



**REGULAR MEETING of the Audit and Finance Committee
of the Peninsula Clean Energy Authority (PCEA)
Monday, October 23, 2017
MINUTES**

2075 Woodside Road, Redwood City, CA
11:00 a.m.

CALL TO ORDER

Meeting was called to order at 11:03 a.m.

ROLL CALL

Present: Donna Colson, City of Burlingame, *Chair*
Lori Liu, City of Brisbane
Carlos Romero, City of East Palo Alto
Laurence May, Town of Hillsborough

Absent:

Staff: Jan Pepper, Chief Executive Officer, Peninsula Clean Energy
Jay Modi, Director of Finance and Administration, Peninsula Clean Energy
Anne Bartoletti, Board Clerk, Peninsula Clean Energy
Michael J. Maher, CPA, Maher Accountancy

A quorum was established.

PUBLIC COMMENT

No public comment.

ACTION TO SET THE AGENDA AND APPROVE CONSENT AGENDA ITEMS

Motion Made / Seconded: May / Liu

Motion passed unanimously 4-0 (Absent: no one)

REGULAR AGENDA

1) CHAIR REPORT

Donna Colson—Chair—welcomed committee members and reported on a conversation she had with Senator Jerry Hill about CCAs (Community Choice Aggregation).

2) INTRODUCE NEW DIRECTOR OF FINANCE AND ADMINISTRATION

Jan Pepper—CEO—introduced Jay Modi, Peninsula Clean Energy's (PCE) new Director of Finance and Administration. Jay provided a brief overview of his background and experience. Jan also introduced Mike Maher—CPA with Maher Accountancy—who is PCE's accountant.

3) COMMITTEE MEMBERS REPORTS

Donna Colson reported that PCE staff met with Doug Silverstein—contributor to the Citizens Environmental Council of Burlingame and Sustainable San Mateo County—who is encouraging Burlingame residents to Opt-Up to ECO100.

4) AUDIT UPDATE

Jay Modi reported that our auditor, Pisenti & Brinker LLP, was impacted by the north Bay fires in Santa Rosa, but the audit is on track to be completed late November or early December. Mike Maher reported that the auditor is working out of their office in Petaluma, and confirmed that the audit will be completed before December 31, 2017.

5) DIRECTION FROM RETREAT

- a. RESERVE FUND POLICIES
- b. RATE STABILIZATION FUND POLICIES
- c. INVESTMENT POLICIES

Jay Modi reviewed a draft reserve fund policy outline. The Committee members discussed the pros and cons of having a reserve fund, rate stabilization fund, operating or revenue reserve, capital reserve, investment policy, and contribution ratio or policy. They also discussed mitigating risks, and planning for regulatory and market changes. There was a general consensus that PCE should aim to have six months of operating expenses in reserve.

6) CREDIT RATING

Jay Modi reported that PCE does not yet have a credit rating. Mike Maher reported that the credit rating agencies don't understand the financials of CCAs. Committee members discussed the need for PCE to have strong financials to demonstrate stability.

7) BANKING RELATIONSHIPS

Jay Modi reported that PCE's current bank, Union Bank, was not providing very good support, not providing financial benefits or options, and was actually costing PCE money. Jay reported that he had met with several banks and credit unions, and found that several provided better interest rates, investment options, and support. Jay reported that he recommends the PCE move to a different bank, and that he should be able to make a choice soon.

ADJOURNMENT

Meeting was adjourned at 1:40 p.m.