



**California Municipal Utilities Association
Board of Governors' Meeting Minutes**

Tuesday, February 5, 2019

Sheraton Grand

1230 J Street, Sacramento, CA 95814

The February 5, 2019 meeting of the California Municipal Utilities Association Board of Governors' was called to order by President Arlen Orchard at 8:40 am.

Officers of the Board of Governors present were:

Arlen Orchard, President, SMUD

Chris Garner, Vice President, Long Beach Water Department

Bryan Griess, Secretary, TANC

Tim Haines, Treasurer, State Water Contractors

Michelle Bertolino, Immediate Past President, Roseville Electric

Laura Lewis, General Counsel, SMUD

Members of the Board of Governors and Designated Alternates present were:

Dukku Lee, Anaheim Public Utilities

Janis Lehman, Anaheim Public Utilities

Jorge Somoano, Burbank Water & Power

Steve Zurn, Glendale Water & Power

Emmanuel Martinez, Imperial Irrigation District

Winifred Yancy, Los Angeles Department of Water & Power

Greg Salyer, Modesto Irrigation District

Randy Howard, NCPA

Jane Cirrincione, NCPA

Dan Beans, Redding Electric Utility

Daniel Garcia, Riverside Public Utilities

John Roukema, City of Santa Clara/Silicon Valley Power

Michael Webster, SCPPA

Paul Hauser, Trinity Public Utilities District

Casey Hashimoto, Turlock Irrigation District

Michael Hadley, Western Municipal Water District

Members of the Board of Governors and Designated Alternates absent were:

Tom Moody, Corona Department of Water & Power

Henry Martinez, Imperial Irrigation District

City of Lodi

June Skillman, Metropolitan Water District of Southern California

Gurcharan Bawa, Pasadena Water & Power

CMUA Staff and Legal Counsel present were:

Barry Moline, Executive Director
Danielle Blacet, Director for Water
Tony Braun, Braun Blaising Smith Wynne, PC
Christine Chapman, Event and Membership Manager
Frank Harris, Manager of Energy Regulatory Policy
Teresa Rexrode, Office Manager
Jonathan Young, Regulatory Advocate
Patrick Welch, Legislative Director for Energy
Matt Williams, Communications Manager
Tony Braun, Braun Blaising Smith Wynne, PC
Justin Wynne, Braun Blaising Smith Wynne, PC

Guests present were:

Robert Ennis, Riverside Public Utilities
Martin Hopper, M-S-R
Barbara Hale, SFPUC
John Gregory, LADWP
Manuel Pineda, City of Santa Clara/SVP
John Kerrigan, LADWP
Angela Kimmey, Vernon Public Utilities
Peter Rietkert, South San Joaquin Irrigation District
Bere Lindley, South San Joaquin Irrigation District

1. Call to Order

President Orchard called the meeting to order at 8:40 am.

2. Roll Call and Establishment of a Quorum

Roll call was taken and a quorum was established.

3. Review of CMUA Anti-Trust Policy

Laura Lewis, CMUA General Counsel, reminded Board members of CMUA's Anti-Trust Policy and to be diligent about not discussing prohibited items. A copy of the policy was distributed with the meeting materials.

4. Approval of December 11, 2018 Minutes*

It was moved and seconded to approve the minutes from the December 11, 2018 board meeting. Motion carried.

5. Report of Officers, Committees and Staff

a. Executive Director's Report

Barry Moline briefed the Board on administrative issues of interest including:

- Frank Harris has been hired to fill the Energy Regulatory Manager position.
- RKS Survey RFP – work group members have been identified and will begin work in the next few weeks.

- Audit Services RFP – after completion of the 2017-18 audit, the RFP for audit services will be sent out.
- Task Force of the Legislative & Regulatory Committees on the Development of Processes and Procedures – staff had decided to let the new leadership of the legislative and regulatory committees work on this in early 2019. Staff met and will draft a process and procedures document for the leadership to review and then share with the legislative and regulatory committees.
- Status on New Office Lease – Work continues on the move. We have met with the contractor and our move-in time frame is April/May.
- Retiree Medical Costs - Staff continues to examine alternatives for change. A potential option is being considered.
- Municipalization – CMUA has received numerous phone calls regarding this issue and will discuss more on this at a later meeting.
- Annual Conference – the draft conference agenda was provided to the board and registration and promotions will begin soon.

b. Treasurer's Report

Tim Haines and Barry Moline provided a summary for the period July 2018 through December 2018. Income was \$2,411,880 (84.3% of budget) and does not include budgeted reserves of \$234,294, which brings the total to \$2,648,174 (92.6% of budget). Expenses were \$1,273,922 (44.6% of budget). Due to the delay in hiring the energy regulatory manager, we continue to work with Braun Blasing law firm to fill this FTE. As a result, line item 5098 is \$36,000 over budget.

Special pass-through projects that are multi-year and do not match up with the fiscal year calendar include the Grid Regionalization and ESP Energy Platforms.

c. Communications Update

Matt Williams provided a brief update on current activities including the magazine, member email forums, and member communications.

d. Legislative & Regulatory Update on Water

Danielle Blacet and Jonathan Young provided updates on key issues. Ms. Blacet provided a summary of the Safe Drinking Water Comprehensive Package including the collaboration between CMUA and ACWA.

Jonathan Young reported on Low-Income Water Rate Assistance Plan and working groups for SB 555 and the Environmental Justice

e. Legislative Update on Energy

Patrick Welch reported out on key energy legislative issues including CMUA's improved energy advocacy coordination among member POU's. Democrats continue to push green climate renewables. Wildfire legislation is emerging including a wildfire insurance fund for utilities. Tensions continue to rise related to the PG&E bankruptcy and reform legislation. Credit ratings have been downgraded for IOUs with pressure on the legislation to take more action.

f. Regulatory Update on Energy

Justin Wynne reported on several key issues including physical security requirements for distribution facilities as it relates to the CPUC's work to implement SB 699 (2014) in addition to the Wildfire Mitigation Plan template which POUs have been working on revising. Should be adopted by the end of the year.

6. Old Business

a. Status Report on Grid Regionalization

Tony Braun updated the board on current activities related to federal issues, wholesale committee markets, Pacific Core and CAISO new board members including Dave Olson, Steven Bernstein and Mary Leslie. The EIM Governing Body nominations including Val Fond and John Prescott.

7. New Business

a. Strategic Plan

Barry Moline presented a draft of the new strategic plan which resulted from the December 10, 2019 planning meeting in San Diego. No new staff is projected, and it was recommended that the plan be reviewed every year at the fall board meeting with a focus on strategic areas. Mr. Moline invited the board to send him any comments or changes on the draft.

b. Membership Applications*

- Las Virgenes Water District – Utility
- Electrical Consultants - Associate
- Joe Nipper Consulting – Associate
- Law Office of Susie Berlin – Associate
- 8minuteenergy Renewables – Associate

It was moved and seconded to approve the member applications. Motion carried.

8. Adjourn to Executive Session

Reconvene to General Session

9. Other Business

None

10. Adjournment

President Arlen Orchard adjourned the meeting at 12:06 pm

Respectively Submitted,

Bryan Griess
Secretary

BG:cc