



**REGULAR MEETING of the Executive Committee of the  
Clean Power Alliance of Southern California**

**Wednesday, December 5, 2018**

**2:00 p.m.**

555 West 5<sup>th</sup> Street, 35<sup>th</sup> Floor  
Los Angeles, CA 90013

*Meetings are accessible to people with disabilities. Individuals who need special assistance or a disability-related modification or accommodation to participate in this meeting, or who have a disability and wish to request an alternative format for the meeting materials, should contact Jacquelyn Betha, at least two (2) working days before the meeting at [jbetha@cleanpoweralliance.org](mailto:jbetha@cleanpoweralliance.org) or (213) 269-5870, ext.1001.*

*Notification in advance of the meeting will enable us to make reasonable arrangements to ensure accessibility to this meeting and the materials related to it.*

*Members of the public may also participate in this meeting remotely at the following addresses:*

Beverly Hills City Hall  
4<sup>th</sup> Floor, Conference Room 4B  
455 N. Rexford Drive, Beverly Hills, CA 90210

County of Ventura, District 2 Office  
625 W Hillcrest Drive, Thousand Oaks, CA 91360

Ventura County Government Center  
Channel Islands Conference Room, 4th Floor Hall of Administration  
800 South Victoria Avenue, Ventura, CA 93009

**I. WELCOME AND ROLL CALL**

**II. PUBLIC COMMENT**

*This item is reserved for persons wishing to address the Committee on any Clean Power Alliance-related matters not on today's agenda. Public comments on matters on today's agenda shall be heard at the time the matter is called. As with all public comment, members of the public who wish to address the Committee are requested to complete a speaker's slip and provide it to Clean Power Alliance staff. If you have anything that you wish to be distributed to the Board and included in the official record, please hand it to a member of the staff who will distribute the information to the Committee members and staff. Speakers are customarily limited to three minutes, but is at the discretion of the Chair.*

**III. CONSENT AGENDA**

1. Approve Minutes from November 8, 2018 Executive Committee Meeting

**IV. REGULAR AGENDA**

2. Review Draft Agenda for December 13, 2018 Board of Directors Meeting
3. Review and Discuss Draft Bylaws

**V. COMMITTEE MEMBER COMMENTS**

**VI. ADJOURN**

*Public records that relate to any item on the open session agenda for a regular Committee Meeting are available for public inspection. Those records that are distributed less than 72 hours prior to the meeting are available for public inspection at the same time they are distributed to all, or a majority of, the members of the Committee. The Board of Directors has designated Clean Power Alliance, 555 W. 5<sup>th</sup> Street, 35<sup>th</sup> Floor, Los Angeles, CA 90013, for making those public records available for inspection. The documents are also available online at [www.cleanpoweralliance.org](http://www.cleanpoweralliance.org).*

REGULAR MEETING of the Executive Committee of the  
Clean Power Alliance of Southern California

Thursday, November 8, 2018, 9:30 a.m.

555 West 5th Street, 35th Floor  
Los Angeles, CA 90013

*Beverly Hills City Hall  
4th Floor, Conference Room 4B  
455 N. Rexford Drive, Beverly Hills, CA 90210*

*County of Ventura, District 2 Office  
625 W Hillcrest Drive, Thousand Oaks, CA 91360*

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Channel Islands Conference Room, 4th Floor Hall of  
Administration 800 South Victoria Avenue, Ventura, CA 93009*

**MINUTES**

**I. WELCOME AND ROLL CALL**

Chair Diana Mahmud called the meeting to order. Board Secretary Jacquelyn C. Betha conducted roll call.

<b>Roll Call</b>			
<b>Beverly Hills</b>	Julian Gold	Committee Member	Remote
<b>Hawthorne</b>	Doug Krauss	Committee Alternate	Present
<b>Los Angeles County</b>	Gary Gero	Committee Alternate	Present
<b>Oxnard</b>	Carmen Ramirez	Committee Member	Present
<b>Rolling Hills Estates</b>	Steve Zuckerman	Committee Member	Present
<b>South Pasadena</b>	Diana Mahmud	Chair	Present
<b>Ventura County</b>			Absent
<b>West Hollywood</b>	Lindsey Horvath	Committee Member	Present

**II. PUBLIC COMMENT**

There were no public comments.

