

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 8

TO: Valley Clean Energy Alliance Board of Directors

FROM: Mitch Sears, Sustainability Manager, City of Davis
Regina Espinoza, Sustainability Manager, Yolo County
Shawn Marshall, LEAN Energy US

SUBJECT: VCEA Implementation Update

DATE: July 25, 2017

RECOMMENDATION

Receive program administration updates and provide feedback and direction as needed.

BACKGROUND & DISCUSSION The following program implementation related topics are addressed in this report:

- A. Banking and Credit Services RFP update.
- B. Community outreach/website update.
- C. Budget Report
- D. CEO search update

A. Banking and Credit Services

At the Board's direction, staff released an RFP for banking and credit services that closed on April 27, 2017. Three responsive proposals were received and are currently under review by an evaluation review panel. The evaluation panel consists of County and City Staffs and Finance Representatives as well as a Consultant Representative. Once the evaluations and interviews with the Banking entities are complete, staff is planning to return to the Board with a recommendation on this item.

As a reminder, the following key components were included in the RFP:

- 1) Requesting a line of credit (LOC) for up to approximately \$7,000,000 which uses the estimated amount in the CCE technical study and incorporates anticipated costs associated with Woodland participating and contingency funds; this LOC will cover additional pre-revenue costs, credit for power contracts, and working capital for early operations;
- 2) Stated preference to do business with a bank that has headquarter and/or branch operations within Yolo County;
- 3) Credit terms are requested with and without guaranty requirements; it is likely that a guaranty will be required for at least the pre-revenue portion of credit drawn down;

- 4) Lender is asked to provide capitalization limits and must be a member of the Federal Reserve System or Federal Deposit Insurance Corporation; and,
- 5) Credit and banking services may be awarded to a single or multiple financial institutions depending on operational and credit capacity and terms offered.

B. Community outreach/website update

A new VCEA web site is under production and is expected to go live in the month of July. The new web site provides basic information on VCEA and the general structure of CCE programs. The web site is modelled on recently established CCE programs. The information on the new web site is designed to integrate with and support the work of the consultant firm eventually selected to provide outreach services for VCEA.

C. Budget report

The attached budget summary has been produced by County Financial Services staff in their role as VCEA Treasurer. Overall, VCEA has expended less than 1% of its preliminary \$1m start-up budget adopted by the VCEA Board in January 2017. With the addition of the City of Woodland contribution, the initial start-up budget will increase to \$1.5m. Increased expenditures are anticipated through the end of the calendar year as contracts for program services begin (e.g. Outreach and Marketing).

VCEA has not yet adopted an operating budget for the 2017-18 fiscal year. Staff plan to bring forward a budget proposal to carryforward unused funds received from the initial member contributions to be the initial 2017-18 budget. It is expected the 2017-18 budget will require amendment later in the fiscal year as the Implementation plan moves forward. In addition, as part of the report, staff will include an accounting of reimbursable costs accrued to date by member agencies. These costs are associated with the number of hours that will be billed to VCEA by member agencies for program design and start-up services under cooperation agreements. Consistent with the JPA formation document and cooperation agreements, these costs will be reimbursed after the program is operational and receiving revenues. Accounting of these reimbursable costs will be conducted at regular intervals and will be used to update the Board on VCEA's financial commitments to the member agencies. The City of Woodland has agreed to perform this on-going task under their Cooperation Agreement with VCEA.

D. CEO Search Update

In early 2017 the VCEA Board directed staff to accelerate the recruitment of an Executive Officer in order to make the hire in advance of vendor selection. The EO recruitment has not resulted in a selection at this time. At its July 27, 2017 meeting, the VCEA Board requested that the City of Davis provide staff to carry out project management duties on an interim basis. The City has agreed to assign Mitch Sears to perform the Interim General Manager duties as requested by the VCEA Board. Additional information is provided in Agenda item 7.

