Board of Directors

Regular Meeting

November 17, 2022
Welcome & Call to Order
Roll Call
SDCP Welcomes You!

Karlee Mink
Portfolio Manager
Power Services

Sheena Tran
Senior Program Manager
Items to be Added, Withdrawn or Reordered on the Agenda
Public Comment for Items NOT on the Agenda
Consent Agenda

1. Approval of Findings to Continue Holding Remote/Teleconference Meetings Pursuant to Assembly Bill 361
2. Approve Updated Legislative Policy
3. Approve Resolution 2022-22 Adopting the 2023 Board Meeting Schedule
4. Receive and File Treasurer’s Report for Fiscal Year-end Period Ending September 30, 2022
5. Receive and File Update on Back Office Operations
6. Receive and File Update on Regulatory and Legislative Affairs
7. Receive and File Update on Marketing and Public Relations
8. Receive and File Update on Community Advisory Committee
9. Receive and File Update on the New Board Member Orientation and New Board Member Handbook
Regular Agenda Items:

10. Approval of Amendment to the Chief Executive Officer (CEO) Employment Agreement

11. Receive and File June 30, 2022 Fiscal Year-end Audited Financial Statement

12. Approval of the Rate Development Policy

13. Appointment of Presiding Officer for December 2022 and January 2023 Board of Directors

14. Consider SDCP Actions Necessary to Accelerate Achievement of 100% Renewable Energy Portfolio (Continued to December 15th Board Meeting)

15. Approval of Resolutions Recognizing Outgoing and Former Directors
Item 10
Approval of Amendment to the Chief Executive Officer (CEO) Employment Agreement

Recommendation:
Approve Amendment to the Chief Executive Officer (CEO) Employment Agreement

Presenter: Ryan Baron, General Counsel
Item 11
Receive and File 6/30/22 Fiscal Year-End Audited Financial Statement

Recommendation:
Receive and File June 30, 2022 Fiscal Year-End Audited Financial Statement

Presenter: Dr. Eric Washington, Chief Financial Officer
San Diego Community Power
Report to the Board of Directors
November 17, 2022
Introduction

• Brett Bradford, CPA
  • Audit Partner
  • 19 years in public accounting and performing audits of government entities
  • Currently working with several CCA’s throughout California

• Aliandra Schaffer
  • Senior Associate
  • 3 years in public accounting and performing audits of governments (CCA’s)
Results of current year audit:

- The 2022 audit is near completion. We expect to report the following:
  - Unmodified opinion – Based on our audit, the financial statements are materially accurate.
  - No significant deficiencies or material weakness in internal control noted.
Relative Roles & Responsibilities

• **Management** is responsible for preparing the Financial Statements and establishing a system of internal control.

• **Auditor** is responsible for auditing the Financial Statements
  • Considering risks of material misstatement in the Financial Statements
  • Considering internal controls relevant to the Financial Statements
  • Performing tests of year-end balances based on risk assessment
  • Evaluating adequacy of disclosures
Risk Assessment for the year ended June 30, 2022

Significant areas of focus

• Revenue recognition
  • Accounts receivable and accrued revenue
    • Test a sample of customer billings
    • Relate total cash received during the year to revenue
    • Look at cash received subsequent to year-end and relate to A/R
    • Review revenue recognition through year-end and method for determining (accrued revenue)

• Cash and securities
  • Confirmations sent to financial institutions
Risk Assessment for the year ended June 30, 2022

Significant areas of focus

• Accrued Cost of Electricity
  • Review subsequent bills from electricity providers and cash payments
• Supplier Security Deposits
  • Reviewed contracts and determined completeness of amounts recorded
• Debt
  • Confirmations sent to lender
• Financial Statement Note Disclosures – Complete and without bias
Required Board Communications

- The significant accounting policies adopted by SDCP throughout the periods audited appear appropriate and consistently applied.
- No alternative treatments of accounting principles for material items in the financial statements have been discussed with management.
• We have not identified any significant or unusual transactions or applications of accounting principles where a lack of authoritative guidance exists.
• We are not expecting to propose any adjustments to the financial statements.
There have been no disagreements with management concerning the scope of our audit, the application of accounting principles, or the basis for management’s judgments on any significant matters.

We have not encountered any difficulties in dealing with management during the performance of our audit.
Questions?

Brett Bradford: 707-577-1582
Aliandra Schaffer: 707-577-1535
Item 11

Recommendation:
Receive and File June 30, 2022 Fiscal Year-End Audited Financial Statement
Item 12
Approval of Rate Development Policy

Recommendation:
Approve the Rate Development Policy

Presenter: Lucas Utouh, Director of Data Analytics and Account Services
Purpose of the Rate Development Policy

To provide the framework for San Diego Community Power (SDCP) staff and its Board of Directors that ensures SDCP’s rate design and development process remains transparent, fiscally responsible and centered on the customer.

