

BEFORE THE
CALIFORNIA CLEAN ENERGY JOBS ACT
CITIZENS OVERSIGHT BOARD

CALIFORNIA ENERGY COMMISSION
IMBRECHT HEARING ROOM - FIRST FLOOR
1516 NINTH STREET
SACRAMENTO, CALIFORNIA 95814

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UNIVERSITY OF CALIFORNIA, LOS ANGELES
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LOS ANGELES, CA 90095

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LOS ANGELES, CA 90066

TUESDAY, MARCH 21, 2019

1:00 P.M.

Reported by:
Jacqui Denlinger

APPEARANCES

BOARD MEMBERS PRESENT (*Via telephone and/or WebEx)

Adrienne Alvord, Chair, California Citizens Oversight Board

*Mark Gold, Vice Chair, California Citizens Oversight Board

Barbara Lloyd, California Citizens Oversight Board

David Dias, California Citizens Oversight Board (Absent)

Randall Martinez, California Citizens Oversight Board

*Heather Rosenberg, California Citizens Oversight Board

EX OFFICIO MEMBERS PRESENT

David Hochschild, Chair, California Energy Commission

CEC COMMISSIONERS PRESENT

Andrew McAllister, Commissioner, California Energy Commission

1 COB STAFF PRESENT

James Bartridge

Jack Bastida

CEC STAFF PRESENT

Elise Ersoy, Local Assistance and Financing Office

Dave Michelle, Prop 39 Staff

APPEARANCES (Cont.)

ALSO PRESENT (*Via telephone and/or WebEx)

Kate Gordon, Director, Governor's Office of Planning and Research

PUBLIC COMMENT: (*Via telephone and/or WebEx)

David Weiskopf, NextGen California

I N D E X

THE BOARD WILL CONSIDER AND MAY TAKE ACTION ON THE FOLLOWING ITEMS:

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1 P R O C E E D I N G S

2 MARCH 21, 2019 12:48 P.M.

3 MR. BARTRIDGE: Okay. We're ready to get started.
4 Board Member Gold is online, so let's go ahead.5 Welcome everyone to the second meeting of the
6 Citizen's Oversight Board. The first meeting of this
7 Citizen's Oversight Board typically occurs in February of
8 each year and is followed quickly by a second meeting in
9 March. In between we take the annual reports and
10 information received from our reporting agencies to develop
11 a draft of the board's annual proposition 39 Clean Energy
12 Jobs Act report to the Legislature which is due at the end
13 of this week, March 29th, end of next week. Excuse me.14 So we're here today, March 21st, to discuss,
15 receive input and seek approve from the board on the Draft
16 Annual Report and recommendations we published on Monday,
17 March 11th. After the meeting we'll finalize the report
18 and submit it to the Legislature at the end of next week.19 The other main item on today's agenda is an
20 update on the Board's interagency contract for audit
21 services with the State Controller's Office. Our original
22 contract has expired, so we're seeking your input and
23 guidance as we begin developing a new contract for audit
24 services. To be clear, this item is not to approve a new
25 contract at this time. With that, let me turn it over to

1 Chair Alvord for opening comments.

2 CHAIR ALVORD: Thank you very much, Jim.

3 Good afternoon. I'm Adrienne Alvord. I'm the
4 Western States Director for the Union of Concerned
5 Scientists. And I was appointed to the Citizens Oversight
6 Board by Betty Yee in June of 2018.

7 I was elected Chair at the last meeting when Kate
8 Gordon was appointed by Governor Newsom to run the Office
9 of Planning and Research. And we're hoping to see her
10 today. I'd like to recognize that we're also joined today
11 by the Chair of the Energy Commission, David Hochschild,
12 who's an Ex-Officio Member of the Citizens Oversight Board,
13 and Energy Commissioner Andrew McAllister. Thank you for
14 coming.

15 And as you know the California voters approved
16 Prop 39, the Clean Energy Jobs Act, in 2012 to create jobs,
17 save energy and reduce costs and greenhouse gas emissions
18 by investing in California's schools and community
19 colleges. The investments were also intended to provide
20 job training and workforce development in order to promote
21 the creation of new private sector jobs to improve energy
22 efficiency of commercial and residential buildings
23 throughout California, and to help us meet our climate and
24 energy goals.

25 The Citizens Oversight Board, or COB, was created

1 as an independent body with nine members appointed by the
2 Attorney General, the State Controller and the State
3 Treasurer to audit, review expenditures, and maintain
4 transparency and accountability for the Clean Energy Job
5 Creation Fund. We currently have six Board members and I
6 wish to recognize all of them for their continued service.

7 The funding for Prop 39 programs ended on June
8 30th, 2018. The roughly 117 million in remaining funds
9 were directed to new competitive programs, the School Bus
10 Replacement Program and the ECCA-Ed Competitive Loan
11 Program. I look forward to the continued development of
12 these new programs and the results in the years ahead. And
13 as Jim noted, today we'll be discussing our Draft Annual
14 Report and Recommendations to the Legislature.

15 I want to emphasize a point the Board has noted
16 in previous reports, that we continue to be impressed by
17 the job training benefits and the energy and financial
18 savings realized by the school districts as a result of the
19 Clean Energy Jobs Act. This program creates real value for
20 the State of California and contributes to meeting the
21 state's larger education, energy, climate and economic
22 development goals.

23 So with that I'll turn to Chair Hochschild and
24 the other Members of the Board and Commissioner McAllister
25 to see if you'd like to make any opening comments.

1 CHAIR HOCHSCHILD: Well thank you very much,
2 Chair Alvord, and members of the Commission. I'm just very
3 grateful to my colleague, Commissioner McAllister, for his
4 work and that of his staff and team.

5 I think this is a landmark program that has
6 produced really great results we should all be incredibly
7 proud of. I was actually involved in the campaign for this
8 initiative back before the Commission and went to some
9 events and voted for it. And then to see it now, I think
10 \$1.75 billion invested, about \$100 million a year in
11 savings for schools, which is going back into the
12 classroom. That's a bold vision and I hope we can build on
13 it and expand it, because it's still much needed. And so I
14 just want to thank everyone for your involvement in helping
15 do the fine tuning to make the program as successful as it
16 has been.

17 And I'll turn it over to Commissioner McAllister.

18 COMMISSIONER MCALLISTER: Thanks, Chair
19 Hochschild.

20 So this has been a huge effort, I mean I totally
21 agree with everything the Chair just said and its
22 leadership. When we'd go around to other states and other
23 groups and talk to other state energy offices and public
24 utility commissions and elected officials all over the
25 country and all over the world, when we say well we

1 citizens approved, you know, the voters approved this. And
2 we've been implementing it and it's in the -- yes, that's a
3 "b," it's not an "m" right. And so their jaws just drop.
4 And that's California leadership.

5 And the fact that we have implemented
6 responsibly, that the audits have shown that we've done it,
7 that there have been no signs of any sort of untoward
8 activity or anything, right? There's been just squeaky
9 clean program administration and that's called good
10 government. And actually I think that example, just that
11 basic example of good government, is a powerful piece of
12 the message from Prop 39.

13 And the second thing I'll say, and final thing
14 I'll say is, it's the Energy Commission's brand now I think
15 is a really positive one in terms of program design,
16 development and implementation. I'd say ten years ago, not
17 everyone would have looked at state government and said,
18 "Hey, wow. There's a real skillset in there that gets
19 money out quickly and effectively and transparently and
20 technically competently," and all the things that we've
21 done in this program. But that program design and
22 implementation is a real skillset. It is a skillset that
23 has to be learned and built and maintained.

24 And I think the Energy Commission is now seen as
25 an agency that has that skillset and that the Legislature

1 and others can rely on to implement large scale public
2 policy initiatives where financing and grant funding is
3 available in part of that mix. And so I think we should be
4 really proud of that.

5 And our staff who has systematically learned what
6 they need to learn and been incredibly rigorous and
7 consistent and raised flags when they needed to and
8 coordinated up and down with the Commissioners and this
9 marketplace to figure out what's the right thing to do.
10 And so now that we have that institutional ability, it's
11 going to continue to serve the state really well as we
12 proceed towards our bold climate action goals.

13 So I think we all should be proud of this program
14 as really a leading light of this sort of public policy
15 initiative.

16 CHAIR ALVORD: Thank you very much, Commissioner
17 McAllister and Chair Hochschild. I think your comments
18 about the leadership that this program has shown are well
19 taken. And right on cue it's a pleasure to be able to
20 introduce as well the former Chair of the COB, Kate Gordon,
21 who's now the Director of the Governor's Office of Planning
22 and Research. And I think it's fair to say that Kate,
23 without your incredible leadership and the ability to
24 really push this program forward and the work that you've
25 done to ensure that it maintains excellence over the past

1 several years, is really a large part of what's made this
2 such a great program. And I'm pleased that the Newsom
3 Administration will be so well served by having your
4 talents to call upon.

5 And with that I'd love to know if you have any
6 comments you'd like to make.

7 MS. GORDON: Thank you. Yeah, I still remember
8 how to do this with these microphones. Thanks, Adrienne.
9 And I should say I'm thrilled to be succeeded in this role
10 by Adrienne, who is a long-time leader in this space in
11 California. And I think really the right person to take
12 this issue forward, especially if there's more and more of
13 a legislative conversation around the future of the
14 program.

15 It was very bittersweet for me to have to step down from
16 the role of Chairing this Commission, which I felt like was
17 a labor of love for five years.

18 This program, from theory to inception, has been
19 just really -- at this intersection that's so often ignored
20 of energy, education, health and really equity. And I
21 think because it's been at that intersection, it doesn't
22 always find a home among any of those places. And so we
23 were really, really fortunate that CEC took on the role of
24 administering -- doing the guidelines and administering the
25 program, because I think it's found a home at CEC.

1 And it really has shown incredible results, not
2 only in terms of the things that it was set up to do, which
3 were energy savings and renewable energy, but also some of
4 the workforce outcomes have been amazing. This has been --
5 the pre-apprenticeship program associated with Prop 39 I
6 think is a model for other states on how to tie workforce
7 outcomes and an actual career ladder to creating a market
8 for these types of jobs. And people's lives have been
9 changed.

10 I mean there's -- I have as many people know, had
11 a Google alert on Prop 39 and the Clean Energy Jobs Act and
12 got to read all the stories. It is actually a little bit
13 challenging, because the other Prop 39 came up all the
14 time, which is the Charter Schools Prop 39, which is also
15 about schools.

16 But you get these great stories like the school
17 that was able to save a band teacher, because they had
18 energy savings that allowed them to put money back into
19 their operational budget right, which is like a real thing.
20 I mean, the schools we've heard about at Twin Rivers that
21 got HVAC systems for the first time. You know, schools
22 that are creating these amazing student-learning
23 opportunities around energy efficiency and renewables, so
24 it's just been really exciting. I think I just really want
25 to do what I can to keep it going and to keep the focus on

1 it and just let me know what we can do from the Governor's
2 Office side. And I'm here to support you all, so thank
3 you. It was such a pleasure serving with all of you guys.
4 Thank you.

5 And also Jim and Jack who just are the brains and
6 heart of this whole thing, so thank you.

7 CHAIR ALVORD: Thank you so much, Kate. Would
8 any other members like to make any opening remarks? That
9 includes you Mark Gold, wherever you are.

10 VICE CHAIR GOLD: Yeah. Thank you. I just
11 wanted to state that I'm sorry I'm not there to be up there
12 with you, Director Gordon or with you Commissioner
13 Hochschild and McAllister. And I couldn't agree with you
14 more, when I first was put on this a couple of years ago,
15 for me much more of a water person and a biodiversity
16 person, and I've learned a great deal working on this
17 program.

18 And I did want to share one thing, which may come
19 up later as well but that I think is pretty cool. Is that
20 in my own region, Santa Monica-Malibu Unified School
21 District, has basically used this to catalyze a complete
22 sustainability change in the school district.

