

# **AMBAG Board of Directors Meeting**

## **February 9, 2022**



# Item #1: Call To Order

# Item #2: Roll Call



# **Item #3: Oral Communications from the Public on Items Not on the Agenda**

**(A maximum of three minutes on any  
subject not on the agenda)**

# **Item #4: Oral Communications from the Board on Items Not on the Agenda**

**(A maximum of three minutes on any  
subject not on the agenda)**

# **Item #5A: Annual Comprehensive Financial Report (ACFR) for Fiscal Year (FY) 2020-2021**

## **Recommended Action: Information**





# ASSOCIATION OF MONTEREY BAY AREA GOVERNMENTS



## Audit Results June 30, 2021





## Agenda

1. Auditor's Opinion
2. Statement of Net Position
3. Statement of Activities
4. Communication with Those Charged with Governance
5. Accounting Updates
6. Recommendations





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# AUDITOR'S OPINION





# Scope of Services



We have performed the following services for AMBAG

- Annual financial statement audit as of and for the year ended June 30, 2021

We have also performed the following nonattest services:

- Drafting basic financial statements
- Preparation of Special District Financial Transaction Report
- Review of Annual Comprehensive Financial Report

# Auditor's Opinion

## Unmodified Opinion

- The financial statements, in all material respects, are fairly presented in accordance with accounting principles generally accepted in the United States
  - Page 26 & 27 of ACFR
- Clean single audit reports with no findings under Government Auditing Standards as well as the Uniform Guidance
  - Pages 110-113 of ACFR





# Specific Area of Focus



We focused on the following areas during the course of the audit:

- Contract Revenue
- Single Audit
- Expense Allocation
- GASB 68 & 75



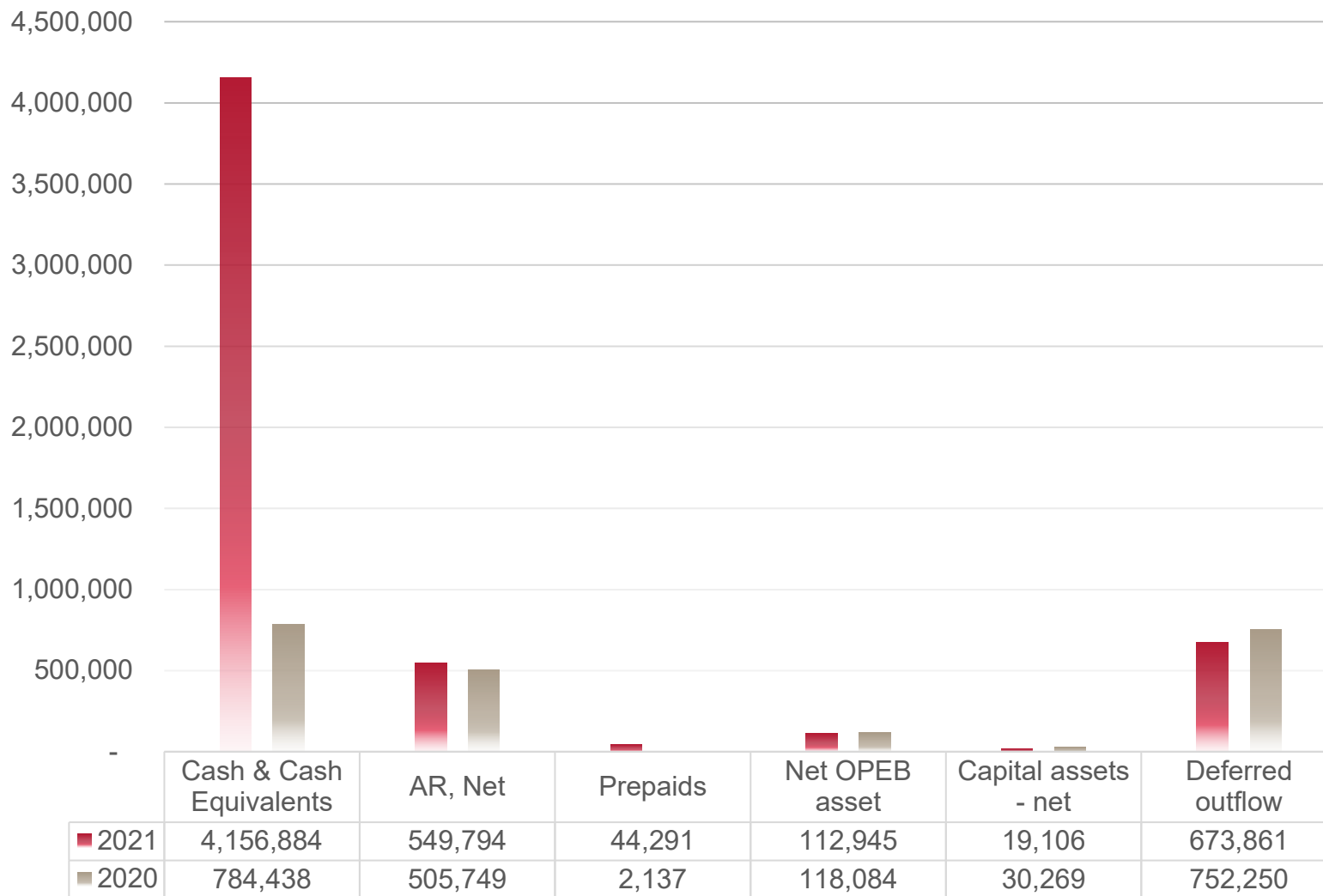
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# STATEMENT OF NET POSITION



