



**REGULAR MEETING of the Board of Directors of the
Peninsula Clean Energy Authority (PCEA)
Thursday, December 15, 2016**

San Mateo County Office of Education, Pine and Oak Room
101 Twin Dolphin Drive, Redwood City, CA 94065
6:30 p.m.

Meetings are accessible to people with disabilities. Individuals who need special assistance or a disability-related modification or accommodation (including auxiliary aids or services) to participate in this meeting, or who have a disability and wish to request an alternative format for the agenda, meeting notice, agenda packet or other writings that may be distributed at the meeting, should contact Anne Bartoletti, Board Clerk, at least 2 working days before the meeting at abartoletti@peninsulacleanenergy.com. Notification in advance of the meeting will enable the PCEA to make reasonable arrangements to ensure accessibility to this meeting and the materials related to it. Attendees to this meeting are reminded that other attendees may be sensitive to various chemical based products.

If you wish to speak to the Board, please fill out a speaker's slip located on the tables as you enter the Board meeting room. If you have anything that you wish to be distributed to the Board and included in the official record, please hand it to a member of PCEA staff who will distribute the information to the Board members and other staff.

CALL TO ORDER / ROLL CALL

PUBLIC COMMENT

This item is reserved for persons wishing to address the Board on any PCEA-related matters that are as follows: 1) Not otherwise on this meeting agenda; 2) Listed on the Consent Agenda and/or Closed Session Agenda; 3) Chief Executive Officer's or Staff Report on the Regular Agenda; or 4) Board Members' Reports on the Regular Agenda. Public comments on matters not listed above shall be heard at the time the matter is called.

As with all public comment, members of the public who wish to address the Board are requested to complete a speaker's slip and provide it to PCEA staff. Speakers are customarily limited to two minutes, but an extension can be provided to you at the discretion of the Board Chair.

ACTION TO SET AGENDA and TO APPROVE CONSENT AGENDA ITEMS

This item is to set the final consent and regular agenda, and for the approval of the items listed on the consent agenda. All items on the consent agenda are approved by one action.

REGULAR AGENDA

1. Chair Report (Discussion)
2. CEO Report (Discussion)
3. Citizens Advisory Committee Report (Discussion)
4. Marketing and Outreach Report (Discussion)
5. Power Purchase Agreements for Renewable Supply Update (Discussion)
6. Revise PCE Strategic Goal: 100% CA RPS Eligible Renewable Energy by 2025 (Action)
7. Adopt PCEA Sustainable Workforce Policy (Action)
8. Adopt PCEA Policy to Not Use Any Unbundled RECs (Action)
9. Update on Formation of New Citizens Advisory Committee (Discussion)
10. Financial Report
11. Board Members Reports

CONSENT AGENDA

12. Approval of the Minutes for the November 12th, 2016 Special Meeting (Action)
13. Approval of the Minutes for the November 17th, 2016 Meeting (Action)
14. Approve PCEA Employee Health Benefits Package (Action)
15. Approve Recommendation of 2017 Board Meeting Dates (Action)

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. The Board has designated the Office of Sustainability, located at 455 County Center, 4th Floor, Redwood City, CA 94063, for the purpose of making those public records available for inspection. The documents are also available on the PCEA's Internet Web site. The website is located at: <http://www.peninsulacleanenergy.com>.



**PENINSULA CLEAN ENERGY
JPA Board Correspondence**

DATE: December 13, 2016
BOARD MEETING DATE: December 15, 2016
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: Majority Present

TO: Honorable Peninsula Clean Energy Authority Board of Directors
FROM: Jan Pepper, Chief Executive Officer, Peninsula Clean Energy
SUBJECT: Revise PCE Strategic Goal: 100% CA RPS Eligible Renewable Energy by 2025

RECOMMENDATION: Revise one of Peninsula Clean Energy's (PCE's) recently adopted strategic goals to reflect the target year (2025) recommended by PCE staff for achieving 100% California Renewables Portfolio Standard (RPS) eligible renewable energy. The revised goal, in its entirety, will read:

Design a diverse power portfolio that is greenhouse gas free.

- 100% GHG free by 2021
- sourced by 100% CA RPS eligible renewable energy by 2025
- create a minimum of 20 MWs of new local power by 2025

BACKGROUND: At the November 12th, 2016 special meeting of the Board, multiple strategic goals were discussed. There was extensive discussion on when to reach 100% greenhouse gas (GHG) free, when to achieve being sourced by 100% CA RPS eligible renewable energy, and when to create a minimum of 20 MWs of new local power. The years 2021, 2022, 2025, and 2027 were discussed as possible target dates. The Board expressed a desire for goal dates to be as soon as possible, but also realistic. Chairperson Pine suggested having PCEA staff look at the dates and come back to the Board with a recommendation.

At the November 17th, 2016 Board meeting, the year 2022 was included in a memo as the target date for 100% CA RPS eligible renewable energy, but it had actually been one of several dates that the PCE staff intended to review.

DISCUSSION: Upon further analysis and review, PCE staff recommends setting the target date for 100% CA RPS eligible renewable energy to the year 2025. PCE staff share the Board's desire to reach our goals as soon as possible, but we want to ensure that this goal is both realistic and achievable.

FISCAL IMPACT: The fiscal impact of achieving the GHG-free and renewable energy goals are significant as these involve procuring significant amounts of energy from a variety of renewable and clean-energy facilities.



**PENINSULA CLEAN ENERGY
JPA Board Correspondence**

DATE: December 13, 2016
BOARD MEETING DATE: December 15, 2016
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: Majority Present

TO: Honorable Peninsula Clean Energy Authority Board of Directors
FROM: Jan Pepper, Chief Executive Officer, Peninsula Clean Energy
SUBJECT: Adopt PCEA Sustainable Workforce Policy

RECOMMENDATION: Adopt a policy that demonstrates Peninsula Clean Energy Authority's (PCEA's) commitment to a sustainable local workforce.

BACKGROUND: PCEA staff and a few Board members have met with local union representatives and labor leaders to discuss the creation of a sustainable workforce policy that will guide and inform PCEA's hiring, contracting, and vendor relationships. Marin Clean Energy's workforce policy was used as an example to initiate discussion.

DISCUSSION: Support of local businesses, union labor and apprenticeship and pre-apprenticeship programs that create employment opportunities are important components of building and sustaining healthy and sustainable communities. It is in the interest of Peninsula Clean Energy in San Mateo County (PCE) to provide fair compensation and sustainable workforce opportunities within a framework of competitive service and the promotion of renewable energy, energy efficiency and greenhouse gas reduction.

FISCAL IMPACT:

ATTACHMENTS: Policy 9

Subject: Sustainable Workforce

Policy: Support of local businesses, union labor and apprenticeship and pre-apprenticeship programs that create employment opportunities are important components of building and sustaining healthy and sustainable communities. It is in the interest of Peninsula Clean Energy in San Mateo County (PCE) to provide fair compensation and sustainable workforce opportunities within a framework of competitive service and the promotion of renewable energy, energy efficiency and greenhouse gas reduction.

PCE Recognizes the importance of locally-generated renewable energy in assuring that California is provided with (1) adequate supplies of renewable energy for economic growth, (2) sustained local job opportunities and job creation, and (3) effective means to reduce the impacts of greenhouse gas emissions. PCE also recognizes the opportunities that energy efficiency programs provide for local workforce training and employment.

PCE supports fair compensation in direct hiring, renewable development projects, energy efficiency programs and in procurement of PCE services and supplies. PCE also supports quality State of California approved apprenticeship and pre-apprenticeship training programs in construction craft occupations to foster long-term, fairly compensated employment opportunities for program graduates and believes that local apprenticeship and pre-apprenticeship programs are an efficient vehicle for delivering quality training in construction industry craft occupations.

PCE therefore desires to facilitate and accomplish all of the following objectives:

- (1) Support for and direct use of local businesses;
- (2) Support for and direct use of union members from multiple trades;
- (3) Support for and use of training and State of California approved apprenticeship programs, and pre-apprenticeship programs from within PCE's service territory; and
- (4) Support for and direct use of green and sustainable businesses.

"Local" is defined as 1.) San Mateo County; 2.) Nine Bay Area Counties (Alameda, Contra Costa, Marin, Napa, San Mateo, San Francisco, Santa Clara, Solano, Sonoma); 3.) Northern California; 4.) California. Preference will be give first to San Mateo County; second, to the Nine Bay Area Counties; third, to Northern California; fourth, to least local, California.

PCE will support the objectives stated above in the following ways:

PCE Power Purchase Agreements with Third Parties

PCE shall collect information from respondents to any bidding and/or RFP/RFQ process regarding past, current and/or planned efforts by project developers and their contractors to:

- Employ workers and use businesses from the PCE service territory.
- Employ properly licensed (A, B, C10, C7, C46) contractors and California Certified electricians.
- Utilize multi-trade project labor agreements on the proposed project or any prior project developments.
- Utilize local apprentices, particularly graduates of local pre-apprenticeship programs.
- Pay workers the correct prevailing wage rates for each craft, classification and type of work performed.
- Display a poster at jobsites informing workers of prevailing wage requirements.
- Provide workers compensation coverage to on-site workers.
- Support and use State of California approved apprenticeship programs.

