



February 7, 2013

TO: Marin Energy Authority Board
FROM: Emily Goodwin, Internal Operations Coordinator
RE: Proposed Budget for Fiscal Year 2014 (Agenda Item #9)
ATTACHMENT: Proposed Budget, Fiscal Year Ending March 31, 2014

Dear Board Members:

SUMMARY:

Before the end of each fiscal year (FY), your Board sets forth the budget for the coming FY. A preliminary FY2014 budget was reviewed and discussed at the regular January 2013 meeting of the Executive Committee. The attached budget reflects MEA's anticipated revenue and expenses for the 2014 Fiscal Year running from April 1, 2013 to March 31, 2014.

The attached Proposed FY2014 Budget sets forth the following line items:

- Sales of Electricity: The proposed FY 2014 budget reflects the increased volume to be served through the mass enrollment in the city of Richmond.
- Cost of Energy: MEA's per unit cost of energy will increase as per the Confirmation approved by your Board at the October 4, 2012 Board Meeting and due to increased deliveries from MEA's renewable energy contracts.
- Staffing: The FY 2014 budget reflects increases in staffing costs, as MEA scales up to full implementation with the inclusion of additional account management, regulatory, procurement and administrative support.
- Technical Consultants: MEA's technical consultant needs will only increase slightly in FY 2014.
- Legal Counsel: MEA's legal needs are expected to increase to accommodate additional regulatory filings and strategic planning in FY 2014.
- Communications: The amount budgeted for communications in FY 2014 reflects costs for noticing customers in Richmond by mail and other communications costs associated with our growing customer base.
- Data Management: Data management costs will increase in FY 2014 due to MEA's increased number of customers.

- PG&E Service Fees: PG&E service fees, which are primarily charged on a per customer basis, will increase in FY 2014 due to MEA's increased number of customers.
- Other Services: The other services line item includes: audit, accounting, and information technology, among others.
- General and Administration: The general and administration line includes: data and office telephone service, insurance, office and equipment rentals, subscriptions, travel, business meals, other services, conferences, professional education, special events sponsorship, office supplies and postage, and small equipment. The budget is increased in to accommodate the increase in the number of MEA staff and scope of services associated with incorporation of Richmond.
- Energy Efficiency and Related Programs: Funding has been allocated by the CPUC as part of the 2013/14 program cycle funds. In addition, MEA will be providing some support for the County of Marin Green Business Program and Solar Rebate program.
- Capital Outlay: MEA anticipates a modest increase in capital expenditures to accommodate furniture needs of new staff in MEA's expanded office space.
- Debt Service: This line item reflects MEA's increased debt service expenses due the increased working capital needs associated with the recent Phase 2B expansion.

Recommendation: Approve Proposed Fiscal Year 2014 Budget.