**III. CONSENT AGENDA****1. Approved Minutes from September 20, 2018 Executive Committee Meeting**

Motion: Beverly Hills, Committee Member Gold. Second: Committee Alternate Gero. Vote: Item 1 was approved by a unanimous roll call vote.

**IV. REGULAR AGENDA****2. Reviewed Draft Agenda for November 15, 2018 Board of Directors Meeting**

Ted Bardacke, Executive Director, stated the two items for discussion were CPA's rates and the Community Advisory Committee.

There will be two sets of rates presented at the November 15, 2018 Board meeting; a set of rates for Phase 3 residential enrollment, and an update to our Phase 1 and 2 rates. Due to a variety of issues surrounding Southern California Edison's (SCE) Energy Resource Recovery Account (ERRA) filing, SCE's projected \$750 million undercollection in the 2018, and increases in the 2019 PCIA, Mr. Bardacke updated the Committee on the financial impacts to CPA and discussed next steps. Mr. Bardacke indicated that a description of how rates are created, including a comparison with what components are controlled by SCE and what components are controlled by CPA, which will be presented to the Board in its November item to consider 2019 rates. The Committee indicated that this information was helpful to understand the ratemaking process. To ensure CPA meets its cash flow goals and financial covenants, staff is recommending that the rates be adopted at the upper ends of the overall bill comparison ranges approved by the Board in August.

Mr. Bardacke also reported staff's proposal to move forward with the process to ask the Board to appoint 13 qualified Community Advisory Committee (CAC) members in November, leaving two vacancies for the unincorporated Los Angeles County region, and that staff would work to fill those vacancies by January 2019. The agenda packet included the applications of the recommended CAC members. The Committee expressed its appreciation for the diversity in candidates being recommended for the CAC.

3. Discussed Timing for Selection of Chair and Vice-Chairs, Committee Chairs and Executive Committee elections in 2019

Mr. Bardacke shared that CPA's General Counsel is currently drafting Bylaws for the agency, which will include the process of elections for the Board Chair, Vice-Chair, Committee Chairs, and Executive Committee members. Staff is also recommending an adjustment to the CPA fiscal year schedule, to better align with the approach other CCAs have taken with having the fiscal year run from April to March. The Committee members provided their feedback regarding the Board Officers elections process and fiscal year schedule, and staff indicated that it would incorporate this feedback into the development of the Bylaws.

4. Reviewed 2019 Legislative and Regulatory Platform

Mr. Bardacke presented the 2019 Legislative and Regulatory Policy Platform that the Legislative Committee has been developing over the past several months, which will serve as a framework for the agency's advocacy and policy efforts. The Executive Committee suggested that the second policy principle be adjusted to remove the reference to "a level playing field" and staff indicated that it would make that adjustment and bring it back to the Legislative & Regulatory Committee for its final review, prior to presenting the Platform to the Board for consideration.

## **V. COMMITTEE MEMBER COMMENTS**

Carmen Ramirez recommended that we welcome the new governor of California. Ted Bardacke stated they will draft something up to send to the governor. The Committee Chair extended a welcome to CPA's new General Counsel Nancy Whang and the new CFO David McNeil. The discussion to push the next Ex-Comm meeting to the first week of December. Ted stated that the agenda for the December Monthly Board Meeting may be very light, therefore, there may be no concern with the Ex-Comm meeting being held immediately prior to the Board of Director's Meeting.

## **VI. ADJOURN**

Chair Mahmud adjourned the meeting in honor of the victims of the tragic shooting that occurred at the Borderline Bar & Grill in Thousand Oaks on November 7, 2018. The Committee expressed their feelings of sorrow for those impacted and Committee Member Ramirez expressed her sympathies for the heroic law enforcement officers who put themselves in harm's way to protect the life of others, especially, Sgt. Ron Helus, who paid the ultimate sacrifice to protect the innocent.



