

**REGULAR MEETING of the Audit and Finance Committee
of the Peninsula Clean Energy Authority (PCEA)
Monday, June 10, 2019
MINUTES**

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

CALL TO ORDER

Meeting was called to order at 10:05 a.m.

ROLL CALL

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

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: May / Aalfs

Motion passed unanimously 4-0 (Absent: Romero)

REGULAR AGENDA

1. CHAIR REPORT

No report.

2. STAFF REPORT

Andy Stern—CFO—reported that Peninsula Clean Energy (PCE) has initiated preparations for the annual audit with auditors Picenti & Brinker.

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

Andy Stern—Chief Financial Officer—reported that budget forecasts project that PCE will exceed the authorized spending budget for Fiscal Year 2018-2019, primarily due to a higher cost of electricity during the third fiscal quarter. Andy reported that PCE will mitigate future market volatility through a variety of means, including increased hedging, additional PPAs (Power Purchase Agreement), and by maintaining or increasing PCE's reserves. Andy reported that the recommendation to the Board is to approve a revised budget of \$210.0 million.

Motion Made / Seconded: May / Romero

Motion passed unanimously 5-0

4. RECOMMEND APPROVAL BY THE BOARD OF THE FY2019-2020 BUDGET

Andy Stern reviewed key assumptions for the Fiscal Year (FY) 2019-2020 budget, including a rate change expected to take place on July 1, 2019, increases in PCIA in January 2020, increased costs for Renewable Energy Certificates (RECs) and Open Position Energy, increasing investment in and expansion of Local Programs, increases in Community Outreach Grants, and increases in staffing. Andy reviewed the proposed FY2019-2020 budget and projected energy costs, and the projected 5-year plan.

Motion Made / Seconded: Romero / Groom

Motion passed unanimously 5-0

5. COMMITTEE MEMBERS' REPORTS

None.

ADJOURNMENT

Meeting was adjourned at 11:44 a.m.