23 I bring that up because I was unable to achieve that while
24 my kids were actually in the school district, of which I
25 had three. But because you guys brought the resources

1 there to move them forward on LED replacement, they now are
2 putting -- they'll have solar installations on every single
3 school as well as full LED implementation by next year.

4 And they're finally adopting a sustainable school
5 district program. For the very first time this incredibly
6 comprehensive and full and there's just no doubt in my mind
7 having been so close to them over the years that really
8 Prop 39 was the absolute catalyst to make that happen in
9 Santa Monica.

10 So really even that multiplier effect is
11 something that I'm really interested in us figuring out
12 moving forward.

13 CHAIR ALVORD: Okay.

14 CHAIR HOCHSCHILD: Just one final comment before
15 we leave. Just as Commissioner McAllister suggested, I
16 think one muscle we've developed well at the Commission in
17 the last year is giving out money. We gave out over half a
18 billion dollars altogether last year and I feel good about
19 the pace that money is coming out, and the diligence we're
20 applying.

21 I think one thing we're still not as good at as
22 we need to be is telling success stories. And I think this
23 is a huge success story. We should think creatively about
24 creating the right occasion to mark the progress. And
25 maybe it's an Earth Day event at a school. Maybe it's some

1 other milestone when we hit some number of savings or
2 something, but I think that's something -- this is worthy
3 of generating an event to drive media attention to this and
4 to tell the story collectively and showcase. Because it's
5 also not just the amount of money that's going out, but the
6 diversity and geography because it's literally every county
7 in the state, Jim, am I right on that?

8 MR. BARTRIDGE: Yes.

9 CHAIR HOCHSCHILD: I mean it's very, very few
10 programs actually can say that and so I would love to hear
11 your Committee's suggestions and ideas on that and see how
12 we can work together to support.

13 CHAIR ALVORD: I'm really pleased to hear you say
14 that, because I actually made similar points to Kate and to
15 Jim about these great stories. Who knows about it? Do
16 the parents and the teachers know about it? This is really
17 important. And I'm sorry that the CEC is not the only
18 entity in state government that is not as good as it could
19 be about telling success stories. But so maybe the CEC
20 could be the model.

21 Okay, with that I'll turn it back over to Jim for
22 the roll call.

23 MR. BARTRIDGE: Very good. Thank you. I'll
24 start with folks in the room, so Chair Alvord?

25 CHAIR ALVORD: Present.

1 MR. BARTRIDGE: And then Barbara Lloyd?

2 BOARD MEMBER LLOYD: Present.

3 MR. BARTRIDGE: Randall Martinez?

4 BOARD MEMBER MARTINEZ: I'm here.

5 MR. BARTRIDGE: And let me reach out there to
6 Mark Gold?

7 VICE CHAIR GOLD: Here.

8 MR. BARTRIDGE: Heather Rosenberg?

9 BOARD MEMBER ROSENBERG: Can you hear me?

10 MR. BARTRIDGE: Okay. And in this case since we
11 have an Ex Officio Member with us can we use you, Chair
12 Hochschild, for our --

13 CHAIR HOCHSCHILD: Absolutely. I'm here.

14 MR. BARTRIDGE: So with that, Chair, we have five
15 and we have our quorum.

16 CHAIR ALVORD: Okay. Very good. Thank you very
17 much.

18 So Item Two approval of the minutes from February
19 19th. Is there a motion to approve the minutes?

20 VICE CHAIR GOLD: So moved.

21 BOARD MEMBER LLOYD: I'll second.

22 CHAIR ALVORD: Great, discussions? Edits,
23 comments?

24 Okay, hearing and seeing none.

25 MR. BARTRIDGE:

1 Chair Alvord?

2 CHAIR ALVORD: Aye.

3 MR. BARTRIDGE: Mark Gold?

4 VICE CHAIR GOLD: Aye.

5 MR. BARTRIDGE: David Dias?

6 BOARD MEMBER DIAS: (Absent.)

7 MR. BARTRIDGE: Barbara Lloyd?

8 BOARD MEMBER LLOYD: Aye.

9 MR. BARTRIDGE: Randall Martinez?

10 BOARD MEMBER MARTINEZ: Aye.

11 MR. BARTRIDGE: The minutes are approved.

12 CHAIR ALVORD: Okay. This passes unanimously.

13 And that takes us to Item Three, which is the Interagency
14 Contract for the State Controller's Office. And that is,
15 as you mentioned earlier, is an item where there's feedback
16 requested, but no action.

17 MR. BARTRIDGE: Correct.

18 CHAIR ALVORD: Okay. Thank you.

19 MR. BARTRIDGE: With that, I'll turn it over to
20 Jack.

21 MR. BASTIDA: Hello, everybody. My name is Jack
22 Bastida. I am COB staff and also I was the Contract
23 Manager for the current contract between the Citizens
24 Oversight Board and the State Controller's Office to
25 provide audit services for the Board. So we just wanted to

1 take a few minutes with all the new members that we have
2 for COB to let you know why we have a contract, what the
3 current contract is about, and also some direction that the
4 Board will be making over the summer in regards to a new
5 contract.

6 So first off, why did we enter into a contract
7 with the State Controller's Office? It goes back to the
8 Public Resource Code that talks about t what the Board is
9 all about basically, Public Resource Code Section 26210.

10 You can see the have four main reasons this Board
11 exists. One is to review the Clean Energy Job Creation
12 Fund expenditures. Number two is commission a review and
13 annual independent audit of the Job Creation fund and a
14 selection of projects completed to assess the effectiveness
15 of the expenditures. Number three is to publish a complete
16 accounting of the expenditures and post it on a publicly
17 available website. And number four , that we'll be talking
18 about later, is to submit an annual evaluation to the
19 Legislature identifying changes needed to Clean Energy Job
20 Acts Program. So it's basically our yearly report.

21 So the current audit contact we have, it actually
22 ends this summer. So we entered into -- originally entered
23 into a three year interagency contract between the Citizens
24 Oversight Board and the State Controller's Office. It
25 started on June 30th, 2016 and it goes until June 30th of

1 this year, 2019.

2 So we have allocated \$300,000 per year toward the
3 contract services. We do a financial audit and a program
4 audit. We've been doing the financial audit every other
5 year. So we did it in the first year and we're doing it
6 this year to save some money towards the program audit.
7 Because it was our understanding, and the State
8 Controller's Office let us know that not much changes in
9 the financials every year to have to do it every single
10 year, so we saved that for every other year. But we've
11 always done the program audit every year, with a selection
12 of projects to review.

13 So I wanted to go over what the current contract
14 is about, just basically. The real substance of the
15 contract is put in Exhibit A of our contract and I put it
16 into your folders to look at. It basically goes through
17 what service and products we as the Citizens Oversight
18 Board expect to get out of the State Controller's Office,
19 what they're going to provide to us.

20 They're pretty much all the sections that cover
21 overall agreement management as well. The financial audit
22 of the Job Creation Fund and the program audit of the Job
23 Creation Fund go through all the tasks that are involved
24 and what we are looking with those tasks. Each task is
25 further divided into objectives that they meet in order to

1 make sure we meet those objectives. And we look at how
2 they're going to meet those objectives and the deliverables
3 that they need to provide to us. So it goes through
4 quarterly reports that we get from them, it goes through
5 the final report that's due in summer. And so we know what
6 we're getting from them.

7 There's a schedule of deliverables as well, with
8 dates that they need to provide the plans and reports. So
9 we keep them honest. And they actually due -- this year,
10 they're above -- they're going to be doing the reports and
11 they're kind of actually already done with most of the
12 work, so they're ahead of schedule this year.

13 If you look at Exhibit B of the contract that
14 I've provided in your folders, you'll see that this does
15 kind of includes the invoicing and rate structure of the
16 contract. And actually we update it every year, because it
17 has to be amended every year to take into effect all the
18 new staff classification rates that happen every year in
19 state government. So every time Auditor One gets a raise
20 we have to make sure that that's included in the contract
21 and it's all good to go.

22 All right, so where are we with this contract so
23 far? So we are in the final year of the three-year
24 contract that ends this summer. We'll get two reports from
25 the State Controller's Office in July. We'll get a

1 financial audit, so they've met with CDE, California
2 Department of Education, the CEC, the Community College
3 Chancellor's Office, the California Workforce Development
4 Board and the California Conservation Corps. They've met
5 with all these and they're obtaining basically audit
6 accounting records on the fund to draft a full accounting
7 of all the appropriations and expenditures that are part of
8 the Job Creation Fund.

9 And for the program audit this year, the State
10 Controller's Office has visited 20 school sites, 16 LEAs in
11 four community college districts. For the K through 12
12 Program they've -- it represents about 126 projects that
13 they've audited at these 16 LEAs. This totals about 473
14 projects at 73 LEAs completed for that fiscal year, so
15 we're about auditing about a fourth of all the projects
16 this year.

17 For the Community College Program we are looking
18 at 23 projects at four community college districts. This
19 is a total of 121 projects at 37 college districts
20 completed for that fiscal year. So again, it's not as
21 much, but we're trying to get about 20 to 25 percent of all
22 the projects that have completed the reports to be looked
23 at by the auditor.

24 So in the first two years of the program audit
25 fundings from State Controller's Office, the audit has

1 shown that LEAs have sole source, so that's kind of their
2 big finding and some have incurred costs prior to the
3 program eligibility period. So depending on the appeals
4 process with each individual finding some of these funds
5 have been recovered, because of the audit findings. So
6 there has been reasons why the audit was put in place and
7 the findings that have shown sometimes maybe shouldn't have
8 been spent how they were.

9 And we have a complete accounting of all the LEAs and CCDs
10 that have -- where they are in that process. So we can
11 show that to you as well.

12 So what are the next steps today, basically?

13 We're looking to create a new contract for next year. So
14 hopefully today we'll get some general direction from the
15 Chair and Board Members on what you want to -- how you want
16 to begin the creation of a new contract. So the CEC's
17 Contract, Grant and Loans Office is going to help us.
18 Since I'm not a contract expert they're going to help us a
19 little bit to create the contract. But it's up to us to
20 look at what our scope of work is going to be and what we
21 want included in that contract.

22 The two big pieces we need to flesh out today is
23 if you want to stay with the State Controller's Office for
24 our contract or try an independent auditing service. I
25 would recommend staying with the State Controller's Office,

1 because we're able to do an interagency contract with them
2 and it's a lot easier to implement an interagency contract.
3 We don't have to out to bid for contracts so I would
4 recommend that, but it's kind of up to you guys.

5 Also, we want to discuss if the Board wants a
6 multiyear contract or a single-year contract. Last time of
7 course we did a three-year contract; 300,000 per year,
8 which was 900,000 total. So I would recommend this time
9 maybe a single-year contract, because of how much this
10 program is in flux in the future. And we might be having
11 to audit the Bus Program, looking at Liz over there -- no --
12 - in the future. So we might need to be a little bit more
13 flexible in not getting ourselves into a corner with a
14 multiyear contract if we wanted to audit those bus programs
15 in any way.

16 And also with the funding in flux with the
17 Legislature, we don't know exactly how long we're going to
18 be auditing stuff and everything. So I would recommend
19 just doing a one year. We have to go back anyways each
20 year to update the Section B with the staff
21 classifications. So it wouldn't be the end of the world to
22 redo another contract in a year.

23 So after this the next steps for us is to meet
24 with SCO staff, see what worked and maybe what lessons
25 there are to be learned. And we can go through that. We

1 would keep you guys informed of all those discussions. And
2 then we would begin to draft the Scope A and B and the
3 other documents required. And we would work with CEC
4 Contracts Office to implement the contract. And ask the
5 Chair to sign the contracts, so that's your once we have it
6 done.

7 I think that's -- later on we would need to
8 present the contract to the Board for vote approval and
9 then the contract can be implemented. I don't think it
10 needs to go through a Business Meeting here at CEC like
11 normal contracts for CEC. But I would have to check in on
12 that. Last time we didn't, so unless they've changed the
13 rules.

