



**REGULAR MEETING of the Board of Directors of the
Peninsula Clean Energy Authority (PCEA)
Thursday, May 25, 2017**

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

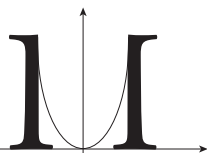
Supplemental Board materials for Agenda Packet items.

Please find attached:

- Draft Budget
- April Financial Reports
- Attachment to Resolution to Appoint Citizens Advisory Committee members
- Amended Minutes from the April 27th, 2017 meeting

**PENINSULA CLEAN ENERGY AUTHORITY
OPERATING FUND**

	<u>2016/17 Annual Budget (proposed amended)</u>	<u>2017/18 Budget Proposed</u>	<u>Variance from 2016/17</u>
REVENUE AND OTHER SOURCES			
Revenue - Electricity (net of allowance)	\$ 96,569,760	\$ 248,081,917	\$ 151,512,157
Revenue - Green Premium	267,843	736,822	468,979
Other Source - bank loan proceeds	4,000,000	-	(4,000,000)
Total revenue and other sources	<u>100,837,603</u>	<u>248,818,739</u>	<u>147,981,136</u>
EXPENDITURES AND OTHER USES			
CURRENT EXPENDITURES			
Cost of energy	70,448,147	181,715,216	111,267,069
Data manager	1,538,853	3,970,377	2,431,524
PG&E service fees	594,892	1,635,848	1,040,956
Personnel	1,211,250	3,320,000	2,108,750
Benefits	418,000	-	(418,000)
Customer noticing	680,000	425,000	(255,000)
Outreach and communications	540,000	624,000	84,000
Professional services	230,000	1,017,000	787,000
Legal and regulatory	900,000	1,030,000	130,000
Energy Programs	100,000	250,000	150,000
General and administration	700,625	795,207	94,582
Total current expenditures	<u>77,361,767</u>	<u>194,782,649</u>	<u>117,420,882</u>
OTHER USES			
Rate stabilization reserve	7,197,530	12,440,937	5,243,407
Bad debt reserve	-	-	-
CCA Bond, CAISO and PG&E deposits	100,000	-	(100,000)
Capital outlay	-	483,500	483,500
Total other uses	<u>7,297,530</u>	<u>12,924,437</u>	<u>5,626,907</u>
DEBT SERVICE	<u>376,675</u>	<u>7,997,000</u>	<u>7,620,325</u>
Total expenditures, Other Uses and Debt Service	<u>85,035,972</u>	<u>215,704,086</u>	<u>130,668,114</u>
Net increase	<u>\$ 15,801,631</u>	<u>\$ 33,114,653</u>	<u>\$ 17,313,022</u>



ACCOUNTANTS' COMPILATION REPORT

Board of Directors
Peninsula Clean Energy Authority

Management is responsible for the accompanying financial statements of Peninsula Clean Energy Authority (a California Joint Powers Authority) which comprise the statement of net position as of April 30, 2017, and the related statement of revenues, expenses, and changes in net position, and the statement cash flows for the period then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the accompanying statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, conclusion, nor provide any assurance on these financial statements.

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

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

Maher Accountancy

San Rafael, CA
May 23, 2017



PENINSULA CLEAN ENERGY AUTHORITY

STATEMENT OF NET POSITION

As of April 30, 2017

ASSETS

Current assets	
Cash and cash equivalents	\$ 13,930,057
Accounts receivable, net of allowance	6,078,630
Other receivables	68,034
Accrued revenue	8,305,368
Prepaid expenses	490,200
Total current assets	<u>28,872,289</u>
Noncurrent assets	
Capital assets, net of depreciation	18,106
Deposits	130,000
Total noncurrent assets	<u>148,106</u>
Total assets	<u>29,020,395</u>