Relevant information submitted by bidders will be used to evaluate potential workforce impacts of proposed projects with the goal of promoting fair compensation, fair worker treatment, multi-trade collaboration, and support of the existing wage base in local communities where contracted projects will be located.

PCE Owned Generation Projects

Any PCE-owned renewable development project shall use local businesses, union labor, and apprenticeship programs through multi-trade agreements and/or through multiple agreements for work. Each construction contractor or subcontractor performing work on any PCE-owned project shall use a combination of local labor, union labor and apprenticeship programs, and shall follow fair compensation practices including proper assignment of work to crafts that traditionally perform the work. For each renewable energy project PCE or its construction contractor shall employ on its regular workforce at least 50% of all “journey Level” employees to be graduates of a State of California approved apprenticeship program and at least 20% of the employees are enrolled and participating in a local State of California approved apprenticeship program. Apprenticeship programs must be approved by the State Department of Apprenticeship Standards.

PCE Feed-In Tariff Price Projects

PCE shall use best efforts to ensure each construction contractor or subcontractor performing work on any PCE Feed-in Tariff project utilize local businesses, union labor, multi-trade agreement, apprenticeship programs, and fair compensation practices including proper assignment of work to crafts that traditionally perform the work.

PCE Energy Efficiency Projects

PCE shall use best efforts to support local businesses, union labor, and local apprenticeship programs in the implementation of its energy efficiency programs. PCE shall use best efforts to ensure each construction contractor or subcontractor performing work on any PCE energy efficiency program utilize local businesses, union labor, local apprenticeship, and fair compensation practices in program implementation including proper assignment of work to crafts that traditionally perform the work.

PCE Services and Supplies

PCE shall use local business and fair compensation in the purchase of services and supplies for the agency. PCE will proactively seek services from local businesses and businesses that have been Green Business certified and/or are taking steps to protect the environment.

PCE Direct Hiring

PCE shall recruit local employees and graduates of local programs, schools, colleges and universities. PCE will provide fair compensation for its employees that aligns with regional market indicators for compensation levels for each position.





**PENINSULA CLEAN ENERGY
JPA Board Correspondence**

DATE: December 13, 2016
BOARD MEETING DATE: December 15, 2016
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: Majority Present

TO: Honorable Peninsula Clean Energy Authority Board of Directors
FROM: Jan Pepper, Chief Executive Officer, Peninsula Clean Energy
SUBJECT: Adopt PCEA Policy to Not Use Any Unbundled RECs

RECOMMENDATION: Have Peninsula Clean Energy Authority (PCEA) formally adopt a policy to not use unbundled renewable energy credits (RECs) for meeting PCEA's renewable energy goals.

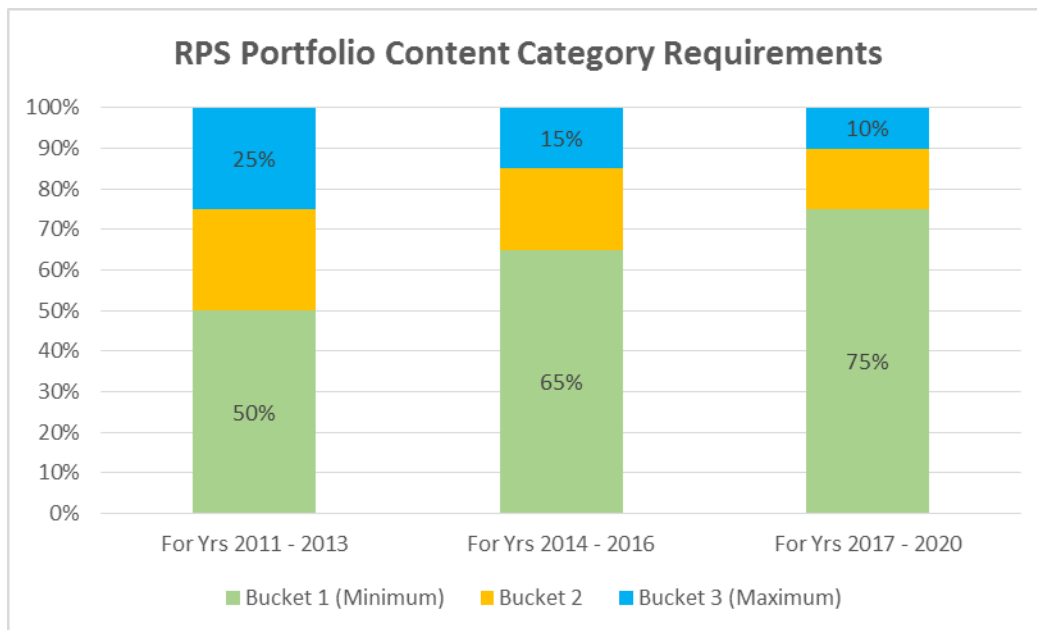
BACKGROUND: On November 12th at the special meeting of the Board, the topic of unbundled renewable energy credits (RECs) came up during discussions about PCEA adopting strategic goals. Although there has always been a general consensus to not use unbundled RECs, the Board discussed creating and adopting a policy.

DISCUSSION: According to the U.S. Department of Energy's website: Renewable energy certificates (RECs), also known as renewable energy credits, green certificates, green tags, or tradable renewable certificates, represent the environmental attributes of the power produced from renewable energy projects and are sold separate from commodity electricity. Customers can buy green certificates whether or not they have access to green power through their local utility or a competitive electricity marketer and they can purchase RECs without having to switch electricity suppliers.

For meeting the requirements of California's Renewable Portfolio Standard (RPS), RECs are tracked through the Western Renewable Energy Generation Information

System (WREGIS). The RPS legislation defines and allows three categories of RECs to meet the California RPS requirements:

- Bucket 1, which is generally when the renewable energy is produced from California based projects, and the REC and the energy are delivered together.
- Bucket 2, which is from out-of-state renewable energy projects, when the renewable energy may be produced at a different time than the energy is delivered to California, but is balanced over the course of a year.
- Bucket 3, which are unbundled RECs, where the renewable energy attributes are separated from the energy (i.e. unbundled) and the energy and RECs can be delivered to different purchasers. Each unbundled REC is created because 1 MWh of renewable energy was produced in some location.



The Unbundled, or Bucket 3, RECS provide consumers a means to support renewable energy generation and meet clean energy goals. However, many members of the PCEA Board, Executive Committee, and Citizens Advisory Committee have expressed concerns about how unbundled RECs have been used and misused to give the impression that polluters are more “green” and “clean” than they actually are. Although each unbundled REC is created because 1 MWh of renewable energy has been generated to create that REC, the use of unbundled RECs has created confusion in the market.

There is general consensus that PCEA should set an example in the industry and among Community Choice Aggregators to adopt a policy to not use Unbundled RECs.

FISCAL IMPACT: Unbundled RECs (Bucket 3) RECs are less expensive than Bucket 1 or Bucket 2 RECs. The decision to not use Bucket 3 RECs will increase the cost of renewable energy for PCE.

ATTACHMENTS: Policy 10



Policy Number: 10
Adoption Date:

Subject: Unbundled Renewable Energy Credits (RECs)

Policy: Peninsula Clean Energy Authority (PCEA) shall not use unbundled renewable energy credits (RECs) for meeting its renewable energy goals.



**PENINSULA CLEAN ENERGY
JPA Board Correspondence**

DATE: December 12, 2016
BOARD MEETING DATE: December 15, 2016
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: None

TO: Honorable Peninsula Clean Energy Authority Board of Directors
FROM: Jan Pepper, Chief Executive Officer, Peninsula Clean Energy
SUBJECT: Update on Formation of New Citizens Advisory Committee

RECOMMENDATION: Form an ad hoc committee to create an application process, vet applicants, and provide input for a resolution to form of a new Citizens Advisory Committee (CAC).

BACKGROUND:

On March 24, 2016, PCE's Board of Directors, comprised only of elected officials, met for the first time and an ad hoc Citizens Advisory Committee was formed of the non-elected CCE Advisory Committee members. The board's intent was to have this committee serve until PCE was launched in October. On September 22, 2016, the PCE board voted to extend the CAC until the end of the year.

The goal of PCE is to reduce greenhouse gas emissions by providing cleaner power to County residents and businesses at competitive rates. PCE will also develop new renewable energy sources, including within San Mateo County, and implement programs to further reduce greenhouse gas emissions. Key actions of the organization include:

- Purchasing electricity.
- Determining the renewable and GHG-free share of the default electricity product.
- Setting rates.
- Determining which renewable projects to fund.
- Implementing programs to further reduce greenhouse gas emissions such as energy efficiency, energy storage and EV charging stations.
- Encouraging customers to opt up to the 100% GHG-free ECO100 plan and take other actions to reduce carbon emissions.

