



# Finance and Risk Management Committee

June 15, 2021



# Regular Meeting Agenda

1. Welcome
2. Roll Call
3. Public Comment for Items Not on the Agenda
4. Items to be Added, Withdrawn, or Reordered on the Agenda
5. Treasurer's Report from Maher Accountancy
6. Review and Recommend Board Approval of FY22 Budget
7. Review and Recommend Board Approval of FY21 Financial Audit Preparation
8. Review and Recommend Board Approval Financial Reserves Policy Draft
9. Committee Member Announcements
10. Adjournment

# Item 5

## Treasurer's Report from Maher Accountancy

# Item 6

## Review and Recommend Board Approval of FY22 Budget

# Item 6: Approve FY22 Budget

**FISCAL YEAR 2022 BUDGET**

**for the period**

**July 1, 2021 through June 30, 2022**

**FY22 - Supplemental Budget Details**

**OPERATING REVENUES**

Gross Ratepayer Revenues	\$ 318,320,860
(Less 1% Uncollectible Customer Accounts)	\$ (3,183,209)
Net Operating Revenues	<u>\$ 315,137,651</u>

**OPERATING EXPENSES**

Cost of Energy	\$ 284,304,000
<b>Total</b>	<u>\$ 284,304,000</u>

Personnel Costs

Salaries	\$ 3,541,667
Benefits (retirement/health)	\$ 872,400
Payroll Taxes	\$ 270,938
Accrued PTO	\$ 100,000
Contingency	\$ 100,000
<b>Total</b>	<u>\$ 4,885,005</u>

Professional Services and Consultants

Legal/Regulatory	\$ 895,000
Technical Support	\$ 947,000
Programs Consultant	\$ 350,000
Broker Fees	\$ 100,000
Other Services	\$ 383,000
SDG&E Fees	\$ 1,429,000
Data Management	\$ 652,994
Contingency	\$ 224,000
<b>Total</b>	<u>\$ 4,980,994</u>

Marketing and Outreach

Communications Consultants	\$ 600,000
Notices and Mailers	\$ 240,000
Printing	\$ 277,000
Sponsorships/Local Memberships	\$ 150,000
Pilot Member City Grants	\$ 150,000
<b>Total</b>	<u>\$ 1,417,000</u>

General and Administration

Cal CCA Dues	\$ 350,000
Insurance	\$ 125,000
Rent	\$ 120,000
Other G & A	\$ 250,000
<b>Total</b>	<u>\$ 845,000</u>

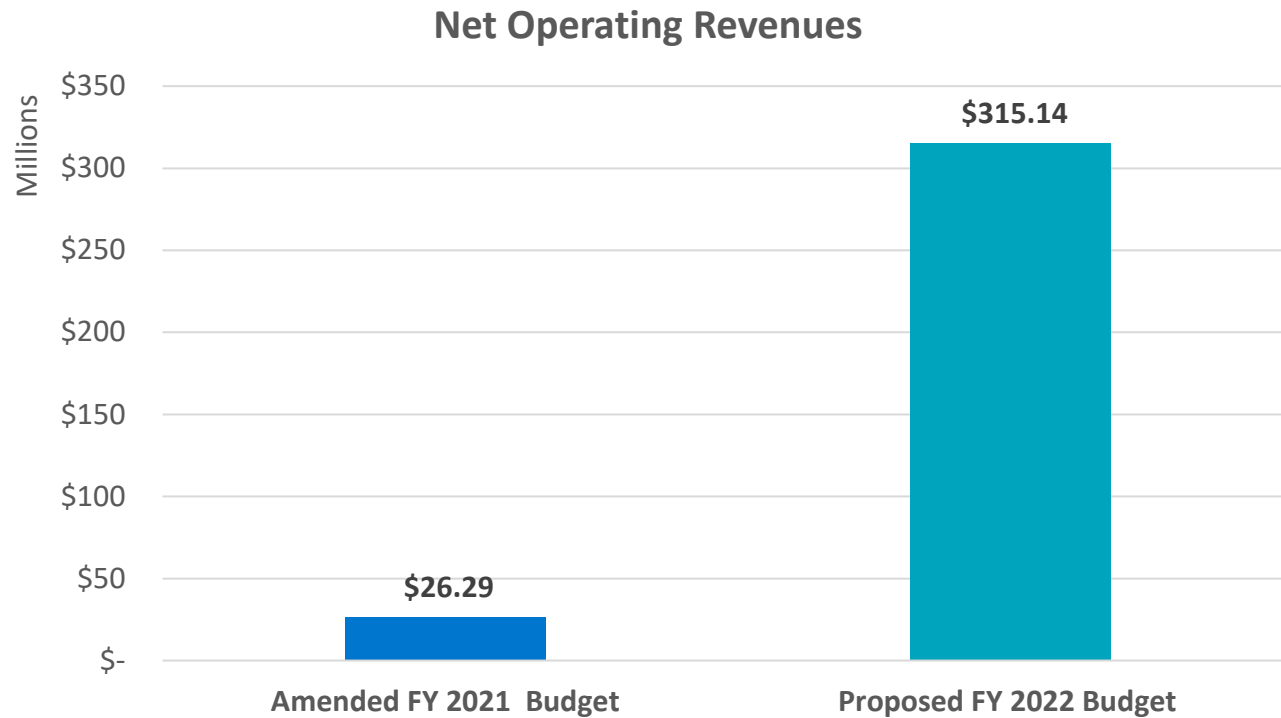
Total Operating Expenses	\$ 296,431,999
	<u>\$ 296,431,999</u>