14 Do you guys have any questions on anything or
15 discussion?

16 CHAIR ALVORD: Not surprisingly, it looks like
17 Barbara has the first question.

18 BOARD MEMBER LLOYD: So I actually have a couple.
19 What's our funding source right now; is there residual Prop
20 39 money that's being used or coming out the CEC
21 operational?

22 MR. BASTIDA: No, it's a BCP that CEC put into
23 effect. But it's -- we don't have to do it every year. It
24 just keeps coming.

25 BOARD MEMBER LLOYD: It's in your base?

1 MR. BASTIDA: Yeah.

2 BOARD MEMBER LLOYD: Okay. Thank you. Do we
3 have any sense as to what the cost would be of beginning to
4 add the bus program audit instead of an either or
5 situation?

6 MR. BASTIDA: We haven't really looked at it,
7 really, that closely yet. So a lot of the cost is just --
8 the only costs we incur to SCO is basically their hours
9 that they've worked. So we have to pay for the auditor's
10 hours and transportation. That's the two big costs and
11 transportation isn't even that much money, really, in the
12 grand scheme of things. So we would have to pay some
13 transportation costs for them to visit the facility that
14 the bus was in. Now they won't be auditing the
15 infrastructure, because that's not Clean Energy Jobs Act
16 money. That's AFRVTP, right? That's how you say it?
17 Close enough? (Laughter.)

18 So we won't have to -- they'll just have to
19 basically make sure all the paperwork for -- it'll be a
20 little bit easier actually, because it's a bidding process
21 for the buses. So they'll just be able to look at those
22 bidding process paperwork, make sure everything was -- it
23 really matters how we write the contracts. How deep you
24 want to get into it. But --

25 BOARD MEMBER LLOYD: Is there an opportunity for

1 that to be folded into the discussions in this year's
2 contract or do we need to wait for the following year in
3 order for there to be enough completed purchasing?

4 MR. BASTIDA: My understanding is they haven't
5 purchased any buses yet.

6 BOARD MEMBER LLOYD: That's kind of what I was
7 thinking. Okay. I mean, they haven't finished the
8 procurement process for the vendors yet, right?

9 MR. BASTIDA: Right. So it would be next year
10 probably.

11 BOARD MEMBER LLOYD: Have we received any
12 feedback from the schools who've been the subject of the
13 audit so far, as to how the Controller's Office was to work
14 with?

15 MR. BASTIDA: We haven't received any of those --
16 we haven't received any complaints or anything.

17 MR. BARTRIDGE: I don't think we've received any
18 complaints, per se, but there is -- I mean with each they
19 have their responses the school district provides back to
20 the State Controller's Office at the back of each audit --

21 BOARD MEMBER LLOYD: Of course.

22 MR. BARTRIDGE: -- to walk through the issues and
23 so far I haven't heard anything negative, per se.

24 MR. BASTIDA: I will say that the State
25 Controller's Office has been relatively flexible with the

1 schools to make sure that they can -- that they are
2 adhering to the guidelines that we've put in the contract
3 and they aren't like sticking them on everything or
4 anything.

5 BOARD MEMBER LLOYD: Right. No, I understand.
6 And even in the discussions that we've had, they've looked
7 to advise them on how they can cure deficiencies in order
8 to have a better outcome.

9 I guess the other thing I'd like to say, in
10 addition to the benefit of an easier contracting process,
11 which is really convenient, I think there's also -- they
12 are very cost effective for a number of reasons. Number
13 one, the familiarity with the program and number two, they
14 have very competitive rates compared to the private sector.

15 And if we do not have complaints and we feel that
16 they're operating at a very high level of professionalism,
17 which I have every reason to believe they are, I would feel
18 very comfortable going forward and putting at least another
19 year into the program. And if we want to take stock, even
20 after the budget process for this year as to whether or not
21 we would need to have a multiyear program depending on
22 whether or not there's ongoing funding, I think that would
23 be fine. And I'm willing to work with staff as sort of an
24 ad hoc committee member to help look at the scope.

25 MR. BASTIDA: Yeah, we'll be relying on you as

1 well.

2 BOARD MEMBER LLOYD: (Indiscernible)

3 MR. BASTIDA: The other thing to say is they
4 won't be looking at making profit as well, so we don't have
5 to include that certain percentage or anything in the
6 contract.

7 CHAIR ALVORD: Just for clarification, Barbara,
8 are you suggesting that we revisit the length of the
9 contract post-budget?

10 BOARD MEMBER LLOYD: I think that we're going to
11 have to, at some point in time, look at what happens after
12 the end of this year. And we don't want to wait until the
13 last minute, so if we do get good news that the program has
14 another three years' worth of funding, then we might want
15 to think about it, yeah.

16 CHAIR ALVORD: Okay.

17 BOARD MEMBER LLOYD: And I have one methodology
18 clarification, but I think we can work it into the audit.
19 I do want to note that I'd like to know whether an
20 individual district in the sampling is getting hit more
21 than once or whether each district that is sampled is in
22 fact a new district. It's not that's something I've
23 thought to ask before, but it kind of sparked my --

24 MR. BASTIDA: Yeah, they usually provide us with
25 a list of their recommended schools that they're going to

1 look at. And they actually, in the contract it says they
2 have to wait to start doing the contract until we agree on
3 those schools. So it's kind of up to us to decide that.
4 But we could also write into the contract some other
5 mechanism for making sure it's random or --

6 BOARD MEMBER LLOYD: Well, random won't result in
7 people not getting hit every single year.

8 MR. BASTIDA: Yeah.

9 BOARD MEMBER LLOYD: Yeah, I'm not sure what the
10 right methodology is.

11 MR. BASTIDA: I know they try to make sure it's
12 kind of disbursed geographically, you know, as much as
13 possible. And also that you're not just looking at big
14 schools and little schools, so I know they make sure all
15 the tiers are met.

16 Any other questions?

17 BOARD MEMBER LLOYD: I didn't have any.

18 CHAIR ALVORD: Okay. Randall or?

19 BOARD MEMBER MARTINEZ: I do have questions. And
20 thank you for the information, Jack, and it's good to see
21 you again. And many of my questions were answered, so just
22 a couple of follow up clarifications. I understand why
23 you're suggesting at this point maybe a one year contract
24 versus three.

25 MR. BASTIDA: Yeah.

1 BOARD MEMBER MARTINEZ: To me that makes a lot of
2 sense, but I would be curious to know if there were any
3 cost savings associated with a multiyear or a one year.
4 And perhaps that's something you could look at.

5 MR. BASTIDA: I don't know of any real cost
6 savings. I think usually the -- I mean I'm sure the State
7 Controller's Office would rather have a three-year contract
8 just so they can put staff in place and make sure that they
9 have the staff available, but they're pretty flexible.
10 They have a pretty flexible number of audits that go on in
11 the State Controller's Office, so they're able to move
12 staff where it's needed. So I don't think that's a really
13 big deal. But for us, for using the \$300,000, I don't know
14 if there's any savings really.

15 BOARD MEMBER MARTINEZ: Okay. And I understand
16 why you'd like to stay with the State Controller's Office
17 and not go out to bid, use a private firm.

18 MR. BASTIDA: Yeah.

19 BOARD MEMBER MARTINEZ: I also assume that the
20 State Controller's Office has a bench of private
21 consultants that they might use when they need. I would be
22 curious if they have ever indicated whether they have used
23 private consultants from their own contracting bench on
24 this contract or would anticipate to do so. And if so, I'd
25 like to know that.

1 MR. BASTIDA: There's usually a subcontracting
2 portion of the contract that they would have to put in
3 there if they were going to use like a one of those, but I
4 can definitely ask them when we meet.

5 BOARD MEMBER MARTINEZ: And where I'm going with
6 that is if they do intend to use an outside firm that we
7 stipulate it be a California-based operation.

8 MR. BASTIDA: Yes. Yes, I can definitely have
9 that included in the contract, if they're looking at having
10 a subcontractor work on it. But usually it's been all
11 their staff, state employees that have worked on it in the
12 past.

13 BOARD MEMBER MARTINEZ: Thank you. That's all I
14 have.

15 MR. BASTIDA: Yes.

16 BOARD MEMBER ROSENBERG: Hello? Hello?

17 MR. BASTIDA: Hello.

18 CHAIR ALVORD: Is that Heather?

19 MR. BASTIDA: Is that Heather?

20 BOARD MEMBER ROSENBERG: Yes. I've been here the
21 whole time, but having all kinds of audio problems.

22 CHAIR ALVORD: Oh, no.

23 MR. BASTIDA: Oh, no.

24 BOARD MEMBER ROSENBERG: I'm sorry. I just
25 wanted you to know that I'm here and I think everything is

1 great. And I really appreciate all the comments, so far
2 but I don't have a further comment. I just wanted to not
3 be all alone.

4 MR. BASTIDA: Oh, okay.

5 BOARD MEMBER ROSENBERG: Thank you.

6 MR. BASTIDA: Yeah, I saw your audio like popping
7 up and down, so I was like trying to unmute you. But I
8 didn't know what was going on, so I'm glad you're with us.

9 BOARD MEMBER ROSENBERG: Good (indiscernible) but
10 I'm here and glad you can hear me now. Thanks.

11 CHAIR ALVORD: Okay. Thanks, Heather.

12 Mark, Heather said she doesn't have any remarks
13 to this point. Do you have anything?

14 VICE CHAIR GOLD: Nope, nothing on this one.

15 CHAIR ALVORD: Okay. I just have a little bit of
16 a cleanup. I agree with the comments that Barbara and
17 Randall made. I also am wondering about the timing of the
18 contract. When do you expect this to be done?

19 MR. BASTIDA: Well, so our contract currently
20 goes until June 30th, 2019. So we would want to get it
21 implemented soon afterwards, the new contract, so they can
22 start working for the next year. And that date kind of
23 makes sense also because of the financial year of the
24 different -- of the state. So --

25 CHAIR ALVORD: Yeah, I was wondering, because I -

1 - well, I don't know that we'd have any financial certainty
2 by the end of it, by the time the budget is signed. But it
3 kind of gets to your point, Barbara, about if there's -- if
4 we can revisit the length question. But I think that it
5 probably is close but no cigar and we should probably just
6 keep going.

7 BOARD MEMBER LLOYD: Do we have a scheduled
8 meeting?

9 CHAIR ALVORD: I don't think we have a scheduled
10 meeting at this point during the summer. Do we?

11 MR. BARTRIDGE: We don't. We usually have one in
12 July. We'll get back to you with that, but at the next
13 meeting we would bring the State Controllers to report on
14 the audit in that one. And then we'd probably do some
15 updates on the programs at that point.

16 CHAIR ALVORD: Okay.

17 MR. BARTRIDGE: So we'll be checking schedules
18 and working with you.

19 CHAIR ALVORD: Great. I'm curious, I know this
20 is primarily a financial exercise, but do the State
21 Controller's, either their contractors or do they have
22 internally people who look at these kinds of projects,
23 specifically?

24 MR. BASTIDA: Yeah, I think all of them kind of -
25 - they -- from what I understand they draft a lot of

1 different auditing reports. And they have audited a lot of
2 different schools for various reasons. And I think it's
3 kind of their --

4 CHAIR ALVORD: So their specialty.

5 MR. BASTIDA: -- it's what they do, yeah.

6 CHAIR ALVORD: Yeah. Okay. And this would be
7 specifically for construction, hopefully, some energy
8 efficiency?

9 MR. BASTIDA: Yeah, so like they usually just
10 visit the school, they look at the paperwork, make sure
11 that their contracts are all with whoever's building the
12 project is in compliance with how the Public Resource Code
13 kind of says and lays out.

