

RESOLUTION NO. 2020-05

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF SAN DIEGO COMMUNITY POWER
ADOPTING THE FISCAL YEAR 2020-2021 BUDGET**

A. San Diego Community Power ("SDCP") is a joint powers agency formed pursuant to the Joint Exercise of Powers Act, Cal. Gov. Code § 6500 *et seq.*, California Public Utilities Code § 366.2, and a Joint Powers Agreement effective on October 1, 2019 ("JPA Agreement").

B. The JPA Agreement provides that SDCP's fiscal year shall be 12 months commencing each year on July 1 and ending on June 30 the following year.

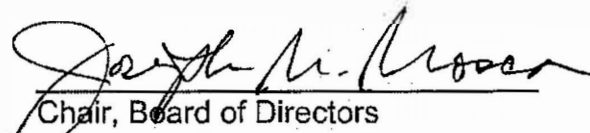
C. The JPA Agreement further provides that all expenditures shall be made in accordance with the approved budget and upon the approval of any officer so authorized by the Board in accordance with its policies and procedures.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of San Diego Community Power as follows:

Section 1. The Board of Directors hereby approves and adopts the Fiscal Year 2020-2021 Budget attached hereto and incorporated herein as Exhibit A.

Section 2. This resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED at a meeting of the Board of Directors of San Diego Community Power held on June 25, 2020.


Chair, Board of Directors
San Diego Community Power

ATTEST:


Secretary, Board of Directors
San Diego Community Power

AYES: Chair Mosca (Encinitas), Vice Chair Padilla (Chula Vista), Board Member Baber (La Mesa), Board Member Montgomery (San Diego), and Board Member West (Imperial Beach)

NOES: None

ABSTAINED: None

ABSENT: None

San Diego Community Power
Fiscal Year 2020-2021 Budget (FY21):
July 1, 2020-June 30, 2021