Operating Income (Loss)	<u>\$ 18,705,652</u>
-------------------------	----------------------



# Item 6 Approve FY22 Budget

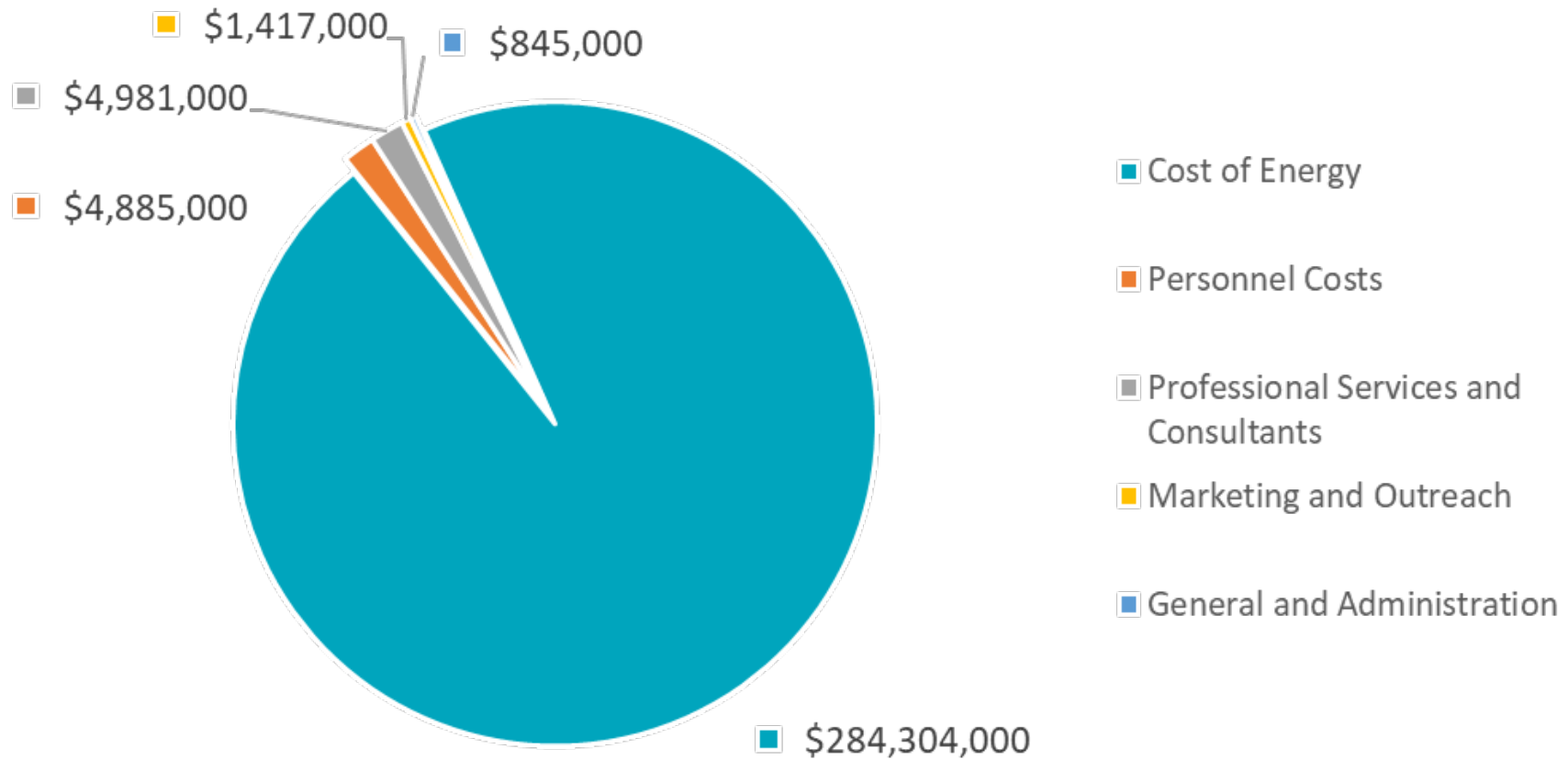
## FY21 and FY22 Budget Comparison



Revenues – takes into account sales of electricity to customers from Phase 1, 2, and the beginning of Phase 3, include opt outs and rates.