Attachments:

- Budget update – July 2017

Income Statement

GL293 Date 07/20/17
Time 07:12

Company 1000 - YOLO COUNTY
Income Statement
For Period 1 Through 12 Ending June 30, 2017

USD

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Fiscal Year 2017 Budget

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6925 6925 VALLEY CLEAN ENERGY ALLIANCE

Account Nbr	Description	Period Amount	Period Budget	Pct Of Budget	Year To Date Amount	Year To Date Budget	Pct Of Budget
NETFUND/POST	NET FUND BALANCE						
REVENUES	REVENUES						
REVUSEMONEY	REVENUE FROM USE OF MONEY AND						
400700-0000	INVESTMENT EARNINGS-POOL	1,334.19-	0.00	0.00	1,334.19-	0.00	0.00
	Total REVENUE FROM USE OF MONE	1,334.19-	0.00	0.00	1,334.19-	0.00	0.00
OTHRFINANSRC	OTHER FINANCING SOURCES						
405050-0000	LTD PROCDS-LOANS PAYABLE	1,000,000.00-	1,000,000.00-	100.00	1,000,000.00-	1,000,000.00-	100.00
	Total OTHER FINANCING SOURCES	1,000,000.00-	1,000,000.00-	100.00	1,000,000.00-	1,000,000.00-	100.00
	Total REVENUES	1,001,334.19-	1,000,000.00-	100.13	1,001,334.19-	1,000,000.00-	100.13
EXPENDITURES	EXPENDITURES						
SALARY&BEN	SALARIES AND EMPLOYEE BENEFITS						
SALARY&WAGES	SALARY AND WAGES						
500100-0000	REGULAR EMPLOYEES	0.00	67,000.00	0.00	0.00	67,000.00	0.00
	Total SALARY AND WAGES	0.00	67,000.00	0.00	0.00	67,000.00	0.00
EMPBENEFITS	EMPLOYEE BENEFITS						
500400-0000	OTHER EMPLOYEE BENEFITS	0.00	33,000.00	0.00	0.00	33,000.00	0.00
	Total EMPLOYEE BENEFITS	0.00	33,000.00	0.00	0.00	33,000.00	0.00
	Total SALARIES AND EMPLOYEE BE	0.00	100,000.00	0.00	0.00	100,000.00	0.00
SERVSUPPLIES	SERVICES AND SUPPLIES						
501020-0000	COMMUNICATIONS	0.00	170,000.00	0.00	0.00	170,000.00	0.00
501053-0000	INSURANCE-OTHER	0.00	10,000.00	0.00	0.00	10,000.00	0.00
501110-0000	OFFICE EXPENSE	0.00	5,000.00	0.00	0.00	5,000.00	0.00
501152-0000	PROF & SPEC SVC-INFO TECH SVC	0.00	30,000.00	0.00	0.00	30,000.00	0.00
501154-0000	PROF & SPEC SVC-FSCL AGNT FEES	0.00	25,000.00	0.00	0.00	25,000.00	0.00
501156-0000	PROF & SPEC SVC-LEGAL SVC	0.00	100,000.00	0.00	0.00	100,000.00	0.00
501165-0000	PROF & SPEC SVC-OTHER	0.00	320,000.00	0.00	0.00	320,000.00	0.00
501180-0000	PUBLICATIONS AND LEGAL NOTICES	0.00	200,000.00	0.00	0.00	200,000.00	0.00
501191-0000	RENTS & LEASES-BUILDG & IMPRV	0.00	20,000.00	0.00	0.00	20,000.00	0.00
501210-0000	MINOR EQUIPMENT	0.00	20,000.00	0.00	0.00	20,000.00	0.00
	Total SERVICES AND SUPPLIES	0.00	900,000.00	0.00	0.00	900,000.00	0.00
	Total EXPENDITURES	0.00	1,000,000.00	0.00	0.00	1,000,000.00	0.00
	Total NET FUND BALANCE	1,001,334.19-	0.00	0.00	1,001,334.19-	0.00	0.00

Income Statement

GL293 Date 07/20/17
Time 07:10

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6925 6925 VALLEY CLEAN ENERGY ALLIANCE

Account Nbr	Description	Period Amount	Period Budget	Pct Of Budget	Year To Date Amount	Year To Date Budget	Pct Of Budget
NETFUND/POST	NET FUND BALANCE						
EXPENDITURES	EXPENDITURES						
SERVSUPPLIES	SERVICES AND SUPPLIES						
501165-0000	PROF & SPEC SVC-OTHER	2,957.40	0.00	0.00	2,957.40	0.00	0.00
	Total SERVICES AND SUPPLIES	2,957.40	0.00	0.00	2,957.40	0.00	0.00
	Total EXPENDITURES	2,957.40	0.00	0.00	2,957.40	0.00	0.00
	Total NET FUND BALANCE	2,957.40	0.00	0.00	2,957.40	0.00	0.00