



Project Development Advisory Committee Governance ad hoc Subcommittee Report

Background:

On April 14, 2016, the PDAC approved forming an ad hoc subcommittee of four members to review the proposed governance recommendations to be included in Section 1 of the information packet. PDAC members Patrick Mathews, Tim Flanagan, Nancy Gordon, and Richard Stedman volunteered for the subcommittee. Assisting were Project Team members Gine Johnson, Carol Johnson, and David Carlson.

Process:

On April 21, the ad hoc subcommittee and staff met via conference call and reviewed the proposed language included in the first draft of Section 1. The conversation was aided by reviewing Section III, an overview of established multi-jurisdictional CCEs and lessons learned regarding best practices. As directed by the PDAC, the subcommittee also discussed the proposal from PDAC member Ross Clark regarding the formation of a "sanctioned taskforce" to "drive attainment of secondary goals," (see pages 29-31 in this agenda packet.)

Discussion:

Subcommittee members agreed that the governing structure should align with these principles:

- Consistent with the best practices learned from the successes and challenges of established CCE governing boards as outlined in Section III of the information packet;
- 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.

Recommendations:

The subcommittee recommends that the PDAC review toward approval:

- The attached proposed governance structure and technical advisory committee structure that aligns with these principles, (Attachment 1 to this report, page 39); and
- The attached revisions to Section I and Section III of the information packet to reflect these findings, (Attachment 2, pages 40-42).

ATTACHMENT 1

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
<u>San Benito County Cities</u>	<u>1</u>	<u>San Benito City Select Committee</u>
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%)
<u>San Benito County:</u>	<u>2 (15.4%)</u>	<u>58,792 (7.7%)</u>	<u>283 MWh (8.8%)</u>
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 Governing Board primary member.
- Advises on all aspects of the agency operations.
- Criteria for membership to be developed by the Governing Board.

Attachment 2

Proposed 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 20 summarizes the specific governance board and technical expert advisory committee structure recommended by the PDAC. *(page 20-insert Attachment 1 of the Governance ad hoc Subcommittee report.)*