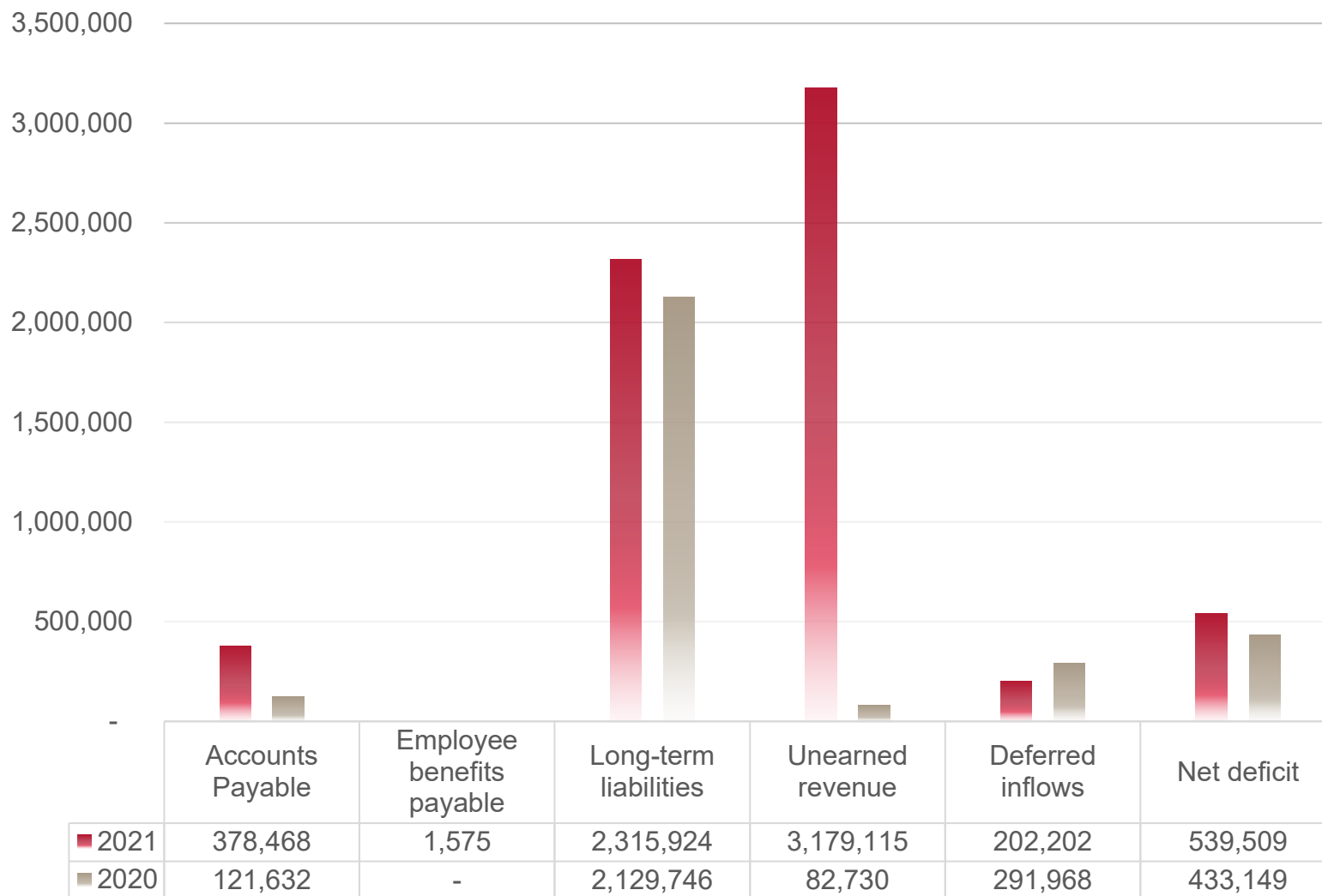


# Assets





# Liabilities and Net Assets





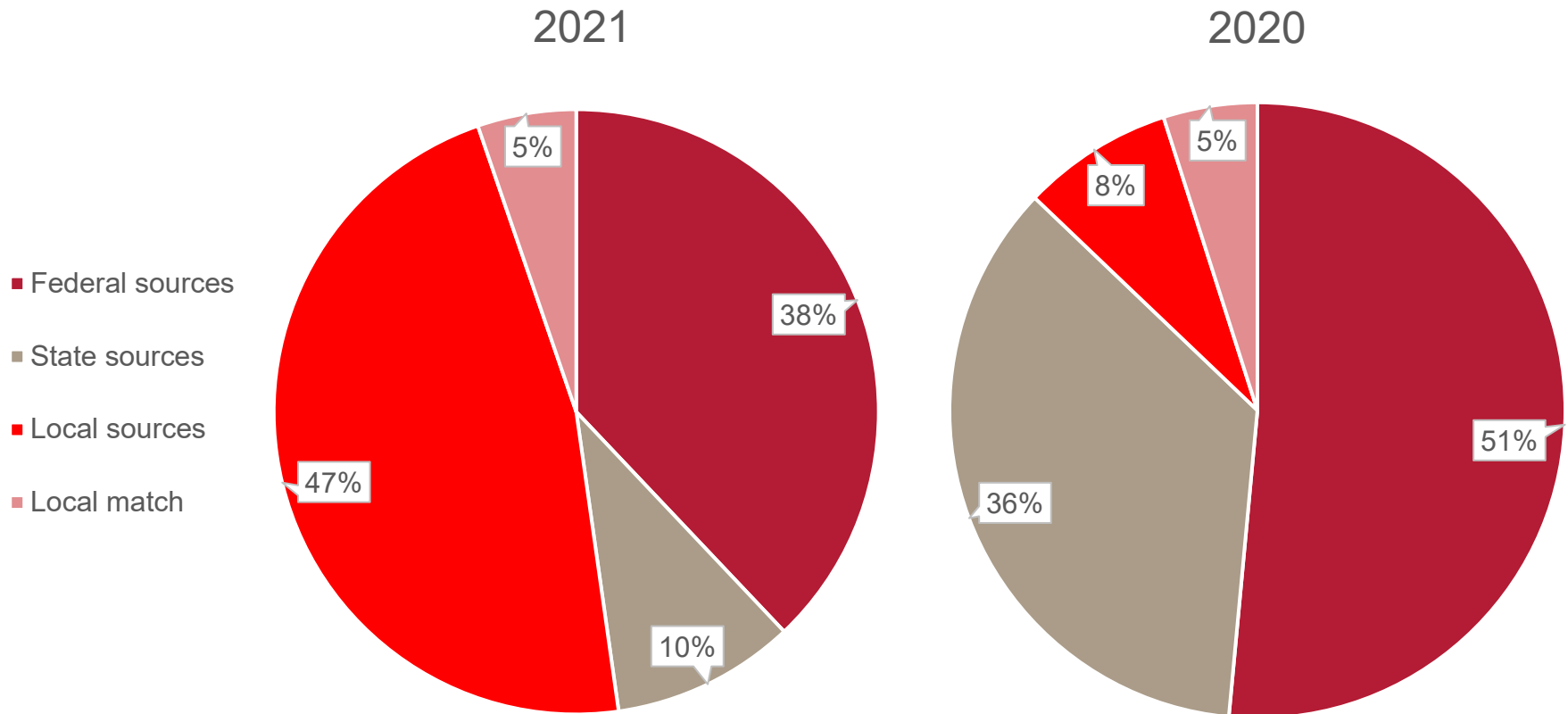


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# STATEMENT OF ACTIVITIES

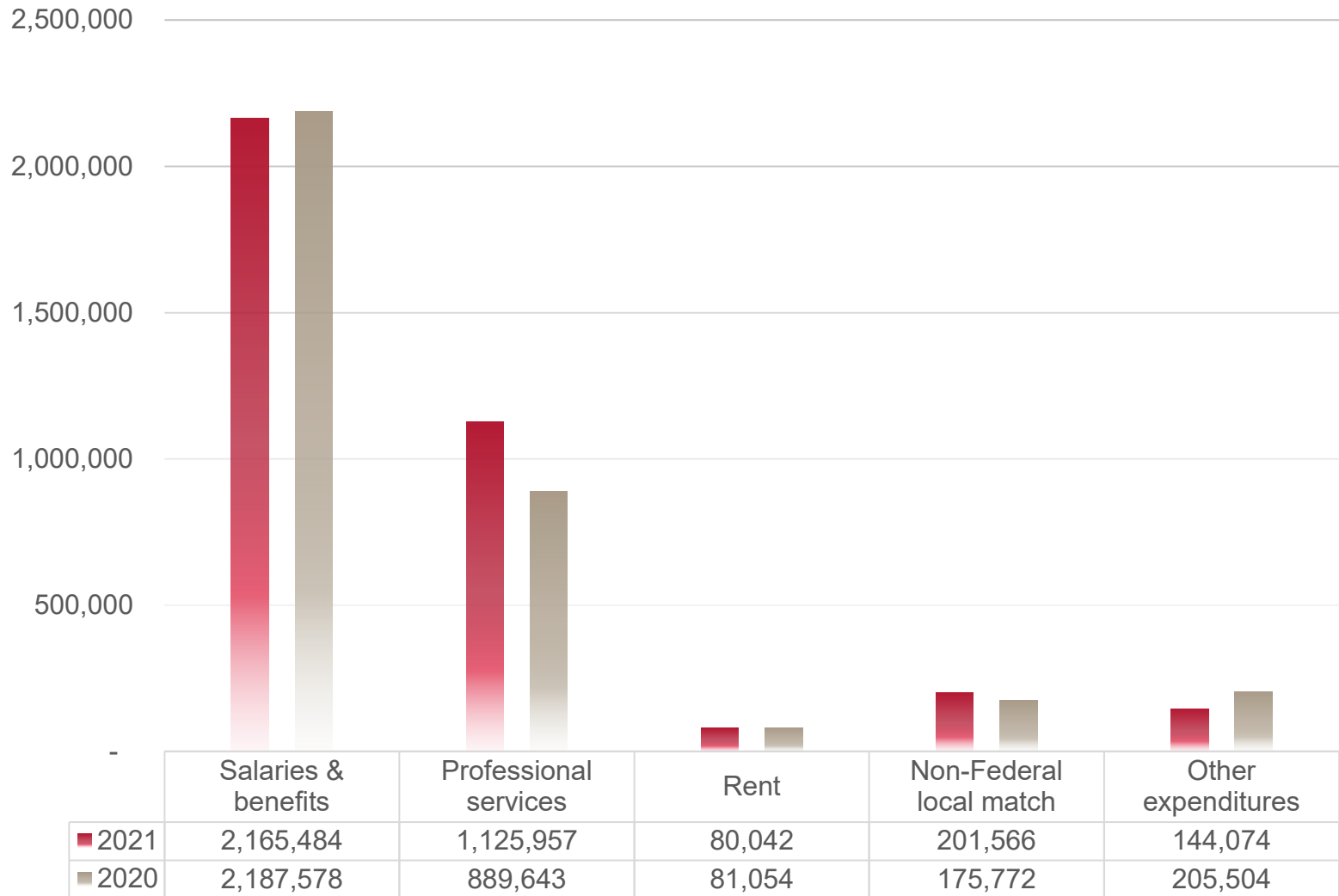


# Revenues





# Expenditures





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# COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE





# IMPORTANT BOARD COMMUNICATIONS



## Significant Accounting Policies

- Management is responsible for selecting appropriate accounting policies
- The significant accounting policies used are described in the footnotes to the financial statements



## Accounting Estimates

- We deem accounting estimates to be reasonable



## Disagreements with Management

- None noted



## Significant or Unusual Transactions

- None noted



# IMPORTANT BOARD COMMUNICATIONS



**Consultations with Other Accountants**

- None made



**Uncorrected Misstatements**

- None identified



**Difficulties performing Audit**

- None noted



**Material Weaknesses or Significant Deficiencies**

- None identified



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# ACCOUNTING UPDATES