To further PCE's mission, the CAC would:

- Act as a liaison to the community.
- Provide input on both specific PCE board agenda items as well as on PCE's general policy and operational objectives.
- Engage in outreach to the community, including encouraging customers to opt-up to ECO100 and implement other carbon reducing practices.
- Assist with legislative advocacy and key advisory actions.
- Provide a forum for community discussions on a wide variety of strategies to reduce carbon emissions, including on local projects to be taken on by PCE.

DISCUSSION:

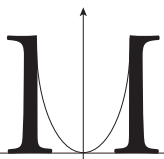
On November 17, 2016, the board approved the establishment of a standing committee that would serve as a new Citizens Advisory Committee. We propose that the new CAC be comprised of 15 members drawn from the community and appointed by the PCE board, and meet either quarterly or every other month. Members might be affiliated with a community group, but would not formally represent that group on the CAC. Members would be selected by the board after an application process where candidates would first be vetted by an ad hoc committee of the board. We encourage selecting applicants who are:

- From geographically diverse areas of the County.
- Have relevant backgrounds or expertise related to the electricity field and/or community outreach and engagement.
- Have the capability to build connections to local communities to encourage adoption of ECO100 and other carbon reducing practices.

The CAC would be chaired by a member of the CAC selected by the CAC membership. The CAC Chair, or the Chair's designee, would provide a report to the PCE board at each PCE board meeting.

FISCAL IMPACT:

The fiscal impact of continuation of the CAC is staff time to prepare for and conduct the CAC meetings.



ACCOUNTANTS' COMPILATION REPORT

Board of Directors
Peninsula Clean Energy Authority

Management is responsible for the accompanying financial statements of Peninsula Clean Energy Authority (a California Joint Powers Authority) which comprise the statement of net position as of October 31, 2016, and the related statement of revenues, expenses, and changes in net position, and the statement cash flows for the period then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the accompanying statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, conclusion, nor provide any assurance on these financial statements.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Authority's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to the Authority because we performed certain accounting services that impaired our independence.

Maher Accountancy

San Rafael, CA
December 6, 2016

PENINSULA CLEAN ENERGY AUTHORITY

STATEMENT OF NET POSITION

As of October 31, 2016

ASSETS

Current assets	
Cash and cash equivalents	\$ 4,328,101
Receivable from County of San Mateo	1,421,633
Accrued revenue	4,144,723
Prepaid expenses	101,200
Total current assets	<u>9,995,657</u>
Noncurrent assets	
Capital assets, net of depreciation	1,619
Deposits	100,000
Total noncurrent assets	<u>101,619</u>
Total assets	<u>10,097,276</u>

LIABILITIES

Current liabilities	
Accounts payable	172,856
Accrued cost of electricity	2,394,546
Accrued interest payable	23,902
Accrued payroll and compensated absences	25,799
Other accrued liabilities	156,000
User taxes and energy surcharges due to other governments	132
Total current liabilities	<u>2,773,235</u>
Noncurrent liabilities	
Loan payable to bank	3,000,000
Loans payable to County of San Mateo	4,480,800
Total noncurrent liabilities	<u>7,480,800</u>
Total liabilities	<u>10,254,035</u>

NET POSITION

Net investment in capital assets	1,619
Unrestricted (deficit)	(158,378)
Total net position	<u>\$ (156,759)</u>

PENINSULA CLEAN ENERGY AUTHORITY

STATEMENT OF REVENUES, EXPENSES

AND CHANGES IN NET POSITION

July 1, 2016 through October 31, 2016

OPERATING REVENUES

Electricity sales, net	\$ 4,144,590
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OPERATING EXPENSES

Cost of electricity	2,394,546
Staff compensation and benefits	168,449
Data manager	80,000
Service fees - PG&E	4,470
Consultants and other professional fees	69,741
Legal	124,983
Communications and noticing	409,452
General and administration	30,579
Depreciation	46
Total operating expenses	<u>3,282,266</u>
Operating income (loss)	<u>862,324</u>

NONOPERATING REVENUES (EXPENSES)

Interest income	5,259
Interest and related expense	(46,291)
Financing costs	<u>(23,202)</u>
Total nonoperating revenues (expenses)	<u>(64,234)</u>

CHANGE IN NET POSITION

Net position at beginning of period	<u>(954,849)</u>
Net position at end of period	<u>\$ (156,759)</u>

PENINSULA CLEAN ENERGY AUTHORITY

STATEMENT OF CASH FLOWS
July 1, 2016 through October 31, 2016

CASH FLOWS FROM OPERATING ACTIVITIES

Payments to purchase electricity	(101,200)
Payments for staff compensation and benefits	(164,596)
Payments for consultants and other professional fees	(28,157)
Payments for legal fees	(248,825)
Payments for communications and noticing	(287,371)
Payments for general and administration	(25,859)
Net cash provided (used) by operating activities	<u>(856,008)</u>

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

Deposits and collateral paid	(100,000)
Interest and related expense payments	(29,051)
Finance costs	<u>(23,202)</u>
Net cash provided (used) by non-capital financing activities	<u>(152,253)</u>

**CASH FLOWS FROM CAPITAL AND RELATED
FINANCING ACTIVITIES**

Acquisition of capital assets	<u>(1,665)</u>
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CASH FLOWS FROM INVESTING ACTIVITIES

Interest income received	<u>5,259</u>
Net change in cash and cash equivalents	(1,004,667)
Cash and cash equivalents at beginning of year	<u>5,332,768</u>
Cash and cash equivalents at end of period	<u><u>\$ 4,328,101</u></u>

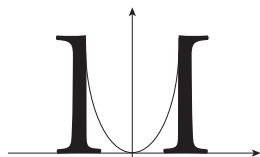
PENINSULA CLEAN ENERGY AUTHORITY

STATEMENT OF CASH FLOWS (continued)

July 1, 2016 through October 31, 2016

**RECONCILIATION OF OPERATING INCOME (LOSS) TO NET
CASH PROVIDED (USED) BY OPERATING ACTIVITIES**

Operating income (loss)	\$ 862,324
Adjustments to reconcile operating income to net cash provided (used) by operating activities	
Depreciation expense	46
(Increase) decrease in other receivables	(300)
(Increase) decrease in accrued revenue	(4,144,723)
(Increase) decrease in prepaid expenses	(101,200)
Increase (decrease) in accounts payable	172,856
Increase (decrease) in accrued cost of electricity	2,394,546
Increase (decrease) in accrued liabilities	(39,689)
Increase (decrease) in user taxes and energy surcharges due to other governments	132
Net cash provided (used) by operating activities	<u><u>\$ (856,008)</u></u>



ACCOUNTANTS' COMPILATION REPORT

Board of Directors
Peninsula Clean Energy Authority

Management is responsible for the accompanying special purpose statement of Peninsula Clean Energy Authority (a California Joint Powers Authority) which comprise the budgetary comparison schedule for the period ended October 31, 2016, and for determining that the budgetary basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the accompanying statement nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any assurance on this special purpose budgetary comparison statement.

The special purpose statement is prepared in accordance with the budgetary basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. This report is intended for the information of the Board of Directors of PCE.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the special purpose budgetary comparison statement, they might influence the user's conclusions about the Authority's results of operations. Accordingly, this special purpose budgetary comparison statement is not designed for those who are not informed about such matters.

We are not independent with respect to the Authority because we performed certain accounting services that impaired our independence.