14 CHAIR ALVORD: Okay.

15 MR. BASTIDA: Make sure they're not sole-sourcing
16 and things like that. And so they do actually visit the
17 site. They look at -- they make sure that the air
18 conditioner or the solar panels of whatever measures were
19 taken are in place, but they're not energy experts at all.
20 They don't make sure it's hooked up or anything.

21 CHAIR ALVORD: Okay. And final question, how
22 much staff time is usually involved in this?

23 MR. BASTIDA: I would have to look but on average
24 in a month of work time it's probably at least 120 hours.

25 CHAIR ALVORD: That's -- oh, you're talking about

1 the audits themselves? I'm sorry, I wasn't clear. I mean
2 the staff time just to put the contract together.

3 MR. BASTIDA: Oh, not very long. Since we have
4 the contract already done from last time, it shouldn't take
5 too long to update it. And my office is like literally
6 right across the way from the Contract, Grants and Loans
7 people and Admin, so I can get them working pretty fast.

8 CHAIR ALVORD: Okay. That's general, but I guess
9 that's fair enough. So I think for all the reasons you
10 mentioned, Barbara, in terms of the Controller's Office the
11 cost effectiveness, competitive rates, no complaints, high
12 level of professionalism, that I too would be the most
13 comfortable continuing on and for the single year, but
14 making sure any contractors that are hired are California
15 based, I think that's a great suggestion.

16 So with that, I think unless anybody else far
17 away has a comment, I think you've gotten enough feedback.

18 MR. BARTRIDGE: Mark or Heather, did you have any
19 comments you'd like to share on --

20 VICE CHAIR GOLD: No, nothing. I just agree with
21 pretty much where this is going.

22 BOARD MEMBER ROSENBERG: Yes.

23 MR. BARTRIDGE: Great, and Heather?

24 BOARD MEMBER ROSENBERG: Yes, the same. Thank
25 you.

1 MR. BARTRIDGE: Good. Thank you.

2 CHAIR ALVORD: Okay.

3 MR. BASTIDA: Great. That gives us some good
4 direction.
5 Thank you.

6 CHAIR ALVORD: Okay. And now we're at the big
7 event.

8 And before we get started, I want to thank you,
9 Jim and Jack, very much for all of the hard work you've
10 done on putting this report together. And your being
11 extremely conscientious about consulting with us and making
12 sure that you're doing things in a way that the Board
13 thinks is proper and right. And I know it was a lot of
14 hours in a very short period, so thank you very much for
15 your efforts. I guess from this point on, any errors are
16 ours.

17 MR. BARTRIDGE: Well, we've got a week, so thank
18 you for that. We tried. And I apologize about getting
19 into the room late. It's sort of frantic this afternoon,
20 but we're up and moving. And they're trying to do
21 something about the air conditioner as well. So --

22 (Off mic colloquy re: air conditioner and set
23 up.)

24 MR. BARTRIDGE: Okay. So we'll move on to the
25 presentation of the actual report. And we did have some

1 reports out in the hall. We have some of the other agency
2 reports as well that we feed from. Again, we really kind
3 of crunch between the time that other staff provide us with
4 information and trying to put that together and just to
5 recognize and thank all the other staff involved. We hit
6 them with a lot of emails. We hit them with a lot of phone
7 calls. And they get right back to us pretty quickly. So
8 when you talk about professionalism at the State
9 Controller's Office, I'd like to say that there's a lot of
10 professionalism in this building. And special thanks to
11 Jim Holland for his immediate review that caused us to put
12 another version out a day or two later in redline
13 strikeout, because we -- again, it's a quick process. We
14 do what we can. So anyway --

15 CHAIR ALVORD: Thank you, all.

16 MR. BARTRIDGE: Okay. So we'll walk through the
17 report real quick in a second. Again, we talked about the
18 objectives of the Clean Energy Act, Clean Energy Jobs Act,
19 putting Californians to work and provide workforce
20 training, create energy efficiency jobs, save energy,
21 reduce energy costs and greenhouse gas emissions, and by
22 investing in energy efficiency and improvements and onsite
23 generation at schools and community colleges. This is
24 really important.

25 We heard the Chair say this and Commissioner

1 McAllister. And I did like the suggestion about raising the
2 awareness of this program, because it's a fantastic program
3 and doing some really good things out there. And I'm
4 happy to be associated with it, so thank you.

5 We went through the mandates as well. You can
6 see here we're at the last one, submit an evaluation to the
7 Legislature. That's due by the end of next week. I won't
8 go through any of these. I know Jack did as well, but
9 we'll pull everything together that we hear from you today.
10 And with feedback we'll make the changes to the report over
11 the next week, reassemble it all. What you saw didn't have
12 appendices in it. Those appendices will include the other
13 reports. And I'll show you we've had some great help from
14 staff here at the Energy Commission on pulling some data
15 sources together for -- and the projects in districts,
16 which I'll give you a sneak peek at. I think I sent it
17 around to you. So all of that will be assembled in the
18 final report that goes over to the Legislature.

19 Okay. So it's due 90 days from the first of the
20 year, the end of March. In it we talk about Board activity
21 in the previous year, findings and recommendations based on
22 annual reports from the Energy Commission, the Community
23 Colleges, Workforce Investment Board, and the Conservation
24 Corps. Plus findings on quantifying total employment from
25 the Workforce Investment Board and we heard about that at

1 the last meeting, which was pretty impressive results.

2 In Chapter 1 there are three main areas of focus.
3 We talk about the objectives of the Clean Energy Jobs Act.
4 We do an overview of various programs, funding amounts and
5 program timelines. As well as we talk a little bit about
6 the program changes after 2018.

7 So regarding those program changes, and Chair you
8 touched on this, it was a five-year program. They then
9 took the remaining dollars from the fund and moved that off
10 to start the School Bus Program and fund the ECAA-Ed
11 Program Competitive. There was \$114 million. The School
12 Bus Program was fully funded at 75 million. ECAA-Ed
13 called for 100 million, but was only funded at 39.5 and
14 then there was nothing left for a K through 12 Competitive
15 Program. So we talk about that in Chapter 1 and walk
16 through some of the details there, as well as staff's work
17 to develop those programs as they're occurring now.

18 Chapter 2 talks about the mandates of the Board,
19 our meeting history in 2018 and so far in 2019, and the
20 audit. And again, we'll have another meeting. We've had
21 the meetings in February and March. We'll have another
22 meeting July or August, depending on folks schedule and
23 availability. We'll get the report out and submit it and
24 then we'll start working with you on dates and working on
25 audit things and start to line things out.

1 This year in the report regarding the audits we
2 went a little more into detail. I wanted to make sure that
3 folks reading these reports understand the importance of
4 the audit work overall and there's follow-on processes to
5 recover Prop 39 dollars that may have been used
6 incorrectly. So we talk about that. There's some
7 information on CDE there and the audit appeals process and
8 what they do and how funds have been recovered. So we
9 cover part of that in the report. It's a little bit longer
10 and thank you, Barbara, for your help with that section. I
11 do have your other edits we'll be making this week.

12 Okay. So Chapter 3 again we summarize from the
13 work of the reporting agencies. I won't talk about each of
14 these areas. We all know what these programs are. I think
15 the important thing is that through the end of 2018 more
16 than 19,812 total jobs have been created from the Prop 39
17 Program. It includes direct jobs, indirect jobs and
18 induced jobs, so that's a great benefit. And we capture
19 some of that in the report.

20 And then here again on Chapter 3, I was a slide
21 behind, and now let me just refer to the actual
22 recommendations and the report and just bring that up so we
23 can look at it.

24 (Pause to bring up report and recommendations.)

25 Okay. And so I'm going to go right to the

1 recommendations so that we can have a discussion on those.
2 I've spent a lot of time looking at this page-by-page, so I
3 don't know exactly where everything is. It's been a crazy
4 couple of weeks.

5 Here's a look, since I'm passing, of
6 participation by counties. And you can see last year we
7 had one county at 0 percent participation, but this year
8 actually we have all of the counties participating and we
9 have several at 100 percent.

10 So Chair Hochschild had asked if we had a map.
11 We do have this map from staff. I think he wanted to dig
12 in a little bit more and we can talk with staff on that and
13 maybe identify by county. But that's just to see that in
14 passing.

15 And here's, I'll just show you, so the version
16 that's posted you'll see things like this 174 to 292.
17 Again, this is thanks to Jim Holland. That was actually a
18 leftover from last year's and as we're updating things it's
19 a pretty hectic process.

20 Okay, so on to our recommendations. These are
21 similar to the recommendations from last year. And I've
22 spoken with all of the Board Members on these
23 recommendations and I think we have substantial agreement
24 on where we're at.

25 And so our first recommendation, provide annual

1 appropriations to the Clean Energy Jobs Fund to allow for
2 continued energy savings, emission reductions and jobs at
3 California's public schools.

4 We believe there's a lot of demonstrated success
5 to this program. And so we recommend as a Board that the
6 Legislature appropriate a minimum of \$175 million a year
7 for continued funding.

8 So any comments from Board Members on
9 Recommendation 1 or concerns with that, that you'd like to
10 identify?

11 VICE CHAIR GOLD: I have a question. This is
12 Mark.

13 MR. BARTRIDGE: Go ahead, Mark.

14 VICE CHAIR GOLD: How did you arrive at the 175?

15 MR. BARTRIDGE: So when we looked at the program
16 overall, a number at around 300 million was sort of a low
17 mark for the yearly dollars that came to the Energy
18 Commission. So when you look at the 175 and then you look
19 at our next recommendation, which is 100 million to ECAA,
20 not only does that 100 million to ECAA match what SB 110
21 called out for ECAA but together the 100 and the 175 is
22 around what the appropriations were for a one year funding
23 at the Energy Commission. We do have that called out in
24 one of the tables. I could go back if you'd like me to, to
25 look at the overall funding per each year, but that's where

1 we came to the 175.

2 VICE CHAIR GOLD: No, I recall. So it's just
3 loosely based on sort of the least you got in a given year,
4 which was actually I think a lot more than that. But not
5 from the standpoint of any sort of operational goal or
6 anything like that?

7 MR. BARTRIDGE: No. Last year I think we had a
8 similar recommendation of 175 million. And I think Chair
9 Alvord was comfortable with it, so we aimed at that. Again
10 with the ECAA the same thing, that was \$100 million last
11 year as well. We didn't find success across the street
12 last year from a number of factors and looking for
13 opportunities for this with I think it's AB 1028. So that
14 has proposed the 300 million, so we'll see where that goes.
15 But as with the Legislature and that process I couldn't see
16 necessarily going forward and asking for 500 million.
17 That's a big request.

18 But this is sort of "let's keep things moving and
19 let's raise the awareness of the program" and keep the
20 Legislature thinking about it and sort of recognize the
21 successes and see where they want to go.

22 VICE CHAIR GOLD: Right, so all I guess I'm
23 saying is that just to make it -- and you have all the data
24 to extrapolate this -- is just to make it clear that at
25 this level, one would expect a certain amount of energy

1 savings and a certain number of projects at the K through
2 12 and community college level. So that they get some idea
3 of what they're buying for their 175, based on your last
4 five years of data? Just it's very impressive stuff, so
5 that's why I would just make sure that you do tie it to
6 something performance oriented. It just makes it more
7 compelling.

8 The other thing is I was wondering on the 100
9 million for the ECAA, which I know you're about to get to,
10 is that a onetime thing or is that -- I'm used to revolving
11 loan. You don't necessarily give it 100 million every
12 year, because it's a revolving loan program.

13 MR. BARTRIDGE: Right, so the first one says a
14 minimum of 175 million per year. This one says 100
15 million. And that is a revolving fund, so we were looking
16 for a one time appropriation. With a revolving fund it
17 keeps going and paying itself back and keeps funding other
18 projects.

19 And I think it's worthwhile. I don't recall, off
20 the top of my head, what the ECAA funding was for the
21 program, but when -- 110 said 100 million through a
22 competitive process. It's pretty compelling at the 100
23 million level, especially with the revolving fund side of
24 things. It's just going to go on in perpetuity and keep
25 making these kinds of improvements, so I think that's

1 worthwhile and again just a one-time 100 million through a
2 revolving fund.

