REGULAR MEETING of the Audit and Finance Committee of the Peninsula Clean Energy Authority (PCEA)

Monday, May 13, 2019
10:00 a.m.

Peninsula Clean Energy, 2075 Woodside Road,
Redwood City, CA 94061

Meetings are accessible to people with disabilities. Individuals who need special assistance or a disability-related modification or accommodation (including auxiliary aids or services) to participate in this meeting, or who have a disability and wish to request an alternative format for the agenda, meeting notice, agenda packet or other writings that may be distributed at the meeting, should contact Anne Bartoletti, Board Clerk, at least 2 working days before the meeting at (650) 260-0111 and/or abartoletti@peninsulacleanenergy.com. Notification in advance of the meeting will enable the PCEA to make reasonable arrangements to ensure accessibility to this meeting and the materials related to it. Attendees to this meeting are reminded that other attendees may be sensitive to various chemical based products.

If you wish to speak to the Committee, please fill out a speaker’s slip located on the tables as you enter the meeting room. If you have anything that you wish to be distributed to the Committee and included in the official record, please hand it to a member of PCEA staff who will distribute the information to the Committee members and other staff.

CALL TO ORDER / ROLL CALL

PUBLIC COMMENT
This item is reserved for persons wishing to address the Committee on any PCEA-related matters that are as follows: 1) Not otherwise on this meeting agenda; 2) Listed on the Consent Agenda; 3) Chief Executive Officer’s or Staff Report on the Regular Agenda; or 4) Committee Members’ Reports on the Regular Agenda. Public comments on matters not listed above shall be heard at the time the matter is called.

As with all public comment, members of the public who wish to address the Committee are requested to complete a speaker’s slip and provide it to PCEA staff. Speakers are customarily limited to two minutes, but an extension can be provided to you at the discretion of the Committee Chair.

ACTION TO SET AGENDA AND TO APPROVE CONSENT AGENDA ITEMS
This item is to set the final consent and regular agenda, and for approval of the items listed on the consent agenda. All items on the consent agenda are approved by one action.
REGULAR AGENDA

1. Chair Report (Discussion)

2. Staff Report (Discussion)

3. Review Financial Reports and Investment Summary for Third Quarter FY2018-2019 (Discussion)

4. Fiscal Year 2019-2020 Budget Review (Discussion)

5. Review Financial Reporting Schedule (Discussion)

6. Renewal of Maher Accountancy Contract (Discussion)

7. Committee Members’ Reports (Discussion)

CONSENT AGENDA

8. Approval of the Minutes for the February 11, 2019 Meeting (Action)

Public records that relate to any item on the open session agenda for a board meeting are available for public inspection. Those records that are distributed less than 72 hours prior to the meeting are available for public inspection at the same time they are distributed to all members, or a majority of the members of the Board. The Board has designated Peninsula Clean Energy’s office, located at 2075 Woodside Road, Redwood City, CA 94061, for the purpose of making those public records available for inspection. The documents are also available on the PCEA’s Internet Web site. The website is located at: http://www.peninsulacleanenergy.com.
TO: Honorable Peninsula Clean Energy Authority Audit and Finance Committee
FROM: Jan Pepper, Chief Executive Officer
        Andy Stern, Chief Financial Officer
SUBJECT: Financial Reporting Schedule

BACKGROUND/CURRENT STATUS:
PCE Staff, with external contracted accounting support, produces internal financial statements and budget-to-actual variance analysis on a monthly basis in order to provide frequent internal management review of financial status and performance.