## Staff Report – Agenda Item 2

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**To:** Clean Power Alliance (CPA) Executive Committee

**From:** Ted Bardacke, Executive Director

**Subject:** Review Draft Agenda for December 13, 2018 Board of Directors Meeting

**Date:** December 5, 2018

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Staff will provide an overview of the proposed agenda items for the December 13, 2018 Board of Directors meeting for review and feedback from the Executive Committee. The Draft Board agenda and supporting materials are provided as attachments to this staff report.

### **ADJUSTMENTS TO 2019 RATES**

On December 13, staff will present the Board with updated 2019 rates for CPA's existing non-residential customers (Phases 1 and 2) and for residential customers enrolling in February (Phase 3). These updated 2019 rates will modify the rates approved by the Board on November 15, 2018.

Staff is bringing forward adjustments because the CPUC has extended its decision-making process on the Southern California Edison (SCE) Energy Resource Recovery Account (ERRA) filing, which determines the rates to be charged to SCE customers in 2019 and the PCIA imposed upon CPA customers. The delay is due to issues regarding implementation of the new PCIA calculation methodology and SCE's proposal to retroactively charge CPA's new customers for their portion of SCE's revenue undercollections in 2018. Based on this delay, staff expects SCE to implement new 2019 rates no earlier than March 1, 2019.

One impact of this delay is that rates set by CPA in November in anticipation of a rate and PCIA increase by SCE on January 1<sup>st</sup> are too high and no longer within the bill comparison targets approved by the Board in August 2018 (1-2% cost savings for Lean Power, 0-1% savings for Clean Power, and 7-9% cost premium for 100% Green Power). Thus, CPA must adjust the rates adopted at the November 15 Board meeting so that the rates CPA's customers pay beginning on January 1<sup>st</sup> and February 1<sup>st</sup> are competitive with the current SCE rates and in line with the Board-approved targets.

### **IMPLEMENTATION PLAN ADDENDUM**

On December 13, staff will present the third addendum to CPA's Implementation Plan, a document required by the California Public Utilities Commission (CPUC) for CPA to provide energy service to new member communities. The Board adopted its original Implementation Plan on August 4, 2017, and at the time included three members: Los Angeles County, Rolling Hills Estates, and South Pasadena. On December 17, 2017, the Board adopted Implementation Plan Addendum No. 1 adding 21 additional cities, and on March 1, 2018, the Board adopted Addendum No. 2 adding 7 additional cities, bringing the total membership of CPA to its current 31 jurisdictions.

Pursuant to CPUC regulations, a resolution approving Addendum No. 3 must be approved by the Board and filed with the CPUC by December 31, 2018 in order for CPA to begin serving load to Westlake Village customers in 2020. Westlake Village will add 4,259 customers (approx. 30% residential and 70% non-residential) to CPA and increase total load (kWh) by 0.8%.

### **2019 LEGISLATIVE & REGULATORY PLATFORM**

Over the past several months CPA's Legislative & Regulatory Committee discussed and refined a 2019 Legislative and Regulatory Policy Platform to serve as a framework for CPA's advocacy and policy efforts. The Executive Committee reviewed the platform at its meeting on November 8 and suggested refinements to the second proposed policy principle, which is reflected in the attached Policy Platform and will be presented to the

Board for consideration on December 13. The revised Policy Platform was approved by the Legislative & Regulatory Committee on November 28.

