



# Board of Directors

Regular Meeting

November 17, 2022

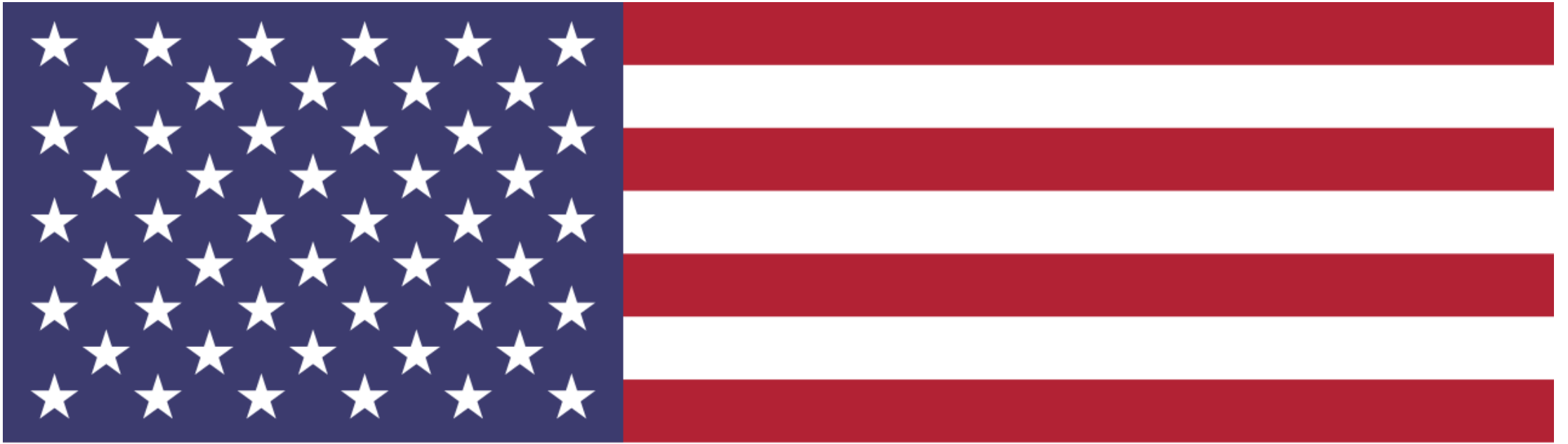


An aerial photograph of ocean waves with white foam, split by a white diagonal arrow pointing from the top-left to the bottom-right. The text is centered on the white arrow.

# **Welcome & Call to Order**

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# Roll Call



W E L C O M E

**Karlee Mink**  
Portfolio Manager  
Power Services

**Sheena Tran**  
Senior Program  
Manager

**SDCP**  
**Welcomes**  
**You!**

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**Items to  
be Added,  
Withdrawn  
or  
Reordered  
on the  
Agenda**

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**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 Meeting Agenda

## 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 15<sup>th</sup> 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

# 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



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Certified Public Accountants & Advisors

*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)

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# 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.

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# Audit of the year ended June 30, 2022

## Financial Statements

### 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

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# 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

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# 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

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# 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.

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# Required Board Communications (continued)

- We are not expecting to propose any adjustments to the financial statements.
- We have not identified any significant or unusual transactions or applications of accounting principles where a lack of authoritative guidance exists.

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# Required Board Communications (continued)

- 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.

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# Questions?

Brett Bradford: 707-577-1582

Aliandra Schaffer: 707-577-1535



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# 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.