LIABILITIES

Current liabilities	
Accounts payable	681,002
Accrued cost of electricity	14,666,686
Accrued interest payable	27,681
Accrued payroll and related liabilities	97,790
Other accrued liabilities	90,000
User taxes and energy surcharges due to other governments	194,984
Total current liabilities	<u>15,758,143</u>
Noncurrent liabilities	
Loan payable to bank	3,000,000
Loans payable to County of San Mateo	4,480,800
Total noncurrent liabilities	<u>7,480,800</u>
Total liabilities	<u>23,238,943</u>

NET POSITION

Net investment in capital assets	18,106
Unrestricted	<u>5,763,346</u>
Total net position	<u>\$ 5,781,452</u>

PENINSULA CLEAN ENERGY AUTHORITY

STATEMENT OF REVENUES, EXPENSES

AND CHANGES IN NET POSITION

July 1, 2016 through April 30, 2017

OPERATING REVENUES

Electricity sales, net	\$ 49,808,031
Green electricity premium	111,816
Total operating revenues	<u>49,919,847</u>

OPERATING EXPENSES

Cost of electricity	39,170,470
Staff compensation and benefits	739,552
Data manager	831,076
Service fees - PG&E	217,161
Consultants and other professional fees	295,708
Legal	652,168
Communications and noticing	858,905
General and administration	127,590
Depreciation	2,475
Total operating expenses	<u>42,895,105</u>
Operating income (loss)	<u>7,024,742</u>

NONOPERATING REVENUES (EXPENSES)

Interest income	8,885
Interest and related expense	(122,061)
Financing costs	(87,790)
Total nonoperating revenues (expenses)	<u>(200,966)</u>

CHANGE IN NET POSITION

	6,823,776
Net position at beginning of period	<u>(1,042,324)</u>
Net position at end of period	<u>\$ 5,781,452</u>

PENINSULA CLEAN ENERGY AUTHORITY

STATEMENT OF CASH FLOWS
July 1, 2016 through April 30, 2017

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from electricity sales	\$ 35,618,212
Tax and surcharge receipts from customers	605,913
Payments to purchase electricity	(25,062,018)
Payments for staff compensation and benefits	(669,040)
Payments for consultants and other professional fees	(838,172)
Payments for legal fees	(848,790)
Payments for communications and noticing	(688,974)
Payments for general and administration	(122,661)
Tax and surcharge payments to other governments	(493,291)
Net cash provided (used) by operating activities	<u>7,501,179</u>

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

Loan proceeds from bank notes and loans	1,421,333
Deposits and collateral paid	(130,000)
Interest and related expense payments	(95,737)
Finance costs	(87,790)
Net cash provided (used) by non-capital financing activities	<u>1,107,806</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Acquisition of capital assets	<u>(20,581)</u>
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CASH FLOWS FROM INVESTING ACTIVITIES

Interest income received	<u>8,885</u>
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Net change in cash and cash equivalents	8,597,289
Cash and cash equivalents at beginning of year	<u>5,332,768</u>
Cash and cash equivalents at end of period	<u><u>\$ 13,930,057</u></u>

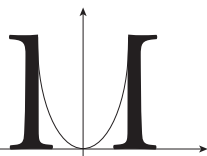
PENINSULA CLEAN ENERGY AUTHORITY

STATEMENT OF CASH FLOWS (continued)

July 1, 2016 through April 30, 2017

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

Operating income (loss)	\$ 7,024,742
Adjustments to reconcile operating income to net cash provided (used) by operating activities	
Depreciation expense	2,475
Revenue reduced for uncollectible accounts	175,333
(Increase) decrease in net accounts receivable	(6,253,963)
(Increase) decrease in other receivables	(68,034)
(Increase) decrease in accrued revenue	(8,305,368)
(Increase) decrease in prepaid expenses	(490,200)
Increase (decrease) in accounts payable	681,002
Increase (decrease) in accrued payroll and related	72,144
Increase (decrease) in accrued cost of electricity	14,666,686
Increase (decrease) in accrued liabilities	(198,622)
Increase (decrease) in user taxes and energy surcharges due to other governments	194,984
Net cash provided (used) by operating activities	<u>\$ 7,501,179</u>



ACCOUNTANTS' COMPILATION REPORT

Board of Directors
Peninsula Clean Energy Authority

Management is responsible for the accompanying special purpose statement of Peninsula Clean Energy Authority (a California Joint Powers Authority) which comprise the budgetary comparison schedule for the period ended April 30, 2017, and for determining that the budgetary basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the accompanying statement nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any assurance on this special purpose budgetary comparison statement.