3 VICE CHAIR GOLD: I agree, but what it means is
4 your \$300 million cap per year allocation gets a little
5 more confusing after year one. That's all. So anyways
6 that's it. I'll hush for now. I know you've got a lot
7 more to get through.

8 MR. BARTRIDGE: Okay. Thanks.

9 CHAIR ALVORD: Just a point of clarification,
10 Mark. Are you talking about requesting the staff to
11 include in the recommendations some data about the energy
12 savings and other outcomes, job creation outcomes for
13 example, in the recommendation itself?

14 VICE CHAIR GOLD: Well, I think you need
15 something to substantiate why 175. And I think you have
16 data that substantiate 250 or 300, so whatever number you
17 pick. And so I'm just saying I would have that as a
18 sentence or two that's part of that, yes.

19 CHAIR ALVORD: Okay. And what I heard was that
20 basically the record shows that the CEC has been able to
21 productively use at least that level of funding in addition
22 to that, which is why this particular amount was chosen.
23 Correct?

24 MR. BARTRIDGE: Correct.

25 CHAIR ALVORD: Okay.

1 VICE CHAIR GOLD: Yeah, double and triple that
2 amount. Yeah.

3 MR. BARTRIDGE: So and we can work with CEC staff
4 as well to help us sort out what that sentence looks like
5 and bring -- I'll work with the rest of you next week
6 through some emails and we'll try and get some language,
7 work with staff on some language that sort of trues this up
8 and puts some validity behind the number, towards the
9 energy savings.

10 VICE CHAIR GOLD: Okay. Thank you.

11 BOARD MEMBER LLOYD: I had one question, but it
12 is about the next bullet. It's about the ECAA-Ed. Are you
13 ready to take a question on that?

14 MR. BARTRIDGE: Okay. Any other Board Members
15 have anything to say on Recommendation 1 of the 175
16 million?

17 (No audible response.)

18 MR. BARTRIDGE: Okay. Let's go ahead and move to
19 the ECAA-Ed. So that one is support the revolving loan
20 program at a level of at least \$100 million. Again, that's
21 a onetime appropriation of \$100 million into a revolving
22 fund. Go ahead.

23 BOARD MEMBER LLOYD: So I think the question goes
24 back the existing revolving fund structure and what funds
25 are coming back at what pace and what level to be revolved

1 in addition to the new funds. I think that it absolutely
2 begs the question as to why you need more if you've already
3 got a revolving structure set up, so just a little
4 clarification on that.

5 That doesn't mean I don't support providing more
6 funding into the program, because there is a lag in what
7 comes back if you've got a seven-year payback period or
8 something. I just think a little more information to
9 demonstrate how the program works and under what timeframe
10 that 100 million would be expected to cycle as well.

11 MR. BARTRIDGE: And let me just turn to any
12 Commission staff in the room. I know we had some
13 discussions about some extra dollars that paid back that
14 got added to. And I can certainly go back, but does
15 anybody have an impression off the top of their head about
16 the payback period and time and returning dollars?

17 MS. ERSOY: Hi, there. I'm Elise Ersoy. I
18 manage the office that does ECAA and Prop 39 and Bright
19 Schools. Off the top of my head though, I'd want to
20 confirm this with Deborah Godfrey who really supervises the
21 program. It's about I want to say 17 million per year we
22 get in repayments. And that is from -- we had 58 million
23 allocated through Prop 39. So --

24 MR. BARTRIDGE: And that's the 58 million that's
25 original with the Prop 39?

1 MS. ERSOY: Yeah. I really don't want to be
2 quoted on that off the top of my head, but we can certainly
3 get you those numbers.

4 MR. BARTRIDGE: Okay.

5 MS. ERSOY: And just a point of clarification
6 here, as you said earlier, SB 110 funded ECAA-Ed at 39.6
7 million. So are you asking -- I think it could just be
8 more clear in the language if you're asking for an
9 additional new 100 million, or you're asking for the
10 difference between 39.5 and 100. We'd be happy to take
11 another 100.

12 MR. BARTRIDGE: Yes. I think the Board's
13 recommendation was for the full 100 million, going forward.

14 MS. ERSOY: Meaning to fund it, so we're already
15 at 40?

16 MR. BARTRIDGE: Right.

17 MS. ERSOY: So to fund it 60 million more, so the
18 ask is really for 60 million more?

19 MR. BARTRIDGE: No, no, an additional 100
20 million. (Laughter.) And that's the way I understood it
21 from the Board.

22 MS. ERSOY: The gift that keeps on giving. All
23 right.

24 MR. BARTRIDGE: Any other comments on
25 Recommendation 2? No? Mark or Heather?

1 VICE CHAIR GOLD: No.

2 BOARD MEMBER ROSENBERG: Nope.

3 MR. BARTRIDGE: Okay. Thank you.

4 Okay. Recommendation 3 we have, provide direct
5 support to the Workforce Development Board's Pre-
6 apprenticeship Program. This year we heard from them that
7 they trained with \$13.2 million, 1,400 disadvantaged folks
8 and put them into their pre-apprenticeship programs,
9 actually put them into jobs. I think that was a successful
10 result.

11 I don't have a number in this recommendation. We
12 heard from Sarah White at the last meeting that they had
13 received \$25 million under SB 1 to do some work. They were
14 hoping to receive some additional dollars from GGRF this
15 year based on some early meetings with the Governor's
16 Office. We didn't put a number in this. We've yet to put
17 a number in this recommendation. It's a similar
18 recommendation that we include each year. We think it's a
19 valuable program, but I don't have the expertise to suggest
20 what might be needed here.

21 CHAIR ALVORD: I just want to expand on this a
22 little bit, because Jim and I talked about this at length.
23 And in my experience when you put a number in, it becomes
24 for some people the floor and for some people the ceiling.
25 And often becomes the ceiling. And I don't know that we

1 want to -- with the information that we have available and
2 what we know, I'm not sure we have the expertise to
3 determine this.

4 I do think it feels like there is pretty strong
5 support for this, both within the administration and
6 certainly in the legislation that's proposed. So I think -
7 - I'm most comfortable just saying that this has been a
8 successful program and that we want to see it continue to
9 be supported. But I'm open minded about whether if people
10 feel that a number is important, it's not a huge thing. I
11 just want to make sure that we don't put something on a
12 piece of paper that can be used to basically artificially
13 limit what could be available.

14 VICE CHAIR GOLD: Well, I think -- this is Mark,
15 can I talk?

16 MR. BARTRIDGE: Sure, go ahead.

17 VICE CHAIR GOLD: Okay. Yeah, I was just
18 wondering just sort of based on the same logic is, as we've
19 seen previously, is that I think saying that at \$3 million,
20 we've seen over the years that that has been as you say a
21 clear winner here. I think means that we should imply that
22 that is the floor and that there's a tremendous opportunity
23 for expansion here. But I'd hate to see it come back less
24 than 3 million in light of how well it's done. And so
25 that's why I think maybe wording it to say that we've

1 demonstrated over the years that \$3 million is demonstrated
2 tremendous success. And there's a real opportunity to
3 expand this program even more than that level and leave it
4 open ended that way.

5 CHAIR ALVORD: Did they use the word "pilot" for
6 any of this? I mean I think that actually says a lot if
7 it's up 3 million for a pilot that's been very successful.
8 And I agree with Mark's comments about maybe strengthening
9 the language around it. But clarifying that this was not a
10 full-fledged program, but they were trying it out to see if
11 it had wings and it does.

12 VICE CHAIR GOLD: Right. Okay. Thank you.

13 MR. BARTRIDGE: Yeah, and they definitely used
14 the work pilot. I have some of their pamphlets left over.
15 They're out front that call it a pilot. Any other Board
16 Members like to make a comment on it?

17 BOARD MEMBER MARTINEZ: This is Randall. I agree
18 with the comments made so far and understand the logic as
19 well. I too also want to emphasize that we show our strong
20 support for the Legislature to support workforce
21 development. You mentioned some pathways forward that
22 they've already initiated. And you cited some specific
23 examples. I think you said \$25 million was one?

24 MR. BARTRIDGE: Through SB 1, yes.

25 BOARD MEMBER MARTINEZ: Perhaps we could

1 strengthen by specifically offering our support to SB 1,
2 for example.

3 CHAIR ALVORD: Or would that be support for the
4 Governor's budget?

5 BOARD MEMBER MARTINEZ: Or both, yeah.

6 CHAIR ALVORD: Yeah.

7 BOARD MEMBER LLOYD: Yeah, I was going to add
8 that we definitely want to say that our recommendation is
9 to expand the program. I mean that has to be there. And
10 from whatever funding sources, you know we don't have to be
11 specific I think about the funding sources.

12 MR. BARTRIDGE: Okay, any other comments on
13 Recommendation 3? Okay, moving on.

14 Recommendation 4 is an inventory. This is an
15 inventory of the K through 12 facilities. This is a
16 similar recommendation from last year. This year we added
17 -- we requested that the Legislature put \$5 million into an
18 inventory to make it worthwhile to understand what's out
19 there, what's been done, what's the condition of schools.
20 And really look at a lot of data. CDE has data. The Energy
21 Commission, Prop 39 staff has data. The Conservation Corp,
22 last year we heard about the data that they had as well.
23 And so pulling together some of that data into a
24 comprehensive inventory that can tell us where we go from
25 here and best focus our dollars was the idea behind this

1 recommendation.

2 And to put some teeth into it to say the \$5
3 million is not a lot of money in the context of the work
4 that's been done in this program. But going forward this
5 kind of inventory, depending on the where the Legislature
6 goes and future of Prop 39 or energy efficiency programs
7 for schools, having information for schools and state
8 agencies and everybody else trying to achieve these goals,
9 having some information in one place, in an inventory,
10 could really help that effort, I think.

11 So that's behind this recommendation and with a
12 dollar number to it. So, comments on Recommendation 4?
13 Barbara?

14 BOARD MEMBER LLOYD: Let's check the phone first.

15 MR. BARTRIDGE: Mark or Heather?

16 VICE CHAIR GOLD: It's not surprising I have a
17 comment on this one. I think this is probably the one I've
18 been bringing up since the beginning.

19 So first of all I'm thrilled to see the 5 million
20 put in there. All I would also say is on the -- to support
21 an inventory of school facilities that leverages -- oh, you
22 just scrolled down the other way -- that leverages
23 information collected through Proposition 39. I would also
24 say and through other available -- maybe publically
25 available resources. And the reason why I say this is

1 because in doing the inventory you could get everything
2 from building age data at the county level, on to depending
3 on what's in the relationship with any of the utilities.
4 You can get some partial scale energy usage data on either
5 a school basis or on a building-by-building basis. And so
6 it'll just augment the data that you've obviously collected
7 through the whole Prop 39 process.

8 And I think to do an inventory, and the thing
9 that I think is missing at the end of this that's most
10 critical, is really an assessment of where the potential
11 greatest need is. And if that's always been a problem in
12 this program, but that makes sense since when you're at \$500
13 million a year in funding. Now prioritizing it, using this
14 sort of assessment, I think is absolutely critical. And in
15 particular, you know, targeting those disadvantaged
16 communities would probably be a top priority. And in those
17 areas where -- I remember that map you had where I can't
18 remember if it was the color gray, those LEAs in the gray
19 areas were clearly -- the percentages aren't as high as the
20 rest of the state.

21 That's a lot to unpack. But I'm just bringing it
22 up, because I think it sort of leads to a larger discussion
23 on -- you know an inventory is one thing, but making sure
24 that we actually get the data and use it to make further
25 recommendations on prioritization I think is pretty

1 critical.

2 MR. BARTRIDGE: Okay. Thank you. I'll work on
3 some language and probably work a little bit with staff as
4 well. And then circulate something back through Board
5 Members this week and we'll kind of work through it that
6 way. Okay?

