make all payments due to the County pursuant to this Agreement within 90 days of receipt of revenues from ratepayers.

MBCP hereby accepts the proffered services and waives any claim for damages against the County, its officers and employees related to or arising from the provision of services pursuant to this Agreement. The County hereby waives any claim for damages against MBCP and its Policy Board and Operations Board related to or arising from the provision of services pursuant to this Agreement.

The services provided herein shall be provided until MBCP secures other or permanent replacement services.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first written above.

COUNTY OF SANTA CRUZ

By: _____
Nancy Gordon, Director
General Services Department

MONTEREY BAY COMMUNITY POWER

By: _____
Chair, Operations Board



Staff Report Item 7

TO: MBCP Operations Board of Directors

FROM: Carol Johnson, Administrative Services Manager

SUBJECT: Regular Meeting Schedule of the Operations Board

DATE: June 7, 2017

Recommendation

Receive report and adopt resolution regarding Operations Board Regular Meeting Schedule

Background

At the first joint board meeting of the MBCP on May 3, 2017, Board members discussed the location, time and schedule of future Operations Board Meetings. Section 3.8 of the Monterey Bay Community Power Joint Powers Agreement states that the Operations Board shall hold at least eight meetings per year, with the option for additional or special meetings, and that all meetings shall be conducted in accordance with the provisions of the Ralph M. Brown Act.

Because there is a need during start up to meet more frequently in order to meet the anticipated launch date of April 2018, we are recommending the Operations Board meet the first Wednesday of each month at 9:00 at the Marina Library, 190 Seaside Avenue, Marina, CA 93933 pending availability of the meeting space. If there are no agenda items, the meeting will be cancelled.

The purpose of this memo and the attached resolution is to provide your Board with an opportunity to approve the meeting date, time and location.

BEFORE THE OPERATIONS BOARD OF
MONTEREY BAY COMMUNITY POWER

RESOLUTION NO. 1-2017

On the motion of
Duly seconded by
The following resolution is adopted

RESOLUTION TO ESTABLISH REGULAR MEETINGS OF THE OPERATIONS BOARD OF MBCP

WHEREAS, THE Monterey Bay Community Power ("Authority) was formed on February on 21, 2017 pursuant to a Joint Powers Agreement to study, promote, develop, conduct, operate, and manage energy programs in the Tri-County region of Santa Cruz, Monterey and San Benito Counties; and

WHEREAS, pursuant to Section 3.8 of the Monterey Bay Community Power Joint Powers Agreement, the Board of Directors of the Authority may fix, by resolution, the date upon which, and the hour and place at which, each regular meeting of the Authority Operations Board is to be held; and

WHEREAS, the Authority wishes to establish a regular meeting schedule by resolution; and

NOW, THEREFORE, the Operations Board of Directors of the Monterey Bay Community Power Authority does hereby resolve, determine, and order as follows:

The regular meetings of the Operations Board of Directors of Authority shall be held on the first Wednesday of each month at 9:00 am, at the Marina Library, 190 Seaside Avenue, Marina, CA 93933 pending availability of room.

PASSED AND ADOPTED by the Operations Board of Monterey Bay Community Power this 7th day of June, 2017 by the following vote:

AYES: Member

NOES: Member

ABSENT: Member

Chair, Operations Board of MBCP



Staff Report Item 8

TO: MBCP Operations Board of Directors

FROM: Dana McRae, Interim General Counsel

SUBJECT: Meeting Procedure

DATE: June 7, 2017

Recommendation

Receive report and adopt resolution regarding meeting procedures.

Background

At the first board meeting of the MBCP, Board members discussed items they would like to see on future agendas. Government Code Section 54954.2 provides:

No action or discussion shall be undertaken on any item not appearing on the posted agenda, except that members of a legislative body or its staff may briefly respond to statements made or questions posed by persons exercising their public testimony rights under Section 54954.3. In addition, on their own initiative or in response to questions posed by the public, a member of a legislative body or its staff may ask a question for clarification, make a brief announcement, or make a brief report on his or her own activities. Furthermore, a member of a legislative body, or the body itself, subject to rules or procedures of the legislative body, may provide a reference to staff or other resources for factual information, request staff to report back to the body at a subsequent meeting concerning any matter, or take action to direct staff to place a matter of business on a future agenda.

The purpose of this memo and the attached resolution is to provide your Board with an opportunity to adopt a procedure allowing members of your Board to request staff to provide factual information during a Board meeting, request staff to report back to the body at a subsequent meeting or direct staff to place a matter of business on a future agenda.

BEFORE THE OPERATIONS BOARD OF
MONTEREY BAY COMMUNITY POWER

RESOLUTION NO. 2-2017

On the motion of
Duly seconded by
The following resolution is adopted

RESOLUTION TO ESTABLISH CERTAIN MEETING PROCEDURES

WHEREAS, the Operations Board of Monterey Bay Community Power is a body subject to the Ralph M. Brown Act; and

WHEREAS, the Brown Act allows certain public meeting procedures to be used only if the body has adopted special procedures to that effect; and

WHEREAS, the purpose of this Resolution is to establish those procedures.

NOW, THEREFORE, BE IT RESOLVED BY THE OPERATIONS BOARD OF MONTEREY BAY COMMUNITY POWER that:

During the course of a meeting of the Operations Board of Monterey Bay Community Power, a member of the Operations Board, or the Operations Board itself, may provide a reference to staff or other resources for factual information, request staff to report back to the body at a subsequent meeting concerning any matter, or take action to direct staff to place a matter of business on a future agenda.

PASSED AND ADOPTED by the Operations Board of Monterey Bay Community Power this 7th day of June, 2017 by the following vote:

AYES: Member

NOES: Member

ABSENT: Member

Chair, Operations Board of MBCP