

Staff Report – Item 3

To: The Governing Board

From: Donald Eckert Jr., Chief Executive Officer
David Ruderman, General Counsel

Item 3: **Update on Administrative Changes and Approval of a 30-day Notice to Amend the Joint Exercise of Powers Agreement with Such Changes**

Date: 12/19/2024

RECOMMENDATION

Receive update on Administrative Changes and Approve the 30-Day Notice to Amend the Joint Exercise of Powers Agreement ("JPA") for Pioneer Community Energy ("Pioneer").

BACKGROUND

At the November 21, 2024, Governing Board meeting, the Board discussed the Board's role in governance with respect to amendments to the JPA. The Board then directed staff to bring back to the Board the administrative changes to the JPA proposed earlier in the year.

ANALYSIS & DISCUSSION

In 2015, Placer County and the City of Colfax entered a JPA to establish the Sierra Valley Energy Authority to operate a Property Assessed Clean Energy (PACE) program. In 2017, the JPA was amended and restated to create a community choice aggregation program, add the cities of Auburn, Lincoln, Rocklin, and the Town of Loomis as member agencies, and later that year was renamed Pioneer Community Energy. Since then, that First Amended and Restated JPA has been amended five times to make text changes and add new members.

The following are the proposed administrative changes to the JPA:

- **Name.** Change name of agency to Pioneer Community Energy throughout (this was legally effectuated by a resolution adopted in 2017 but references to Sierra Valley Energy Authority remained in the First Amended and Restated); likewise changed references to "the Authority" to "Pioneer" for ease of reading.
- **Prior Amendments.** Updated the title page with a listing of the prior amendments with effective dates.
- **Exhibit A for List of Members.** Remove references to specific member agencies in Sections 2 and 5 and of the JPA, moving the list of the members to a new Exhibit A for easier reference and updating.
- **Special Voting Requirements.** Revised Section 8 to correct erroneous cross-references but did not change the requirement that amendments of the JPA require a 2/3 vote of the Governing Board.
- **Amendments.** Revise Section 19, Amendments, to provide clarity on the procedure for approval of such amendments.
- **Satisfied/completed obligations.** Revise sections that have now been completed to indicate they are satisfied (for example, Section 9E, which describes the provision of start-up funding by Placer County).
- **Clean-up.** Fix incorrect cross references, revise confusing references and typos.

- **Change Title of Executive Director to Chief Executive Officer.** Per the Employment Agreement recently entered with the Executive Director changing his title to Chief Executive Officer, this change will ratify the change in title for the Executive Director.

Next Steps

Upon approval by the Board, staff will issue the 30-day notice to Pioneer's Members that will include this staff report and attachments. The next available Board meeting following 30 days is February 2025. Subsequently, staff will bring this item back to the Board to adopt a resolution to effectuate the proposed changes.

STRATEGIC PLAN

The report supports the Operational Optimization goal.

FISCAL IMPACT

There is no fiscal impact from the recommendation.

ATTACHMENTS

1. Redline showing changes made between the proposed administrative changes and the current JPA (as amended by Amendments 1-5).

Pioneer Community Energy
Joint Exercise of Powers Agreement

Effective September 9, 2015
As amended and restated effective February 22, 2017
As amended by Amendment No. 1 dated December 27, 2020
As further amended by Amendment No. 2 dated January 21, 2021
As further amended by Amendment No. 3 dated April 15, 2021
As further amended by Amendment No. 4 dated January 20, 2022
As further amended by Amendment No. 5 dated November 17, 2022

Among the Following Parties:

City of Auburn
City of Colfax
County of El Dorado
City of Grass Valley
City of Lincoln
Town of Loomis
City of Nevada City
County of Placer
City of Placerville
City of Rocklin

**AMENDED AND RESTATED JOINT EXERCISE OF
POWERS AGREEMENT FOR ~~THE SIERRA~~
VALLEYPIONEER COMMUNITY ENERGY AUTHORITY**

THIS Amended and Restated Joint Exercise of Powers Agreement (hereafter “Agreement”) amends and restates the Joint Exercise of Powers Agreement for the SIERRA VALLEY ENERGY AUTHORITY, ~~(hereafter "Authority")~~ originally entered as of September 9, 2015, (the "Original Agreement") which was by and between the COUNTY OF PLACER, and the CITY OF COLFAX, both public entities of the State of California. By this amendment and restatement it becomes a Joint Exercise of Powers Agreement for PIONEER COMMUNITY ENERGY (hereafter “Pioneer”) by and among Voting Members (including New Voting Members) and the Associate Members listed in Exhibit A to this Agreement, all public entities of the State of California ~~between the COUNTY OF PLACER, the CITY OF COLFAX and the cities of Rocklin, Lincoln and Auburn and the town of Loomis within the County of Placer~~ who become signatories to this Agreement ~~(the "New Voting Members", and together with the County of Placer and the City of Colfax, the "Voting Members")~~, as well as those local agencies that become signatories to this Agreement as Associate Members, and relates to the joint exercise of powers among all of the signatories hereto either as Voting Members or Associate Members (hereafter collectively referred to as the “Members”).