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

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

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

Maher Accountancy

San Rafael, CA
May 23, 2017



**PENINSULA CLEAN ENERGY AUTHORITY
OPERATING FUND
BUDGETARY COMPARISON SCHEDULE
July 1, 2016 through April 30, 2017**

	2016/17 YTD Budget	2016/17 YTD Actual	2016/17 YTD Budget Variance (Under) Over	2016/17 YTD Actual/Budget %	2016/17 Annual Budget	2016/17 Budget Remaining
REVENUE AND OTHER SOURCES						
Revenue - Electricity	\$ 45,060,871	\$ 49,983,364	\$ 4,922,493	111%	\$ 85,882,760	\$ 35,899,396
Revenue - Green Premium	158,966	111,816	(47,150)	70%	267,843	156,027
Other Source - bank loan proceeds *	12,000,000	-	(12,000,000)	0%	12,000,000	12,000,000
Interest income	-	8,885	8,885	na	-	(8,885)
Total revenue and other sources	<u>57,219,837</u>	<u>50,104,065</u>	<u>(7,115,772)</u>	<u>88%</u>	<u>98,150,603</u>	<u>48,046,538</u>
EXPENDITURES AND OTHER USES						
CURRENT EXPENDITURES						
Cost of energy	43,976,845	39,170,470	(4,806,375)	89%	73,298,147	34,127,677
Internal staffing	1,329,582	616,805	(712,777)	46%	1,711,250	1,094,445
Benefits	498,332	122,747	(375,585)	25%	673,000	550,253
Outreach and communications	360,000	397,992	37,992	111%	440,000	42,008
Technical consultants	220,000	167,736	(52,264)	76%	255,000	87,264
Legal and regulatory	430,000	652,168	222,168	152%	450,000	(202,168)
Data manager	772,715	831,076	58,361	108%	1,363,853	532,777
Customer noticing	440,000	460,913	20,913	105%	755,000	294,087
Energy Programs (including NEM)	679,165	-	(679,165)	0%	1,022,500	1,022,500
PG&E service fees	324,944	217,161	(107,783)	67%	564,892	347,731
General and administration	650,417	276,143	(374,274)	42%	800,625	524,482
Total current expenditures	<u>49,682,000</u>	<u>42,913,211</u>	<u>(6,768,789)</u>	<u>86%</u>	<u>81,334,267</u>	<u>38,421,056</u>
OTHER USES						
Rate stabilization reserve	2,710,993	-	(2,710,993)	0%	4,757,530	4,757,530
Bad debt reserve	157,712	175,333	17,621	111%	300,590	125,257
CCA Bond, CAISO and PG&E deposits	635,000	100,000	(535,000)	16%	635,000	535,000
Capital outlay (grouped with G&A)	-	-	-	-	-	-
Total other uses	<u>3,503,705</u>	<u>275,333</u>	<u>(3,228,372)</u>	<u>8%</u>	<u>5,693,120</u>	<u>5,417,787</u>
DEBT SERVICE	<u>290,308</u>	<u>209,851</u>	<u>(80,457)</u>	<u>72%</u>	<u>376,675</u>	<u>166,824</u>
Total Expenditures, Other Uses and Debt Service	<u>53,476,013</u>	<u>43,398,395</u>	<u>(10,077,618)</u>	<u>81%</u>	<u>87,404,062</u>	<u>44,005,667</u>
Net increase (decrease) in available fund balance	<u>\$ 3,743,824</u>	<u>\$ 6,705,670</u>	<u>\$ 2,961,846</u>	<u>179%</u>	<u>\$ 10,746,541</u>	<u>\$ 4,040,871</u>

