

**Monterey Bay Community Power
Project Development Advisory Committee**

Agenda

**August 11, 2016 - 9:30am to 11:15am
Monterey Regional Waste Management District
14201 Del Monte Blvd., Marina, CA**

Estimated time allotment	Item Recommended Outcome Action Item	Lead Person --or-- Presenter
9:30am 5 minutes	1. Welcome, Introductions & Revisions to the Agenda <ul style="list-style-type: none"> ■ Start the meeting. ■ Roundtable introductions as needed. ■ Discuss/approve revisions to the agenda, if any. 	Nancy Gordon, Chair
5 min.	2. Minutes - 5.12.16 - PDAC Meeting <ul style="list-style-type: none"> ■ Review toward approval the meeting minutes, with amended documents approved by the PDAC. <i>Attached – pages 2-16 - Action Item</i> ■ May 12, 2016 - Meeting Highlights <i>Attached- page 17 - No action</i> ■ SCC- Board Report- FYI <i>Attached- page 18 - No action</i> 	Nancy Gordon
5 min.	3. Update regarding Special Study Sessions-Written Report	<i>Miller MaxField Communications Consultant</i>
5 min.	4. Status Report – Outreach Plan Implementation-Written Report	<i>Miller Maxfield, Communications Consultant</i>
20 min.	5. Status Report - County & City Partner Decision-Making Process	<i>Nancy Gordon Carol Johnson</i>
15 min.	6. Public Comment Receive input from the public on items not on today's agenda. Depending on the number of speakers, each speaker may be limited to 3 minutes. The PDAC cannot take action on any item, but may choose to place items on a future agenda.	Nancy Gordon

**Monterey Bay Community Power
Phase 1 Technical Study Project
Project Development Advisory Committee
Meeting Minutes
May 12th, 2016 - 9:30am to 11:00am
Santa Cruz County Board of Supervisors
701 Ocean Street, Santa Cruz CA**

1. Welcome, Introductions, Attendance Noted

- Nancy Gordon, Chair, called the meeting to order at 9:30 am.
- A quorum was present and attendance noted:

PDAC Members:

County of Santa Cruz- Nancy Gordon
Monterey Regional Waste Management District- Tim Flanagan
City of Watsonville- Nancy Lockwood
City of Santa Cruz- Ross Clark
City of Salinas - Chris Khan
Monterey County - Dan Bertoldi
City of Capitola- Rich Grunow
Salinas Valley Recycles- Patrick Mathews
Business Sector Representative- Larry Pearson (9:35 arrival)

MBCP Project Team Members:

Gine Johnson, Office of Supervisor Bruce McPherson
David Carlson, SC County Planning
Julia Holl, Office of Assembly member Mark Stone

2. Minutes of the 4.14.16 PDAC Meeting

Action Item: Approved the draft minutes. Motion by Patrick Mathews, 2nd by Tim Flanagan. All ayes except abstentions from Nancy Lockwood, Dan Bertoldi and Chris Khan who were not present at the 4/14 meeting.

3. Governance ad hoc Subcommittee Proposed Recommendations

- Tim Flanagan presented the committee's recommendations.
- A roundtable discussion ensued regarding Ross Clark's proposal at the April 14th PDAC meeting to form a technical advisory committee, with Ross acknowledging that the ad hoc committee's recommendation aligned with his proposal. Ross requested that the PDAC's final approved action include one technical advisory committee member to be appointed from each County and City CCE-JPA member.
- Discussion ensued regarding various PDAC members' concerns that the draft governance structure had the potential for one region to outvote other CCE-JPA member regions. There was a general discussion that a smaller board, closer to 11

members, might be more desirable than the 13 proposed members. Several PDAC members made the point that ultimately the PDAC was only making a recommendation and the early adoptive partners would need to do their own analysis to make their final determination based on what would be best for the entire region. It was agreed to leave the recommendation at 13 members.