7 BOARD MEMBER LLOYD: I had a follow-up question.

8 MR. BARTRIDGE: Please.

9 BOARD MEMBER LLOYD: The \$5 million number seems
10 substantial. And I think the task is substantial, even
11 with leveraging other databases. But do you have any
12 particular precedent that you use to come up with that
13 number?

14 MR. BARTRIDGE: I had talked with Heather a bit
15 who has done work in some areas similar and sort of
16 studies. Heather, are you on the line? And she thought
17 that was --

18 BOARD MEMBER ROSENBERG: Oh yes, I am.

19 MR. BARTRIDGE: Go ahead, if you --

20 BOARD MEMBER ROSENBERG: Sorry, can you repeat
21 the question again?

22 BOARD MEMBER LLOYD: This is Barbara. I just
23 really inquired as to whether or not the \$5 million figure
24 was informed by any look at precedent, studies, or on what
25 basis it might have been determined? I'm not saying it's

1 the wrong number. But if it's just like putting your
2 finger up in the air, I guess we might want to say at least
3 or something, because I don't know if that's enough for 58
4 counties and 3,000 school districts or whatever our numbers
5 are.

6 MR. BARTRIDGE: Yes. I certainly don't think --
7 no, go ahead, Heather.

8 BOARD MEMBER ROSENBERG: No, I agree. I mean I
9 don't have a benchmark for that number, necessarily.

10 MR. BARTRIDGE: Okay.

11 BOARD MEMBER ROSENBERG: Yeah.

12 MR. BARTRIDGE: So I did talk briefly to the
13 School Energy Coalition and they sent some reports, some
14 background things that I took a look at. And they were
15 trying to calculate based on square footages and square
16 footages of all the schools out there. And this could be a
17 much larger number. I'd have to go back and take a look at
18 one of the reports they shared with me, but I think and
19 that was an independent report. Off the top of my head, I
20 don't recall what it was, but I have a printed copy at my
21 desk I've looked at a couple of times.

22 But I think there was a number in there as high
23 as \$60 million. And so, when we start talking about
24 requests to the Legislature for funding we hadn't had a
25 number in this before. And so working the Legislature a

1 little bit, if you go with a huge number it's a non-starter
2 in many cases. So we wanted to add a number this year and
3 sort of be reasonable and be incremental. And if they take
4 a look at it, if we do something with an inventory or they
5 do something with an inventory and decide additional
6 funding is needed down the road or we find that we have
7 some information but it's touched on 20 percent or
8 something like that, can we extrapolate from there? I
9 don't know.

10 But we wanted to have something, but we certainly
11 couldn't have the world.

12 BOARD MEMBER LLOYD: I'll respond after Heather.

13 BOARD MEMBER ROSENBERG: So and what I was
14 understanding -- so this number to be is this is not
15 necessarily for interventions, but really to look across
16 all of the different schools and what the different needs
17 are at some level of detail, but not necessarily detailed
18 site inspections in every school and come up with an
19 inventory.

20 And that to me, looking at it as a consultant,
21 that budget would let you do a pretty decent inventory and
22 potentially needs assessment at a high level, looking at
23 the age of the school, the location, the things that have
24 been done, the size, the number of buildings, those kinds
25 of things. You could make some reasonable assumptions and

1 create some granularity in terms of what's been done,
2 what's needed, where are the questions marks?

3 So I was looking at that as a sort of
4 consultancy. You can do a pretty good list from that
5 perspective.

6 BOARD MEMBER LLOYD: So I agree that you can get
7 a good start and you can frame the issue. I think if we
8 were to use -- substitute initiate for support, to initiate
9 an inventory school facility. So you're basically saying
10 this is a down payment of the inventory. When you look at
11 the kind of information that you could be asking, based on
12 the laundry list that we described, and you compare that to
13 what the University of California has been doing with one
14 of their programs, and they don't have as many campuses,
15 they don't have as many buildings, it has been a five-year
16 process, minimally that started from a risk management
17 standpoint, not an energy efficiency standpoint. But still
18 it didn't cost \$5 million. So --

19 BOARD MEMBER ROSENBERG: But did it --

20 BOARD MEMBER LLOYD: I don't off the top of my
21 head right now -- much, much, more. And it wasn't a one
22 year effort. I mean, it's been at least five years. I
23 mean I've been working with the university for four years
24 and it was already well underway when I came. So I think
25 that we have to frame this as a kick start, a scoping --

1 BOARD MEMBER ROSENBERG: Yeah, I mean just --

2 BOARD MEMBER LLOYD: Go ahead.

3 BOARD MEMBER ROSENBERG: Sorry. Just in terms of
4 my assumptions, I mean what I would actually like to see
5 rather than just a one-time inventory actually would be a
6 database of the schools where these things could really
7 tracked. And that then you could use that for the basis of
8 our deeper risk assessment and potentially a resilience
9 strategy for across all schools. That's a database that
10 could have, in other words, multiple uses.

11 But I do think that you could look across the
12 schools and at a very course level. From an energy
13 perspective you can tell a lot about the age of the
14 building and what retrofits have already been done on any
15 sort of higher level information you can get. Even though
16 you may not even know how many buildings the school has,
17 all of those other questions, you can get -- you can build
18 hopefully the beginning of a database that then would have
19 to be managed and could be used to answer all sorts of
20 other questions down the road.

21 But this would not be energy modeling of any of
22 those schools. This would not -- I'm just sort of speaking
23 -- because of now I'm back with a consulting hat on what
24 would it take, what could you do for that amount? And we
25 wouldn't do a detailed risk assessment for every school.

1 You wouldn't do an energy model for any of those schools.
2 But you could say these schools have really gone deep.
3 These schools are really old. These schools are in
4 disadvantaged communities areas. And start to track where
5 their buildings are, what's been done and what needs to be
6 done and an inventory. And that was really the word I was
7 responding to there was "inventory." That hopefully would
8 live in a database.

9 And I do think there are consultants who could
10 turn that around for you on the order of \$5 million.

11 CHAIR ALVORD: And I totally agree with your
12 point that there's much, much, much more work to be done
13 from that, that then builds out and answer some of these
14 harder questions. And I do think that framing this as an
15 initial scoping or beginning process of an inventory is
16 spot on.

17 BOARD MEMBER LLOYD: And I'll have one final
18 comment. And that is along with Randall's comment earlier,
19 let's make sure that in that \$5 million procurement we
20 voice an intent that California-based small businesses be
21 included at least to the state's minimum requirement that
22 this kind of contract not be accepted from normal state
23 small business participation rules, DVBE, etcetera. I
24 mean, maybe that goes without saying, but I think we can
25 say it.

1 CHAIR ALVORD: Agreed.

2 MR. BARTRIDGE: Board Members then for Number 4
3 at the start in the bold this is inventory of K through 12
4 facilities. With your agreement, I'd change that to
5 "initiate an inventory of K through 12 facilities" and then
6 we can work on some additional language. Is that
7 acceptable?

8 CHAIR ALVORD: I heard the word scoping, which
9 might actually be appropriate. Initiate scoping of an
10 inventory. And Heather your recommendation a data base was
11 very interesting because I like the idea of just being
12 something that has sort of longevity and robustness. But
13 I'm also concerned about what that would mean in terms of
14 additional cost. And I don't really know how to answer
15 that other than punt to the Legislature or whoever makes
16 the decisions. But I do think --

17 VICE CHAIR GOLD: This is Mark. I just want to
18 add one thing. So I have a colleague here named Stephanie
19 Pincetl who has done an Energy Atlas for all of Los Angeles
20 County and has parcel scale energy data on literally for
21 every single building in Los Angeles County, on a yearly
22 basis for the last five years or so. And it was a big
23 issue in getting the data PUC, etcetera. We don't need to
24 get into that. But the point I'm saying is she did that
25 for far less than this, way more parcels overall than this.

1 To me, there's no point in just doing an
2 inventory unless there's a database and a commitment to
3 actually use the data to more wisely come up with energy
4 efficiency recommendations and even set priorities. And I
5 think that language needs to be in there. And I'm fine
6 with saying the 5 million is to initiate the process and
7 adopt the framework and begin using the database. I don't
8 know whether you can do the whole database for 5 million or
9 not. I assume it would take a lot of time to figure that
10 out.

11 But there's really not a point, I don't think, of
12 doing this unless that data is actually there and could be
13 analyzed to make recommendations.

14 CHAIR ALVORD: Yeah, I think it's really critical
15 that the point of the inventory is not stagnant. The point
16 is to enable better long term operations and decision
17 making.

18 VICE CHAIR GOLD: Yeah. Totally agree.

19 BOARD MEMBER ROSENBERG: And I think that we work
20 with a lot of these schools and so many of their systems
21 are kind of in a different century and it feels kind of
22 stuck there. But there's no reason to not start moving all
23 of this towards a manageable set of data that can be dealt
24 with in a much smarter way. And it feels to me -- I mean
25 I'm not a database developer. This is not my scope of

1 expertise per se, in terms of how you would do this kind of
2 inventory. But I think you can get reasonably far down the
3 road with the budget that's outlined here.

4 VICE CHAIR GOLD: I do too. And that's why I was
5 giving the example for all of LA County. And if anybody
6 wants to look at that, you can just look online for UCLA
7 Energy Atlas. And I think you'll see what I'm talking
8 about.

9 CHAIR ALVORD: Well I really enjoyed -- I've
10 gotten a lot out of this discussion because I felt very
11 strongly about this as well, including a noticeable amount
12 of money to get us going. And it's for a lot of reasons
13 it's come to my attention over the years that we have
14 extremely poor data overall on the schools in this state.

15 And the fact is that if we're going to achieve
16 our greenhouse gas emission goals, we've got to do a much
17 better job, as you guys know, on building energy
18 efficiency. And I'm not sure if people understand just
19 what an undertaking that is in terms of just knowing what
20 the building stock is out there. So this again could be a
21 place where the program could really model some excellent
22 ways of doing business, proving to go beyond the purview.

23 And so I like the idea of supporting, given
24 what's been said, that this would be initiating -- how
25 would we say this -- I don't want to wordsmith it here.

1 But I like including the word "database" and the fact that
2 this is just getting started. Obviously including
3 California-based businesses and that was another thing I
4 wanted to say --

5 BOARD MEMBER ROSENBERG: The DBE requirement, I
6 think, is good.

7 BOARD MEMBER LLOYD: It's I'm sorry, Disabled
8 Veteran Business Enterprises is DVBE?

9 CHAIR ALVORD: DVBE.

10 BOARD MEMBER LLOYD: DBE is a federal requirement
11 that doesn't exist in normal state contracting without
12 federal dollars.

13 BOARD MEMBER ROSENBERG: Okay. But with whatever
14 the right language is, I think for smaller and
15 disadvantaged businesses, if there is a possibility to
16 target this fund, the task.

17 CHAIR ALVORD: So the last thing I wanted to
18 address is Mark's comment about the assessment of need.
19 And I think that -- I agree that that's extremely important
20 in terms of knowing how we want to prioritize. I'm just a
21 little wary of how people set criteria at times, because
22 who's more important? A disadvantaged community in Los
23 Angeles where there are relatively large amounts of
24 resources around or perhaps a community in rural California
25 where perhaps you're serving fewer people but there's just

1 no options.

2 And having through the wars on the EnviroScreen
3 and various other tools I just think we -- I don't think we
4 need to put any guidance in it, but when it comes to actual
5 -- if this ever gets operationalized, I think we might want
6 to have a discussion on the best way to go forward.

7 VICE CHAIR GOLD: Yeah. I would agree with that,
8 but the one thing I would just add is I mean right, because
9 it could be the approach for assessment might be different
10 by region, by county, whatever the case may be. But the
11 way that we've seen when there's limited resources, I'm
12 just a little bit worried that a lot of times it doesn't go
13 to those school districts that are much more prepared and
14 well-suited to apply for these funds. And it's just
15 something we've just seen time and time again. And that's
16 -- you know by using the metrics-based approach as well as
17 looking at some of those other sorts of things, I think
18 that'd be helpful. But I agree. It's going to be a much
19 longer discussion but I look forward to us having.

