

MINUTES

REGULAR MEETING of the Finance Committee of the
Clean Power Alliance of Southern California
Wednesday, January 26, 2022, 11:00 a.m.

Pursuant to the Proclamation of the State of Emergency by Governor Newsom on March 4, 2020, AB 361, and enacting Resolutions, and as a response to mitigating the spread of COVID19, the Finance Committee conducted this meeting remotely.

CALL TO ORDER & ROLL CALL

Committee Chair Julian Gold called the meeting to order at 11:04 a.m. and Clerk of the Board, Raynette Tom, conducted roll call.

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

A quorum of the committee was not present at the time of roll call. No votes took place.

At 11:15am, a quorum of the Committee was present and the meeting was reconvened.

GENERAL PUBLIC COMMENT

There was no public comment.

REGULAR AGENDA

This item was presented out of order.

5. CFO Report

David McNeil, Chief Financial Officer, provided a summary of fiscal activities. Mr. McNeil confirmed that CPA projects sufficient cashflow to meet its operating needs and repay the LA County loan, and CPA is on track to receive \$15.8 million of funding from the California Arrearage Payment Program (CAPP), with a possibility of additional funding. Mr. McNeil noted that CPA continues to experience elevated levels of customer non-payment, causing accounts receivables to continue to increase. To avoid customer confusion, CPA will continue to hold off on third-party collections until additional clarity is received about the possibility of another round of CAPP funding. Mr. McNeil provided an update on CPA banking, treasury, cashflow, CAPP funding. Past due receivables arising from energy deliveries that occurred between March 4, 2020 and June 15, 2021 are eligible for CAPP funding. Mr. McNeil provided a detailed breakdown of CAPP funding that will cover accounts receivable for active, inactive, and commercial customers. Additional CAPP funding may come from unspent funds from the American rescue Plan Act, but details have yet to be determined. An overall update was provided on accounts receivables with a breakdown for residential and commercial accounts, some of which may become eligible for additional CAPP funding. Collections for inactive residential and commercial customers

will rely heavily on CAPP 2 funding. CPA has approximately \$10 million of accounts receivable from inactive, closed accounts that could be collected through a third-party collection agency in the future. Once CAPP 2 eligibility becomes clearer, CPA may initiate collections.

Chair Gold asked that the Committee be provided with a future update on CAPP funding eligibility and steps taken with inactive customers. Mr. McNeil agreed to bring those items back to the Committee when more information was available.

CONSENT AGENDA

The consent agenda was presented out of order.

1. Approve Minutes from the November 24, 2021 Finance Committee Meeting
2. Receive and File November and December 2021 Risk Management Team Report
3. Receive and File November and December 2021 CPA Investment Reports
4. Receive and File October and November 2021 Financial Dashboards

Motion: Committee Member O'Connor, Santa Monica

Second: Committee Member Kulcsar, Carson

Vote: The consent agenda was approved by a roll call vote.

6. CPA Collections Practice Guidelines

Mr. McNeil reminded the Committee that on July 1, 2021, the Board approved the Collections Policy to govern the collection of accounts receivable that are no longer being collected by Southern California Edison (SCE) and have been returned to CPA. Staff expects that collections activity for inactive or closed commercial and residential accounts will begin following clarification of the terms of CAPP 2 funding and, in any event, no earlier than the spring of 2022. CPA will contract with third-party collection agents with experience collecting receivables from SCE. CPA will provide collection agents direction through the Collection Guidelines. Mr. McNeil provided background information on collections, collections criteria, and collections notices. Mr. McNeil also discussed in detail the purpose of collections guidelines, which will ensure that amounts owed by former CPA customers are collected and paid; assure CPA that customers are treated fairly; and establishes collection agent responsibilities and prohibited activities. Mr. McNeil outlined the California Interagency Intercept Collection Program (IIC), a program operated by the Franchise Tax Board that allows CPA to collect past due accounts by intercepting tax refunds, lottery winnings, or unclaimed property from individuals or businesses that owe delinquent amounts to CPA. CPA will not begin enrolling customers in the IIC until the fall of 2022 at the earliest depending on the eligibility for CAPP 2 funding.

In response to questions from Committee Members, Mr. McNeil proposed an update to the Committee in six to 12 months after the efforts were initiated to be able to measure the efficacy of the program. Chair Gold emphasized periodic updates to the Board and Committee are important and noted the need to be sensitive to possible unanticipated effects of collection efforts on communities. Mr. McNeil explained that the disadvantage to sending out pre-collection notices now is that customers may become eligible for CAPP funding. Responding to questions about settlement negotiations, Mr. McNeil clarified that the policy will not dictate settlement negotiation processes and CPA will rely upon the collection agents' expertise. Settlement negotiations will be done on a percentage basis, but the collection agent must seek CPA approval if the total amount due is more than \$2,500. After some discussion about collection agency performance, Mr. McNeil stated

that CPA will provide direction to the collection agencies about the tone and level of aggressiveness with which they pursue customers. Mr. McNeil noted a four-year statute of limitations on the collections process and indicated that CPA currently receives billing information and customer invoices that include both CPA and SCE charges. Staff thanked the Committee for their feedback.

COMMITTEE MEMBER COMMENTS

Committee Members thanked Committee Member Kulcsar for the questions she submitted in advance of the meeting regarding Item 6.

ADJOURN

Committee Chair Gold adjourned the meeting at 11:58 a.m.