

# Finance Committee Charter



**Finance Committee**  
**August 9, 2017**

## Need for a Finance Committee Charter

- NCPA By-laws provides for a standing committee known as the Finance Committee
- Role is defined but very high-level
  - Reporting on financial, accounting, or auditing matters
- Needed a charter that detailed the Finance Committee's role and responsibilities and something to provide to new members

## Purpose of Finance Committee Charter

- Charter provides a little more definition of responsibility including:
  - Purpose
    - What is our role?
  - Structure and operations
    - # of members and term of the members
  - Meetings
    - Frequency and general procedures
  - Responsibilities and duties
    - Identification of items to review, discuss and recommend

**NORTHERN CALIFORNIA POWER AGENCY  
(NCPA)  
FINANCE COMMITTEE CHARTER**

**PURPOSE**

The purpose of the Finance Committee is to assist the Commission, the Executive Committee, the Chair, the Chief Financial Officer of the Agency (CFO), or the General Manager in fulfilling its responsibilities to:

- Report upon all financial, accounting, or auditing matters;
- Review management's plans to administer NCPA's financial risk;
- Review NCPA's capital management, planning activities, investment and debt management policies;
- Review NCPA's financial performance, including the performance of the investment and debt portfolios, and other significant financial activities;
- Review NCPA's pension strategy and performance; and
- Review NCPA's health care costs, post-employment (OPEB) benefits and funding.

**STRUCTURE AND OPERATIONS**

The Finance Committee shall be a standing, advisory committee that is subject to the Brown Act. Members of the Finance Committee, who may be either Commission members or other staff or officers of members, shall be appointed by the Chair and then ratified by the Commission. The Chair is recommended by the Nominating Committee and then ratified by the Commission. All Members of the Finance Committee shall have a working familiarity with basic finance practices, and at least one Member of the Finance Committee shall have financial management expertise.

Finance Committee Members shall serve at the pleasure of the Commission for indefinite terms. The size of the Finance Committee shall be as determined by the Commission from time to time. Currently, the Finance Committee consists of five Members plus the CFO (or his/her alternate). Any Member of the Finance Committee may be removed from the Committee, with or without cause, by a majority vote of the Commission. A Member may also resign by notifying the CFO or General Manager.

**MEETINGS**

The Finance Committee shall ordinarily meet at least four times annually, or more frequently as circumstances dictate. The Committee may take action on any of the items listed on an Agenda regardless of whether the matter appears on the Agenda or is described as an Action Item, a Report, or an Information Item. The Chair will lead all regular meetings of the Finance Committee and set agendas for the Finance Committee meetings. A quorum is required for the Finance Committee to conduct Agency business and shall consist of those primary representatives (Members), or their designated alternate representatives, representing a numerical majority of the Participants but not including the CFO or his/her alternate.

**RESPONSIBILITIES AND DUTIES**

To fulfill its responsibilities, duties and recommendations to the Commission, the Finance Committee shall:

1. Review of current financial market conditions or issues;
2. Review of NCPA's debt portfolio;
3. Biennial review of NCPA's Debt and Interest Rate Management Policy;
4. Annual review of NCPA's Investment Policy including cash flow, liquidity targets, trading strategies | and methodologies;
5. Review long-term liabilities and funding strategies;
6. Review report(s) on recent rating agency actions;
7. Review of various Request for Proposals for banking, custodian, audit, financial advisor, bond counsel, underwriters, etc.;
8. Review NCPA's capital strategies including the issuance of new debt or refunding of outstanding debt;
9. Any financial matter pertaining to NCPA and/or its members or business partners that requires review, comment, recommendation or direction to the Commission;
10. Document and maintain records of its proceedings, and shall make regular reports to the Commission summarizing the matters reviewed and actions taken at each Finance Committee meeting; and
11. Review and assess the adequacy of this Charter as it deems appropriate. The Committee may recommend amendments to this Charter at any time and submit the recommendations of approval to the Commission.

## Review and Recommendation

- Review of Finance Committee Charter
  - Concerns, questions, or edits?
  - Keep charter here or recommend to the Commission for approval?
- It is recommended that the Commission approve Resolution 17-XX. The resolution approves a Finance Committee Charter which will better define the roles and responsibilities for the Finance Committee as described in the Agency By-Laws.