20 BOARD MEMBER ROSENBERG: Yeah. I actually want
21 to piggy back on something you said earlier, Mark. And
22 that was to inform future decision making. The inventory
23 and the assessment, if an assessment comes out of it isn't
24 actually going to be the thing that sets the priorities,
25 because that's a policy matter. But the data -- having

1 that data available will inform future decision making.
2 And I think if we put it in those terms, we're not over
3 reaching what this project would accomplish.

4 CHAIR ALVORD: Totally agree, Heather.

5 MR. BARTRIDGE: Okay. We'll work on some
6 language and take input on some language as well and we'll
7 circulate and work with you next week through that.

8 Elise Ersoy wanted to make a comment as well.

9 MS. ERSOY: Just as the discussion was going on,
10 I want to make you aware of there's a Title 20 data
11 Collection Rulemaking that has been underway at the Energy
12 Commission. I used to be in the Energy Assessment Division
13 and so they will be collecting IMD interval meter data for
14 every meter in the state.

15 So if we were to have -- so we've been in
16 conversation a lot about building crosswalks between
17 databases, etcetera. And if there were a proper inventory
18 of schools, so long as we have the meter number associated
19 with that building, we should be able to -- or a contractor
20 should. But we'd love to -- and maybe it's not my staff,
21 maybe it's the assessment staff look at -- make those
22 connections as to how much energy they're using per square
23 foot, the energy use intensity. And then we also are
24 getting some feeders (phonetic) data, which is the database
25 of energy efficiency measures that have been installed.

1 And again, so long as we have those meter data
2 and a school has taken advantage of some incentive program
3 somewhere along the way, we'd be able to sort of see that
4 as well. And then we can marry that with census data. So
5 I think 5 million, if we were to do it I think that there
6 are agencies -- I'm not trying to advocate for us getting
7 \$5 million -- I'm just trying to say that I think for \$5
8 million you would be able to make those crosswalks.

9 But getting that inventory of what the stock
10 actually -- building stock actually is, is the bigger list.
11 So that's all

12 MR. BARTRIDGE: It seems like we're at the
13 beginning stages of this, but I think we're on the right
14 path and we'll make some amendments to this recommendation
15 and work with you on those the week ahead. And thank you,
16 Elise.

17 Recommendation Number 5, if there's no other
18 comments on 4 we'll move on. Okay.

19 Okay. So this is a recommendation we've also
20 made in the past, funding in capacity for a manual on best
21 practices. We know there's a lot of work going on out
22 there. We suggest in here a small amount of funding. This
23 is almost similar word for word from our recommendation
24 last year. A small amount, 250,000 for a third party to
25 review a cross section of completed projects and provide a

1 handbook manual to schools across California that helps
2 them identify, or we identify the best opportunities for
3 energy efficiency and self-generation projects. And the
4 key issues that they should consider, as they think about
5 moving forward with energy efficiency projects.

6 So that's the recommendation and we end with, we
7 believe that such a guide would increase the reach of this
8 program by creating an informational legacy. And I think
9 this ties into the last one where we talked about a
10 database as well.

11 So one's a database of information, an inventory,
12 beginning that process and that's really for all of us and
13 to inform future work. But this is also to benefit the
14 schools. I think we heard a lot about energy managers
15 going to work in the schools and coming up to speed and the
16 schools trying to figure things out. We heard in our
17 December meeting that they're all dealing with different
18 ranges of schools and age of buildings and things like
19 this. This type of best management practices manual would
20 hopefully give them a leg up in approaching improvements in
21 the future.

22 So do we have any comments on Recommendation 5?

23 BOARD MEMBER LLOYD: Yeah. I have one. Arising
24 out of our discussion about the programmatic audits where a
25 number of schools have had difficulty satisfying existing

1 procurement requirements, whether it be sole source or
2 putting specified target energy savings and contracts and
3 the like, it seems that there may be some benefit in having
4 procurement best practices, or procurement practices
5 generally included in the issues to consider. So financing
6 capacity, procurement practices, distinct from technical
7 knowhow, just something as small as that to kind of
8 highlight the fact that it seems people need some help and
9 we'd like to get that noncompliance rate down.

10 BOARD MEMBER ROSENBERG: Can I jump in. This is
11 Heather. I think that's a really good suggestion, because
12 I think the barriers for a lot of school districts is not
13 that they don't know what to do. That may be true, but
14 also how to access funds could be a portion of this. And I
15 do think you could probably incorporate some of those
16 financial best practices and budgeting guidance and
17 guidance on application. Having written a lot of best
18 practices guidance books like this over the years, on
19 different topics, I think the budget listed here is
20 reasonable even if you were to include a section on
21 economic and accounting and budgeting best practices as
22 well.

23 CHAIR ALVORD: This is Adrienne. I think we
24 talked about this a little bit, Jim. And I wondered if
25 there was a way to provide the school districts without

1 getting into big trouble as a kind of a list of licensed
2 contractors who are actually licensed to do the kind of
3 energy efficiency work, since the CEC oversees the
4 licensing. That would be helpful. Now I know there might
5 be some heartburn around that, but it's not an unlimited
6 universe and I think that a lot of times the schools just
7 don't know where to go.

8 I don't know if I want to include that in the
9 recommendations, but just as a practical suggestion it's
10 kind of hard sometimes for people who are not specialists
11 to know who to talk to. Randall will see that suggestion,
12 I know.

13 MR. BARTRIDGE: So is that something we would or
14 -- in some of the audit information we've heard back is
15 that in many cases there's only a certain amount of
16 contractors in their area. You know when you're talking 58
17 counties and a lot of land mass and a lot of school
18 districts, I think putting together that kind of list of --
19 that could be a pretty heavy lift.

20 Now I don't know staff if we maintain anything at
21 the Energy Commission on contractors, certified to do that
22 we could refer to or?

23 MR. MICHELLE: Dave Michelle, (phonetic) Prop 39
24 Program Staff. One method is to do an RFQ, so and then
25 publish that. That's one method. But endorsing any

1 contractor would probably violate our policy. But you can
2 also look at contractor license board or associations or
3 some of these contractors. Those are some of the things
4 that are general enough that we're not indorsing any
5 individual entity.

6 BOARD MEMBER LLOYD: I would suggest that we add
7 a word. Where I said procurement practices and resources,
8 because that's a broad brush where even developing some
9 practices that include who you reach out to, to find
10 qualified providers as opposed to looking in the phone
11 book. I mean, nobody looks in the phone book anymore, but
12 you know what I'm saying.

13 CHAIR ALVORD: I like that idea.

14 BOARD MEMBER ROSENBERG: Yeah. I mean if you
15 were going to include in this section recommendations on
16 how to, not just what project to do, but how to do it. How
17 to manage the different basics of managing a project of
18 this scale, which could include the accounting piece, it
19 could include how to identify funds, how to select a
20 contractor, some places to look for contractors. That
21 could be very -- that could fit nicely into a chapter of a
22 resource like this.

23 BOARD MEMBER MARTINEZ: This is Randall. At this
24 point, we're simply requesting the funding, correct? So if
25 we get the funding then perhaps a follow-up discussion on

1 the scoping associated with (indiscernible: audio drop.)

2 MR. BARTRIDGE: Okay. Well, we'll certainly take
3 that feedback on all of the recommendations back and work
4 along those lines and then seek your approval this week.
5 With the understanding that we won't have another Board
6 Meeting before this is due to the Legislature, I'd ask for
7 you to consider approval of the report with these
8 recommendations and edits that we will bring to you over
9 the week before we submit a final to the Legislature next
10 Friday. And so let me turn it over to you.

11 CHAIR ALVORD: Thank you, Jim. Thank you for
12 your help on this.

13 I think that, from my standpoint, I'm pretty
14 comfortable approving the overall, because it looks like we
15 didn't want to change anything material. I think what we
16 wanted to do is add clarification, provide background on
17 say why programs have been successful and basically ensure
18 that certain things were included. It was a lot of
19 wordsmithing and I think there was some substance in that
20 wordsmithing, but I don't think it changed the fundamental
21 recommendations at their core. So I would be comfortable
22 recommending a vote.

23 Of course, it looks like everybody has something
24 to say, so Randall and then Barbara and then on the phone.

25 BOARD MEMBER MARTINEZ: Sure. This is Randall.

1 I was appointed to Prop 39 in 2014, I believe, and then
2 reappointed in 2018. And over that time I've seen, we've
3 seen, some really tremendous results: improvements to
4 school districts that benefit the students, improvements to
5 the school districts that save money. I was also impressed
6 with what we heard at our last meeting from the Workforce
7 Development Board about the types of jobs that we have
8 created over this time; jobs in clean energy and jobs in
9 energy efficiency across the state, nearly 20,000 jobs that
10 did not exist five years ago. And all of these are just
11 tremendous accomplishments that I for one am very proud of.

12 So when you are ready, I am happy to express my
13 support for the Board Recommendation to go before the
14 Legislature and am happy to make that motion.

15 CHAIR ALVORD: Thank you, Randall.

16 Barbara?

17 BOARD MEMBER LLOYD: Yeah. I'll second the
18 motion and like Chair Alvord I have trust in the staff's
19 ability to incorporate what are contextual comments. So
20 I'm good with that.

21 CHAIR ALVORD: Thank you.

22 Mark and Heather?

23 BOARD MEMBER ROSENBERG: I think we have a motion
24 and a second?

25 CHAIR ALVORD: Yes, I think we do have a motion

1 and a second to accept the draft report with changes that
2 will be submitted to Board Members by staff before it's
3 submitted to the Legislature. Is that correct?

4 BOARD MEMBER LLOYD: Sounds good.

5 CHAIR ALVORD: Okay. So that's been moved and
6 seconded.

7 MR. BARTRIDGE: And Heather or Mark, did you have
8 any additional comments or shall we move forward with a
9 vote?

10 VICE CHAIR GOLD: Sorry, no.

11 BOARD MEMBER ROSENBERG: Uh-uh.

12 VICE CHAIR GOLD: So please move forward.

13 MR. BARTRIDGE: Okay.

14 CHAIR ALVORD: Okay.

15 MR. BARTRIDGE: So we have a motion by Board
16 Member Martinez and a second by Barbara Lloyd. And we'll
17 move to the vote.

18 Chair Alvord?

19 CHAIR ALVORD: Aye.

20 MR. BARTRIDGE: Barbara Lloyd?

21 BOARD MEMBER LLOYD: Aye.

22 MR. BARTRIDGE: Randall Martinez?

23 BOARD MEMBER MARTINEZ: Aye.

24 MR. BARTRIDGE: Mark Gold?

25 VICE CHAIR GOLD: Aye.

1 MR. BARTRIDGE: And Heather Rosenberg?

2 BOARD MEMBER ROSENBERG: Aye.

3 MR. BARTRIDGE: So we'll move forward with those
4 changes.

5 Dave Dias, I don't know if you're on the line or
6 not. Board Member Dias had a state license board meeting.
7 He was going to try and join by phone, but it was in San
8 Diego, so I'll communicate with him as well the changes.

9 CHAIR ALVORD: Thank you.

10 MR. BARTRIDGE: And one other thing I'd like to
11 bring to your attention real quick, just so you know. One
12 of the things that we had done, again with the help of
13 staff and David Velasquez here in the room was tremendously
14 helpful and we're including these as part of the
15 appendices.