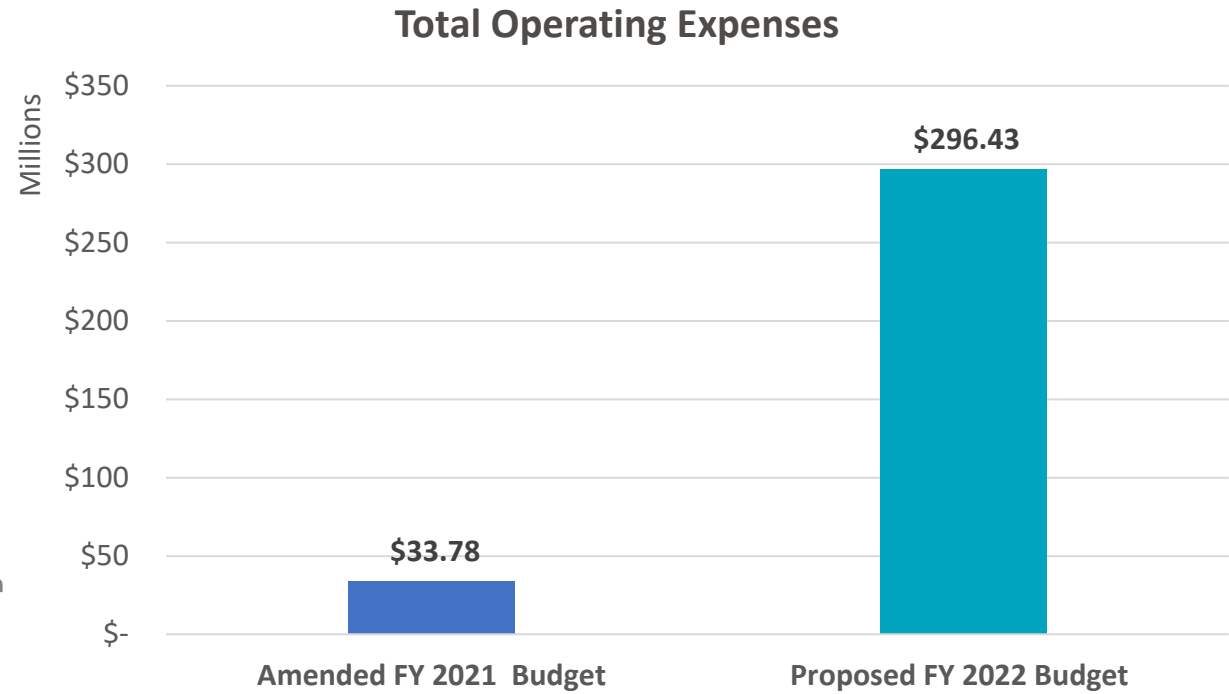
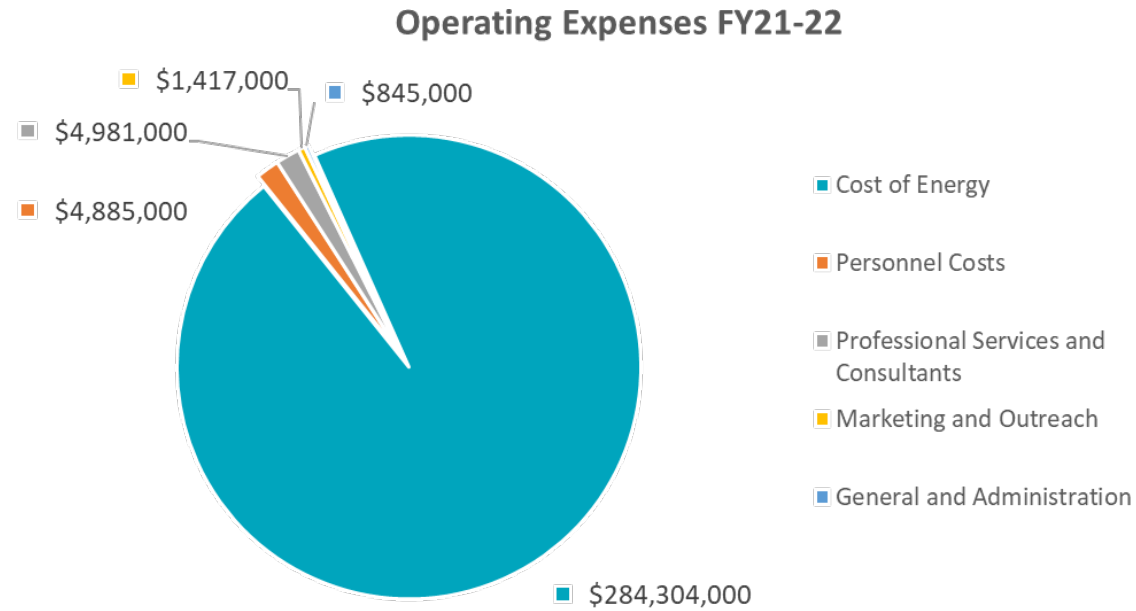
# Item 6: Approve FY22 Budget

