



**REGULAR MEETING of the Audit and Finance Committee  
of the Peninsula Clean Energy Authority (PCEA)  
Monday, December 9, 2019  
MINUTES**

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

**CALL TO ORDER**

Meeting was called to order at 10:14 a.m.

**ROLL CALL**

**Present:** Carole Groom, County of San Mateo  
Donna Colson, City of Burlingame, *Chair*  
Carlos Romero, City of East Palo Alto  
Jeff Aalfs, Town of Portola Valley  
Pradeep Gupta, Director Emeritus  
John Keener, Director Emeritus

**Absent:** Laurence May, Town of Hillsborough

**Staff:** Jan Pepper, Chief Executive Officer  
Andy Stern, Chief Financial Officer  
Jennifer Stalzer Kraske, Deputy County Counsel  
Hailey Wu, Senior Financial Analyst  
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: Romero / Colson

**Motion passed unanimously 4-0 (Absent: May)**

## REGULAR AGENDA

### 1. CHAIR REPORT

No report.

### 2. STAFF REPORT

Jan Pepper—CEO—introduced Sapna Dixit, Strategic Accounts Manager, who joined PCE last week.

### 3. APPROVE AUDIT AND FINANCE COMMITTEE MEETING SCHEDULE FOR 2020

Motion Made / Seconded: Aalfs / Romero

**Motion passed unanimously 4-0 (Absent: May)**

### 4. REVIEW SAMPLE FINANCIAL REPORTING OPTIONS

Andy Stern—CFO—reviewed several sample financial reporting options. Committee members discussed Year to Date (YTD), quarterly, and monthly reports outlining revenue versus expenses, actual versus budget, and variances. The Committee reached a consensus to include more detail in quarterly reports.

### 5. REVIEW RESERVE POLICY AND OPTIONS

Andy Stern reviewed PCE's current Reserve Policy, Policy Number 18, which states that PCE will maintain an Operating / Working Capital Reserve equal to 120 days of operating expenses, including power supply expenses. He outlined issues with the current policy, and Committee members discussed market volatility in rates and energy costs, cash reserve options, and the defining characteristics of restricted funds versus unrestricted cash.

Andy reviewed proposed changes to the Reserve Policy allowing PCE to maintain two reserves:  
A) Operating / Working Capital Reserve equal to 135 days of unrestricted cash on hand, and  
B) Rate Stabilization Reserve equal to a minimum of 45 days.

### 6. REVIEW RUBRIC FOR SECOND INVESTMENT MANAGER SELECTION RFP

Andy Stern reviewed evaluation criteria for an RFP (Request for Proposal) for a second Investment Manager.

**7. EXPLANATION OF REVENUES BY PERIOD**

Andy Stern reviewed trends in revenues and load over the last 15 months, outlining differences relating to seasonality and customer type (commercial versus residential).

**8. COMMITTEE MEMBERS' REPORTS**

None.

**ADJOURNMENT**

Meeting was adjourned at 11:21 a.m.