# Accounting Standards

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- **GASB pronouncements that were adopted as well as those that have been issued but not yet adopted can be found on the following pages of the Annual Financial Comprehensive Report:**
  - Pages 49-53



**H | W** | **THANK YOU**



## Connect With Us



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# **Item #5B: AMBAG Rural Regional Energy Network Participation**

## **Recommended Action: Information**



# Creating the Rural Regional Energy Network

**AMBAG Board of Directors Meeting**

**February 9, 2022**

Amaury Berteaud, Special Projects Manager

## Background

- In California, every electricity bill contains a public goods charge. In 2020, over \$800,000,000 were collected from ratepayers implement energy efficiency programs.
- All ratepayer funded energy efficiency programs are overseen by the California Public Utilities Commission (CPUC). The goal is to reduce energy use so that costly power plants do not have to be built.
- In our region, the AMBAG Energy Watch Program, a partnership between PG&E and AMBAG, provided rebates for energy efficiency projects as well as turnkey assistance to cities, counties and school districts from 2006 to 2020.

# California Public Utilities Commission & Regional Energy Networks

- Regional Energy Networks (RENs) were first envisioned as an innovative framework for local governments to design and administer energy efficiency programs.
- In 2012 the California Public Utilities Commission (CPUC) allowed two RENs to begin operations as pilot programs. The goal was for the RENs to serve customers not currently served by other energy efficiency programs.
- By launching new programs, RENs bring energy efficiency incentives and increased technical support to previously underserved communities.
- RENs are allowed to design innovative programs which focus on serving communities in ways traditional energy efficiency programs do not.



# California Public Utilities Commission & Regional Energy Networks

- In 2018 and 2019 , the CPUC issued decisions opening the way for the creation of new RENs and making the two pilot RENs permanent.
- In order to create a new REN a presentation first has to be made to the California Energy Efficiency Coordinating Committee (CAEECC).
- A detailed business plan must then be submitted to the CPUC and demonstrate how the new REN provides new and unique value towards meeting California's energy, climate, and equity goals.

## Early RuralREN Development

- AMBAG partnered with rural energy efficiency implementers throughout California to form a Rural and Hard to Reach Working Group.
- This group began by participating in the CPUC regulatory process to represent the rural regions of California.
- In 2020, in order to have a more direct impact, six partners decided to start the process of developing a REN.



## RuralREN Governance

- In 2021, the Rural and Hard To Reach partners signed a memorandum of understanding to define and formalize the working relationship among each RuralREN participating partners.
- Redwood Coast Energy Authority will act as the administrator for the RuralREN and will file regulatory submissions and reporting documents to the CPUC as well as provide RuralREN budget oversight.
- A RuralREN's Leadership Team will be formed with one representative from each partner agency, each holding one equal vote.
- The leadership team will act as the RuralREN's Board of Directors and will be responsible for making high level administrative, organizational, portfolio level strategy, operational, and policy decisions.