- Nancy Gordon answered PDAC members' questions about the Governance and Finance ad hoc committees' purpose, timeframe and target attendees. She indicated that the purpose was to provide a forum for interested County and City partners to determine a formation recommendation to their respective governing bodies, the timeframe to be shortly after the special study sessions, (June 9th), and the target attendees to be County and City executive staff and/or the appointed representative(s). Ross Clark indicated that the SC City Council had empowered the Mayor to appoint a City Council member to represent the City in the discussions.
- Public testimony was given and staff asked those members of the public to submit their testimony in writing so it could be included in the meeting minutes.

Action: Motion to approve the Governance ad hoc Subcommittee recommendations with a friendly amendment to include one appointee from each CCE-JPA member to the technical advisory committee. Motion by Patrick Mathews, 2nd by Tim Flanagan. All ayes to approve the motion. *(See Attachment 1 to the minutes for the approved revisions to Sections I and III of the information packet.)*

4. Presentation by local labor union leaders regarding the Monterey Bay Central Labor Council (MBCLC) Resolution and Project Labor Agreements

- Andy Hartman made a presentation regarding Project Labor Agreements, *(See Attachment 2 to the minutes for the power point.)*
- Discussion ensued with both Andy Hartman and Glen Schaller responding. Key points that were made during the discussion:
 - PDAC members indicated their general support for the principles and potential benefits outlined in the MBCLC Resolution and the power point presentation.
 - That support was already reflected in the PDAC-approved "guiding principles" regarding the use of local, fairly compensated labor with benefits and local training programs.
 - It fell outside the scope of the PDAC's work to make a recommendation regarding PLAs. The information provided by the presenters regarding PLAs would be forwarded to the future CCE-JPA governing body to make a determination.

Action: Motion to accept the presentation by Patrick Mathews, 2nd by Larry Pearson. All ayes to approve the motion.

5. Consideration of Community Power Guiding Principles as recommended by Santa Cruz County Supervisor John Leopold

- Nancy Gordon presented the background of the request from the Santa Cruz County Board of Supervisors to review the list of guiding principles.
- The staff report outlined four possible additions to the list already approved by the PDAC on April 14th. A motion was made by Patrick Mathews to accept the staff recommendation. There was not a second for the motion. Several PDAC members pointed out that the principles proposed by the Supervisor were already included on the PDAC-approved list. Discussion ensued. It was agreed that the additions were unnecessary and could lead to confusion since they were already covered.
- Ross Clark made a new motion to amend the approved list. He proposed to replace “Strive to build out the local renewable generation infrastructure as soon as it is financially feasible” with “Support the rapid investment in local renewable energy generation to the maximum extent feasible while ensuring fiscal stability, rate parity and carbon reduction goals are met.”

Action: Motion to accept this amendment to the approved list of “guiding principles” by Ross Clark, 2nd by Larry Pearson. All ayes to approve the motion. *(See Attachment 3 to the minutes for the approved revisions to Section I of the information packet.)*

6. Upcoming Meetings were announced

PDAC- Hosted Special Study Sessions:

June 9 – 9:30am to 12:00pm

Santa Cruz County Board of Supervisors Chambers

June 9th - 3:00pm to 5:30pm-

San Benito County Board of Supervisors Chambers

May 24th - 9:30am to noon –

Monterey County Board of Supervisors Chambers

Next Regular PDAC Meeting:

August 11th, 9am-noon- MRWMD Board Chambers

- Minutes of May 12, 2016 Special PDAC Meeting
- Update regarding Special Study Sessions
- Status report - Communications/Outreach Plan
- County & City partner decision-making process
- Future PDAC meetings and agendas

7. Public Comment for matters not on the agenda – No public comments.

8. Meeting adjourned at 12:25pm.

ATTACHMENT 1 - May 12, 2016 PDAC Meeting Minutes

Approved revisions to Section I, Summary Report and Recommendations:

- Governance – To meet the diverse needs of the Monterey Bay region, the PDAC recommends a governance structure that aligns with these principles:
 - Consistent with the best practices learned from the successes and challenges of established CCE governing boards as outlined in Section III, pages 18-19;
 - Equitably representative and aligned with population density and electricity usage within the region;
 - A manageable number of board members with the ability to scale to accommodate later members;
 - Primary members and alternates should be elected officials;
 - Industry technical experts without a conflict of interest should be advisory to the Board;
 - Structured similarly to an existing and well-accepted Monterey regional JPA board that has been serving the same partner counties and cities successfully for many years, the Monterey Bay Air Resources District.
 - Section III, page 21 summarizes the specific governance board and technical expert advisory committee structure recommended by the PDAC.