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

PENINSULA CLEAN ENERGY AUTHORITY
OPERATING FUND
BUDGET RECONCILIATION TO STATEMENT OF
REVENUES, EXPENSES AND CHANGES IN NET POSITION
July 1, 2016 through April 30, 2017

Net increase (decrease) in available fund balance per budgetary comparison schedule:	\$ 6,705,670
Adjustments needed to reconcile to the changes in net position in the Statement of Revenues, Expenses and Changes in Net Position:	
Subtract depreciation expense	(2,475)
Add back capital asset acquisitions	20,581
Add back collateral deposits	<u>100,000</u>
Change in net position	<u><u>\$ 6,823,776</u></u>

**Attachment to Resolution to Appoint a Citizens Advisory Committee
Peninsula Clean Energy Board of Directors Meeting, May 24th, 2017**

Peninsula Clean Energy sincerely thanks the 39 candidates who submitted applications for its Citizens Advisory Committee. The applicant pool was very strong and reflected the deep expertise and interest of the residents of San Mateo County in clean energy and sustainability.

After reviewing applications and interviewing 20 candidates, the Ad Hoc Committee of the Peninsula Clean Energy Board of Directors on the Citizens Advisory Committee, made up of Councilmembers Rick Bonilla, Donna Colson, Wayne Lee, Charles Stone, and Bill Widmer, presents this list of 15 nominees for the PCE Citizens Advisory Committee.

Term (years)	First Name	Last Name	City	Key Strength(s)	Selected Background
1	Liru	Chin	South San Francisco	Outreach, Speaks Mandarin	IT Manager for a bank in SF. Active community volunteer for youth sports, Rebuild Together, CERT. Speaks Mandarin Chinese.
3	Michael	Closson	Menlo Park	Outreach, Legislative, Technical	Advocated for CCA in San Mateo County through Sierra Club, San Mateo Community Choice, and Menlo Spark. Served on original PCE CAC. Former ED of Acterra, developed Green@Home residential energy efficiency program.
2	Janet	Creech	Millbrae	Outreach, Legislative	Deeply involved in PCE outreach and political support through San Mateo Community Choice and Sierra Club. Former PCE CAC member. Appointed member of Millbrae Community Enhancement Committee. Former science teacher.
3	Gladwyn	D'Souza	Belmont	Outreach, Legislative, Technical	Deeply involved in PCE outreach and political support through San Mateo Community Choice and Sierra Club. Professional background as electrical engineer, certificate in smart grids.
1	Joe	Fullerton	Half Moon Bay	Outreach, Technical	Energy and Sustainability Manager, San Mateo Community College District, installed major solar, battery storage, and EV charging systems. Experience in green building, utility rates, demand reduction, on-bill financing.
2	David	Hahn	South San Francisco	Outreach, Speaks Korean	General Construction Contractor. Director of San Francisco Builders Exchange. Former Director of Korean American Association of Northern California and Korean American Chamber of Commerce.