As a public not-for-profit agency, SDCP must set rates to recover costs associated with debt service, the purchase of power and operational costs at a minimum.
SDCP’s rate setting objectives and priorities are as follows:

- Cost Recovery
- Reserves
- Rate competitiveness and Customer value
- Rate stability
- Equity among customers
- Rate structure simplicity and comparability
- Transparency
- Avoidance of cost shifting
- Cost of service
SDCP’s 2022/2023 Rate Development Timeline

- **SDCP Board adopted 2022 rates**
- **Jan. 2022**: SDG&E 2022 rates and PCIA effective Jan. 1
- **Feb. 2022**: SDCP’s 2022 rates effective Feb. 1. Phase 3 commenced
- **May. 2022**: SDCP’s Phase 3 conclusion for Non-NEM customers
- **June. 2022**: SDCP’s Rate Development Policy Review By CAC and Board and its adoption
- **Nov. 2022**: Board/Committee review of 2023 rate expectations
- **Dec. 2022**: SDCP’s Phase 3 conclusion for Non-NEM customers
- **Jan. 2023**: SDCP’s 2023 rates effective no later than Feb. 15
- **Jan. 2023**: CPUC’s Final Decision on 2023 ERRA & Electric Sales Forecast Application
- **Feb. 2023**: SDG&E 2023 rates and PCIA effective Jan. 1
Item 12

Recommendation:
Approve the Rate Development Policy
Item 13
Appointment of Presiding Officer for December 2022 and January 2023 Board of Director’s Meetings

Recommendation:
Appoint Presiding Officer for December 2022 and January 2023 Board of Directors Meetings

Presenter: Ryan Baron, General Counsel
Report by Chief Executive Officer
Business for Good Summit, 11/4

Caught up with our community partners at Mujures Brew House
Justice, Equity, Diversity, Inclusion
SDCP Staff Training
United Lowrider Coalition Show 11/5: Lowrider Event with CAC Vice Chair Aida Castañeda
1. Developed Mission, Vision, Values and 3-5 year Strategic Goals
2. Focus & Alignment across Board, Staff & CAC
3. Dozens of Meet & Greets across the region
4. Team Building: Staffing Plan, Develop Full Onboarding & Hiring Processes
6. Community Power Plan launch & outreach initiated
7. Ohm Connect Partnership
8. Completion of Founding Five Municipalities’ Residential Enrollment
Key Team Accomplishments

Aug – Oct 2022

1. Mercer Salary Survey & Related Adjustments
2. Internal staff development with 10 new hires, SMART Goals
3. Successful switch to PayChex & enhanced benefits
4. Clean Audit with greater than expected Reserve balance
5. Clean Power Plan Outreach intensified
6. Multiple Panel Presentations & Speeches
7. Leveraging & building partnerships
8. Managed Historic Heat Wave
9. CalCCA and Sacramento Leg/Reg engagement
Key Team Priorities

Nov 22 – Jan 23

1. Exploring New Funding Ops: IIJA, REN, IRA, and Grants
2. 4 New Hires, office space growth, performance plan
3. National City & Unincorporated SD Member Agency Enrollment
4. RFOs for new utility scale clean power
5. Annual Rate Setting
6. New Board Member Materials Development & Orientation
7. Deeper involvement on the CalCCA Board
8. Strategic, targeted approach to MarCom, Sponsorships, and Public Affairs
9. Exploration of ways to reduce overall power costs
10. Initiating Local DER development hire and strategic plan
# FY 2023 Latest Hiring Plan

<table>
<thead>
<tr>
<th>Position</th>
<th>Calendar Year Hire Quarter</th>
<th>In Budget – Y/N</th>
</tr>
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<tbody>
<tr>
<td>Director, Public Affairs</td>
<td>Q3 2022</td>
<td>Hired</td>
</tr>
<tr>
<td>Sr. Program Manager</td>
<td>Q3 2022</td>
<td>Hired</td>
</tr>
<tr>
<td>Risk Manager</td>
<td>Q3 2022</td>
<td>Y</td>
</tr>
<tr>
<td>Sr. Portfolio Manager - Power</td>
<td>Q4 2022</td>
<td>Hired x2</td>
</tr>
<tr>
<td>Director, Human Resources</td>
<td>Q4 2022</td>
<td>Hired</td>
</tr>
<tr>
<td>Portfolio Manager - Power</td>
<td>Q4 2022</td>
<td>Hired x 3</td>
</tr>
<tr>
<td>Manager, Info Tech &amp; Clean Incentives</td>
<td>Q4 2022</td>
<td>In process, Y</td>
</tr>
<tr>
<td>Database Engineer</td>
<td>Q4 2022</td>
<td>Hired</td>
</tr>
<tr>
<td>Financial Analyst</td>
<td>Q4 2022</td>
<td>Hired</td>
</tr>
<tr>
<td>Marketing Associate</td>
<td>Q4 2022</td>
<td>Y</td>
</tr>
<tr>
<td>Sr. Director/COO - Operations</td>
<td>Q1 2023</td>
<td>Y</td>
</tr>
<tr>
<td>Local Area Resource Developer</td>
<td>Q1 2023</td>
<td>In process</td>
</tr>
<tr>
<td>Programs Manager - DAC-GT / CSGT</td>
<td>Q1 2023</td>
<td>Hired</td>
</tr>
<tr>
<td>Load Forecaster / Data Analyst</td>
<td>Q1 2023</td>
<td>Y</td>
</tr>
</tbody>
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We Are (still) Hiring!

We ARE or ARE SOON HIRING for the following positions:

- Local Area Resource Developer
- IT Coordinator
- Sr. Marketing Manager

We recently HIRED the following positions:

- Director of People (Jan start date)
- Portfolio Manager, Power Team
Recognition of Outgoing Board Members
Item 15
Approval of Resolutions Recognizing Outgoing and Former Directors

Recommendation:
Approve Resolutions 2022-14; 2022-15; 2022-16; 2022-17; 2022-18; 2022-19 recognizing Chair Mosca, Vice Chair Padilla, Director Baber, Director Dedina and former Director Montgomery-Steppe for their service.

Presenter: Lee Friedman, Senior Manager Strategic Partnerships
Councilmember
Monica Montgomery Steppe
Mayor
Alejandra
Sotelo-Solis
Councilmember
Bill Baber
Councilmember
Steve Padilla
Deputy Mayor
Joe Mosca
Report by General Counsel
Adjournment
Next Regular Board Meeting

December 15, 2022