Approved revisions to Section III – pages 19 & 20:

Element	Currently practices of CCEs	PDAC Recommendation
Agency Purpose	CCE and energy related programs only.	CCE and energy related programs only.
Municipal Membership	Municipalities as full members. (Marin Clean Energy-MCE) Municipalities as participants. (Sonoma Clean Power-SCP)	Investigate further the pros and cons of each approach.
Board Composition	1 member per jurisdiction. (MCE & SCP) Primary Board member is an elected official. (MCE & SCP) Alternate is elected (MCE) or may be appointed (SCP).	Board of 13 primary members (with alternates) comprised of elected officials Recommended structure is automatically "scalable" to accommodate county & city members who do not initially join the CCE/JPA.
Board Voting	Majority vote with an option to call for a weighted vote (SCP). Majority and weighted vote combined (MCE).	Majority vote. Recommended structure is already weighted based on load size and population.
Joint Powers	Power to contract, employ, acquire and maintain public works, incur debt and issue bonds, invoke eminent domain under certain conditions, adopt rules and regulations.	Power to contract, employ, acquire and maintain public works, incur debt and issue bonds, invoke eminent domain under certain conditions, adopt rules and regulations.
Withdrawal of Membership	MCE – Municipal accounts only; may be a fee for departing load due to stranded costs. SCP- Option to remove all accounts with negotiated timing and payout agreement to cover stranded costs.	Option to remove all accounts with negotiated timing and payout agreement to cover stranded costs.
JPA Administration: Self-administered or outsourced?	MCP & SCP: Self-administered with option to contract for certain JPA functions.	Self-administered with outsourcing for certain "turn key" administrative functions that are readily available within the industry.
New county/city members joining the JPA after initial launch	Modest cost or no cost at the discretion of the JPA Board.	At the discretion of the governing board. Policies and guidelines should be established.

<p>JPA Committees: Permissive or Required?</p> <p><i>Technical Advisory Committee to the Board</i></p>	<p>MCE- Permissive at discretion of the Board.</p> <p>SCP – Operations and Rate Setting Committees included in JPA agreement.</p>	<p>Permissive at the discretion of the Board after the need is identified and each committee’s function is defined. <i>Do not specify committee structure in the JPA agreement.</i></p> <p><i>However, a technical advisory committee of experts with no conflict of interest to assist the Board is highly recommended. Possible expert categories: energy procurement & industry experience; utility background; finance; environmental, clean tech or related policy and/or operational experience.</i></p>
<p>Cost Recovery for Advanced Start-Up Funds</p>	<p>Full cost recovery of start-up costs.</p>	<p>Full cost recovery of start-up costs, including all <i>unfunded</i> remaining Phase 1 activities as well as all Phase 2 formation work.</p>
<p>Board meeting frequency and location</p>	<p>Monthly meetings in one central location.</p>	<p>At the discretion of the governing board.</p>

Approved addition to Section III as page 21:

Recommended Governing Board Structure & Technical Advisory Committee Structure

Local Government Entity	# Members*	Appointed By
Monterey County	3	Monterey County Board of Sups
City of Salinas	1	Salinas City Council
Monterey Peninsula Cities	2	Monterey City Select Committee
Salinas Valley Cities	1	Monterey City Select Committee
Santa Cruz County	2	Santa Cruz County Board of Sups
Santa Cruz County Cities	2	Santa Cruz City Select Committee
San Benito County Supervisors	1	San Benito Board of Supervisors
San Benito County Cities	1	San Benito City Select Committee
Total:	13	

* Each primary member should have an appointed alternate*

Weighted Representation:	<u>Votes</u>	<u>Population (2015)</u>	<u>Loads (year 3)</u>
Monterey County:	7 (53.8%)	433,898 (56.6%)	1,998 MWh (62.0%)
Santa Cruz County:	4 (30.8%)	274,146 (35.8%)	941 MWh (29.2%)
San Benito County:	2 (15.4%)	58,792 (7.7%)	283 MWh (8.8%)
Totals:	13	766,836	3,222 MWh

Technical Advisory Committee Structure:

- Comprised of technical and industry experts without a conflict of interest.
- One appointment per each County and City CCE-JPA member.
- Advises on all aspects of the agency operations.
- Criteria for membership to be developed by the Governing Board.