Term (years)	First Name	Last Name	City	Key Strength(s)	Selected Background
3	Scott	Harmon	Portola Valley	Outreach, Technical	Deeply involved in sustainability in youth and family outreach through Boy Scouts. Professional focus on energy efficiency lighting solutions for municipal accounts.
1	Ted	Howard	San Mateo	Legislative, Technical	Former Regulatory Analyst with CPUC's Policy and Planning Division encouraging distributed generation (DG). Consultant on DG. Participated in CPUC PCIA Working Group meetings in 2016.
1	Emily	Leslie	Pacifica	Technical, Legislative	Renewable Energy Consultant, worked with SFO, ABAG, CPUC, environmental NGOs, Stanford, and Alcatraz Island on energy efficiency, renewables, microgrid.
2	Janelle	London	Menlo Park	Outreach, Legislative, Technical, Speaks Spanish	Active PCE outreach volunteer. Chair of Menlo Park Environmental Quality Commission, Technical Advisory Committee for Peninsula Advanced Energy Community CEC grant. Experience in designing grassroots legislative advocacy campaigns.
2	Landis	Marttila	Works in San Mateo County	Outreach, Legislative, Technical	Rep for IBEW. Experience as party to rulemaking at CPUC. Member of ISO Transmission Maintenance Coordinating Committee. On Executive Committee of San Mateo County Central Labor Council, and member of previous CAC.
1	KC	McKanna	Menlo Park	Technical, Legislative	Managed PACE financing for energy efficiency. As Stanford PhD student, launching 12,000 household demand response pilot through CEC EPIC grant.
2	Jason	Mendelson	Redwood City	Outreach, Legislative	Active in developing Woodside's Climate Action plan and city sustainability ordinances, organizing Earth Day celebrations in Portola Valley/Woodside, owns TV and film production studio.
3	James	Ruigomez	San Bruno	Outreach, Legislative	Business Manager for San Mateo Building Trades Council, representing 26 local construction unions. Member of former PCE CAC. Active as volunteer coach in San Bruno youth sports.
3	Desiree	Thayer	Burlingame	Outreach, Legislative	Co-lead on Burlingame Citizens Environmental Council project to promote ECO100 opt-ups locally. Volunteered on PCE business outreach. Extensive outreach and legislative volunteer experience through Oxfam.



**REGULAR MEETING and SPECIAL MEETING of the Board of Directors of the
Peninsula Clean Energy Authority (PCEA)
Thursday, April 27, 2017
AMENDED MINUTES**

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

CALL TO ORDER

Meeting was called to order at 6:36 pm.

ROLL CALL

Present: Dave Pine, County of San Mateo, *Chair*
Carole Groom, County of San Mateo
Rick DeGolia, Town of Atherton
Charles Stone, City of Belmont
Donna Colson, City of Burlingame
Rae P. Gonzalez, Town of Colma
Larry Moody, City of East Palo Alto
Elizabeth Cullinan, Town of Hillsborough
Ann Schneider, City of Millbrae
John Keener, City of Pacifica
Jeff Aalfs, Town of Portola Valley, *Vice Chair*
Ian Bain, City of Redwood City
Marty Medina, City of San Bruno
Ron Collins, City of San Carlos
Rick Bonilla, City of San Mateo
Pradeep Gupta, City of South San Francisco
Daniel Yost, Town of Woodside

Absent: City of Brisbane
City of Daly City
City of Foster City
City of Half Moon Bay
City of Menlo Park

Staff: Jan Pepper, Chief Executive Officer

George Wiltsee, Director of Power Resources
Dan Lieberman, Director of Marketing and Public Affairs
Siobhan Doherty, Manager of Contracts
Joseph Wiedman, Senior Regulatory/Legislative Analyst
Kirsten Andrews-Schwind, Communications and Outreach Manager
Leslie Brown, Manager of Customer Care
Anne Bartoletti, Board Clerk/Executive Assistant to the CEO
David Silberman, General Counsel

A quorum was established.

PUBLIC COMMENT:

No public comment.

ACTION TO SET THE AGENDA AND APPROVE CONSENT AGENDA ITEMS

Motion Made / Seconded: Bain / Stone

Motion passed 15-0 (Abstain: Cullinan. Absent: Brisbane, Daly City, Foster City, Half Moon Bay, Menlo Park, San Mateo)

PUBLIC COMMENT

No public comment.

REGULAR AGENDA

1. CHAIR REPORT

Dave Pine—Chair—welcomed Board members and attendees. He noted that there would be a special meeting tonight as well as the regular meeting. He announced that Peninsula Clean Energy (PCE) is completing Phase 2 of customer enrollment, so the entire County of San Mateo is on at least 50% clean energy.