RECITALS:

- A. Whereas, each of the Members has a vested interest in the economic well-being of its respective jurisdiction and the region as a whole as well as energy efficiency and clean energy growth and development;
- B. Whereas, the Members desire to enter into this Agreement to provide for local control of energy resources, the adoption of programs to foster economic development, energy efficiency, and resource conservation, and to further define and describe the scope of powers to be exercised by ~~the Authority~~Pioneer;
- C. Whereas, the Members share various powers under California law, including but not limited to the power to aggregate electric load, to purchase and supply electricity for themselves and customers within their jurisdictions, and the power to enter into voluntary contractual assessments with property owners to provide financing for the installation of public and private improvements authorized within their jurisdictions;
- D. Whereas, the purposes for entering into this restated Agreement include, but are not limited to:

- 1) Providing electric power and other forms of energy to customers at a competitive cost;
 - 2) Promoting long-term electric rate stability and energy security and reliability for residents through local control of electric generation resources and the overall power supply portfolio.
 - 3) Carrying out programs to reduce energy consumption;
 - 4) Stimulating and sustaining the local economy by developing local jobs in renewable energy; and
 - 5) Reducing greenhouse gas emissions related to the use of electric power and other forms of energy in Placer County and neighboring regions;
- E. Whereas, it is the intent of this Agreement to promote the development and use of a wide range of energy sources and energy efficiency programs, including but not limited to hydroelectric, biomass, landfill gas, conversion of waste-to-energy, solar, and wind energy production;
- F. Whereas, Pacific Gas and Electric and Liberty Energy are the investor owned providers of retail electric service throughout the Voting Member jurisdictions and a Community Choice Aggregator is authorized to aggregate electrical load served by such investor owned providers within its members' jurisdiction. Each of the Voting Members must adopt an ordinance electing to implement through ~~the Authority~~Pioneer a common Community Choice Aggregation pursuant to California Public Utilities Code Sections 331.1(b) and 366.2(12)(A).

NOW THEREFORE, in consideration of the mutual promises, covenants and conditions herein, the Members hereto agree to establish a joint powers authority as follows:

Section 1. Authority for this Joint Exercise of Powers Agreement

This Agreement is made pursuant to Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (commencing with Section 6500) relating to the joint exercise of power common to the counties and public agencies and other powers specified therein (hereinafter the "Act"). Under Sections 6505 and 6507 of the Act, ~~the~~ AuthorityPioneer is a public agency separate from its Members. As provided by Section 6508.1 of the Act, and Section 12 hereof the debts, liabilities or obligations of ~~the~~ AuthorityPioneer shall not be the debts, liabilities or obligations of the individual Members, unless the governing body of a Member agrees in writing to assume any of those debts, liabilities or obligations.

The Members are each empowered by the laws of the State of California to exercise, in their respective jurisdictions, the powers set forth herein, including but not limited to the power to aggregate electric load, to purchase and supply electricity for themselves and customers

within their jurisdictions, and the power to enter into voluntary contractual assessments with properties owners for authorized improvements within their jurisdictions.

Section 2. Purpose of Agreement

The purpose of this Agreement is to establish an independent public agency in order to exercise powers common to the Members and other powers granted to ~~the AuthorityPioneer~~ under the Act, to study, promote, develop, conduct, operate, and manage energy, energy efficiency and conservation, and other energy-related programs, to exercise all other powers necessary and incidental to accomplishing these purposes, and to provide a Community Choice Aggregation (hereinafter “CCA”) Program, pursuant to California Public Utilities Code Sections 331.1 and 366.2, and as further described in Section 10.

Without limiting the generality of the foregoing, the Members also intend for this Agreement to be used as a mechanism by which Voting Members and non-voting Associate Members may authorize ~~the AuthorityPioneer~~ to provide Property Assessed Clean Energy (“PACE”) Programs pursuant to Chapter 29 of the Improvement Bond Act of 1911, Division 7 of the California Streets and Highways Code (“Chapter 29”). ~~The AuthorityPioneer~~ may provide PACE Programs pursuant to Chapter 29 within the boundaries of each Voting Member as set forth in Section 10(C) herein, and within the boundaries of each non-voting Associate Member as set forth in Sections 16 herein. The Members intend that other agreements with Associate Members shall define the terms and conditions associated with the implementation of the CCA Program, the PACE Program, and any other energy programs approved by ~~the AuthorityPioneer~~ within the territorial jurisdiction of such Associate Members. ~~As of the Effective Date of this Agreement, the Associate Members include the County of Nevada, County of Sacramento, City of Grass Valley, City of Folsom, City of Nevada City and Town of Truckee.~~

Section 3. Effective Date and Term

This Agreement shall be effective as an amendment and restatement of the Original Agreement, and ~~the AuthorityPioneer~~ shall continue to exist as a separate public agency under the terms of this Agreement upon execution by the County of Placer and the City of Colfax. This Agreement shall be in full force and effect until terminated in the manner herein provided, subject to the rights of the Members to withdraw from ~~the AuthorityPioneer~~.

