CAC Chair Report
Vice-Chair Balkissoon
June 17, 2026

In light of the fact that Ava revenues recovered to a $130 million deficit v the predicted $250 million deficit predicted back in December 2025. The CAC felt that the $10 million reduction in the local development fund budget should be restored.

Background info- In December 2025 in a presentation related to the 2026 Financial Adjustment there was expected to be a $250 million dollar deficit based on PG&E's rates being expected to decrease by approximately 30% while the PCIA is increasing, significantly impacting Ava's revenue. Various adjustment scenarios were offered and scenario B was recommended. This scenario included a recommendation to reduce the local development fund budget by $10 million (from funds not earmarked for specific programs).

The CAC proposed the following recommended adjustment to the FY2027 Annual Budget

1. Since the revenue deficits are not as dire as were projected back in December 2025, the CAC recommends that the BOD approve of the FY2026-2027 annual budget contingent on the restoration of the $10 million to the local development fund.

Secondly, there was concern that funding projections showed 0 funding for Local Development Funding in FY2027 budget. This sends the wrong message to our communities as was reflected in many public comments on this topic. To this end the CAC proposes a second recommendation.

2. It is recommended that the BOD develop a policy for a minimum dollar amount for local development funding each year based on some percentage of Ava's net revenues.