

VALLEY CLEAN ENERGY ALLIANCE

RESOLUTION NO. 2017- 012

**A RESOLUTION OF THE VALLEY CLEAN ENERGY ALLIANCE ADOPTING
A FINANCIAL RESERVE POLICY**

WHEREAS, the Valley Clean Energy Alliance (“VCEA”) is a joint powers agency established under the Joint Exercise of Powers Act of the State of California (Government Code Section 6500 et seq.) (“Act”), and pursuant to a Joint Exercise of Powers Agreement Relating to and Creating the Valley Clean Energy Alliance between the County of Yolo (“County”), the City of Davis (“Davis”), and the City of Woodland (“City”) (the “JPA Agreement”), to collectively study, promote, develop, conduct, operate, and manage energy programs; and


WHEREAS, in order to achieve its strategic goals, VCEA must maintain liquidity for day-to-day operations and develop access to capital markets to fund long-term investments in local clean energy development and customer programs; and

WHEREAS, setting a target Financial Reserve level also provides a reference point to use when evaluating the financial impacts of various policy decisions, such as portfolio mix and rate setting.

NOW, THEREFORE, the Board of Directors of the Valley Clean Energy Alliance hereby adopts a Financial Reserve Policy (Exhibit A).

ADOPTED, this 14th day of December 2017, by the following vote:

AYES: Barajas, Chamberlain, Davis, Frerichs, Saylor, Stallard
NOES: None
ABSENT: None
ABSTAIN: None



VCEA Board Secretary



Don Saylor, Board Chair

Approved as to form:



Interim VCEA Counsel

EXHIBIT A - VCEA Financial Reserve Policy

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VCEA Financial Reserve Policy

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Adopted: December 14, 2017

Amended:

The VCEA Board recognizes the importance of developing reserves to:

- Ensure financial stability
- Ensure access to credit at competitive rates
- Ensure rate stability
- Set aside monies for local programs

To achieve these objectives, VCEA targets an operating reserve account minimum balance of 30 days operating expenses, with a goal of building to a reserve of 90 days operating expenses.

Additionally, VCEA will set aside a reserve fund for local programs, equal to 1% of net income.

VCEA will initially build a reserve fund of 30 days operating expenses. Once this is funded, VCEA will begin paying off debt and building cash reserves to meet a 90-day operating reserve level.

Rates, Power Portfolio Resource mix, and Operating Budget will be adjusted as needed to meet VCEA's target reserves schedule.