Section 4. Powers

~~The AuthorityPioneer~~ shall have all powers common to the Members, and such additional powers accorded to it by law, including the power to develop and implement comprehensive energy and resource development and conservation programs, as described herein. Unless state or federal law provides otherwise, any facilities, buildings or structures located, constructed, or caused to be constructed by ~~the AuthorityPioneer~~ within the territory of ~~the AuthorityPioneer~~ shall comply with the General Plan, zoning and building laws of the local jurisdiction within which the facilities, buildings or structures are constructed and comply with the California Environmental Quality Act (CEQA). As required by Government Code

Section 6509, the power of ~~the Authority Pioneer~~ is subject to the restrictions upon the manner of exercising power possessed by the City of Colfax.

~~The Authority Pioneer~~ is authorized, in its own name, to exercise all powers and do all acts necessary and proper to carry out the provisions of this Agreement and fulfill its purposes, including, but not limited to, each of the following powers, subject to the voting requirements set forth in Section 5C and Section 8:

- A. to make and enter into contracts;
- B. to employ agents and employees, including but not limited to an Chief Executive Director~~Officer~~;
- C. to acquire, contract, manage, maintain, and operate any buildings, infrastructure, works, or improvements;
- D. to acquire property by eminent domain, or otherwise, except as limited under Section 6508 of the Act, and to hold or dispose of any property;
- E. to lease any property;
- F. to sue and be sued in its own name;
- G. to incur debts, liabilities, obligations and to issue bonds, and to make and enter into agreements and other documents of any nature whatsoever as may be necessary or convenient in the exercise of the powers provided under the Marks- Roos Local Bond Pooling Act of 1985, as amended, and other provisions of California law that authorize public agencies to issue bonds and incur indebtedness, including but not limited to loans from private lending sources pursuant to its temporary borrowing powers such as Government Code Sections 53850 et. seq.;
- H. to form subsidiary or independent corporations or entities, if necessary to carry out energy supply and energy conservation programs and to take advantage of legislative or regulatory changes;
- I. to deposit its money pursuant to Section 6505.5 of the Act and to invest its money which is not required for the immediate use of ~~the Authority Pioneer~~, as ~~the Authority Pioneer~~ determines is advisable in the same manner and upon the same conditions as local agencies, pursuant to Section 53635 of the California Government Code;
- J. to apply for, accept, and receive all licenses, permits, grants, loans or other aids from any federal, state, or local public agency;
- K. to submit documentation and notices, register, and comply with orders, tariffs and agreements for the establishment and implementation of the CCA Program and other energy programs;

- L. to adopt rules, regulations, policies, bylaws and procedures governing the operation of ~~the Authority Pioneer~~ (“Operating Rules and Regulations”);
- M. to establish and operate a CCA program, and make and enter into service agreements relating to the provision of services necessary to plan, implement, operate and administer the CCA Program, including the acquisition of electric power supply and the provision of retail and regulatory support services;
- N. to establish and operate one or more PACE programs pursuant to Chapter 29, and to enter into one or more agreements, including without limitation, participation agreements, implementation agreements and joint powers agreements and amendments thereto to fulfill such programs both within and outside the jurisdictional boundaries of ~~the Authority Pioneer~~;
- O. to establish a non-voting “Associate Member” status that provides membership in ~~the Authority Pioneer~~ to jurisdictions that are outside jurisdictional boundaries of ~~the Authority's Pioneer's~~ Voting Members, but within whose boundaries a PACE, CCA, or other energy program is established and implemented by ~~the Authority Pioneer~~ on behalf of the Associate Member. Said jurisdictions shall adopt one or more agreements (a “PACE Agreement”, “CCA Agreement”, or other energy program agreement, as applicable) on terms and conditions established by ~~the Authority Pioneer~~. The rights of Associate Members shall be limited solely to those terms and conditions expressly set forth in the PACE Agreement, CCA Agreement or other energy program agreement for the purposes of implementing the PACE Program, CCA Program or other energy program, respectively, within the jurisdictional boundaries of the Associate Member. Except as expressly provided for by the PACE Agreement, CCA Agreement or other energy program agreement, Associate Members shall not have any rights otherwise granted to ~~Authority Pioneer~~ Members by this Agreement, including but not limited to the right to vote, the right to amend this Agreement and the right to sit on committees or boards established under this Agreement;
- P. to execute agreements for the purpose of authorizing ~~the Authority Pioneer~~ to implement, manage and administer area-wide and regional programs in the interest of providing energy supply, development of energy generation, energy efficiency, resource conservation, local public welfare and other economically related energy programs. The costs incurred by ~~the Authority Pioneer~~ in implementing a program, including indirect costs, shall be costs of ~~the Authority Pioneer~~ and shall not be assessed to the Members, unless approved by the Governing Body of the Member.