Maher Accountancy

San Rafael, CA
December 6, 2016



**PENINSULA CLEAN ENERGY AUTHORITY
OPERATING FUND
BUDGETARY COMPARISON SCHEDULE
July 1, 2016 through October 31, 2016**

	2016/17 YTD Budget	2016/17 YTD Actual	2016/17 YTD Budget Variance (Under) Over	2016/17 YTD Actual/Budget %	2016/17 Annual Budget	2016/17 Budget Remaining
REVENUE AND OTHER SOURCES						
Revenue - Electricity	\$ 5,458,233	4,159,147	\$ (1,299,086)	76%	\$ 85,882,760	\$ 81,723,613
Revenue - Green Premium	12,520	-	(12,520)	0%	267,843	267,843
Other Source - bank loan proceeds *	3,000,000	-	(3,000,000)	0%	12,000,000	12,000,000
Interest income	-	5,259	5,259	na	-	(5,259)
Total revenue and other sources	<u>8,470,753</u>	<u>4,164,406</u>	<u>(4,306,347)</u>	<u>49%</u>	<u>98,150,603</u>	<u>93,986,197</u>
EXPENDITURES AND OTHER USES						
CURRENT EXPENDITURES						
Cost of energy	3,654,483	2,394,494	(1,259,989)	66%	73,298,147	70,903,653
Internal staffing	371,249	165,031	(206,218)	44%	1,711,250	1,546,219
Benefits	128,499	3,418	(125,081)	3%	673,000	669,582
Outreach and communications	180,000	187,936	7,936	104%	440,000	252,064
Technical consultants	100,000	52,223	(47,777)	52%	255,000	202,777
Legal and regulatory	90,000	124,983	34,983	139%	450,000	325,017
Data manager	79,326	80,000	674	101%	1,363,853	1,283,853
Customer noticing	165,000	221,516	56,516	134%	755,000	533,484
Energy Programs (including NEM)	83,333	52	(83,281)	0%	1,022,500	1,022,448
PG&E service fees	35,871	4,470	(31,401)	12%	564,892	560,422
General and administration	204,167	30,579	(173,588)	15%	800,625	770,046
Other consultants	-	17,518	17,518	na	-	(17,518)
Total current expenditures	<u>5,091,928</u>	<u>3,282,220</u>	<u>(1,809,708)</u>	<u>64%</u>	<u>81,334,267</u>	<u>78,052,047</u>
OTHER USES						
Rate stabilization reserve	273,538	-	(273,538)	0%	4,757,530	4,757,530
Bad debt reserve	19,104	14,557	(4,547)	76%	300,590	286,033
CCA Bond, CAISO and PG&E deposits	635,000	100,000	(535,000)	16%	635,000	535,000
Total other uses	<u>927,642</u>	<u>114,557</u>	<u>(813,085)</u>	<u>12%</u>	<u>5,693,120</u>	<u>5,578,563</u>
DEBT SERVICE	78,384	69,493	(8,891)	89%	376,675	307,182
Total expenditures, Other Uses and Debt Service	<u>6,097,954</u>	<u>3,466,270</u>	<u>(2,631,684)</u>	<u>57%</u>	<u>87,404,062</u>	<u>83,937,792</u>
Net increase (decrease) in available fund balance	<u>\$ 2,372,799</u>	<u>\$ 698,136</u>	<u>\$ (1,674,663)</u>	<u>29%</u>	<u>\$ 10,746,541</u>	<u>\$ 10,048,405</u>

* \$3,000,000 proceeds from Barclays loan occurred prior to this fiscal year

PENINSULA CLEAN ENERGY AUTHORITY
OPERATING FUND
BUDGET RECONCILIATION TO STATEMENT OF
REVENUES, EXPENSES AND CHANGES IN NET POSITION
July 1, 2016 through October 31, 2016

Net increase (decrease) in available fund balance per budgetary comparison schedule:	\$ 698,136
Adjustments needed to reconcile to the changes in net position in the Statement of Revenues, Expenses and Changes in Net Position:	
Subtract depreciation expense	(46)
Add back collateral deposits	<u>100,000</u>
Change in net position	<u><u>\$ 798,090</u></u>



**SPECIAL MEETING of the Board of Directors of the
Peninsula Clean Energy Authority (PCEA)
Saturday, November 12, 2016
MINUTES**

Portola Valley Community Hall
765 Portola Rd, Portola Valley, CA 94028
9:00 am – 3:00 pm

CALL TO ORDER

Meeting was called to order at 9:13 a.m.

ROLL CALL

Present: Dave Pine, County of San Mateo, *Chair*
Carole Groom, County of San Mateo
Rick DeGolia, Town of Atherton
Charles Stone, City of Belmont
Lori Liu, City of Brisbane
Donna Colson, City of Burlingame
Larry Moody, City of East Palo Alto
Elizabeth Cullinan, Town of Hillsborough
Wayne Lee, City of Millbrae
John Keener, City of Pacifica
Jeff Aalfs, Town of Portola Valley, *Vice Chair*
Ian Bain, City of Redwood City
Marty Medina, City of San Bruno
Cameron Johnson, City of San Carlos
Pradeep Gupta, City of South San Francisco
Daniel Yost, Town of Woodside

Absent: Joseph Silva, Town of Colma
Michael Guingona, City of Daly City
Gary Pollard, City of Foster City
Deborah Penrose, City of Half Moon Bay
Catherine Carlton, City of Menlo Park
Joe Goethals, City of San Mateo

Staff: Jan Pepper, Chief Executive Officer
David Silberman, General Counsel
Nirit Eriksson, Associate General Counsel

George Wiltsee, Director of Power Resources and Energy Programs
Dan Lieberman, Director of Marketing and Public Affairs
Anne Bartoletti, Board Clerk / Executive Assistant to the CEO
Carolyn Raider, Office of Sustainability

A quorum was established.

ACTION TO SET THE AGENDA

Motion Made / Seconded: Moody / Yost

Motion passed unanimously 16-0 (Absent: Silva, Guingona, Pollard, Penrose, Carlton, Goethals)

PUBLIC COMMENT

No public comment

REGULAR AGENDA

1. ADOPT PCEA MISSION STATEMENT AND LONG-TERM STRATEGIC GOALS

Jan Pepper—Chief Executive Officer—introduced the agenda for the day, and introduced Shawn Marshall from Lean Energy, who would facilitate the discussion.

a. Mission Statement

Shawn Marshall explained that the mission statement for the Peninsula Clean Energy Authority (PCEA) should describe who we are and what our purpose is. It should be clear, concise, accurate, and memorable, which means it should also be short. She said the documents in the agenda packet came from several meetings, as well as research on other CCAs and nonprofits.

Jan distributed some comments and feedback from the Citizens Advisory Committee (CAC) meeting that took place on Thursday night, November 10th.

Board members reviewed three draft Mission Statement options that were presented for consideration. After discussion, the Board arrived at the following version of the PCEA Mission Statement: Peninsula Clean Energy is San Mateo County's locally controlled electricity provider. We are reducing greenhouse gas emissions and offering customer choice at competitive rates.

PUBLIC COMMENT on the Mission Statement

Sue Chow
Michael Closson
James Tuleya

Motion Made / Seconded: Stone / Gupta

Motion passed unanimously 16-0 (Absent: Silva, Guingona, Pollard, Penrose, Carlton, Goethals)

b. Strategic Goals

Shawn Marshall introduced the strategic goals by saying they usually have a shelf life of 5-7 years, they should cover different aspects of what you do, they should be limited to no more than 10, and they should be accurate, aspirational, and achievable. Shawn explained that the draft goals were based on some of the other CCAs, but not every CCA has strategic goals.

The Board reviewed a recap the CAC's feedback, and a handout of the CCA / CCE Policy Goals for the Loma Prieta Chapter of the Sierra Club. Initial discussion focused on economic and workforce benefits, prevailing wage vs living wage, whether or not affordability should be a goal, and that PCE should have a policy statement to not purchase Class 3 RECs.

There was extensive discussion on when to reach 100% greenhouse gas (GHG) free. The Board expressed a desire for goal dates to be as soon as possible, but also realistic. Dave Pine suggested having PCEA staff look at the dates and come back to the Board with a recommendation.

Other draft goals were discussed, revised, combined, or eliminated. Chair Pine and Supervisor Groom suggested giving the Board time to review these goals in their final form at the next Board meeting. No formal action was taken on the strategic goals.

PUBLIC COMMENT on Strategic Goals

Ted Howard
Sue Chow
Kirsten Schwind
James Tuleya

The meeting was paused at 12:05 p.m. so the Board could break for lunch.
The meeting restarted at 12:41 p.m.

2. DISCUSS AND POSSIBLY ADOPT POLICIES ON QUALITATIVE EVALUATION CRITERIA FOR PCE SUPPLIERS

Shawn Marshall explained that the draft "Statement on Ethical Vendor Standards" came out of Board meeting discussions on energy providers and the vendors with which PCEA conducts business. The CAC reviewed this draft and provided feedback that the statement doesn't address dishonest or deceptive business practices.

There was general consensus by the Board that the draft statement does refer to dishonest or deceptive business practices. Discussion focused on environmental justice, environmental health problems, and environmental impacts on people. After some minor adjustments, there was consensus that the Policy Statement on Ethical Vendor Standards should be: Peninsula Clean Energy (PCE) is committed to the highest standards of responsible behavior and integrity in all of its business relationships. PCE will consider a company's business practices, environmental track record, and commitment to sustainability in its procurement decisions.

No formal vote was taken on this item.

PUBLIC COMMENT

Ann Schneider
Michael Closson

3. OVERVIEW OF PCE'S PROCUREMENT REQUIREMENTS

Jan Pepper introduced the presentation on power procurement requirements, and discussed load forecasts, energy products, matching supply to load, and renewable generation profiles. George Wiltsee discussed how the grid is managed in California, the region, and nationally. He also explained solar PV (photovoltaic) basics, and solar technology and price trends.

Direct Energy provided proprietary slides for this part of the presentation that cannot be published. Those slides were removed from the final presentation slide deck.

4. PCIA – ITS HISTORY AND CURRENT REGULATORY ISSUES

Pradeep Gupta explained that the Power Charge Indifference Adjustment (PCIA) charge is the cost of contracts bought by PG&E on behalf of PCE customers before they left PG&E. He outlined the CPUC decisions that created the PCIA methodology, and the impact of PCIA on PCE rates. Pradeep also discussed the PCIA Working Group within the CPUC, and their plans to address PCIA charges in the future.

PUBLIC COMMENT:

Michael Closson

5. PROVIDE INPUT ON FUTURE OF CITIZENS ADVISORY COMMITTEE

Due to the time, this discussion item was postponed to the next Board meeting.

6. WRAP-UP

Dave Pine thanked everyone for their attendance and participation. He said educational programs like these are very important, and asked the Board members to communicate any future questions or topics they'd like to have addressed.

ADJOURNMENT

Meeting was adjourned.



**REGULAR MEETING of the Board of Directors of the
Peninsula Clean Energy Authority (PCEA)
Thursday, November 17, 2016
MINUTES**

San Mateo County Office of Education, Corte Madera Room
101 Twin Dolphin Drive, Redwood City, CA 94065
6:30pm

CALL TO ORDER

Meeting was called to order at 6:36 pm.

ROLL CALL

Present: Jeff Aalfs, Town of Portola Valley, *Vice Chair*
Carole Groom, County of San Mateo
Rick DeGolia, Town of Atherton
Greg Scoles, City of Belmont
Sigalle Michael, City of Burlingame
Lisa Gauthier, City of East Palo Alto
Gary Pollard, City of Foster City
Deborah Penrose, City of Half Moon Bay
Elizabeth Cullinan, Town of Hillsborough
John Keener, City of Pacifica
Ian Bain, City of Redwood City
Marty Medina, City of San Bruno
Cameron Johnson, City of San Carlos
Daniel Yost, Town of Woodside

Absent: Dave Pine, County of San Mateo, *Chair*
Lori Liu, City of Brisbane
Joseph Silva, Town of Colma
Michael Guingona, City of Daly City
Catherine Carlton, City of Menlo Park
Wayne Lee, City of Millbrae
Joe Goethals, City of San Mateo
Pradeep Gupta, City of South San Francisco

Staff: Jan Pepper, Chief Executive Officer
Nirit Eriksson, Associate General Counsel

George Wiltsee, Director of Power Resources and Energy Programs
Dan Lieberman, Director of Marketing and Public Affairs
Gordon Tong, Office of Sustainability
Carolyn Raider, Office of Sustainability

A quorum was established.

ACTION TO SET THE AGENDA AND APPROVE CONSENT AGENDA ITEMS

Motion Made / Seconded: Yost/ Pollard

Motion passed unanimously 14-0 (Absent: Pine, Liu, Silva, Guingona, Carlton, Lee, Goethals, Gupta)

PUBLIC COMMENT

No public comment.

REGULAR AGENDA

1. CHAIR REPORT

Vice Chair Aalfs praised the good work that was done at the Board Retreat on November 12th. He announced that he had met one of the Commissioners on the California Public Utilities Commission (CPUC) today, and met with another Commissioner's staff. He also announced that PCEA is moving forward with a Request for Offers for renewable supply.

2. CEO REPORT

Jan Pepper—Chief Executive Officer—announced that Peninsula Clean Energy (PCE) is hiring. One position just closed for a Community Outreach Manager / Coordinator, and two other positions are closing on November 28th and December 1st for a Customer Care Director/Manager and a Manager of Contracts and Compliance. The next positions to be posted soon will be for an Energy Analyst and a Regulatory Analyst.

Jan also announced a series of meetings between members of the PCE Board and the CPUC. She explained the meetings are basically “meet and greet” opportunities, but they’re also an opportunity to urge for more transparency in the Power Charge Indifference Adjustment (PCIA).

3. PROVIDE AN UPDATE ON THE CITIZENS ADVISORY COMMITTEE

The Board moved on to agenda item 4 first.

4. ADOPT A RESOLUTION ON FORMATION OF A CITIZENS ADVISORY COMMITTEE

There was discussion about other advisory committees in the County that are good examples of what works. There was consensus that advisory committee members should be community representatives – representing PCE to the community and being a conduit for communication and ideas. There was also discussion on the committee’s “advisory” role, or input on “key advisory actions”. Nirit Eriksson—Associate General Counsel—explained that whatever is the consensus of the group would be brought back as a resolution at a future meeting.

An application process was discussed, as well as a need for broad communication to ensure awareness so interested parties have a chance to apply. It was suggested that PCE engage the cities and county contacts, as well as local papers and social media, to reach out across the county.

PUBLIC COMMENT:

Mark Roest, SeaWave Battery, Inc.

3. PROVIDE AN UPDATE ON THE CITIZENS ADVISORY COMMITTEE

Michael Closson of Menlo Spark was selected by colleagues on the CAC to speak on behalf of the committee. A summary of discussion from the last CAC meeting was reported at the retreat, but he reported the following recommendations from the CAC: they like the idea of an application process, limiting the size to 15 members, and in the CAC memo they suggest changing “ratepayers” to “customers” in the 3rd bullet under “To further PCE’s mission, the CAC would:”, and in the 5th bullet, adding “including on local projects to be taken on by PCE.” He said the CAC thinks it’s important to include some people from stakeholder groups because they can report back and get others more involved.

Motion Made on Item 4 / Seconded: Yost / Penrose

Motion passed unanimously 14-0 (Absent: Pine, Liu, Silva, Guingona, Carlton, Lee, Goethals, Gupta)

5. PROVIDE AN UPDATE ON RECENT COMMUNITY OUTREACH AND MARKETING EFFORTS

Dan Lieberman—Director of Marketing and Public Affairs—presented two community presentations since the last board meeting, and both were well attended. Website visits declined after the official roll-out and launch, but that was expected. PCE is preparing to run Facebook ads on ECO100 upgrades, and two final enrollment notices for Phase 1 are being sent.

Dan announced that Opt-out rates are still below 1%, which generated discussion about PCE’s energy needs in light of lower than expected opt-outs, and the continued upward trend on Opt-Ups. Jan Pepper explained that we have planned for increased energy needs.

6. DISCUSSION ON MARKETING MATERIALS IN DIFFERENT LANGUAGES

Dan requested guidance on producing marketing materials in different languages. He showed a table of what was done for Phase 1, the number of languages used for the call center and website, and the cost of sending over 1 million pieces of mail. Dan said that for every penny saved per piece, that's \$10,000. There are opportunities to reduce costs by changing the layout.

He said that PCE would be the first CCA with PG&E to do a bill insert, so there's no track record on how that will/won't affect opt-out rates. Attendees at PCE's public workshops have asked if we've done a bill insert, and it would be nice to say yes. The pros and cons of bill inserts and postcards were discussed. It was confirmed that every mail piece must have the Terms and Conditions in English, and they cannot be condensed. Aside from English, the two languages most common in San Mateo County are Spanish and Mandarin. In Phase 1, two mailings had full translations into Spanish and Mandarin to select cities, and three final mailings had partial translations into Spanish and Mandarin sent to all residents. There was general consensus that using postcards and including a smaller amount of translation would work.

PUBLIC COMMENT:

James Tuleya
Mark Roest, SeaWave Battery, Inc.
Janet Creech

7. PROVIDE AN UPDATE ON THE RENEWABLE SUPPLY REQUEST FOR OFFERS

George Wiltsee—Director of Power Resources—said offers are being reviewed now, and he outlined the criteria being used to evaluate the projects and contracts, including project location (with a preference for California), buying locally and providing opportunities for local jobs, price, qualifications of the team, environmental impacts, financing plan, interconnectedness, wage requirements, multi-trade labor agreements, apprentice programs, etc. George also discussed Phase 2 interconnection, siting, zoning, permitting, price, transmission costs, and Resource Adequacy benefits.

George said the next step is meeting with an Ad Hoc committee of Board members recruited by Dave Pine, and then contacting bidders to discuss terms and resolve any points requiring negotiation. On December 5th PCE will notify all bidders on the status of their offers. Then next week, we'll receive executed signature pages from selected bidders, we'll brief the Board, and request approval for PCE to execute those contracts. He said we hope to have executed contracts before the holidays. George said there has been discussion about the CCAs coordinating and buying power together, but it's complicated. Additional questions and discussion revolved around prices coming down for renewables vs long term contracts.

8. ADOPT PCEA MISSION

Jan Pepper explained that the mission statement was approved at the retreat.

PUBLIC COMMENT:

Michael Closson, Menlo Spark
Mark Roest, SeaWave Battery, Inc.

9. ADOPT PCEA STRATEGIC GOALS

Jan Pepper initiated discussion on the eight goals that came out of the Board Retreat.

Supervisor Groom suggested adding “environmental justice” to the end of goal #4 so it reads: Demonstrate quantifiable economic benefits to the County/region and place a priority on local hiring and workforce development practices and environmental justice.

Jeff Aalfs asked about the proper process for handling any changes. Nirit Eriksson-- Associate General Counsel—explained that we can have a motion to accept amendments.

PUBLIC COMMENT:

James Tuleya
Mark Roest, SeaWave Battery, Inc.
Michelle Daher, East Palo Alto Environmental Coordinator
Diane Bailey, Menlo Spark

Ian Bain suggested changing the wording of the end of #5 so it reads: Implement Programs to further reduce greenhouse gas emissions by investing in programs such as local clean power production, electric vehicles, energy efficiency, and demand response, and partnering effectively with local business, schools, and nonprofit organizations.