- Attachments: 1) Draft December 13 Board Agenda  
2) 2019 Legislative & Regulatory Policy Platform



**REGULAR MEETING of the Board of Directors of the  
Clean Power Alliance of Southern California**

**Thursday, December 13, 2018**

**2:00 p.m.**

**DRAFT**

Location TBD

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100 Civic Center Way, Calabasas, CA 91301

Ventura County Government Center  
Channel Islands Conference Room, 4th Floor Hall of Administration  
800 South Victoria Avenue, Ventura, CA 93009

Whittier City Hall – Admin Conference Room  
13230 Penn Street, Whittier, CA 90602

**I. WELCOME AND ROLL CALL****II. PUBLIC COMMENT**

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**III. CONSENT AGENDA**

1. Approve Minutes from November 15, 2018 Board of Directors Meeting

**IV. REGULAR AGENDA**

2. Adopt Resolutions No. XX to Approve Adjustments to Clean Power Alliance 2019 Rates for Existing Non-Residential Customers (Phases 1 & 2) and 2019 Rates for Residential Customers (Phase 3)
3. Conduct Public Hearing and Adopt Resolution No. XX to Approve Addendum No. 3 to the Implementation Plan and Authorize Staff to Submit the Addendum, substantially as to form, to the California Public Utilities Commission on or before December 31, 2018
4. Approve 2019 Legislative & Regulatory Policy Platform

**V. LEGISLATIVE & REGULATORY UPDATE****VI. MANAGEMENT UPDATE****VII. BOARD MEMBER COMMENTS****VIII. REPORT FROM THE CHAIR**

**IX. ADJOURN – TO JANUARY 10, 2019**

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## 2019 Legislative and Regulatory Policy Platform

*Adopted XX*

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### **Overview and Purpose**

The Clean Power Alliance (CPA) Legislative and Regulatory Policy Platform serves as a guide to the CPA Board of Directors and CPA staff in their advocacy efforts and engagement on policy matters of interest to CPA. The Platform allows both Board members and staff to pursue actions at the legislative and regulatory levels in a consistent manner and with the understanding that they are pursuing actions in the best interest of the organization and its mission, its member agencies, and its customers. The Platform will also enable the organization to move swiftly to respond to events in Sacramento (Legislative / Executive) and San Francisco (California Public Utilities Commission). The Platform also provides firm guidance to the Executive Director on what positions should be taken on legislative and regulatory matters that come before the California Community Choice Association (CalCCA) Board of Directors.

Except under the circumstances approved by the CPA Board on June 7, 2018, when the Chair, Vice-Chairs, Legislative & Regulatory Committee Chair, and Executive Director may act on behalf of the organization, all CPA positions on individual bills will be presented to the full Board for approval.

### **Policy Principles**

The Legislative and Regulatory Policy Platform is centered around four basic principles:

1. Protecting CPA's local control and autonomy by its members, especially with regards to finances and power procurement.
2. Ensuring fair treatment of CPA customers by the CPUC and other state agencies.
3. Supporting performance-based benchmarks for ratepayer advocacy and social justice.
4. Pursuing environmental initiatives that exceed prescriptive State mandates, promote the growth in renewable energy capacity at the local level, and reduce fossil fuel dependency.

## **Policy Platform**

### Local Control, Finance, and Power Procurement

CPA will pursue legislative and regulatory activity that:

- Supports the authority of CPA and its Board to retain local control over its activities
- Supports the protection of CPA's procurement autonomy
- Supports the ability of CPA to maintain control over its financial decisions

### Equitable Treatment of CPA Customers

CPA will pursue legislative and regulatory activity that:

- Supports the fair treatment of CPA customers by the CPUC
- Supports the creation of a regulatory playing field at the state level that is appropriate for community-owned energy providers.

### Ratepayer Advocacy and Social Justice

CPA will pursue legislative and regulatory activity that:

- Supports the protection of low-income customers, disadvantaged communities, and other vulnerable populations in CPA service territory
- Supports supplier diversity and workforce development among CPA activities
- Supports the ability for CPA to benchmark its performance on industry objectives

### Environmental Leadership

CPA will pursue legislative and regulatory activity that:

- Supports the exceedance of State mandates for environmental performance
- Supports the ability for CPA to promote growth in renewable energy capacity and electrification at the local level
- Supports the ability for CPA and its members to achieve goals for greenhouse gas emissions reductions, climate action planning, and fossil fuel independence



## Staff Report – Agenda Item 3

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**To:** Clean Power Alliance (CPA) Executive Committee  
**From:** Nancy Whang, General Counsel  
**Approved By:** Ted Bardacke, Executive Director  
**Subject:** Review and Discuss Draft Agency Bylaws  
**Date:** December 5, 2018

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### **SUMMARY**

The Clean Power Alliance Joint Powers Agreement (JPA), authorizes the Board of Directors to develop Operating Policies and Procedures, including but not limited to Bylaws, to implement the affairs of CPA. Bylaws are intended to provide more detailed structure and process concerning governance, internal organization, procedures for the Board and standing committees, and guidance for other aspects of CPA's operations.