Section 5. Governance and Internal Organization

- A. Governing Board. The governing body of ~~the AuthorityPioneer~~ shall consist of ~~up to a eleven (11) person Board, consisting of~~ two (2) members of the Placer County Board of Supervisors, and one (1) member each ~~for all other Voting Members,~~ appointed ~~respectively by the El Dorado County Board of Supervisors, the Cities of Auburn, Colfax, Grass Valley, Rocklin, Lincoln, Nevada City, Placerville and the Town of Loomis~~ each Voting Member that ~~is or~~ becomes a signatory to this Agreement (“Board Member”). The ~~total number of Board Members shall equal the total number of Voting Members listed in Exhibit A plus one (1).~~

~~The Boards of Supervisors from Placer County, the Board of Supervisors from El Dorado County, and the City/Town Councils set out above shall respectfully and Town Councils of the Voting Members listed in Exhibit A shall respectively~~ appoint such member(s) ~~set out above~~ and not less than one alternate member ~~per Board Member~~. The term of office of each Board Member and respective alternate may be terminated at any time by the appointing Board of Supervisors, ~~City Council~~ or ~~City/Town Council~~. The designated alternate shall have authority to attend, participate, and vote at any meeting of the Board ~~or committee~~ whenever the regular member, for whom they are designated to act as an alternate, is absent from the meeting.

- B. Quorum. The majority of the members of the Board shall constitute a quorum. No action may be taken by the Board unless a quorum is present, except that less than a quorum may adjourn a meeting from time to time.
- C. Powers and Function of Board. The Board will exercise governance, policy guidance and oversight over the business and activities of ~~the AuthorityPioneer~~, consistent with this Agreement and applicable law. ~~Action Unless otherwise specified in Section 8, action by the AuthorityPioneer~~ Board will be taken by majority vote of the Board Members present.
- D. Chairperson. The Chairperson and Vice Chairperson of the Board shall be selected by the Board from its members. The term of office of the Chairperson and Vice Chairperson shall each be one calendar year.
- E. Secretary. The Board shall appoint a Secretary to the Board who need not be a member of the Board, who shall be responsible for keeping the minutes of all meetings of the Board and all other official records of ~~the AuthorityPioneer~~.
- F. Meetings. All meetings of the Board shall be held subject to the provisions of the Ralph M. Brown Act, Division 2, Chapter 9 of the California Government Code (hereafter, the “Brown Act”). The Board shall hold at least four regular meetings per year, but the Board may provide for the holding of regular meetings at more frequent intervals. The date, hour and place of each regular meeting shall be fixed by resolution or ordinance of the Board. Regular meetings may be adjourned to another meeting time. Special

meetings of the Board may be called in accordance with the provisions of California Government Code Section 54956. Directors may participate in meetings telephonically, with full voting rights, only to the extent permitted by law.

- G. Bylaws. The Board shall adopt bylaws for the conduct of business that shall not be inconsistent with the provisions of this Agreement, and the laws of the State of California.
- H. Board Member Compensation. Board Members shall serve without compensation from ~~the AuthorityPioneer~~. However, Board Members may be compensated by their respective appointing authorities. The Board, however, may adopt by resolution a policy relating to the reimbursement by ~~the AuthorityPioneer~~ of expenses incurred by Board Members.

Section 6. Chief Executive ~~Director-Officer~~ and Other Staff

- A. Chief Executive ~~Director-Officer~~. The Board shall appoint an Chief Executive ~~Director-Officer~~ for ~~the AuthorityPioneer~~, who shall be responsible for the day-to-day operation and management of ~~the AuthorityPioneer~~. The Chief Executive ~~Director-Officer~~ may exercise all powers of ~~the AuthorityPioneer~~, except the powers specifically set forth in Section 4, or those powers that by law must be exercised by the Board. The Chief Executive ~~Director-Officer~~ shall hire and supervise any ~~AuthorityPioneer~~ employees or consultants.
- B. Chief Executive ~~Director-Officer~~ Reports to the Board. The Chief Executive ~~Director-Officer~~ shall prepare, no later than the 20th day of each first month of each fiscal quarter, a report to the Board on the operations of ~~the AuthorityPioneer~~ during the preceding fiscal quarter. The Bylaws shall specify the information to be included in the Chief Executive ~~Director's Officer's~~ reports.
- C. Services Providers. The Chief Executive ~~Director-Officer~~ may appoint one or more services providers to serve as ~~the Authority'sPioneer's~~ agent(s) for planning, implementing, operating and administering the PACE Program, the CCA Program, and any other program approved by the Board, in accordance with the provisions of a written agreement between ~~the AuthorityPioneer~~ and the appointed administrative services provider or providers (a "Services Agreement"). The appointed services provider may be one of the Voting Members. A Services Agreement shall set forth the terms and conditions by which the appointed administrative services provider shall perform or cause to be performed all tasks necessary for planning, implementing, operating and administering the PACE Program, the CCA Program and other approved programs. The Services Agreement shall set forth the term of the Agreement and the circumstances under which the Services Agreement may be terminated by ~~the AuthorityPioneer~~. This section shall not in any way be construed to limit the discretion of ~~the AuthorityPioneer~~ to hire its own

employees to administer the PACE Program, the CCA Program or any other program.

- D. Independent Monitor. The Board may appoint or contract for the services of an independent monitor to review programs operated by ~~the Authority Pioneer~~ and to report to the Board.
- E. Advisory Commissions, Boards or Committees. The Board may establish any advisory commissions, boards, and committees as the Board deems appropriate to assist the Board in carrying out its functions and implementing the CCA Program, other energy programs and the provisions of this Agreement which shall comply with the requirements of the Brown Act. The Board may establish rules, regulations, policies, bylaws or procedures to govern any such commissions, boards, or committees.

