

Minutes of Board of Directors Meeting

April 30 – May 1, 2012

A special meeting of the Directors of the Western Climate Initiative, Inc. (the “Board”) was held via teleconference on April 30, 2012, and continued through May 1, 2012, pursuant to written notice sent to each Director.

The meeting was called to order by the Chair, James Goldstene, at approximately 11:00 a.m. Pacific Time on April 30, 2012, and was adjourned for continuation at 12:00 p.m. Directors reconvened at 9:00 a.m. Pacific Time on May 1, 2012 to continue the meeting. Lydia Dobrovolny kept the minutes of the meeting.

Attendance

The following Directors were present, constituting a quorum pursuant to the By-Laws:

- James Goldstene (Chair)
- Robert Noel de Tilly (Vice Chair)
- Tim Lesiuk (Secretary)
- Jean-Yves Benoit (Treasurer)
- Matthew Rodriguez
- James Mack

Also present were:

- Edie Chang, Richard Corey, Michael Gibbs, Mark Wenzel, and David Zonana, State of California
- Jessica Verhagen (April 30 only) and Jillian Zavediuk, Province of British Columbia
- Bob Flemington, Dave Tiffin, Stephanie van Laeken and Jim Whitestone, Province of Ontario
- Clifford Case, Carter Ledyard & Milburn, LLP
- Anita Burke, WCI, Inc. Executive Director
- Patrick Cummins, Western Climate Initiative Project Manager
- Lydia Dobrovolny, Ross & Associates

1. Justification for Pursuing a Sole Source Contracting Arrangement with SRA

WCI, Inc. has been documenting a justification for a Board decision to procure the services of SRA, International (SRA) to provide interim hosting and jurisdiction functionality for the Compliance Instrument Tracking System Service (CITSS) on a sole source basis, and how this approach is consistent with the WCI, Inc. Procurement Policy. Directors agreed that a written justification should be discussed and reviewed by the Board prior to finalizing the contract, and posted on the WCI, Inc. website. The

Board directed staff to continue to refine the justification document and distribute for Board review and approval.

Directors also agreed that those sections of the contract that do not potentially compromise security vulnerabilities of CITSS should also be posted on the WCI, Inc. website, and asked for input from technical staff from the WCI jurisdictions about what redactions may be needed.

2. Outstanding Contract Issues

The Board reviewed the final draft scope of work for hosting and jurisdiction functionality for CITSS. No additional questions or issues were identified for the scope of work.

The Board reviewed outstanding issues that have been raised in finalizing the terms and conditions, including: the role for jurisdictions in enforcing the contract; limitations on damages; insurance endorsement, indemnity and modifications to ensure consistency throughout the contract. The Board provided guidance on additional changes for the terms and conditions, and directed the WCI, Inc. Executive Director to work with corporate counsel and jurisdictional representatives to draft a final version of the contract terms and conditions to incorporate into the contract.

The Board reviewed the cost proposal from SRA and did not identify any issues and directed staff to incorporate key elements of the cost proposal into the contract.

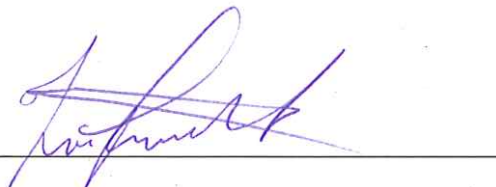
The Board discussed the relationship of the terms and conditions in the CITSS hosting contract to those in the RIDGE license agreement, and directed staff to work with SRA to develop a final version of the RIDGE license agreement in alignment with the CITSS hosting contract.

The Board agreed to reconvene on May 8, 2012, to review and consider for approval the sole source justification, the CITSS hosting contract, and the RIDGE license agreement, for signature and execution.

Adjournment

With unanimous consent, the meeting adjourned at 10:05 a.m. Pacific Time on May 1, 2012.

Respectfully submitted,



Tim Lesiuk, Secretary