## Operating Expenses FY21-22

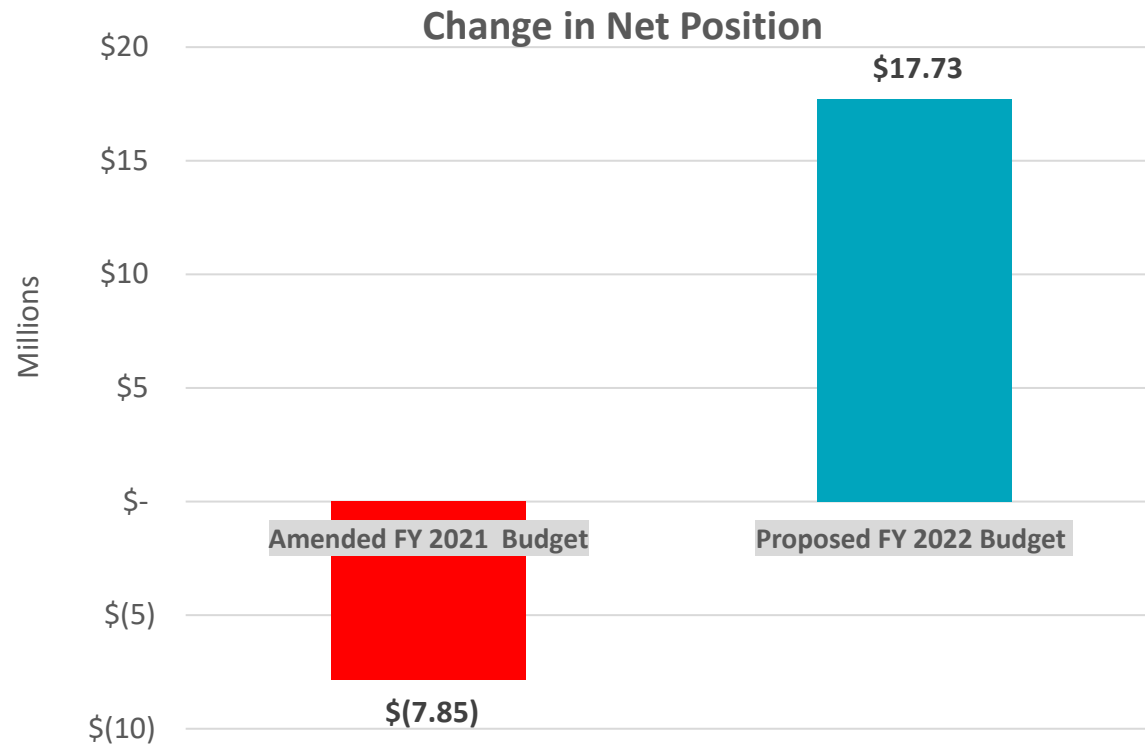




# Item 6: Approve FY22 Budget



# Item 6: Approve FY22 Budget



Net position –  
FY22 proposed \$17.7M.  
See Agenda Item 8 : Reserve  
Policy.

# Item 7

## Review and Recommend Board Approval of FY21 Financial Audit Preparation

1. Approve Interim CEO or designee to sign the engagement letter
2. Approve Interim CEO or designee to execute the multi-year PSA

Presenter:  
Eric Washington, CFO

# Item 7: Approve FY21 Financial Audit Preparation

Auditor: Also completed FY20 CPA audit report



- Term: 1 year with two 1year renewal options with a 60-day notice period
- Fees: \$21,000/year Not to exceed \$63,000

# Item 8

## Review and Recommend Board Approval of Financial Reserves Policy Draft

# Item 8: Approve Financial Reserve Policy FY

Purpose: To maintain Financial Reserves as described in this policy to:

- Meet SDCP's strategic objectives
- Secure favorable terms with vendors, including power producers
- Secure a standalone investment grade credit rating
- Provide funds to cover unanticipated expenditures

How do we get there? 15-percent of annual gross revenue to be allocated toward reserve with a target of 90-days of operating cash on hand.

# Meeting Agenda

Item 9: Committee Member Announcements

Item 10: Adjournment



# Finance and Risk Management Committee

Next Regular Meeting  
July 20, 2021