Section 7. Treasurer and Auditor-Controller

The Governing Board shall appoint a Treasurer for ~~the Authority Pioneer~~. The Treasurer shall be the depository of ~~the Authority Pioneer~~ and shall have all of the duties and responsibilities specified in Section 6505.5 of the Act. The duties and obligations of the Treasurer are further specified in Section 9. The Governing Body shall appoint an Auditor-Controller for ~~the Authority Pioneer~~ in compliance with the Act. The Auditor-Controller of ~~the Authority Pioneer~~ shall make or contract with a certified public accountant to cause an annual audit in compliance with Section 6506 of the Act. ~~The authority Pioneer~~ of the Board to appoint a Treasurer and Auditor/Controller shall include ~~the authority Pioneer~~ to combine both offices to be held by one officer or employee pursuant to section 6505.6 of the Act.

Section 8. Special Voting Requirements and Voting Shares

- A. Involuntary Termination or Amendment. Action of the Board on ~~the~~ matters set forth in Section ~~14A15A~~ (involuntary termination of a Member), or Section ~~18-19~~ (amendment of this Agreement) shall require the affirmative vote of at least two-thirds of the Board Members; provided, however, that for votes to involuntarily terminate a Member under Section ~~14A15A~~, the Board Member(s) for the Member subject to involuntary termination may not vote, and the number of Board Members constituting two-thirds of all Board Members shall be recalculated as if the Voting Member subject to possible termination were not a Voting Member.
- B. Eminent Domain. A decision to exercise the power of eminent domain on behalf of ~~the Authority Pioneer~~ to acquire any property interest other than an easement, right-of-way, or temporary construction easement shall require a vote of at least two-thirds of all Board Members.
- C. Contributions by Members. The imposition on any Member of any obligation to make contributions or pledge assets as a condition of continued participation in the PACE Program, the CCA Program, or other energy programs shall require a vote of at least two-thirds of all Board Members and

the approval of the governing boards of the Members and Associate Members who are being asked to make such contribution or pledge.

Section 9. Financial Provisions

- A. Fiscal Year. For the purposes of this Agreement, ~~the Authority Pioneer~~ shall have such fiscal year from July 1 to and including the following June 30.
- B. Depository. All funds of ~~the Authority Pioneer~~ shall be held in separate accounts in the name of ~~the Authority Pioneer~~ and not commingled with funds of any Member or any other person or entity. All funds of ~~the Authority Pioneer~~ shall be strictly and separately accounted for, and regular reports shall be rendered of all receipts and disbursements, at least quarterly during the fiscal year. The books and records of ~~the Authority Pioneer~~ shall be open to inspection by the Members at all reasonable times. The Board shall contract with a certified public accountant to make an annual audit of the accounts and records of ~~the Authority Pioneer~~, which shall be conducted in accordance with the requirements of Section 6505 of the Act.
- C. Expenditures. All expenditures shall be made in accordance with the approved budget and upon the approval of any officer so authorized by the Board in accordance with its Operating Rules and Regulations. The Treasurer shall draw checks or warrants or make payments by other means for claims or disbursements not within an applicable budget only upon the prior approval of the Board.
- D. Budget. The initial budget shall be approved by the Board. The Board may revise the budget from time to time through an ~~Authority Pioneer~~ Document as may be reasonably necessary to address contingencies and unexpected expenses. All subsequent budgets of ~~the Authority Pioneer~~ shall be approved by the Board in accordance with the Operating Rules and Regulations.
- E. Funding of Initial Costs. The County of Placer ~~has~~ funded certain activities necessary to implement the CCA Program. ~~If the CCA These costs were repaid in full when the CCA Program becomes became operational, these initial costs paid by the County of Placer shall be included in the customer charges for electric services as provided by Section 14 to the extent permitted by law, and the County of Placer shall be reimbursed from the payment of such charges by customers of the Authority. Prior to such reimbursement, the County of Placer shall provide such documentation of costs paid as the Board may request. In the event that the CCA Program does not become operational, the County of Placer shall not be entitled to any reimbursement of the initial costs it has paid from the Authority or any Member.~~
- F. CCA Program Costs. The Members desire that all costs incurred by ~~the Authority Pioneer~~ that are directly or indirectly attributable to the provision of electric, conservation, efficiency, incentives, financing, or other services

provided under the CCA Program, including but limited to the establishment and maintenance of various reserves and performance funds and administrative, accounting, legal, consulting, and other similar costs, shall be recovered through charges to CCA customers receiving such electric services, or from revenues from grants or other third-party sources.

