

MEETING of the Finance Committee of the
Clean Power Alliance of Southern California
Wednesday, April 24, 2019, 11:00 a.m.

MINUTES

*555 W. 5th Street, 35TH Floor
Los Angeles, CA 90013*

*Camarillo City Hall
601 Carmen Drive, Camarillo, CA 93010*

*Beverly Hills City Hall
4^{Pth} Floor, Conference Room 4B
455 N. Rexford Drive, Beverly Hills, CA
90210*

*Rolling Hills Estates City Hall
4045 Palos Verdes Drive N., Rolling Hills
Estates, CA 90274*

I. WELCOME & ROLL CALL

Chair Julian Gold called the meeting to order and the Interim Board Secretary Christian Cruz conducted roll call.

Roll Call			
Beverly Hills	Julian Gold	Committee Chair	Remote
Camarillo	Tony Trembley	Committee Member	Remote
Carson	Reata Kulcsar	Committee Member	Absent
Rolling Hills Estates	Steve Zuckerman	Committee Member	Remote
Santa Monica	Pam O'Connor	Committee Member	Absent

II. GENERAL PUBLIC COMMENT

The following individuals provided general comments: Harvey Eder (Public Solar Power Coalition), and David Gingold.

III. CONSENT AGENDA

1. Approved Minutes from March 27, 2019 Finance Committee Meeting
2. Received and filed February 2019 Monthly Financial Dashboard
3. Received and filed April 2019 Risk Management Team Report

The following individual provided comments on the Consent Agenda: Harvey Eder (Public Solar Power Coalition).

Motion: Committee Member Trembly, Camarillo

Second: Steve Zuckerman, Rolling Hills Estate

Vote: Items 1 through 3 were approved by a unanimous roll call vote.

IV. REGULAR AGENDA

4. Received report from the Chief Financial Officer

David McNeil, Chief Financial Officer, provided a summary of CPA's financial progression, highlighting that our year to date performance was ahead of budget. CPA enrolled residential customers in February 2019 and energy use was higher than expected due to cooler weather. CPA performed well under these conditions. Mr. McNeil also reported that preliminary financial results for March are positive and CPA will finish the quarter ahead of budget targets and in compliance with bank credit covenants. The First Amendment to the Credit Agreement with River City Bank has been signed, and staff expects the increase on the line of credit will be in effect in a weeks' time. CPA drew from its line of credit in March. Finally, Mr. McNeil introduced Amita Rustagi new CPA Manager of Financial Planning and Analysis.

Committee Member Zuckerman asked about purchase of energy hedges. Specifically, he asked for clarification if CPA is not fully hedged in 2020. Mr. McNeil responded that CPA is not fully hedged in that time period.

Chair Gold asked if we are still operating on the original line of credit, to which Mr. McNeil responded in the affirmative. In addition, he asked if CPA sweeps nightly while utilizing the line of credit. Mr. McNeil clarified that River City Bank does not offer an automatic system that sweeps nightly on the line of credit; however, Mr. McNeil does rebalance the account daily.

The following individual provided comments on this item: Harvey Eder (Public Solar Power Coalition).

This item was for informational purposes only.

5. Review Draft Fiscal Year 2019/20 Annual Budget

Mr. McNeil provided a review of the Draft Fiscal Year 2019/20 Budget. Mr. McNeil notified the committee that a final presentation is expected to go the Board on June 6th. Mr. McNeil highlighted the inclusion of the DER pilot program for \$1.2 million, which is a place holder. Currently, the parameters for the pilot are being developed. In addition, a strategic planning process is underway and a budget amendment will be needed to accommodate these programs in the future.

Mr. McNeil also reviewed the organization chart, which includes current and planned positions along with contractors. These positions are incorporated into the draft budget and the budget will have enough to accommodate additional hires. It was made clear by staff, that while the budget adds more for staff, it is a goal for the CPA to begin to bring core tasks in house that will reduce costs and improve performance.

Currently, CPA has a Director of Power Planning and Procurement Resource, as well as an Energy Resources Manager. Committee Member Zuckerman asked for clarification on the differences between those two positions. Matt Langer, COO, clarified that the Energy Resource Manager focuses on compliance and settlement validation, with minimal overlap between positions. Committee Member Zuckerman asked whether the Marketing Manager will also assist on commercial accounts or for lobbying. Jennifer Ward, Director of External Affairs, indicated that this person does not necessarily do lobbying but would work hand-in-hand with the account services team to develop materials for commercial accounts customers, but not limited to just that function. Mr. Bardacke indicated that this item reflects what the cost would be by the end of year staffing, but it is flexible and contingent on filling each position.

Mr. McNeil discussed the acquisition of a permanent CPA office in Downtown Los Angeles. It is anticipated that CPA could move into a new space by January 2020. The budget numbers were developed using a preliminary estimate for a Class A space, which is approximately \$38-42 a square foot per year.

Mr. McNeil requested feedback from the Committee on how they would like him to include, in the budget, the same expense which could fall into different categories of the budget. The Committee directed staff to include the expense in a single category but report out on that expense.

This item was for informational purposes only.

6. Review Proposed Changes to Interim Financial Reporting

Committee Member Trembly asked staff whether the Financial Dashboard can be provided monthly. Mr. McNeil clarified by stating that he proposes to provide both the monthly and the budgets to actuals quarterly. The Committee directed staff to provide the Financial Dashboard monthly and the budget to actuals quarterly.

V. COMMITTEE MEMBER COMMENTS

Committee Member Trembly expressed his appreciation to Mr. McNeil and the finance staff for a job well done.

VI. ADJOURNED

Chair Gold adjourned the meeting.