Staff, in consultation with the Board Chair, has prepared Draft Bylaws (attached) for the Executive Committee's review and consideration. During the preparation of the Draft Bylaws, staff reviewed the Bylaws from various Community Choice Aggregators (CCAs), utilities, JPAs, and other regional government agencies, including the Metropolitan Water District to gather best practices and applicable policies. Staff is seeking Executive Committee feedback on the proposed Bylaws in order to present the Bylaws to the Board for consideration at its January 10, 2019 meeting.

One key item to note is that based on feedback at the November 8 Executive Committee meeting, staff is proposing that the Board Officers, Standing Committee Chairs, and Executive Committee serve two-year terms. To facilitate this and to avoid a potential

leadership change in the middle of CPA's crucial launch year, staff is also proposing that the current Board Officers, Committee Chairs, and Executive Committee remain in place until early 2020.

In addition, the selection of a new at-large member of the Executive Committee to fill a current vacancy – due to an Executive Committee member being unsuccessful in a reelection bid -- will need to take place in early 2019. The draft by-laws do not yet contemplate how such a vacancy will be filled and staff is seeking Executive Committee feedback on how to address this matter.

The overall categories described in the Draft Bylaws are:

- I. Purpose and Definitions: Establishes the function these Bylaws serve for CPA, while confirming that the JPA will govern in the event of conflict with Bylaws.
- II. Governance: Defines the Board of Directors and specifies the process for removal for cause (as required under the JPA, § 4.2.2.).
- III. Internal Organization: Defines election process, and terms and term limits of Board Officers and specifies the role of the CPA Treasurer and General Counsel. The change in terms and term limits will require an amendment to the JPA.
- IV. Committees: Defines the composition and governance of the following CPA Standing committees: (a) Executive, (b) Finance, (c) Energy Planning & Resources, and, (d) Legislative & Regulatory, as well as the Community Advisory Committee. In addition, specifies the authority to establish Ad Hoc committees. Specifies appointment process and terms for Board Chairs.
- V. Meetings: Specifies the regular meeting schedule for the CPA Board, and establishes the biennial meeting where Board Officer elections will occur every 2 years. Also, establishes procedures for closed session. This section will supersede the existing Closed Session Communication Policy.
- VI. Voting: Confirms voting process as established in the JPA and authorizes the voting rights for any votes required under the Bylaws.

- VII. Continuing Liability: This section restates the JPA, Section 3.5 for avoidance of doubt. Section §3.5 prevents debts, liabilities, or obligations of CPA from flowing to a member agency but the JPA statute defaults to having CPA's obligations flow to a member agency. The restatement of this position in the Bylaws eliminates ambiguity about the Board's intent.
- VIII. Fiscal Year: Defines CPA's Fiscal Year (FY). Note that staff is proposing to conclude FY 18/19 on June 30, 2019, as initially planned. Staff is recommending that FY 19/20 conclude on March 31, 2020, and that future FYs run from April 1 to March 31 to better align with the business cycle of rate setting. This proposed change is in alignment with other CCAs' fiscal schedules.

Attachment: 1) Draft Bylaws

**BYLAWS FOR  
CLEAN POWER ALLIANCE  
OF SOUTHERN CALIFORNIA**

**PREAMBLE**

The Clean Power Alliance of Southern California<sup>1</sup> (the “Alliance”) was established on June 27, 2017 pursuant to the execution of the Joint Powers Agreement (“JPA”). The members of the Alliance are referred to individually as “Party” or “Local Agency” or collectively, as “Parties” or “Local Agencies” in these Bylaws. The JPA and any Amendments to the JPA shall be referred to as the “Agreement.”