Section 10. Implementation Action and ~~Authority~~Pioneer Documents

- A. Each Member shall adopt an ordinance ~~or resolution~~ in accordance with Public Utilities Code Section 366.2(c)(12) for the purpose of specifying that the Member intends to implement a CCA Program by and through its participation in ~~the Authority~~Pioneer.
- B. Each Member that wishes to participate in the CCA Program shall adopt a resolution expressing its desire to become a Member to this Agreement, and its intention to have the territory of the Member's jurisdiction included in the service territory of the CCA.
- C. Each New Voting Member that wishes to participate in the PACE Program shall adopt a resolution authorizing it to become a Voting Member under this Agreement. Execution by such New Voting Member of this Agreement shall constitute consent to ~~Authority~~Pioneer undertaking contractual assessment proceedings under Chapter 29 for all of the properties in such New Voting Member's incorporated area and to the contractual assessment financing of certain improvements (as enumerated from time to time in Chapter 29, "Improvements") by ~~Authority~~Pioneer, upon the request by and voluntary agreement of owners of such properties, in compliance with the laws, rules and regulations applicable to ~~the Authority's~~Pioneer's PACE Program, and to the assumption of jurisdiction thereover by ~~Authority~~Pioneer for the purposes thereof. Execution by such New Voting Member of this Agreement shall also serve to authorize ~~Authority~~Pioneer to take each step required for it to provide contractual assessment financing for the Improvements, including the levying, collecting and enforcement of contractual assessments to finance the Improvements and the issuance and enforcement of bonds and other financing instruments to represent and be secured by such contractual assessments. The New Voting Members shall not be required to adopt a PACE Agreement and shall not be subject to the rights and obligations set forth therein, but shall instead, upon becoming Voting Members hereunder, be subject to the rights and obligations expressly set forth herein.

~~The Authority~~Pioneer may additionally provide PACE Programs pursuant to Chapter 29 within the boundaries of non-voting Associate Members, as described further in Section 16 herein.

- D. Implementation Plan and Statement of Intent. ~~The Authority~~Pioneer shall cause to be prepared an Implementation Plan and Statement of Intent meeting the requirements of California Public Utilities Code Section 366.2

and any applicable California Public Utilities Commission regulations. The Implementation Plan and Statement of Intent shall specify the service territory of the CCA to be within the boundaries of the Member jurisdictions that have taken the actions specified in A and B above. The Implementation Plan and Statement of Intent shall not be filed with the California Public Utilities Commission until it is approved by the Board in the manner provided ~~in~~by Section 5.

If a City or County adopts an ordinance and resolution pursuant to A and B above, expressing its desire to become a Member to this Agreement subsequent to the filing of the then most recently filed Implementation Plan and Statement of Intent, the Board shall direct the preparation and filing of a new or amended Implementation Plan and Statement of Intent to include the territory of the County or City as soon as reasonably practicable. The Board may require the County or City to pay the cost of preparation and submission of the Implementation Plan and Statement of Intent. Upon California Public Utilities Commission certification of the new or amended Implementation Plan and Statement of Intent, the Board shall take action to approve membership of the County or City. The County or City shall then be entitled to all rights under this Agreement, including a seat on the Board and voting rights pursuant to Section 5.A and Section 8.

- E. Termination of CCA and PACE Program. Nothing contained in this Article or this Agreement shall be construed to limit the discretion of ~~the AuthorityPioneer~~ to terminate the implementation or operation of the CCA or the PACE Program at any time in accordance with any applicable requirements of state law.
- F. ~~AuthorityPioneer~~ Documents. The Members acknowledge and agree that the affairs of ~~the AuthorityPioneer~~ will be implemented through various documents duly adopted by the Board through Board resolution. The Members agree to abide by and comply with the terms and conditions of all such documents that may be adopted by the Board, subject to the Members' right to withdraw from ~~the AuthorityPioneer~~ as described in Section 14.

Section 11. Records and Reports

The Board shall establish reporting requirements and direct staff to maintain such reports, including, but not limited to, funds and accounts as may be required by good accounting practice or by law. All books and records of ~~the AuthorityPioneer~~ shall be open to inspection at all reasonable times by any Member to this Agreement or its representatives. Annual audits of ~~the Authority'sPioneer's~~ accounts and records shall be made by an independent CPA firm, and reports shall be filed in the manner provided in Section 6505 of the California Government Code.

Section 12. Debts, Liabilities and Obligations

~~The Authority Pioneer~~ is a public agency separate from the Members. Pursuant to Sections 6508.1 of the Act, the debts, liabilities or obligations of ~~the Authority Pioneer~~ shall not be debts, liabilities or obligations of the individual Members unless the governing board of a Member agrees in writing to assume any of the debts, liabilities or obligations of ~~the Authority Pioneer~~. A Member who has not agreed to assume ~~an Authority Pioneer~~ debt, liability or obligation shall not be responsible in any way for such debt, liability or obligation even if a majority of the Members agree to assume the debt, liability or obligation of ~~the Authority Pioneer~~. Should any debt, liability or obligation of ~~the Authority Pioneer~~ not be waived or allowed payable through assets of ~~the Authority Pioneer~~, none of the County or City members shall be liable, except as provided by Government Code sections 895 through 895.8.