## RuralREN Timeline

- The Rural and Hard To Reach partners pooled resources and expertise to design energy efficiency programs and draft a strategic 2023-2031 business plan.
- A presentation will be made to the CAEECC and the business plan is set to be submitted to the CPUC by March 4, 2022. The CPUC will issue a decision on the business plan in late 2022.



## RuralREN Proposed Budget and Programs

- The proposed budget and programs were created as part of the business plan being submitted to the CPUC.
- The proposed RuralREN budget for year 1 is \$11.5 million, rising to \$21.5 million in year five.
- AMBAG staff will be implementing five RuralREN programs, and staff will manage an implementation budget of \$1.5 million in year one, rising to \$2 million in year five. In addition, the RuralREN will be procuring consultants which will provide services across the RuralREN territory.

## RuralREN Program: Residential

- This program will primarily target low to moderate income rural service workers and retirees since they often face a high energy cost burden.
- This program will first seek to raise awareness on energy efficiency and clean energy issues within our communities.
- The program will offer basic energy efficiency “toolkits” containing simple energy efficiency and conservation education material as well as easy to install energy efficiency equipment such as LED lightbulbs and power strips.
- The program will also offer in person and virtual energy efficiency audits which will also include no cost energy efficiency equipment and provide actionable energy efficiency and electrification project recommendations.

## RuralREN Program: Public

- This program will be a complement to existing PG&E local government partnerships as well as the existing Willdan GK-12 program.
- In San Benito and Santa Cruz Counties, the program will offer no cost services such as benchmarking, audits, and infrastructure reports.
- The program will provide technical assistance in order for public agencies to obtain energy efficiency incentives and funding.
- The program will seek to promote the tracking and reporting of energy efficiency and electrification project benefits wherever feasible.

# RuralREN Program: Workforce Education & Training

- This program will offer three pathways for community members to participate in the green economy.
- The clean energy academy will bring free energy efficiency career training to underserved populations.
- The climate careers employment and training pathway will target 15 to 22 years old and train them to act as energy auditors as part of the residential program.
- The connectivity pathway will seek connect graduates of the Clean Energy Academy and climate careers pathway and place them in programs that provide needed certifications to start working at a prevailing wage.



## RuralREN Program: Codes and Standards

- This program will support code enforcement agencies as well as the building design and construction community to better understand and implement California's Building Energy Efficiency Standards (Title 24).
- The program will provide building professionals with topic specific code trainings as well as support to facilitate the transition to new codes, in particular ZNE-Ready reach codes.
- This program will include an Energy Codes Coach service, which will provide on-demand technical assistance for public agencies or contractors to ask issue specific questions that arise as part of the permitting process.

## RuralREN Program: Finance

- This program will provide guidance and support to customers during their participation in energy efficiency related funding and financing offerings.
- This program will operate a short-term bridge loan offering for small businesses and local government agencies to cover energy efficiency project costs during construction.
- This program will operate a residential loan offering which will offer zero percent interest medium term financing for energy efficiency upgrades and appliance electrification projects.

## Benefits of the RuralREN

- Brings five highly innovative energy efficiency programs to the AMBAG region.
- Builds internal staff capacity and creates further opportunities to collaborate with AMBAG jurisdictions on sustainability issues.
- Helps educate the community about energy issues and provide resources for community members to join the green economy.
- Opens the door to future collaboration opportunities relating to vehicle and building electrification.

# Questions?

# **Item #6: 2022 Board and Committee Appointments**

**Recommended Action: Approve**



# **Item #7A: Executive/Finance Committee**

## **Recommended Action: Information**

# **Item #7B: Monterey Bay National Marine Sanctuary (MBNMS) Advisory Committee Advisory Council (SAC) Meeting**

**Recommended Action: Direct**

# **Item #8: Executive Director's Report**

## **Recommended Action: Information**





# **Item #9: Consent Agenda (Items #9A – 9I)**

**Recommended Action: Approve**

# **Item #10: Items Removed from Consent Calendar for Discussion and Possible Action**

# Item #11: Adjournment