Monterey Bay Community Power Presentation

Project Labor Agreements

PLAs

Andy Hartmann

May 12, 2016

What is a PLA?

- A project labor agreement (PLA) is an agreement between a public awarding agency or a private entity and the local Building Trades Council.
- A PLA is a pre-hire agreement to set the terms and conditions for all workers on a project.
- A PLA includes objectives and goals of the awarding agency and the local Building Trades.

The Purpose of a PLA

The purpose of a PLA is to elevate the Labor component of a project into a working partnership with an awarding body. This provides a useful construction management tool for cost savings, a project on-time and on-budget, and a construction project of high quality. A PLA will ensure the greatest benefit for an awarding body by working together with the Building Trades to achieve mutual objectives and goals.

Objectives

- Local hire and steady access to a pool of highly qualified, skilled crafts persons
- Apprenticeship education and training
- Hiring minorities, women, and veterans
- Standardizing and maintaining work schedules, working hours, and holidays
- Prevailing wages with benefits
- Process to resolve labor issues

Level Playing Field

Conditions established through a PLA level the playing field to ensure that all contractors **MUST** compete under the same terms and conditions.

Local Opportunity

- Local hiring halls are used for providing project labor
- Local apprentices from local State authorized apprenticeship training programs are made available for work
- Minorities, women, and veterans are, not only encouraged, but recruited locally for careers in construction

Local PLA Utilization

PLA's utilized in the Monterey Bay:

- Moss Landing Power Plant
- Santa Cruz County for Public Safety
- Santa Cruz County Metropolitan Transit District
Judy K. Souza Operations Building
- City of Watsonville
- Salinas Union High School District High School #5

National PLA Utilization

Nationally, PLA's have been used by numerous Fortune 500 companies, including Wal-Mart, Toyota, and Boeing. Additionally, many cities, counties, and school districts have successfully used PLA's.

Components of a PLA

- Employment of apprentices
- Fair wages with employer provided benefits
- Uniform holidays and schedules
- Job referral procedures maintained by local hiring halls with local employment goals
- Expedited dispute and grievance procedure for all workers
- No work stoppages, strikes, lockouts
- Comprehensive safety program

The Benefits

- Superior construction project
- Project on-time and on-budget
- Support and enhance the local economy
- Employ local skilled workers (Journeymen & Apprentices)
- Provide fringe benefits for workers
- Provide a safe working environment
- Prohibit work stoppages
- Additional Labor Compliance

Thank You

We request that you make a recommendation to the JPA to explore a Project Labor Agreement with the Monterey/Santa Cruz Building & Construction Trades Council.

ATTACHMENT 3 – May 12, 2016 PDAC Meeting Minutes

Approved revisions to Section 1, Summary Report and Recommendations:

Guiding Principles– The PDAC recommends strategic and operational alignment with these principles:

- Serve community goals and local policy objectives, including greenhouse gas reductions and increased statewide and local renewable energy supply.
- Control and safeguard customer revenues to ensure long-term financial viability and local government ownership, even when power supply costs fluctuate.
- Offer competitive rates and choice in customer electricity services that does not include the use of unbundled renewable energy credits, coal or nuclear resources and prioritizes in-state renewable contracts as is financially viable and available.
- Support the rapid investment in local renewable energy generation to the maximum extent feasible while ensuring fiscal stability, rate parity and carbon reduction goals are met.
- Pursue long-term power procurement strategies and local power ownerships that hedge future market risk and incorporate diversity of energy suppliers, technologies and products.
- Plan for long-term financial viability through integrated resource planning, in-house fiscal management, transparent rate setting and policies that build program reserves. Building robust reserves enhances the agency's credit rating, lowers the cost of procurement and increases the viability of issuing future bonds for projects.
- Maintain a firewall between the assets and liabilities of the CCE agency and those of municipal general funds.
- Adhere to applicable statutory and regulatory compliance requirements.
- Implement effective risk management practices and ensure transparency and accountability to the local community and oversight agencies.