Section 13. Insurance and Indemnity

~~The Authority Pioneer~~ shall acquire and maintain such insurance coverage as is necessary to protect the interests of ~~the Authority Pioneer~~, the Members, and the public. The insurance shall also contain a written endorsement to such policy or policies, which names each of the [Voting Members] as additional insureds. ~~The Authority Pioneer~~ shall defend, indemnify, and hold harmless the Members, and each of their respective Board or Council members, officers, agents and employees, from any and all claims, losses, damages, costs, injuries, and liabilities of every kind arising directly or indirectly from the conduct, activities, operations, acts, and omissions of ~~the Authority Pioneer~~ under this Agreement.

Section 14. Withdrawal

- A. Right to Withdraw by Voting Member. A Voting Member may withdraw its participation in the CCA Program, effective as of the beginning of ~~the Authority's Pioneer's~~ fiscal year, by giving no less than 12 months advance written notice of its election to do so, which notice shall be given to ~~the Authority Pioneer~~ and each Voting Member. Withdrawal of a Voting Member shall require an affirmative vote of its governing board.
- B. Right to Withdraw By Voting Member After Amendment. Notwithstanding Section 14A, a Voting Member may withdraw its membership in ~~the Authority Pioneer~~ following an amendment to this Agreement adopted by the Board which the Board Member appointed as the representative of a Voting Member voted against provided such notice is given in writing within thirty (30) days following the date of the vote. Withdrawal of a Member shall require an affirmative vote of its governing board and shall not be subject to the twelve month advance notice provided in Section 14A. In the event of such withdrawal, the Member shall be subject to the provisions of Section 15B.
- C. Continuing Liability; Further Assurances. A Voting Member that withdraws its participation in the CCA Program may be subject to certain continuing liabilities, as described in Section 15B. The withdrawing Voting Member and ~~the Authority Pioneer~~ shall execute and deliver all further instruments and documents, and take any further action that may be reasonably

necessary, as determined by the Board, to effectuate the orderly withdrawal of such Voting Member from participation in the CCA Program.

- D. Withdrawal of Associate Member. The rights of an Associate Member to withdraw from ~~the AuthorityPioneer~~ shall be governed by the applicable PACE Agreement or CCC Agreement.

Section 15. Termination

- A. Involuntary Termination of a Member. Participation of a Member in the CCA program may be terminated for material non-compliance with provisions of this Agreement or any other agreement relating to the Member's participation in the CCA Program upon a vote of Board Members as provided in Section 8A. Prior to any vote to terminate participation with respect to a Member, written notice of the proposed termination and the reason(s) for such termination shall be delivered to the Member whose termination is proposed at least 30 days prior to the regular Board meeting at which such matter shall first be discussed as an agenda item. The written notice of proposed termination shall specify the particular provisions of this Agreement or other agreement that the Member has allegedly violated. The Member subject to possible termination shall have the opportunity at the next regular Board meeting to respond to any reasons and allegations that may be cited as a basis for termination prior to a vote regarding termination. A Member that has had its participation in the CCA Program terminated may be subject to certain continuing liabilities, as described in Section 15B.
- B. Continuing Liability; Refund. Upon a withdrawal or involuntary termination of a Member, the Member shall remain responsible for any claims, demands, damages, or liabilities arising from the Member's membership or participation in the CCA Program through the date of its withdrawal or involuntary termination, it being agreed that the Member shall not be responsible for any liabilities arising after the date of the Member's withdrawal or involuntary termination. Claims, demands, damages, or liabilities for which a withdrawing or terminated Member may remain liable include, but are not limited to, losses from the resale of power contracted for by ~~the AuthorityPioneer~~ to serve the Member's load. With respect to such liability, upon notice by an Member that it wishes to withdraw from the program, ~~the AuthorityPioneer~~ shall notify the Member of the minimum waiting period under which the Member would have no costs for withdrawal if the Member agrees to stay in the CCA Program for such period. The waiting period will be set to the minimum duration such that there are no costs transferred to remaining ratepayers. If the Member elects to withdraw before the end of the minimum waiting period, the charge for exiting shall be set at a dollar amount that would offset actual costs to the remaining ratepayers, and may not include punitive charges that exceed actual costs. In addition, such Member also shall be responsible for any costs or obligations associated with the Member's participation in any program in accordance

with the provisions of any agreements relating to such program provided such costs or obligations were incurred prior to the withdrawal of the Member. ~~The AuthorityPioneer~~ may withhold funds otherwise owing to the Member or may require the Member to deposit sufficient funds with ~~the AuthorityPioneer~~, as reasonably determined by ~~the AuthorityPioneer~~ and approved by a vote of the Board, to cover the Member's liability for the costs described above. Any amount of the Member's funds held on deposit with ~~the AuthorityPioneer~~ above amounts not required to pay any liabilities or obligations shall be returned to the Member. The liability of any Member under this section 15B is subject and subordinate to the provisions of Section 12, and nothing in this section 15B shall reduce, impair, or eliminate any immunity from liability provided by Section 12.