Motion Made / Seconded: Bain / Groom

Motion passed unanimously 14-0 (Absent: Pine, Liu, Silva, Guingona, Carlton, Lee, Goethals, Gupta)

10. ADOPT PCEA POLICY ON ETHICAL VENDOR STANDARDS

Jan Pepper explained that the Board came to a consensus on the standards on Saturday at the retreat.

PUBLIC COMMENT:

Mark Roest, SeaWave Battery, Inc.

Motion Made / Seconded: DeGolia / Bain

Motion passed unanimously 14-0 (Absent: Pine, Liu, Silva, Guingona, Carlton, Lee, Goethals, Gupta)

11. REVIEW FINANCIAL STATEMENTS

Jan Pepper presented the current unaudited financial statements as of September 30, 2016. Operating Expenses and Net Position show current debt as a little over \$1 Million. She explained that we haven't spent as much as we expected mainly because we haven't hired more staff yet and we aren't paying rent. She said she will present additional details at the next Board meeting, and will have the accountant attend a future meeting.

12. BOARD MEMBERS REPORTS

None

ADJOURNMENT

Meeting was adjourned.



**PENINSULA CLEAN ENERGY
JPA Board Correspondence**

DATE: December 12, 2016
BOARD MEETING DATE: December 15, 2016
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: Majority Present

TO: Honorable Peninsula Clean Energy Authority Board of Directors
FROM: Jan Pepper, Chief Executive Officer, Peninsula Clean Energy
SUBJECT: Approve PCEA Employee Health Benefits Package

RECOMMENDATION: Approve a Peninsula Clean Energy Authority (PCEA) Health Benefits Package, which includes adoption of a Resolution of the Board approving the form of and authorizing execution of the Memorandum of Understanding and authorizing the Small Group Program Application / Program Participation Agreement for participation in the Special District Risk Management Authority (SDRMA) medical benefits.

BACKGROUND:

Peninsula Clean Energy (PCE) has intended, since its inception, to provide a progressive health benefits package to its employees. Jan Pepper, the first employee PCE hired, was able to obtain health coverage through San Mateo County Government because PCE hadn't obtained certain Human Resources services yet. This was intended to be a temporary offer of health benefits coverage, and was intended to be replaced by health benefits services contracted directly by and for PCE.

Due to PCE's lean employee profile, having a total of four employees as of September 6th, 2016, and with two of the four PCE employees having health benefits covered through their spouses, PCE was able to add one more employee to the San Mateo County Government health benefits through the end of 2016.

During the time from September through October, PCE sought to secure a health benefits package through Insperity, the company currently providing PCE payroll support and some benefits management services. PCE thought Insperity would be adding PCE employees to an existing group, thereby enabling PCE to obtain better rates and better coverage than if PCE sought benefits on its own. However, it turned out that PCE was

treated as an individual company with only two covered employees, and the actuarial impact resulted in extremely high rates for extremely limited coverage.

Through the assistance of Jay Costellano, Employee Benefits manager within the Human Resources department of the County of San Mateo, PCE was able to negotiate terms with SDRMA, a health insurance broker that provides benefits to several local government entities. PCE's status as a Joint Powers Authority and public agency enabled PCE to be eligible for SDRMA services, which provide much better rates and health benefits packages because each agency's employees are added to a larger pool of employees.

DISCUSSION:

PCE needs to provide employees with health benefits beginning January 1, 2017. SDRMA has offered PCE a health benefits package similar to the benefits packages provided to County of San Mateo employees, with the best coverage for the most reasonable rates that PCE has been able to negotiate.

We request that the Board adopt this Resolution approving the form of and authorizing execution of the Memorandum of Understanding and authorizing participation in the SDRMA medical benefits.

General Counsel has reviewed and approved the attached Resolution, the Memorandum of Understanding, and the Program Participation Agreement.

FISCAL IMPACT:

The cost of providing health benefits for PCEA employees has been an expected part of the budget. The cost of covering health benefits for the current PCEA employees plus the additional projected new hires up to 20 employees in 2017, would exceed \$100,000, and therefore requires Board approval.

ATTACHMENTS

- A. Resolution of the (Governing Body) of Peninsula Clean Energy Authority approving the form of and authorizing the execution of a memorandum of understanding and authorizing participation in the Special District Risk Management Authority's (SDRMA) health benefits program.
- B. Memorandum of Understanding relating to the SDRMA's medical benefits.
- C. Small Group Program Application - Program Participation Agreement.
- D. Table of PCE Benefits.

RESOLUTION NO. _____

A RESOLUTION OF THE (GOVERNING BODY) OF Peninsula Clean Energy Authority
APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION OF A
MEMORANDUM OF UNDERSTANDING AND AUTHORIZING PARTICIPATION IN THE
SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY'S HEALTH BENEFITS
PROGRAM

WHEREAS, Peninsula Clean Energy Authority, a public agency duly organized and existing under and by virtue of the laws of the State of California (the "ENTITY"), has determined that it is in the best interest and to the advantage of the ENTITY to participate in Health Benefits offered by the Special District Risk Management Authority (the "Authority"); and

WHEREAS, the Authority was formed in 1986 in accordance with the provisions of California Government Code 6500 *et seq.*, for the purpose of providing risk financing, risk management programs and other coverage protection programs; and

WHEREAS, participation in Authority programs requires the ENTITY to execute and enter into a Memorandum of Understanding which states the purpose and participation requirements for Health Benefits; and

WHEREAS, all acts, conditions and things required by the laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of the transactions authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the ENTITY is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such transactions for the purpose, in the manner and upon the terms herein provided.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE ENTITY AS FOLLOWS:

Section 1. Findings. The ENTITY's Governing Body hereby specifically finds and determines that the actions authorized hereby relate to the public affairs of the ENTITY.

Section 2. Memorandum of Understanding. The Memorandum of Understanding, to be executed and entered into by and between the ENTITY and the Authority, in the form presented at this meeting and on file with the ENTITY's Secretary, is hereby approved. The ENTITY's Governing Body and/or Authorized Officers ("The Authorized Officers") are hereby authorized and directed, for and in the name and on behalf of the ENTITY, to execute and deliver to the Authority the Memorandum of Understanding.

Section 3. Program Participation. The ENTITY's Governing Body approves participating in the Special District Risk Management Authority's Health Benefits Program.

Section 4. Other Actions. The Authorized Officers of the ENTITY are each hereby authorized and directed to execute and deliver any and all documents which are necessary in order to consummate the transactions authorized hereby and all such actions heretofore taken by such officers are hereby ratified, confirmed and approved.

Section 5. Effective Date. This resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED this_____day of_____, 20____by the following vote:

AYES: _____

NOES: _____

ABSENT: _____

Name

Title

ENTITY Secretary

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING (HEREAFTER "MEMORANDUM") IS ENTERED INTO BY AND BETWEEN THE SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY (HEREAFTER "SDRMA") AND THE PARTICIPATING PUBLIC ENTITY (HEREAFTER "ENTITY") WHO IS SIGNATORY TO THIS MEMORANDUM.

WHEREAS, on August 1, 2006, SDRMA was appointed administrator for the purpose of enrolling small public entities typically having 250 or less employees into the CSAC - Excess Insurance Authority Health's ("CSAC-EIA Health") Small Group Health Benefits Program (hereinafter "PROGRAM"); and

WHEREAS, the terms and conditions of the PROGRAM as well as benefit coverage, rates, assessments, and premiums are governed by CSAC-EIA Health Committee for the PROGRAM (the "COMMITTEE") and not SDRMA; and.

WHEREAS, ENTITY desires to enroll and participate in the PROGRAM.

NOW THEREFORE, SDRMA and ENTITY agree as follows:

1. **PURPOSE.** ENTITY is signatory to this MEMORANDUM for the express purpose of enrolling in the PROGRAM.
2. **ENTRY INTO PROGRAM.** ENTITY shall enroll in the PROGRAM by making application through SDRMA which shall be subject to approval by the PROGRAM's Underwriter and governing documents and in accordance with applicable eligibility guidelines.
3. **MAINTENANCE OF EFFORT.** PROGRAM is designed to provide an alternative health benefit solution to all participants of the ENTITY including active employees, retired employees (optional), dependents (optional) and public officials (optional). ENTITY public officials may participate in the PROGRAM only if they are currently being covered and their own ENTITY's enabling act, plans and policies allow it. ENTITY must contribute at least the minimum percentage required by the eligibility requirements
4. **PREMIUMS.** ENTITY understands that premiums and rates for the PROGRAM are set by the COMMITTEE. ENTITY will remit monthly premiums based upon rates established for each category of participants and the census of covered employees, public officials, dependents and retirees.

Rates for the ENTITY and each category of participant will be determined by the COMMITTEE designated for the PROGRAM based upon advice from its consultants and/or a consulting Benefits Actuary and insurance carriers. In addition, SDRMA adds an administrative fee to premiums and rates set by the COMMITTEE for costs associated with administering the PROGRAM. Rates may vary depending upon factors including, but not limited to, demographic characteristics, loss experience of all public entities participating in the PROGRAM and differences in benefits provided (plan design), if any.

- a. SDRMA will administrate a billing to ENTITY each month, with payments due by the date specified by SDRMA. Payments received after the specified date will accrue penalties. Premiums are based on a full month and there are no partial months or prorated premiums.
- b. ENTITY must send notification of termination of benefits for a covered employee or dependent to SDRMA within 31 days of the date of termination. Benefits will be terminated the last day of the month in which the termination occurred. If the termination notice is received after 31 days of the date of termination, the request must be approved by the PROGRAM to terminate coverage. All requests may not be approved; therefore participants may need to wait for open enrollment to elect the change (termination). If the termination is due to an employee terminating employment, if not approved to retroactively terminate coverage, coverage will be terminated prospectively at the end of the month.

5. **BENEFITS.** Benefits provided to ENTITY participants shall be as set forth in ENTITY's Plan Summary for the PROGRAM and as agreed upon between the ENTITY and its recognized employee organizations as applicable. Not all plan offerings will be available to ENTITY, and plans requested by ENTITY must be submitted to PROGRAM underwriter for approval.
6. **COVERAGE DOCUMENTS.** Except as otherwise provided herein, CSAC-EIA Health documents outlining the coverage provided, including terms and conditions of coverage, are controlling with respect to the coverage of the PROGRAM.
7. **PROGRAM FUNDING.** It is the intent of this MEMORANDUM to provide for a fully funded PROGRAM by any or all of the following: pooling risk; purchasing individual stop loss coverage to protect the pool from large claims; and purchasing aggregate stop loss coverage.
8. **ASSESSMENTS.** Should the PROGRAM not be adequately funded for any reason, pro-rata assessments to the ENTITY may be utilized to ensure the approved funding level for applicable policy periods. Any assessments which are deemed necessary to ensure approved funding levels shall be made upon the determination and approval of the COMMITTEE in accordance with the following:
 - a. Assessments/dividends will be used sparingly. Generally, any over/under funding will be factored into renewal rates.
 - b. If a dividend/assessment is declared, allocation will be based upon each ENTITY's proportional share of total premiums paid for the preceding 3 years. An ENTITY must be a current participant to receive a dividend, except upon termination of the PROGRAM and distribution of assets.
 - c. ENTITY will be liable for assessments for 12 months following withdrawal from the PROGRAM.
 - d. Fund equity will be evaluated on a total PROGRAM-wide basis as opposed to each year standing on its own.
9. **WITHDRAWAL.** ENTITY may withdraw subject to the following condition: ENTITY shall notify SDRMA and the PROGRAM in writing of its intent to withdraw at least 90 days prior to their requested withdrawal date. ENTITY may rescind its notice of intent to withdraw. Once ENTITY withdraws from the PROGRAM, there is a 3-year waiting period to come back into the PROGRAM, and the ENTITY will be subject to underwriting approval again.
10. **LIAISON WITH SDRMA.** Each ENTITY shall maintain staff to act as liaison with the SDRMA and between the ENTITY and the SDRMA's designated PROGRAM representative.
11. **GOVERNING LAW.** This MEMORANDUM shall be governed in accordance with the laws of the State of California.
12. **VENUE.** Venue for any dispute or enforcement shall be in Sacramento, California.
13. **ATTORNEY FEES.** The prevailing party in any dispute shall be entitled to an award of reasonable attorney fees.
14. **COMPLETE AGREEMENT.** This MEMORANDUM together with the related PROGRAM documents constitutes the full and complete agreement of the ENTITY.
15. **SEVERABILITY.** Should any provision of this MEMORANDUM be judicially determined to be void or unenforceable, such determination shall not affect any remaining provision.
16. **AMENDMENT OF MEMORANDUM.** This MEMORANDUM may be amended by the SDRMA Board of Directors and such amendments are subject to approval of ENTITY's signatory to this MEMORANDUM.

Any ENTITY who fails or refuses to execute an amendment to this MEMORANDUM shall be deemed to have withdrawn from the PROGRAM on the next annual renewal date.

17. EFFECTIVE DATE. This MEMORANDUM shall become effective upon the signing of this MEMORANDUM by the ENTITY and Chief Executive Officer or Board President of SDRMA.
18. EXECUTION IN COUNTERPARTS. This MEMORANDUM may be executed in several counterparts, each of which shall be an original, all of which shall constitute but one and the same instrument.

In Witness Whereof, the undersigned have executed the MEMORANDUM as of the date set forth below.

Dated: _____

By: _____

Special District Risk
Management Authority

Dated: _____

By: _____

Peninsula Clean Energy Authority

To: Peninsula Clean Energy Authority
From: EIA Underwriting
Date: November 14, 2016
Re: Peninsula Clean Energy Authority: Small Group Program Application

We are happy to approve the application of Peninsula Clean Energy Authority for acceptance and participation in the EIA Small Group program.

As part of this acceptance you will find two additional attachments to this letter:

1. Program Underwriting & Eligibility Rules
2. Program Participation Agreement

The Underwriting and Eligibility Rules are to serve as a general guide for program rules and expectations. These rules serve as expectations of member conduct within the program and are designed to protect both the pool and the member from actions that may increase the cost and risk in the program.

The Program Participation Agreement details the final terms of acceptance and any special exceptions or terms that have been made as part of this approval. Please read these terms carefully and contact your representative at GSRMA / SDRMA if you have any questions or clarifications.

Acceptance of the terms, completion and execution of the participation agreement will constitute full acceptance of the organization as a member of the program and eligible to participate in the insurance coverage program(s) applied for and accepted in this agreement. **Please return the signed Program Participation Agreement to SDRMA.**

We thank you for your interest in the EIA Small Group program and look forward to your participation in the program.

Sincerely,

Scott McClave

FOR INTERNAL USE ONLY

Application is:

☒

Accepted

☐

Rejected

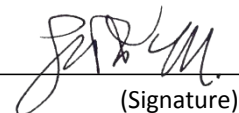
Case No. _____

Effective: 12/1/2016

Underwriter: Scott McClave

Date: 11/15/2016

By: _____


(Signature)

SMALL GROUP PROGRAM UNDERWRITING & ELIGIBILITY GUIDELINES

(Subject to attached Custom Contingencies and Caveats section)

Health Program Eligibility

Active Employees	Full-time salaried or hourly employees who are actively at work at least 30 hours per week.
Part-Time Employees	Part-time employees who are actively at work at least 20 hours per week.
Dependent Eligibility	Eligible dependents are covered to age 26 and will terminate coverage first of the month following 26th Birthday. Disabled dependents are covered regardless of age but must be approved by the plan administrator (claim fiduciary medical management) prior to annual enrollment.
COBRA Participants	Eligible to elect coverage through COBRA.
Board members, Trustees, Council Members, or Other Elected officials	Directors, board members, and other elected/appointed officials can only elect plan if they are eligible on the current plan and are subject to the same requirements as Active employees.
Retirees	To qualify for Medicare plans and rates, retiree must be enrolled in Medicare Parts A&B.
	Retired employees who are currently eligible and participating on the plan will be eligible to continue coverage under the program, if the coverage permits. Retirees who declined coverage may not enroll in any coverage at a subsequent enrollment date.
	Medicare eligible retirees must enroll in Medicare parts A&B.

Health Program Underwriting (Continued on next page)

Group Size Requirements	
Minimum/Maximum	Minimum: 2 Full-Time Active Employees. Maximum: 200-250 Employees
Participation Guidelines	
Active Employees or Retirees	<ul style="list-style-type: none">• Minimum participation of 75% of all eligible.• Non-Medicare Retirees cannot exceed 20% of the total covered population.
Employer Contributions	
Contributions should be structured to allocate cost for tiers with dependent coverage. Cash-Back or "Cash-in-lieu-of" employer contributions are not permitted unless a specific exception* has been made.	
Active Employees, Board members, Trustees, Council Members, or Other Elected officials	Employer pays Minimum 75% of the single-only cost, 50% suggested contribution for dependents.
Retirees	No minimum employer contribution.
Waiting Period	
Date of hire is not allowed unless hire date is on the first of the month. All plan changes resulting from Qualifying Events will be effective on the 1st of the month following the event.	
Waivers	

Coverage can only be waived with proof of group coverage through spouse, other group coverage, Medicare/Medical or COBRA.	
Carrier Guidelines	
Carrier: Blue Shield and Anthem Blue Cross	Carrier Limitations apply: "Blue on Blue" rules apply.
Alongside Another Carrier (Slice Coverage)	
Slice coverage (i.e. offering Kaiser as well as EIA Small Group plans) is not permitted as a rule, unless a specific exception* has been provided for.	
Lock-out period	
Groups that leave the EIA program are not allowed to return (re-apply) to the program for a 3-year period.	
Plan Selections and Combinations Guidelines	
Plan Selection	Subject to underwriting review and approval: <ul style="list-style-type: none"> 2-100 enrolled lives: 2 plans 101-200 enrolled lives: 3 plans
Plan Combinations	<ul style="list-style-type: none"> Only 1 HMO or HDHP plan may be offered to an employee group Plans requested in addition to HMO or HDHP require approval from EIA underwriting. Future plan changes are subject to review and approval by EIA underwriting

Eligibility Guidelines: Dental, Vision, Life, Disability and EAP

The following underwriting guidelines assume the employer will only be offering the EIA Small Group coverage plans.