**Monterey Bay Community Power Project | Phase 1 Technical Study
Project Development Advisory Committee (PDAC)
May 12th, 2016 Meeting Highlights**

PDAC Governance Recommendations Approved

The PDAC approved their recommendations regarding governance principles and structure. The recommendations will be forwarded to the MBCP County and City partners as they begin their respective analysis and deliberations regarding joint powers agency formation.

Local Labor Leaders Present the Benefits of Project Labor Agreements

The PDAC received a presentation by local labor leaders Andy Hartman and Glen Schaller regarding the second resolution passed by the Monterey Bay Central Labor Council regarding the Monterey Bay Community Power Project. The PDAC accepted the report and stated the committee's intent to forward the information regarding Project Labor Agreements to the future joint powers governing board. It was noted that the PDAC had already approved a set of "guiding principles" that aligned with the use of local, fairly compensated labor with benefits and local training programs.

"Guiding Principles" Amended

The PDAC strengthened the language of the previously approved guiding principles to clarify the committee's recommendation regarding local build-out of renewable energy projects. The following statement was added to the list of principles: "Support the rapid investment in local renewable energy generation to the maximum extent feasible while ensuring fiscal stability, rate parity and carbon reduction goals are met."

Upcoming Special Study Sessions Announced

May 24th - 9:30am to noon

Monterey County Board of Supervisors Chambers

June 9th - 9:30am to 12:00pm

Santa Cruz County Board of Supervisors Chambers

June 9th - 3:00pm to 5:30pm

San Benito County Board of Supervisors Chambers

Agenda Confirmed for the August 11th, 2016 PDAC meeting from 9:30am to 11:15am:

Location: Monterey Regional Waste Management District 14201 Del Monte Blvd- Marina, CA

- Updates regarding the Special Study Sessions, Outreach Plan Implementation and County & City partner decision-making process
- Future PDAC meetings and agendas

Please check the Monterey Bay Community Power website: MBCommunityPower.org for updates.

May 12, 2016 PDAC Meeting Highlights



County of Santa Cruz

General Services Department

701 Ocean Street, Suite 330, Santa Cruz, CA 95060-4073
 Phone:(831) 454-2210 Fax:(831) 454-2710 TDD: (831) 454-2123
 Nancy Gordon, Director

Meeting Date: June 28, 2016
Date: June 21, 2016
To: The Board of Supervisors
From: Nancy Gordon, General Services Director
Subject: Report Back on PDAC review of Project Labor Agreements and
 Community Power Guiding Principles

On April 19, 2016 your Board directed staff to forward various proposals regarding the administration of the Community Choice Energy (CCE) project to the Project Development Advisory Committee (PDAC). These recommendations included consideration of suggested principles to review the possibility of requiring a project labor agreement with direction for a report back at the end of June 2016. The PDAC was also requested to meet with the Monterey Bay Building and Construction Trades Council (MBCTC) to discuss what a project labor agreement might look like to better inform the discussion when the JPA is created.

The PDAC held a specially noticed meeting to review the materials as requested by your Board. The meeting included a presentation by labor representatives Andy Hartman and Glen Schaller regarding project labor agreements. The information provided by the presenters regarding PLAs will be forwarded to the future CCE-JPA governing body to make a determination on their use in future projects, estimated to be 3-4 years away.

The Board also requested the PDAC to consider "Guiding Principles" as forwarded from the Board. It was determined after review that the guiding principles as proposed were already included in the PDAC approved list, and therefore no additions were necessary. A separate addition unrelated to the Community Power Guiding Principles suggestion was made following further discussion.

It is therefore RECOMMENDED that your Board accept and file this report on the Community Choice Energy Project Development Advisory Committee's review of Project Labor Agreements with the MBCTC and review of suggested Community Power Guiding Principles.

Submitted by: