

SAN DIEGO COMMUNITY POWER
Staff Report – Item 4

To: San Diego Community Power Board of Directors

From: Cody Hooven, SDCP Interim Executive Officer
Director/Chief Sustainability Officer, City of San Diego

Subject: Formation of the Finance and Risk Management Committee

Date: January 30, 2020

Recommendation

1. Appoint two Board Members to serve on the Finance and Risk Management Committee for a one-year term.
2. Approve the expansion of the scope of the Finance and Risk Management Committee to include energy risk management.

Background

Section 5.10.2 of the SDCP Joint Powers Authority (JPA) Agreement states the following:

The Board shall establish a Finance and Risk Management committee consisting of a subset of its Directors. The primary purpose of the Finance and Risk Management Committee is to review and recommend to the Board:

- a) A Funding plan;
- b) A fiscal year budget;
- c) Financial policies and procedures to ensure equitable contributions by parties; and
- d) The Finance and Risk Management Committees may have such other responsibilities as may be approved by the Board, including but not limited to advising the Chief Executive Officer on fiscal and risk management policies and procedures, rules and regulations governing investment of surplus funds, audits to achieve best practices in corporate governance and selection and designation of financial institutions for deposit of Authority funds, and credit/depository matters.

Analysis and Discussion

Staff recommends that two primary Board Members serve on the Finance and Risk Management Committee for a period of one calendar year to end at the December meeting of 2020. At that December meeting, the Board may appoint or reappoint Directors for the following year. All Finance and Risk Management Committee meetings will be subject to Brown Act noticing and open meeting requirements, including the location information.

Staff anticipates that the Finance and Risk Management Committee will meet monthly, or as needed. Additionally, upon appointment of the Directors to the Finance and Risk Management

Committee, staff will assist in determining the best time to meet. It is projected that the first meeting will take place in February 2020.

Given the size of the SDCP Board, and best practices of other Community Choice programs in the state, staff recommends that the scope of this committee be expanded to include energy risk management. Since procurement of energy is the primary business function of SDCP, discussion of energy procurement and related issues or risks is a natural fit for this committee. At a later date, with increased staff and Board capacity, the Board can consider separating functions into additional committees.

Fiscal Impact

Cost of this action may include staff time to manage the meetings and a cost for meeting space to host the meetings.