Active Employees	Full-time salaried or hourly employees who are actively at work at least 30 hours per week.
Part-Time Employees	Part-time employees who are actively at work at least 20 hours per week.
COBRA Participants	<ul style="list-style-type: none"> Dental & Vision: Eligible to elect coverage through COBRA. Life/AD&D, Disability, EAP: Not eligible to elect coverage through COBRA.
Board members, Trustees, Council Members, or Other Elected officials	<ul style="list-style-type: none"> Dental, Vision, Life/AD&D, EAP: Directors, board members, and other elected/appointed officials can only elect plan if they are eligible on the current plan and are subject to the same requirements as Active employees. Supplemental Life and Disability: Not eligible.
Retirees	<ul style="list-style-type: none"> Dental and Vision: Retirees are eligible Life/AD&D, Disability, and EAP: Not eligible

Underwriting Guidelines: Dental, Vision, Life, Disability and EAP

Group Size Requirements	
Minimum/Maximum	Min: 2 Full-Time Active Employees Max: Up to 50 Employees*
Participation Guidelines	
Active Employees	<ul style="list-style-type: none"> • Dental and Vision: 75% of all eligible. • Life/AD&D, Disability, and EAP: 100% of all eligible
Employer Contributions	
Contributions should be structured to allocate cost for tiers with dependent coverage. Cash-Back or "Cash-in-lieu-of" employer contributions are not permitted unless a specific exception* has been made.	
Active Employees, Board members, Trustees, Council Members, or Other Elected officials	Employer pays 100% of the single-only cost, except for Supplemental Life.
Retirees	No minimum employer contribution (for eligible lines of coverage).
Carrier Guidelines	
Cannot be a current client of the following carriers: Delta, VSP, Voya or MHN.	
Lock-out period	
Groups that leave the EIA program are not allowed to return (re-apply) to the program for a 3-year period.	
Plan Selection Guidelines	
Plan Selection	<ul style="list-style-type: none"> • Employers can select only one plan to offer their employees and dependents. • Basic Life and AD&D: Employer must select a plan for each class of employee (Designated by level of benefit)

* At the discretion of EIA Underwriting. See Special Acceptance Terms section of Participation Agreement for further detail.

PROGRAM PARTICIPATION AGREEMENT

The coverage and premiums offered under this agreement are based on the information provided. The submission of any false information may result in the denial of coverage. The provision of known false or misleading information shall render this agreement null and void, and any insurance coverage offered hereunder shall be withdrawn retroactively to the effective date of the policy.

Peninsula Clean Energy Authority is approved for the following products:

Health	<input checked="checked" type="checkbox"/>	Dental	<input checked="checked" type="checkbox"/>	Vision	<input checked="checked" type="checkbox"/>	Life	<input checked="checked" type="checkbox"/>	Disability	<input checked="checked" type="checkbox"/>	EAP	<input type="checkbox"/>
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Future underwriting approval is required for coverage not requested / approved above.

Special Acceptance Terms

- Rate proposal assumes full takeover of existing benefit plans and carriers
- The current 50% participation is below EIA standards but an exception has been made because the waivers are enrolled in other group coverage through their spouses. Changes to this will warrant a re-evaluation of this exception.

Standard Acceptance Terms

- The Underwriting & Eligibility Rules are part of the terms of this agreement and apply unless stated otherwise in the Special Acceptance Terms.
- Proposed rates are guaranteed ONLY for the current population of **Peninsula Clean Energy Authority**, including all currently covered active employees, retirees and public officials (where approved).
- This proposal includes the following Affordable Care Act Government Fees (Health plans only)
 - Reinsurance Fee, PCORI Fee, Insurer Fee (where applicable)
- Rate proposal assumes current enrollment as provided in census file submitted in Interest Packet. The EIA reserves the right to potentially non-renew if the following changes occur and no corrective action is taken by the member organization:
 - If total program enrollment changes by more than 10%.
 - If the distribution of Actives versus non-Medicare Retirees changes by more than 10%.
 - If the tiered enrollment distribution changes by more than 10%.
 - If employer's contribution towards the employee only cost falls below 75%. This proposal assumes current employer contribution is at least 75% of employee-only cost unless a specific exception has been provided by underwriting.

GENERAL AGREEMENT AND SIGNATURE

Effective date requested:_____ (Actual date will be assigned by EIA if application is accepted). Application is hereby made to EIA or the appropriate affiliated company for Employee benefits coverage identified above. If this application is accepted, this Program Participation Agreement will become part of the agreement to join the program.

Upon Acceptance of the application, the **Peninsula Clean Energy Authority** will inform all persons who are eligible for coverage that they may apply for EIA coverage under the Agreement/Policy. By signing below applicant acknowledges receipt and adherence of EIA’s underwriting and eligibility guidelines and terms of the Participation Agreement.

By:_____ Title:_____
(Authorized Signature)

Printed Name:_____

HR Benefits Summary – Peninsula Clean Energy

As of January 1, 2017

Health Insurance:	PCE offers two Anthem Blue Cross medical options through SDRMA, a PPO and an HMO option. PCE contributes \$1000/month toward medical for employee; employee pays for dependents.
Dental Insurance:	PCE offers Delta Dental PPO, Medium Plan through SDRMA. PCE covers the cost of \$42/month for employee. PCE covers up to \$300/year for each dependent. Dependent cost is \$29/month for 1 dependent; \$69/month for 2 or more dependents.
Vision:	PCE offers VSP, Option 3, Plan B through SDRMA, covering the full cost of vision for the employee and dependents. PCE cost is \$7.96/month for employee; \$15.30/month for employee + 1 dependent; \$24.38/month for employee +2 or more dependents.
Flexible Spending:	PCE offers Flexible Spending Accounts through Paychex. The monthly cost to PCE is \$100 for plan administration.
Social Security:	PCE participates in Social Security – employer pays 50%, employee pays 50%.
Retirement – Defined Contribution Plan:	<p>a) Employer provides 6% of salary in 401(a) plan; employer provides additional 4% if matched by employee contributions in 457(b) plan described below. Employer contributions vest in equal amounts over 4 years.</p> <p>b) Employee can voluntarily contribute to 457(b) plan to IRS limits (\$18,000 per year; \$24,000/yr if over 50 years old); contributions are considered for the additional 4% employer match to the 401(a) plan</p>
Workmen's Comp:	Employer covers
State Unemployment:	Employer covers
Disability:	Employee pays State SDI
Vacation:	2 weeks vacation (80 hours), hire date through 3 years; 3 weeks vacation (120 hours), years 4 through 8; 4 weeks vacation (160 hours), years 9 and over; with max accrual of 240 hours
Management Leave:	80 hours per year, Manager Level and higher, with maximum accrual of 80 hours and no cash out upon leaving PCE. 40 hours per year for employees starting after July 1 in a calendar year.
Sick Leave:	10 days sick leave, with maximum accrual of 120 hours

Holidays: 11 paid holidays per year + 4 floating holidays (which could be Dec 26 to Dec 31)
(NYD, MLK, President's, Memorial, Independence, Labor, Columbus, Veterans, Thanksgiving, Day after Thanksgiving, Christmas)

Term Life Insurance: PCE provides \$50,000 life insurance coverage per employee. For less than 10 employees, the cost to PCE for each employee is \$0.516/\$1000 over age 49; \$0.374/\$1000 age 40-49; \$0.268/\$1000 age 30-39; \$0.206/\$1000 under age 30. For 10 or more employees, the cost to PCE for each employee is \$0.276/\$1000, or \$13.80.

Auto Allowance: Director and above: \$320/month
Manager Level: \$200/month

Cell Phone Allowance: \$80/month

* SDRMA = Special District Risk Management Authority



Board of Directors Meeting Schedule 2017

Location: San Mateo County Office of Education, 101 Twin Dolphin Drive, Redwood City, CA 94065

Meeting Date:	Time:	Room:
January 26, 2017	6:30 pm	Corte Madera
February 23, 2017	6:30 pm	Corte Madera
March 23, 2017	6:30 pm	Corte Madera
April 27, 2017	6:30 pm	Corte Madera
May 25, 2017	6:30 pm	Corte Madera
June 22, 2017	6:30 pm	Corte Madera
July 27, 2017	6:30 pm	Corte Madera
August 24, 2017	6:30 pm	Corte Madera
September 28, 2017	6:30 pm	Corte Madera
October 26, 2017	6:30 pm	Corte Madera
November 16, 2017	6:30 pm	Corte Madera
December 14, 2017	6:30 pm	Corte Madera