Board Approval			For Board Information Only	
	FY21 (July 2020-June 2021)	FY21 Notes	DRAFT FY22 - Projected	FY22 Notes
REVENUE				
Working capital from River City Bank	\$ 24,600,000	\$5M startup plus \$20M step up, less \$400k in Jan-June 2020 expenses	\$ 10,000,000	
Rate payer revenues	\$ 22,688,892		\$ 379,305,666	
Less Uncollectibles	\$ (56,722)	Assumed 0.0025 (1/4%) of projected revenue	\$ (948,264)	Assumed 0.0025 (1/4%) of projected revenue
Revenue TOTAL:	\$ 47,232,170		\$ 388,357,402	
EXPENSE				
Ops and Admin				
Professional Services/Consulting	\$ 350,000	LEAN @\$85k, accounting @\$150k, HR/payroll @50k, IT@\$50k, Misc Consulting @ \$15k	\$ 350,000	LEAN @\$85k, accounting @\$150k, HR/payroll @50k, IT@\$50k, Misc Consulting @ \$15k
Board and Committee Expenses	\$ 15,000	Allows for Board and Committee compensation	\$ 20,000	Allows for Board and Committee compensation
Staffing (assumes 8 staff)	\$ 1,500,000	Includes 35% overhead/benefits; assumes 8 staff in FY 2021 and 20+ in FY 22	\$ 4,500,000	Includes 35% overhead/benefits; assumes 20 staff in FY 22
Admin Costs (rent, insurance, equipment, IT, software, travel, etc.)	\$ 350,000	Rent/improvements @\$120k, Insurance@ \$25k, Tech/software @\$50k, Equipment@\$100k, Travel \$10k, Contingency	\$ 400,000	Rent/improvements @\$120k, Insurance@ \$25k, Tech/software @\$50k, Equipment@\$100k, Travel \$10k, Contingency
Estimated Debt Service and Bank Fees	\$ 1,048,000	Estimates from PEA June proforma	\$ 5,488,000	Estimates from PEA June proforma
TOTAL:	\$ 3,263,000		\$ 10,758,000	
CAISO/Utility Fees				
CAISO deposit (to be a CRR holder; one time payment)	\$ 500,000			
Financial Security "Bond" (CPUC; one time payment)	\$ 50,000	\$100k already posted in May 2020; \$50k held in case bond increases	\$ -	\$100k already posted in May 2020; \$50k held in case bond increases
SDG&E billing service fees (@\$0.28 per account/month)	\$ 5,768	Phase 1 = 3,000; Phase 2 = 8,600 net of 5% opt-out/ Phase 3 = 925,000	\$ 1,531,488	Phase 1 = 3,000; Phase 2 = 8,600 net of 5% opt-out/ Phase 3 = 925,000
TOTAL:	\$ 555,768		\$ 1,531,488	
Technical/Energy Services				
Power contracting, portfolio and rate design, scheduling, CRR management, et al	\$ 273,000	\$19,250 through Feb 2021, March 2021 – March 2022: \$28,500/month, not inclusive of direct travel costs (est. \$5k travel); IRP incl in fee	\$ 376,000	March 2021 – March 2022: \$28,500/month, not inclusive of direct travel costs (est. \$5k travel); IRP incl in fee
Scheduling Fees	\$ 8,000	(\$0.03/Mwh/ month)	\$ 150,000	(\$0.03/Mwh/ month)
Cost of Power	\$ 32,511,279	From PEA June proforma	\$ 320,997,159	From PEA June proforma
Collateral/Lockbox reserves	\$ 5,000,000		\$ -	
TOTAL:	\$ 37,792,279		\$ 321,523,159	
Communications/Customer Enrollment				
Marketing strategy and branding	\$ 65,000		\$ 15,000	
Permanent Website + Maintenance	\$ 45,000		\$ 15,000	
Collateral Design/Video	\$ 60,000		\$ 25,000	
PR/Advertising Campaign – print, social, paid and earned media	\$ 150,000		\$ 150,000	
Community Engagement	\$ 125,000		\$ 150,000	
Materials for tabling and events (design/print)	\$ 30,000		\$ 60,000	
Customer Notifications (@ \$0.80 each)	\$ 49,000	Phase 1 = 3,150 x 4; Phase 2 = 9,030 x 4; Phase 3 = 925,000 x 4	\$ 2,960,000	Phase 1 = 3,150 x 4; Phase 2 = 9,030 x 4; Phase 3 = 925,000 x 4
Community Sponsorships, etc.	\$ 25,000		\$ 50,000	
TOTAL:	\$ 549,000		\$ 3,425,000	
Data Management/Call Center				
Data Management/Call Center	\$ -	Fees don't commence until January 2022	\$ 4,900,000	Fees don't commence until January 2022; full enrollment of 925,000 x 6 months for 2022
TOTAL:	\$ -		\$ 4,900,000	
Legal				
General Counsel Services	\$ 120,000	BBK General Counsel contract	\$ 150,000	BBK General Counsel contract
Legal review of power supply and other vendor contracts	\$ 120,000	Legal Counsel for commercial energy contracts	\$ 150,000	Legal Counsel for commercial energy contracts
TOTAL:	\$ 240,000		\$ 300,000	
Regulatory/Legislative				
Cal-CCA Membership	\$ 50,000	TBD; placeholder	\$ 350,000	TBD; placeholder
Regulatory Monitoring and Reporting	\$ 200,000	Tosdal APC regulatory contract	\$ 225,000	Tosdal APC regulatory contract
Participation in Regulatory Proceedings /Compliance Matters	\$ 100,000	New Gen - ERRA; other technical consulting as needed	\$ 200,000	New Gen - ERRA; other technical consulting as needed
Lobbyist	\$ 60,000	Sacramento	\$ 120,000	Sacramento
TOTAL:	\$ 410,000		\$ 895,000	
Operating Expenditures TOTAL:	\$ 42,810,047		\$ 343,332,647	
NET SURPLUS	\$ 4,422,123		\$ 45,024,755	

This budget does NOT include: 1) Reimbursable expenses for City of San Diego, La Mesa, and Encinitas, 2) Local Programs, and 3) Reserve Funds.