16 And so what we did was we went through the
17 funding, based on CEC's data and developed for each
18 legislative district the amount of -- so we did it
19 statewide, this is K through 12. And this shows of the
20 dollars spent those projects, the number of sites, 541
21 number of sites completed projects but still in progress,
22 6,000 still moving forward. And so you can see the \$1.5
23 billion in spending. We also have by zip code the
24 disadvantaged community that we pointed out. And that's
25 the CalEnviroScreen here, so this is the statewide

1 investment. And only a fraction of the projects have been
2 completed to date, so this is the statewide.

3 And then let me just show you how this looks for
4 the Senate Districts. And we go through and we do each
5 Senate District and talk about the annual dollar savings,
6 15-year savings, both electric and dollars associated with
7 it, and the grand total. And if there's a disadvantaged
8 community in that district what portion of projects and
9 spending also occurs there. So I really want to call out
10 David for his help on this. We spent a good month and a
11 half working through developing this kind of data.

12 And I felt like it was very important to have
13 going forward with the report next year or later this year.
14 The only thing we had last year to take around was the
15 recommendations and show members. But this really gives
16 folks an idea of what's happening in their districts. What
17 kind of jobs are -- I didn't have the jobs numbers
18 necessarily associated with it, because it's more difficult
19 to sort of suss out. But they know that this kind of
20 activity is occurring in the schools in their district and
21 both completed and in progress. And I think the big thing,
22 the big story here, is not only the savings and the total
23 savings over 15 years but the projects that have been
24 completed versus those that are in progress. And this is
25 based on the end of last year, 2018 data. So the closure

1 of the program.

2 And so we're including these as appendices in the
3 report with your approval.

4 CHAIR ALVORD: This is really great. And I think
5 it kind of anticipates Chair Hochschild's remark that we
6 should do a better job of really letting people know the
7 good work that gets done in the CEC. So be sure to let him
8 know and sorry I didn't think to mention that earlier,
9 because I know you'd shown me a model of it.

10 MR. BARTRIDGE: We'll definitely get a report
11 across his desk as well for review.

12 And we did the same thing, it's a little bit
13 different, we didn't have the same amount of data for the
14 community colleges. So all we could do was show there that
15 within each district these are the community colleges that
16 received funding from this program. And that's the kind of
17 dollars. And then here we have the Prop 39 funding, the
18 utilities incentives and additional funding.

19 So but for the Prop 39 funding you can see here
20 in Senate District 1 the overwhelming majority was from
21 Prop 39. There were some utility incentives and some
22 district funds as well, but these projects wouldn't have
23 happened if it weren't for Prop 39. So again this is the
24 kind of stuff that we wanted to make clear to folks when
25 they pick up the report to understand the value of this

1 program, and understand that the Oversight Board with its
2 audit authority adds value to making sure that these things
3 are real.

4 And with that, Chair, I'll turn it back over to
5 you and then we can ask for public comments.

6 CHAIR ALVORD: Okay. Thank you so much. This is
7 a really interesting and valuable discussion and I think
8 that report will be stronger for it, so thank you everyone.
9 And with that and some --

10 VICE CHAIR GOLD: Wait, I had --

11 CHAIR ALVORD: Oh, Mark.

12 VICE CHAIR GOLD: I had a question.

13 CHAIR ALVORD: Go ahead.

14 VICE CHAIR GOLD: Yeah. Well, I'm just wondering
15 is it possible? Maybe I'm missing it, but I didn't receive
16 that, are we going to get that in the next week with the
17 final? Is that when we're actually seeing the Assembly and
18 Senate data?

19 MR. BARTRIDGE: I -- yes. I can send it to you.
20 I think I sent the -- and Mark, I may have missed you, but
21 I think I sent this out in .pdfs about a week or two back
22 or links to them.

23 CHAIR ALVORD: Yeah.

24 MR. BARTRIDGE: So but I do have them and it will
25 be included in the report and you're more than welcome. I

1 can send you another copy.

2 VICE CHAIR GOLD: Okay. I'm just wondering did
3 anything -- this is always what happens is when you do this
4 sort of analysis, did anything pop to you from the
5 standpoint of wow there was one Assembly District or a
6 couple of Senate Districts that just didn't sort of get
7 their fair share. Did anything sort of pop to you in that
8 way or did it give you in fact your ideal story, which
9 shows that you have equity across the board in all 120
10 districts? I mean, usually something like that will pop
11 when you get a chance to look at it.

12 MR. BARTRIDGE: Well, and I'll say that as we put
13 this stuff together I think this is -- this one shows that
14 a good chunk -- this is the statewide, at least for the K
15 through 12.

16 VICE CHAIR GOLD: Yeah.

17 MR. BARTRIDGE: And shows that a good chunk of
18 the dollars in this program went into disadvantaged
19 communities, so we were really happy to see that that -- I
20 mean the Legislature has moved in that direction over the
21 last several years. And I think we all find a benefit and
22 a need for that kind of continued investments to just see
23 how that shook out in this program. And again, this is the
24 CalEnviroScreen. This isn't the free and reduced meals
25 priced lunches. This is a different filter. And so to see

1 that the dollars actually focused into areas, I think that
2 was worthwhile.

3 Beyond that, Mark, I'll be honest it was sort of
4 a fast crunch to just assemble the data and verify the
5 data. And Prop 39 staff had the data. Again, David was
6 fantastic, spent a lot of time meeting with Jack and I.
7 And then we'd say, "Well, no that's not right, wait. Is
8 that really the right question?" And then there were -- so
9 there was a lot of work to just assemble this. It is based
10 on the data sets that CEC has on the reporting of the
11 program. And so as far as in-depth analysis, we're a
12 pretty small shop just Jack and I, and we didn't quite get
13 that far.

14 VICE CHAIR GOLD: Okay, understood. Thank you.

15 MR. BARTRIDGE: Okay. Uh-huh.

16 CHAIR ALVORD: Thanks, Mark. And are there any
17 other comments or questions?

18 BOARD MEMBER LLOYD: Yeah. I just suggest that
19 you add one sentence into Chapter 1 indicating what is
20 contained in Appendix J, so that people actually have
21 reason to go there. It would go at the end of the second
22 full paragraph of Chapter 1, I think.

23 CHAIR ALVORD: Okay. Anyone else? Comments?

24 Well a heartfelt thanks again to Jack and to Jim
25 and to all the staff who've helped with this wonderful

1 program. And with that, I think we're ready for public
2 comment.

3 MR. WEISKOPF: Hi. I'm Dave Weiskopf from
4 NextGen California. I want to offer my sincere gratitude and
5 heartfelt thanks to everyone who's been working on this
6 program. I know at this point five years in, and we've
7 sort of come to the completion of one phase, but as I think
8 the graphs here just were showing, show us we're really
9 just at the beginning of seeing the benefits that will
10 continue to accrue for years and years to come to schools,
11 I guess in every county. So congratulations and thank you.
12 We're looking forward to seeing how this continues to grow
13 and benefit Californians.

14 A couple of very brief comments besides those
15 general, we are very supportive of the contents of this
16 report, and the recommendations that are being offered and
17 the minor amendments that were discussed today.

18 I think it may be helpful also to -- also in
19 Recommendation 4, to the extent that it is possible it
20 would be nice to know either here or maybe somewhere else
21 in the data collection to what extent schools, especially
22 those participating in the Prop 39 programs, are able to
23 function as cooling centers. Or other shelter-in-place
24 zones in the event of extreme heat days, extreme poor-
25 weather days or excuse me poor-air quality days or other

1 natural disasters. The centrality of schools to community-
2 wide resilience is I think going to be increasingly
3 important and be something that would be great to know more
4 about. And whether this program is helping to increase
5 that resiliency, and if it can be leveraged to go further
6 down that road.

7 I guess I would also like to endorse a comment
8 made by, I believe one of the Board Members under Number 3.
9 We agree with the recommendation to continue the Workforce
10 Program. I think it makes sense maybe not to specify what
11 the appropriate funding source for that continued program
12 would be.

13 And then finally, in the Best Practices Guide,
14 under Section 5, I think it may be helpful also to refer
15 back to the pre-apprenticeship program and the benefits of
16 that program in creating a trained and skilled workforce in
17 the equipment and techniques that are helpful for improving
18 the comfort, efficiency and decarbonization of these school
19 buildings. And how those network effects might spread to
20 the rest of the local buildings stock to the availability
21 of homeowners to hire contractors who are trained in these
22 ways.

23 And with that I thank you for your work and
24 strongly support the finalization of this report with those
25 recommendations.

1 CHAIR ALVORD: Thank you, David. Appreciate it.

2 MR. WEISKOPF: Thank you.

3 CHAIR ALVORD: Any other public comment or staff
4 comment?

5 MS. ERSOY: Me again, Elise Ersoy, Manager of the
6 Local Assistance and Financing Office. Tomorrow is my last
7 day as the Manager, so I wanted to just really thank you
8 guys for all the hard work you do and really particularly
9 thank staff. This program wouldn't be what it is without
10 the amazing staff that we have here. So thank you very
11 much to everybody, especially Jim Holland and David
12 Velasquez, who are absolutely instrumental in pulling this
13 together.

14 And then I just wanted to note a few things that
15 I've noticed as Manager over the last two-and-a-half years.
16 And one is that I think sometimes the disadvantaged
17 communities' gets confused with the High FRPM, high free
18 and reduced price lunch. And just want to note in that all
19 of the enabling legislation it doesn't talk about
20 disadvantaged communities, it talks about free and reduced
21 priced lunch. So just when communicating to the
22 Legislature, just be cognizant of that, because they may be
23 interested in the other.

24 You can have a disadvantaged community, because
25 of environmental justice and air pollution etcetera that's

1 highly affluent. So if the intent is to get dollars to
2 low-income schools FRPM is a better metric, so there's
3 that.

4 And then also, I think we've talked about this,
5 but we are doing a lessons learned survey, because we spent
6 \$1.5 billion and I'd like to learn something from that and
7 how moving forward we might be able to do an even better
8 job and spend dollars more cost efficiently. So that
9 should be coming out sometime around the beginning of the
10 new fiscal year. And we're interviewing LEAs. We're
11 surveying LEAs, consultants, staff, and certainly the COB
12 will be interviewed as well.

13 So with that I'd just like to thank staff and
14 thank you Jim and Jack. And Bill Fanner will be the Acting
15 Manager while I'm gone, so direct all of your questions to
16 him, all right? (Laughter.) Thanks very much.

17 CHAIR ALVORD: If I may ask is this are you going
18 to a different part of state government or are you --

19 MS. ERSOY: I'm taking maternity leave --

20 CHAIR ALVORD: Oh, my goodness.

21 MS. ERSOY: -- first. And then I'll still be
22 with the Commission, but I'll be in a research position
23 over in the Energy Research and Development Division.

24 CHAIR ALVORD: Well, thank you've done. And good
25 luck in your future public service and with your growing

1 family.

2 MS. ERSOY: Thank you very much.

3 CHAIR ALVORD: Are there any other comments?

4 Okay.

5 MR. BARTRIDGE: Any comments on the phone?

6 VICE CHAIR GOLD: No.

7 BOARD MEMBER MARTINEZ: Motion to adjourn.

8 CHAIR ALVORD: Motion to adjourn? Seconded?

9 BOARD MEMBER LLOYD: Seconded.

10 CHAIR ALVORD: Okay. Do we need to make a roll
11 call, or can we do it by acclamation?

12 MR. BARTRIDGE: You can do it by acclamation.

13 CHAIR ALVORD: All in favor?

14 (Ayes.)

15 CHAIR ALVORD: All right, any opposed? Okay.

16 Thank you very much everyone.

17 (Adjourned at 3:03 p.m.)

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REPORTER'S CERTIFICATE

I do hereby certify that the testimony in the foregoing hearing was taken at the time and place therein stated; that the testimony of said witnesses were reported by me, a disinterested person, and was under my supervision thereafter transcribed into typewriting.

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IN WITNESS WHEREOF,

I have hereunto set my hand this 8th day of April, 2019.



Jacqueline Denlinger
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IN WITNESS WHEREOF, I have hereunto set my hand this 9th day of April, 2019.



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