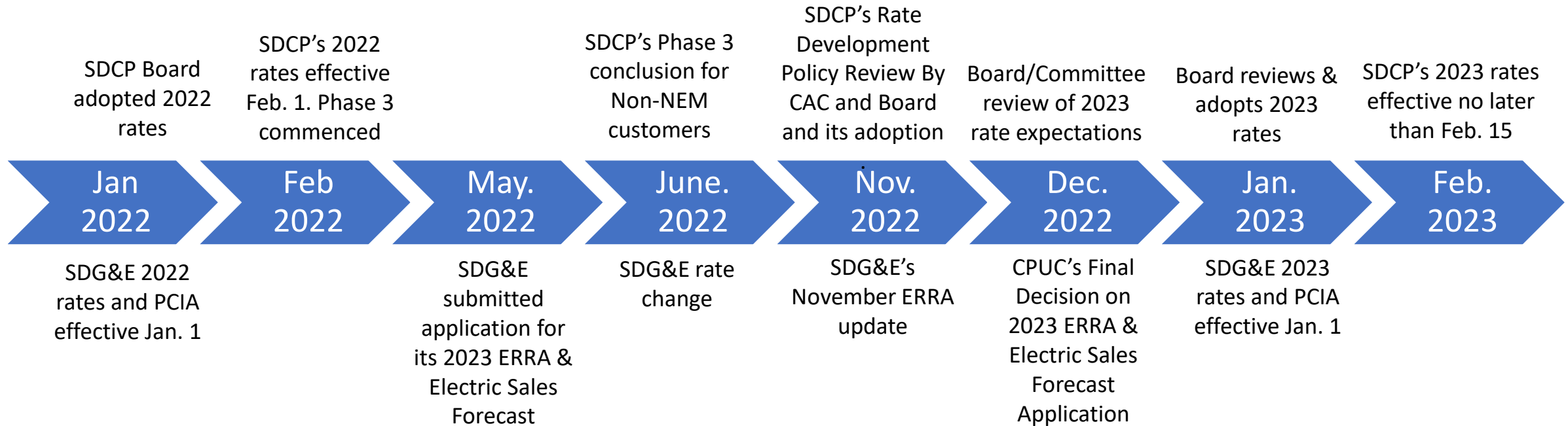


# Rate Development Policy Objectives

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



# 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

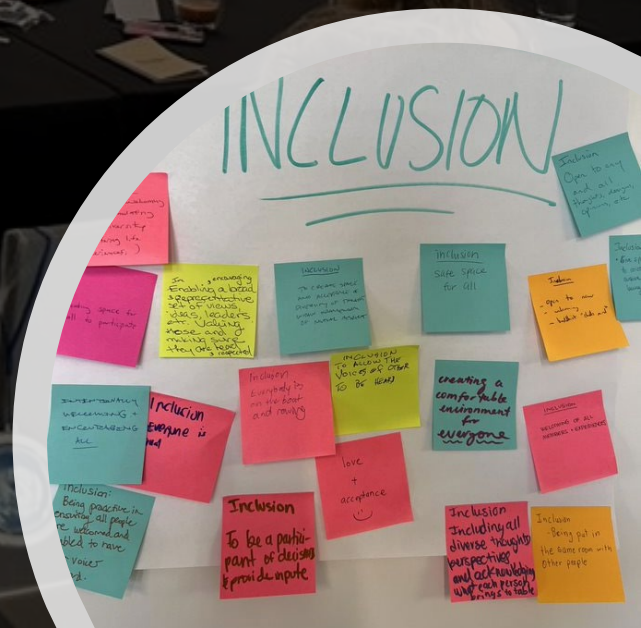
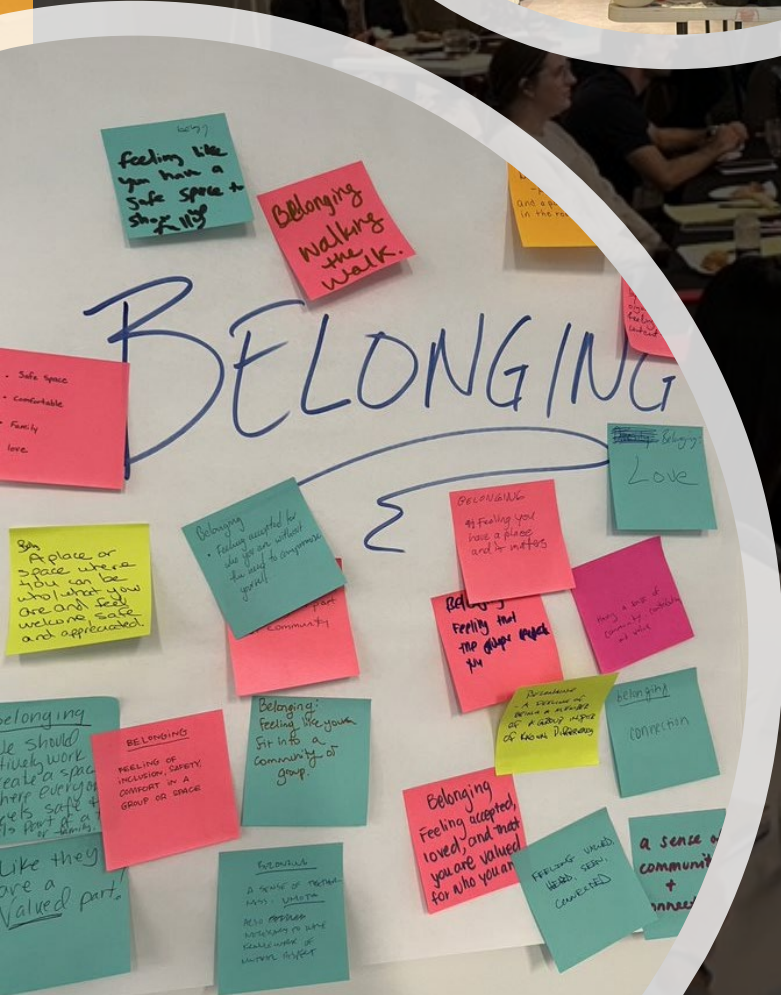
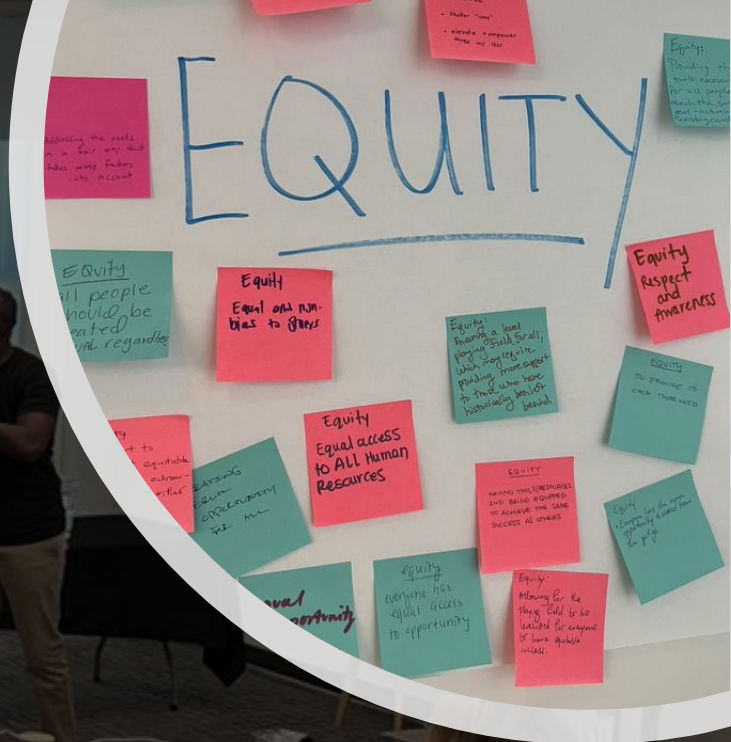
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# **Report by Chief Executive Officer**