- C. Mutual Termination. This Agreement may be terminated by mutual agreement of all the Voting Members; provided, however, the foregoing shall not be construed as limiting the rights of a ~~AssociateVoting~~ Member to withdraw its participation in the CCA Program, as described in Section 14A. Disposition of Property upon Termination of ~~AuthorityPioneer~~. Upon termination of this Agreement, any surplus money or assets in possession of ~~the AuthorityPioneer~~ for use under this Agreement, after payment of all liabilities, costs, expenses, and charges incurred under this Agreement and under any program documents, shall be returned to the then-existing Voting Members in proportion to the contributions made by each. If no such contributions have been made, then such surplus after payment of all liabilities, costs, expenses, and charges shall be distributed to each Voting Member based on Annual Energy Use Divided by Total Annual Energy, multiplied by 100. "Annual Energy Use" means the annual electricity usage, expressed in kilowatt hours ("kWh") within the Voting Member's respective jurisdiction, and "Total Annual Energy" means the sum of all the Members Annual Energy Use. All measures of kilowatt hours shall be set using the electric load forecast upon which the current annual budget was based. If a Member has more than one Board Member, the distribution will be made pursuant to the above calculation as it relates to the respective jurisdiction.
- D. Negotiations with Associate Members. If the Voting Members wish to terminate this Agreement, or if the Voting Members elect to withdraw from the CCA Program following an amendment to this Agreement as provided in Section 14B, but two or more Associate Members wish to continue to participate in the CCA Program, the Voting Members will negotiate in good faith with such Associate Members to allow the Associate Members to become the Voting Members to this Agreement or to effect a transfer of CCA Program operations to another entity.

Section 16. Associate Members

- A. With the approval of the Board, any qualified public agency (as defined by Section 6500 of the JPA law) may become a non-voting Associate Member

of this Agreement for purposes of participating in the CCA Program. A public agency requesting such membership may apply by presenting to ~~the AuthorityPioneer~~ a resolution of the public agency approving of this form of participation.

- B. Any qualified public agency (as defined by Section 6500 of the JPA law) may become a non-voting Associate Member of this Agreement for purposes of participating in the PACE Program upon (i) such qualified public agency (a) adopting a resolution expressing its desire to become a non-voting Associate Member to this Agreement and authorizing the implementation of a PACE Program within the boundaries of its jurisdiction and (b) executing a PACE Agreement and (ii) the Board approving the qualified public agency as a non- voting Associate Member.
- C. The date and terms upon which the applying public agency will become a non- voting Associate Member will be determined by the Board and set forth in a CCA Agreement or PACE Agreement, as applicable.

Section 17. Termination of Powers

~~The AuthorityPioneer~~ shall continue to exercise the powers herein conferred upon it until termination of this Agreement, and thereafter shall continue to exercise only such powers as to enable it to pay and discharge all costs, expenses, and charges legally incurred hereunder, and to dispose of, divide and distribute any property required as a result of the joint exercise of such powers.

Section 18. Disposition of Assets; Property and Money

Upon termination of this Agreement under Section ~~14~~15, all costs, expenses, and charges legally incurred by ~~the AuthorityPioneer~~ shall be paid and discharged; and ~~the AuthorityPioneer~~ shall sell such property as may be necessary and shall distribute to the federal or State government such property and funds as are lawfully required; the balance of such property and any surplus money on hand shall be distributed or returned in proportion to contributions made by the affected Members except to the extent otherwise agreed upon by the affected Members.

Section 19. Amendments

This Agreement may ~~not only~~ be amended ~~except~~ by a written amendment approved by a vote of Board ~~members~~Members as provided in Section 8. ~~The AuthorityPioneer~~ shall provide written notice to all Members of amendments to this Agreement, ~~including the effective date of such amendments,~~ at least 30 days prior to the date upon which the ~~Board votes on such amendments. Any proposed amendment required to add a new Voting Member shall only be executed by the Voting Members. Anyis being considered by the Board. If the proposed amendment requiredis adopted by the Board, the Authority shall provide prompt written notice to addall Members of the effective date of such amendment along with a new Associate Member shall only be executed by the new Associate Member and the Authoritycopy of the amendment.~~

Section 20. Severability

Should any part, term or provision of this Agreement be decided by a court of competent jurisdiction to be illegal or in conflict with any law of the State of California, or otherwise be rendered unenforceable or ineffectual, the validity of the remaining portions of provisions shall not be affected thereby.

Section 21. Entire Agreement

This Agreement contains the entire agreement between the Members and supersedes all prior understanding between them with respect to the subject matter of this Agreement. There are no promises, terms, conditions or obligations, oral or written, between or among the Members relating to the subject matter of this Agreement that are not fully expressed in this Agreement. This Agreement may not be modified, changed, supplemented or terminated, nor may any obligation under this Agreement be waived, except as provided in Section 19.

Section 22. Counterparts and Effective Date

This Agreement may be executed in counterparts and be as valid and binding as if each Member signed the same copy. A faxed copy of the executed signature page shall be sufficient to cause the terms of this Agreement to become fully operative. The effective date of the Agreement shall be the date the second member has executed the Agreement.

WITNESS THE AGREEMENT HEREOF the date set opposite our respective entities:

Exhibit A

Voting Members and Associate Members

Section A.1 Voting Members

City of Auburn

City of Colfax

City of Grass Valley

City of Lincoln

City of Nevada City

City of Placerville

City of Rocklin

County of El Dorado

County of Placer

Town of Loomis

Section A.2 Associate Members

City of Folsom

County of Sacramento

Town of Truckee