



Valley Clean Energy Alliance

A locally controlled energy provider

Board of Directors Meeting

January 17, 2017

5:30 pm



Item 5: Staff Update

1. Multi-service RFP - status and recommendation
 - 9 total submittals; 3 Energy Services; 4 Outreach; 2 Data/Call Center
 - RFP Review Committee (Staff/Advisory Committee Members)
 - Recommendations to Board in February
2. CEO search – update
 - Initial screening/interviews by Staff/Advisory Committee panel
 - Board will receive all applicant materials of candidates that pass initial qualifications stage
 - “Short List” recommended to Board for interviews

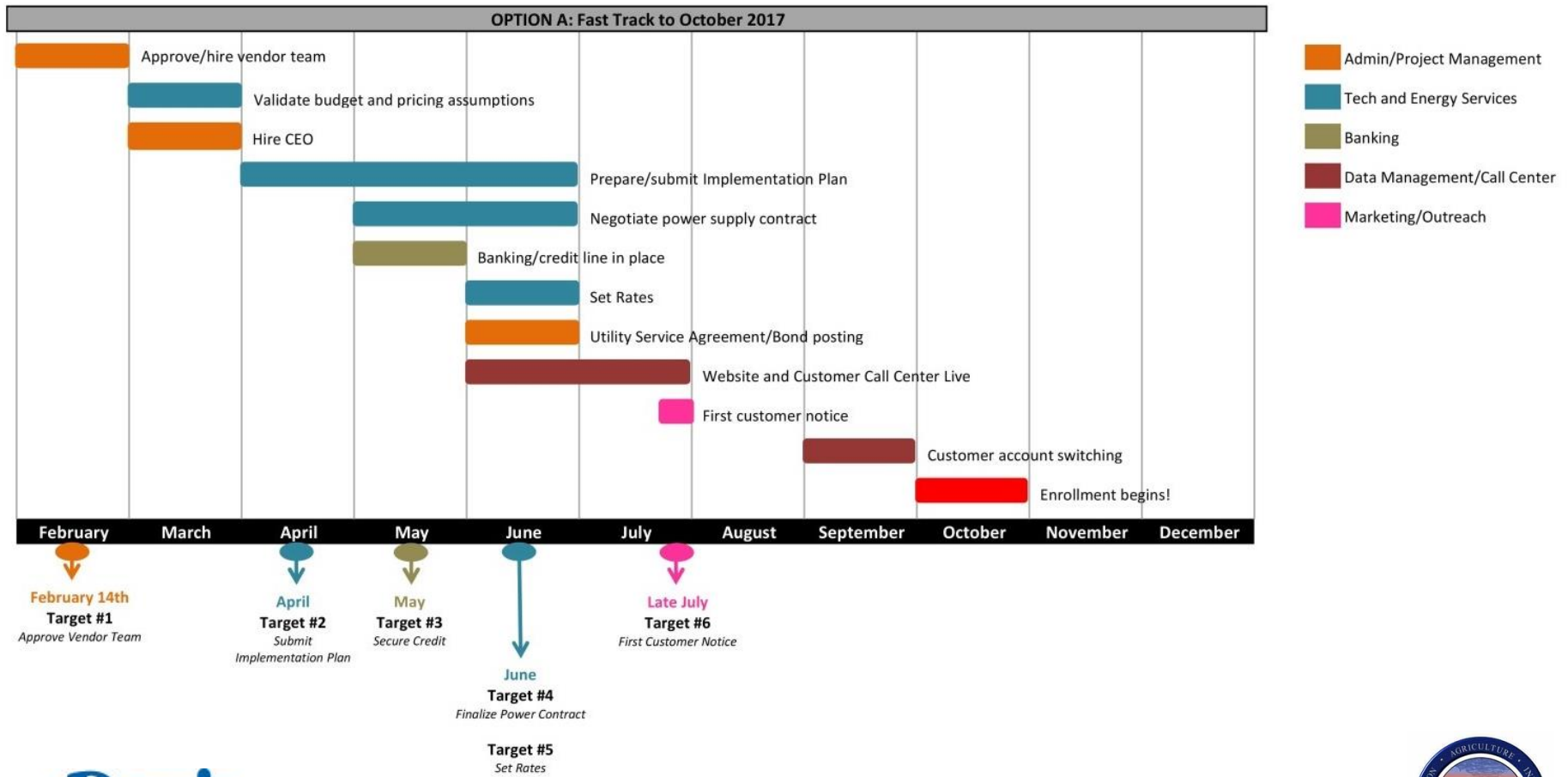
Item 5: Staff Update

3. Advisory Committee

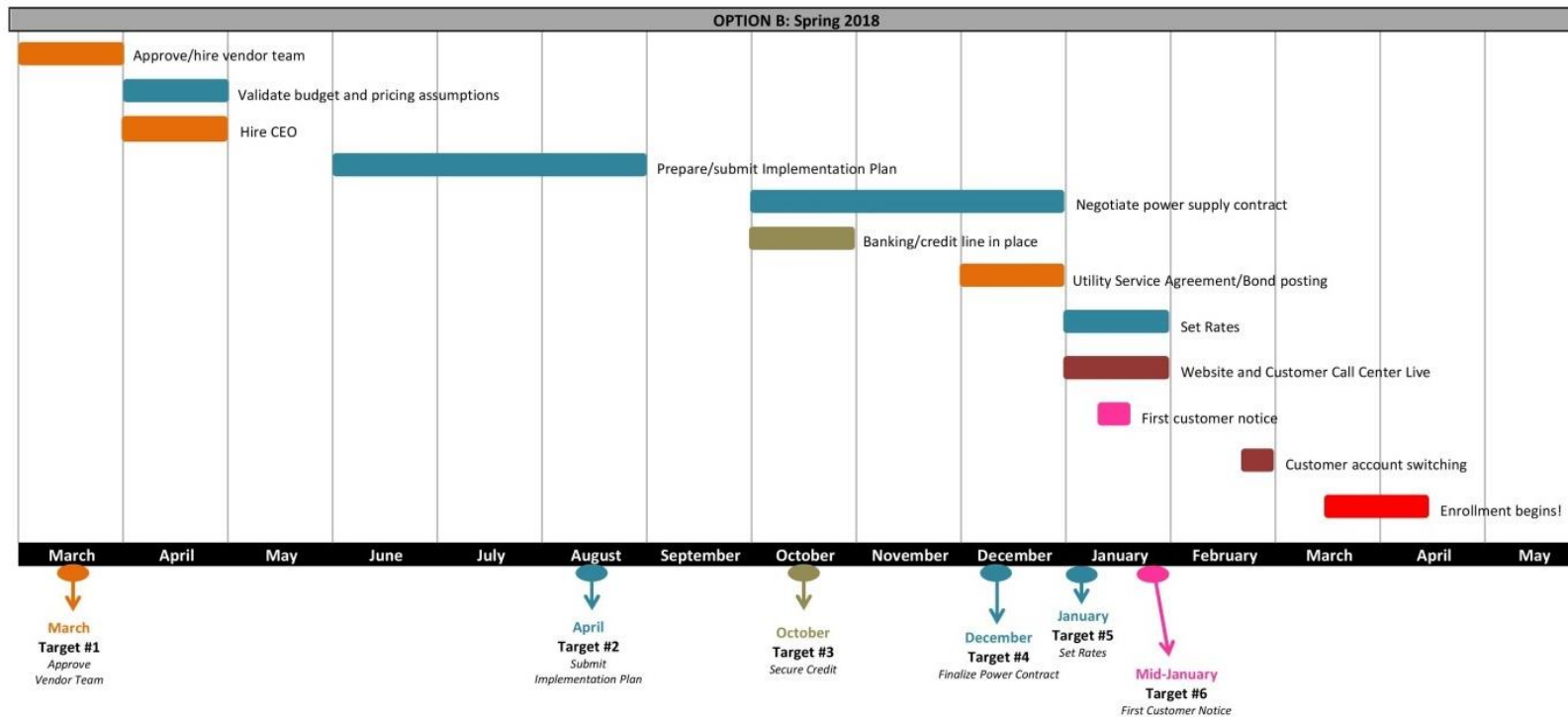
- Appointments
- Formation of RFP Review Sub-Committee
- Conflict of interest – Direction (questions)
 - 1) Whose interests should be disclosed?
 - 2) What interests does the Board wish to be disclosed?
 - 3) What thresholds to apply?
 - 4) What to do if there's a financial interest?
 - 5) How should potential conflicts be disclosed? All ahead of time in an annual disclosure? For each item that person participates in?
 - 6) Remedy if a Committee member fails to disclose? Are they removed from the Committee?