# 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





# **Key Team Accomplishments**

May – July 2022

- 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**
- 5. Human Resource: HR Policies, Compliance, Procedures & Benefits Improvement**
- 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

Position	Calendar Year Hire Quarter	In Budget – Y/N
Director, Public Affairs	Q3 2022	Hired
Sr. Program Manager	Q3 2022	Hired
Risk Manager	Q3 2022	Y
Sr. Portfolio Manager - Power	Q4 2022	Hired x2
Director, Human Resources	Q4 2022	Hired
Portfolio Manager - Power	Q4 2022	Hired x 3
Manager, Info Tech & Clean Incentives	Q4 2022	In process, Y
Database Engineer	Q4 2022	Hired
Financial Analyst	Q4 2022	Hired
Marketing Associate	Q4 2022	Y
Sr. Director/COO - Operations	Q1 2023	Y
Local Area Resource Developer	Q1 2023	In process
Programs Manager - DAC-GT / CSGT	Q1 2023	Hired
Load Forecaster / Data Analyst	Q1 2023	Y



# 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

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# 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.



Councilmember  
Monica Montgomery  
Steppe





# Mayor Serge Dedina



Mayor  
Alejandra  
Sotelo-Solis




Councilmember  
Bill Baber



Councilmember  
Steve Padilla



Deputy Mayor  
Joe Mosca

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**Report by  
General  
Counsel**

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# Director Comments



# Adjournment





# Next Regular Board Meeting

December 15, 2022