



**REGULAR MEETING of the Audit and Finance Committee of the
Peninsula Clean Energy Authority (PCEA)
Monday, June 10, 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. Recommend Approval by the Board of the revised spending budget for FY2018-2019 to authorize total spending on Operating Expenses in an amount not to exceed \$210,000,000 (Action)
4. Recommend Approval by the Board of the FY2019-2020 Budget (Action)
5. Committee Members' Reports (Discussion)

CONSENT AGENDA

6. Approval of the Minutes for the May 13, 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>.



**REGULAR MEETING of the Audit and Finance Committee
of the Peninsula Clean Energy Authority (PCEA)
Monday, May 13, 2019
MINUTES**

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

CALL TO ORDER

Meeting was called to order at 10:12 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
Andy Stern, Chief Financial Officer
Jennifer Stalzer Kraske, 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: Aalfs / May

Motion passed unanimously 4-0

REGULAR AGENDA**1. CHAIR REPORT**

Donna Colson—Committee Chair—reported that she recently met some of the new Directors on PG&E’s Board: Nora Mean Brownell, Meridee Moore, and Kristine Schmidt.

2. STAFF REPORT

Andy Stern—CFO—reported that Peninsula Clean Energy (PCE) received a Baa2 investment grade credit rating from Moody’s Investors Service. Andy also reported that the Advanced Metering Infrastructure (AMI) audit was completed and filed, and interviews are being conducted for a Senior Financial Analyst.

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

Andy Stern reviewed quarterly revenue and energy costs, and reviewed variances. Andy reported that there was a spike in energy market prices during the third quarter due to natural gas pipeline outages and increased costs for PCC1 (Portfolio Content Category 1 renewables). Andy explained that PCE’s reserves provide stability in a fluctuating or volatile market, and that hedges and long-term PPAs (Power Purchase Agreements) can mitigate exposure.

4. FISCAL YEAR 2019-2020 BUDGET REVIEW

Andy Stern reviewed key assumptions for the Fiscal Year (FY) 2019-2020 budget, including a rate change expected to take place on January 1, 2020, increased costs for Renewable Energy Certificates (RECs) and Open Position Energy, and PCE’s increasing investment in and expansion of Local Programs. Andy reviewed projected energy costs, and the FY2019/20 Budget Review Schedule.

5. REVIEW FINANCIAL REPORTING SCHEDULE

Andy Stern reported that the Audit and Finance Committee meets quarterly to review quarterly financial details, and those reports are shared with the Board of Directors. Committee members discussed the role of the Audit and Finance Committee to advise and work with staff on matters relating to audit, finance, and budget. This topic will be discussed at the May 23, 2019, Board meeting.

6. RENEWAL OF MAHER ACCOUNTANCY CONTRACT

Andy Stern reported that Maher Accountancy has been engaged since October 1, 2016, doing payroll, accounts payable, and accounting. Andy reported that the current contract expires at the end of June. Committee Members discussed accounting firms supporting Community

Choice Aggregators (CCA), and whether or not to do a Request for Proposal (RFP). There was a consensus among the Committee Members and staff to recommend to the Board that the contract with Maher Accountancy be renewed.

7. COMMITTEE MEMBERS' REPORTS

None.

ADJOURNMENT

Meeting was adjourned at 11:48 a.m.