2. CEO REPORT

Jan Pepper—Chief Executive Officer—announced that PCE is now the largest CCA (Community Choice Aggregator) in California, and that several Board members attended PCE’s Phase 2 press event on April 19th at Hillsdale shopping center. She reported that PCE still maintains a low opt out rate of 1.3% and customer accounts now near 300,000. She announced that PCE staff has been expanded by 25% with the addition of two new employees: Siobhan Doherty, Manager of Contracts, and Joe Wiedman, Senior Regulatory/Legislative Analyst. She announced that an Energy Analyst position has been posted, that will be open for applications until May 3rd. She also announced several important dates coming up: the online application for the Citizens

Advisory Committee will be open until April 30th; PCE staff will present “PCE 101” energy basics training for new Board members the week of May 15th; and “PCE 202”—the deeper dive into PCIA, will take place the 1st week of June.

3. MARKETING AND OUTREACH REPORT

Dan Lieberman—Director of Marketing and Public Affairs—reported on marketing and outreach efforts, including Earth Day events, and PCE sponsorship and conferences.

4. REGULATORY AND LEGISLATIVE REPORT

Joseph Wiedman—Senior Regulatory/Legislative Analyst—reported on regulatory and legislative efforts, including meeting with State Senator Scott Wiener on March 31 regarding SB 618; attending the Senate Energy Utilities & Communications Committee Hearing on SB 618 on April 18th; an April 20th meeting with PG&E (Pacific Gas and Electric Company), MCE (Marin Clean Energy), and SCP (Sonoma Clean Power) on a default TOU (Time Of Use) pilot program. Joe provided updates on several pieces of legislation that would impact CCAs, including SB 618, AB 79, AB 1405, SB 338, and SB 679.

5. INTEGRATED RESOURCE PLAN

Joe Wiedman and George Wiltsee—Director of Power Resources—presented considerations for an Integrated Resource Plan (IRP), including resource planning goals, electric load forecasts, the mix of resources, procurement methods, and risk management, and how those relate to PCE’s strategic procurement targets. They reported that although there are currently no final requirements from the CPUC on the components of an IRP, PCE is working on an IRP to submit to the Board for approval, and then ultimately to the CPUC to be certified.

6. AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO EXECUTE AN EEI (EDISON ELECTRIC INSTITUTE) MASTER AGREEMENT AND CONFIRMATION AGREEMENT FOR PURCHASE OF RESOURCE ADEQUACY FROM PACIFIC GAS AND ELECTRIC COMPANY (PG&E). POWER DELIVERY TERM: JULY 1, 2017 THROUGH DECEMBER 31, 2017, IN AN AMOUNT NOT TO EXCEED \$3,300,000

Siobhan Doherty—Manager of Contracts—reported that while PCE solicited proposals for Resource Adequacy (RA) for July through December 2017, PG&E posted its own proposal and PCE bid on it for this purchase. She explained that this is not energy, it is capacity. Jan Pepper explained that in the bid, PCE specifically requested that coal and nuclear be excluded. The Board discussed the pros and cons of biomass, how it’s handled in California, and the option of creating a policy in the future.

Motion Made / Seconded: Gupta / Moody

Motion passed 15-1 (Opposed: Schneider. Abstain: Yost. Absent: Brisbane, Daly City, Foster City, Half Moon Bay, Menlo Park)

SPECIAL MEETING AGENDA

- 1. AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO EXECUTE A LONG FORM CONFIRMATION AGREEMENT WITH PACIFIC GAS AND ELECTRIC COMPANY (PG&E) FOR PURCHASE OF PCC1 RENEWABLE ENERGY. POWER DELIVERY TERM: JULY 1, 2017 THROUGH DECEMBER 31, 2017, IN AN AMOUNT NOT TO EXCEED \$7,000,000**

Siobhan Doherty reported that PCE has already purchased energy for Phase 1, and is now purchasing for Phase 2 power delivery. She explained that PCE responded to a solicitation from PG&E for this purchase. Jan explained that a number of suppliers were approached, but this purchase represents the best price and it falls within PCE's projected budget.