The current schedule for financial reporting to the Board and to the Audit & Finance Committee is as follows:

- The Audit and Finance Committee meets at least once per quarter to review detailed financial reporting along with variance analyses for year-to-date and for the previous quarter.
- Once those financial statements are reviewed by the Audit and Finance Committee, summary financial statements are posted to the PCE website for public disclosure.
- Those same quarterly financial statements are included in the full Board agenda packet at the next, subsequent meeting of the full Board as an informational item. Also included in that package is the full presentation to the Audit and Finance Committee that includes variance analyses and explanations.
TO: Honorable Peninsula Clean Energy Authority Audit and Finance Committee
FROM: Jan Pepper, Chief Executive Officer
Andy Stern, Chief Financial Officer
SUBJECT: Maher Accountancy Contract Renewal

BACKGROUND/CURRENT STATUS:
Maher Accountancy has been engaged to provide external accounting support and services to PCE since October 1, 2016. A summary of services that are provided as part of the regular monthly Operational Assistance fee is as follows:

- Process payroll, including managing and reporting payroll taxes
- Manage and process Accounts Payable including use of a cloud-based document management system supporting management review of expenses, segregation of duties, and access to source invoice and vendor data
- Set-up of wire transfer payments to vendors paid by wire (Only PCE management is authorized to release wire payments according to Board-authorized policy)
- Maintain the general ledger by posting billings, and accruing revenue/expenses by reconciliation of PCE’s data manager reports of customer activity and Accounts Receivable
- Bank reconciliations
- Publish monthly financial statements showing monthly and year-to-date summaries compared to approved budget levels

The current contract for services covers the period from July 1, 2018 through June 30, 2019. The fees included in that contract include a cost of $10,200 on a monthly basis ($122,400 on an annual basis) plus a $4,000 fee for support of the FY2018 audit conducted in the Fall of 2018.
Prior contracts were as follows:

- For the period from July 1, 2017 through June 30, 2018 – Operational Assistance was $9,750 per month (plus $13,500 in support of the annual audit)
- For the period from October 1, 2016 through June 30, 2017 – Operational Assistance was $7,500 per month
REGULAR MEETING of the Audit and Finance Committee of the Peninsula Clean Energy Authority (PCEA)
Monday, February 11, 2019
MINUTES

2075 Woodside Road, Redwood City, CA
10:00 a.m.

CALL TO ORDER

Meeting was called to order at 10:02 a.m.

ROLL CALL

Present:  Donna Colson, City of Burlingame, Chair
          Laurence May, Town of Hillsborough
          Jeff Aalfs, Town of Portola Valley

Absent:  Carole Groom, County of San Mateo
          Carlos Romero, City of East Palo Alto

Staff:  Andy Stern, Chief Financial Officer
        Jay Modi, Director of Finance and Administration
        Matthew Sanders, Deputy County Counsel
        Anne Bartoletti, Board Clerk

A quorum was established.

PUBLIC COMMENT

No public comment.

ACTION TO SET THE AGENDA AND APPROVE CONSENT AGENDA ITEMS

Motion Made / Seconded:  May / Aalfs

Motion passed unanimously 3-0
REGULAR AGENDA

1. **CHAIR REPORT**

   Donna Colson—Committee Chair—observed that the Board meetings are going smoothly.

2. **STAFF REPORT**

   Andy Stern—CFO—reported that Peninsula Clean Energy (PCE) signed a revised agreement with First Republic Bank to implement the revised Investment Policy, engaged a new insurance broker to augment PCE’s insurance coverage, and engaged an auditor to initiate the CPUC (California Public Utilities Commission) Advanced Metering Infrastructure (AMI) audit and to conduct a broad IT security assessment.

3. **REVIEW FINANCIAL REPORTS AND INVESTMENT SUMMARY FOR SECOND QUARTER FY2018-2019**

   Jay Modi—Director of Finance and Administration—reviewed the monthly revenue detail from July 2018 through December 2018, comparing the budget to actual revenue and found the year to date actual revenues are closely aligned with the budget. Jay and Andy Stern reviewed the cost of energy from July 2018 through December 2018, minor changes in net position as of December 2018, and PCE’s Investment Account Profile.

4. **COMMITTEE MEMBERS’ REPORTS**

   None.

ADJOURNMENT

Meeting was adjourned at 10:57 a.m.