



**REGULAR MEETING of the Audit and Finance Committee
of the Peninsula Clean Energy Authority (PCEA)
Tuesday, May 8, 2018
MINUTES**

2075 Woodside Road, Redwood City, CA
9:00 a.m.

CALL TO ORDER

Meeting was called to order at 9:05 a.m.

ROLL CALL

Present: Donna Colson, City of Burlingame, *Chair*
Carlos Romero, City of East Palo Alto
Laurence May, Town of Hillsborough
Jeff Aalfs, Town of Portola Valley

Absent: Carole Groom, County of San Mateo

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: Romero / May

Motion passed 3-0 (Abstained: Jeff Aalfs. Absent: Carole Groom)

Donna Colson—Chair—announced that agenda item 4 was being moved up for discussion.

REGULAR AGENDA

4) INTRODUCE INTERIM CFO

Donna Colson—Chair—introduced Tina Caratan, who started with Peninsula Clean Energy (PCE) on May 1, 2018 as the Interim CFO (Chief Financial Officer), and reported that Tina will focus on financials, human resources, and technology. Tina introduced herself and provided a summary of her background and experience.

1) CHAIR REPORT

Donna Colson—Chair—reported that Carlson Beck LLC is the recruiter that will be conducting the search for PCE's permanent CFO.

2) STAFF REPORT

Jan Pepper—CEO—reported that staff revised the draft credit card policy based on feedback from Audit and Finance Committee and created an internal credit card protocol. She also reported that the Union Bank accounts are being closed and transactions are going through our new bank, First Republic Bank.

3) COMMITTEE MEMBERS' REPORTS

Donna Colson welcomed Jeff Aalfs as a new member to the Audit and Finance Committee, and she reported that San Mateo County Supervisor Carole Groom has also joined the Committee but had a conflict this morning.

Jeff Aalfs reported that an ad hoc committee of the Board is attending a series of meetings with shortlisted candidates for PCE's Renewables RFO (Request for Offers).

5) THIRD QUARTER OF FY 2017-2018 FINANCIAL REPORT

Jay Modi—Director of Finance and Administration—reported that the variance summary was created based on feedback from the Committee. He reviewed the budget versus actual financials for the period July 1, 2017 through March 31, 2018.

6) FISCAL YEAR 2018-2019 BUDGET REVIEW

Jay Modi reviewed a draft of the budget for Fiscal Year 2019 (July 2018 through June 2019), and explained that this is budget based on PCE's actual operating revenues and expenses for 2017.

7) APPROVE FY 2017-2018 AUDIT PREPARATION CALENDAR

Jay Modi reviewed a draft of the Fiscal Year 2017-2018 audit preparation calendar. The Committee discussed moving the September timeframe sooner to initiate audit preparation communication with the Audit and Finance Committee by utilizing a phone call with an ad hoc committee of the Audit and Finance Committee.

Motion Made (as amended) / Seconded: Aalfs / May

Motion passed unanimously 4-0 (Absent: Carole Groom)

8) RECOMMEND APPROVAL OF DISBURSEMENT POLICY

Jay Modi reviewed a draft of the Disbursement Policy, and the Committee discussed signature authority and written documentation of disbursements.

Motion Made (as amended) / Seconded: May / Romero

Motion passed unanimously 4-0 (Absent: Carole Groom)

9) APPROVE COMMITTEE MEETING SCHEDULE

The Committee reviewed a draft of the 2018 meeting schedule for the Audit and Finance Committee.

Motion Made / Seconded: Romero / Aalfs

Motion passed unanimously 4-0 (Absent: Carole Groom)

10) REVIEW DRAFT INVESTMENT POLICY STATEMENT

Jay Modi introduced Bill Tugaw from NFP. Bill introduced himself and reviewed a draft of the Investment Policy. The Committee discussed management of the investments and the Acceptable Investment Instruments. The Committee requested more time to review the policy details and the Committee members will individually provide feedback to Jay.

11) PRESENTATION ON PORTFOLIO AND INVESTMENT OPTIONS

Jay Modi introduced Michael Hickey, Kevin Douglas, Michael Solis, and Robert Ostrofsky from First Republic Bank. Mike Hickey presented information on First Republic Bank's history, PCE's investment portfolio, and PCE's investment options.

ADJOURNMENT

Meeting was adjourned at 11:34 a.m.