4. Insurance Update

Item 6: Critical Path Timeline - Option A



Item 6: Critical Path Timeline - Option B



Item 7: Implementation Budget

Valley Clean Energy Authority Proposed Implementation Budget	
Program Planning, Strategy and Project Management	
LEAN Energy US - Project Advisors	\$70,000
Subcommittee and Board Meeting Expenses	\$5,000
TOTAL:	\$75,000
JPA Formation	
JPA Agreement/Legal Services	\$25,000
Executive/staff salaries	\$100,000
Start up administrative costs (office rent, equipment, insurance, etc.)	\$50,000
TOTAL:	\$175,000
Technical and Energy Services	
Implementation Plan	\$35,000
Operating Budget/Proforma	\$5,000
Power Supply RFP, vendor selection and contract negotiations	\$100,000
Rate Design/Rate Setting	\$60,000
Assistance with NEM/FIT programs, registrations and compliance	\$50,000
TOTAL:	\$250,000
Communications/Customer Enrollment*	
Logo/Branding/Subbrands	\$20,000
Website	\$30,000
Collateral Design/Video	\$40,000
Paid Media	\$100,000
Community Outreach/Tabling	\$10,000
Customer Notifications (4 @ \$1.00 each)	\$200,000
TOTAL:	\$400,000
Finance/Legal	
Banking and Credit Services - RFP, Selection, Negotiation and Paperwork	\$25,000
Power Supply Contract - Legal Services	\$50,000
TOTAL:	\$75,000
Regulatory/Legislative	
Participation in Regulatory Proceedings/Legal	\$15,000
Monitoring and Reporting	\$10,000
TOTAL:	\$25,000
TOTAL:	\$1,000,000

*Assumes 4 notices to 50,000 customers in Davis and unincorporated County

Budget does not include reimbursable expenses for City and County support staff and internal costs incurred on behalf of VCEA.



Item 7: Chart of Accounts

Valley Clean Energy Authority Proposed Implementation Budget		Account Reference	
Program Planning, Strategy and Project Management			
LEAN Energy US - Project Advisors	\$70,000	501165	Executive Staff/Salaries
Subcommittee and Board Meeting Expenses	\$5,000	501110	500100 \$67,000
TOTAL:	\$75,000		500400 \$33,000
JPA Formation			Total \$100,000
JPA Agreement/Legal Services	\$25,000	501156	
Executive/staff salaries	\$100,000	See right	Start Up Administrative Costs
Start up administrative costs (office rent, equipment, insurance, etc.)	\$50,000	See right	501191 \$20,000
TOTAL:	\$175,000		501210 \$20,000
Technical and Energy Services			501053 \$10,000
Implementation Plan	\$35,000	501165	Total \$50,000
Operating Budget/Proforma	\$5,000	501165	
Power Supply RFP, vendor selection and contract negotiations	\$100,000	501165	
Rate Design/Rate Setting	\$60,000	501165	
Assistance with NEM/FIT programs, registrations and compliance	\$50,000	501165	
TOTAL:	\$250,000		
Communications/Customer Enrollment*			
Logo/Branding/Subbrands	\$20,000	501020	
Website	\$30,000	501152	
Collateral Design/Video	\$40,000	501020	
Paid Media	\$100,000	501020	
Community Outreach/Tabling	\$10,000	501020	
Customer Notifications (4 @ \$1.00 each)	\$200,000	501180	
TOTAL:	\$400,000		
Finance/Legal			
Banking and Credit Services - RFP, Selection, Negotiation and Paperwork	\$25,000	501154	
Power Supply Contract - Legal Services	\$50,000	501156	
TOTAL:	\$75,000		
Regulatory/Legislative			
Participation in Regulatory Proceedings/Legal	\$15,000	501156	
Monitoring and Reporting	\$10,000	501156	
TOTAL:	\$25,000		
TOTAL:	\$1,000,000		

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Budget does not include reimbursable expenses for City and County support staff and internal costs incurred on behalf of VCEA.



Item 7: Recommended Next Steps

1. Authorize Mitch Sears and Taro Echiburu to approve VCEA expenses and payments as per Board approved budget and contracts
2. Establish VCEA chart of accounts and coordinate transfer of initial City/County contributions
3. Prepare and issue RFP for banking and credit services
4. Schedule briefings with elected bodies regarding Agency financing and anticipated credit guarantee

Item 7: Agency Financing Overview

Complete

Start-Up Funding

- \$1M loan allocated by City/County; repaid with interest from JPA revenues once operational

Next Up

Line of Credit

- Specific amount unknown but between \$3-10M; tends to be short term
- Credit support will be required (anticipate btwn \$2M-\$4M)
- Credit guarantee can be a letter of credit or cash collateral, depending on bank's requirements
- Line of credit and guarantee needs to be in place by May 2017

Longer Term

Term Debt, Credit Rating, Bonding Authority

- Once revenues are stable and Agency is operationally more mature
- Focus on building reserves in first 5 years
- Unsecured term debt to cover additional power contracts, working capital
- Term debt and potential for revenue bonds to finance power projects