Motion Made / Seconded: Stone / DeGolia

Motion passed 16-0 (Abstain: Yost. Absent: Brisbane, Daly City, Foster City, Half Moon Bay, Menlo Park)

- 2. AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO EXECUTE TWO EEI (EDISON ELECTRIC INSTITUTE) CONFIRMATION AGREEMENTS FOR PURCHASE OF RESOURCE ADEQUACY FROM SHELL ENERGY NORTH AMERICA (SHELL) WITH (1) POWER DELIVERY TERM: JULY 1, 2017 THORUGH DECEMBER 31, 2017 IN AN AMOUNT NOT TO EXCEED \$85,000; AND (2) POWER DELIVERY TERM: JULY 2017, IN AN AMOUNT NOT TO EXCEED \$40,000**

Siobhan Doherty reported that this purchase has the lowest price, and that PCE already had a master agreement with Shell.

Motion Made / Seconded: Stone / DeGolia

Motion passed 16-0 (Abstain: Yost. Absent: Brisbane, Daly City, Foster City, Half Moon Bay, Menlo Park)

RETURN TO REGULAR AGENDA

- 7. AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO EXECUTE A CONTRACT FOR PURCHASE AND INSTALLATION OF OFFICE FURNITURE IN AN AMOUNT NOT TO EXCEED \$250,000**

Jan Pepper reported that the landlord at the new office building hired a contractor and construction is about to begin on PCE's new office space. She said PCE's office design will support 26 employees and will be able to host the monthly Board meetings. She explained that she needs authorization to move forward in the process of selecting a furniture vendor before the next Board meeting so the vendor can immediately begin coordinating with the landlord and contractor on electrical needs and cabling locations. Some Board members requested that union labor be considered for the installation, and that American-made furniture be considered in the purchase decision.

Motion Made / Seconded: Bain / Yost

Motion passed unanimously 17-0 (Absent: Brisbane, Daly City, Foster City, Half Moon Bay, Menlo Park)

8. FORMATION OF A STANDING AUDIT AND FINANCE COMMITTEE

Donna Colson—City of Burlingame—reported that the Audit and Finance Committee will have three goals, help PCE: 1) hire an auditor for the fiscal year end, 2) get ready for the first annual audit, and 3) with the budgeting process. David Silberman explained that the Board, among its options, can appoint members, or decide on the size of the committee and delegate to the Chair of the Board appointment of the members. Dave Pine noted that the following members expressed interest: Lori Liu, Larry May, Daniel Yost, and Donna Colson. Donna reported that the committee would also select an auditor in the near future. Motion to approve creation of a Committee of between 3 and 5 members appointed by the Chair of the Board.

Motion Made / Seconded: Stone / Gupta

Motion passed unanimously 17-0 (Absent: Brisbane, Daly City, Foster City, Half Moon Bay, Menlo Park)

9. UPDATE FROM AD HOC COMMITTEE ON FORMATION OF NEW CITIZENS ADVISORY COMMITTEE

Kirsten Andrews-Schwind—Communications and Outreach Manager—reported that the deadline to apply for the Citizens Advisory Committee (CAC) is April 30th. After the deadline has passed, a committee will meet to review the candidates with the intent that recommended members might be presented at the next Board meeting.

10. FINANCIAL REPORT

Jan Pepper presented PCE's most recent financial reports, showing March assets of \$24 Million. She reported that PCE is ahead of initial revenue forecasts, and may be able to pay off loans by the end of 2017. She reported that she's working on a job description for a Finance Director so that position can be posted in the near future.

11. BOARD MEMBERS' REPORTS

Charles Stone announced Earth Day activities in Belmont on Saturday the 29th. Marty Medina announced the Relay for Life in San Bruno on Saturday the 29th. Larry Moody announced the Council of Cities on May 19th at 5pm in East Palo Alto. Pradeep Gupta announced he would participate in a panel discussion on CCAs in San Francisco on May 3rd.

ADJOURNMENT

Meeting was adjourned at 8:51 pm.