**ARTICLE I**

PURPOSE AND DEFINITIONS

Section 1. Purpose of Bylaws. The Agreement authorizes the Board of Directors to develop Operating Policies and Procedures, including but not limited to Bylaws, to implement the affairs of the Alliance. By approving these Bylaws, the Board intends to provide additional definition concerning governance, internal organization, Board committees, and other matters addressed in these Bylaws.

Section 2. Definitions. Unless specifically defined in these Bylaws, all defined terms shall have the same meaning ascribed to them in the Agreement. If any term of these Bylaws conflicts with any term of the Agreement, the Agreement terms shall prevail, and these Bylaws shall be amended to eliminate such conflict of terms.

**ARTICLE II**

GOVERNANCE

Section 1. Directors. The Alliance shall be governed by a Board of Directors composed of one representative of each of the Parties (“Board”). The governing body of each Party shall appoint and designate in writing to the Alliance one regular Director (“Regular Director”) and up to two alternate Directors (“Alternate Directors”) who may vote on all matters when the regular Director is absent for a Board meeting.

Section 2. Removal of Board Directors for Cause. A Regular Director may be removed for cause by a majority vote of the Board. Cause shall be defined for the purposes of this section as follows:

- a. Unexcused absences from three (3) consecutive Board meetings except an “unexcused absence” shall not be applied against a regular Director if any of the two designated

**Commented [NW1]:** For the Board’s information: This section is required per JPA, Section 4.2.2.

<sup>1</sup> The Alliance was originally established and known as The Los Angeles Community Choice Energy Authority (“LACCE”). LACCE’s name was changed in Amendment No. 2 to the original JPA on April 5, 2018.

Alternate Directors from a Party attends a Board meeting in place of that regular Director;

- b. Unauthorized disclosure of confidential information or documents from a closed session or the unauthorized disclosure of information or documents provided to the Director on a confidential basis and whose public disclosure may be harmful to the interests of the Alliance;
- c. Willful violation of the Alliance’s Operating Policies and Procedures;
- d. Has been found by a final order or judgment of any court to be of unsound mind;
- e. Has been convicted of a felony; or,
- f. Fails or ceases to meet any required qualification that was in effect at the beginning of that Director’s current term of office.

Written notice shall be provided to the Director proposed for removal and the governing body that appointed such Director at least thirty (30) days prior to the meeting at which the proposed removal will be considered by the Board. The notice shall state the grounds for removal, a brief summary of the supporting facts, and the date of the scheduled hearing on the removal. The Director proposed for removal shall be given an opportunity to be heard at the removal hearing and to submit any supporting oral or written evidence. A Director shall not be removed for cause from the Board unless two-thirds of all present Directors (excluding the Director subject to removal) vote in favor of the removal.

### ARTICLE III

#### INTERNAL ORGANIZATION

Section 1. Election of Board Officers. The Board shall elect from among themselves by majority vote one Chair and two Vice-Chairs (“Board Officers”). One of the Vice-Chairs shall be a Director representing a Party located in the County of Los Angeles, and the other Vice-Chair shall be a Director representing a Party located in the County of Ventura. Vice-Chairs shall be elected by a vote of the Parties located in their respective Counties.

Section 2. Extension of Term of Office. If, for any reason, the appointment of a new Board Officer or a Committee Chair is not made, the then current officer or Committee Chair shall continue to serve in his/her position until an appointment is made at a meeting of the Board.

Section 3. Term of Board Officers. Commencing at the Board Meeting in February 2020, the Board Officers shall each be elected to a two-year term. The Board Officers’ terms shall be effective at the April Board meeting following their appointment and expire at the March Board meeting two years later. A Director may serve in the same Board Officer position for not more than two consecutive full two-year terms.

**Commented [NW2]:** For the Board’s information: The term and term limits suggested in this section would require an amendment to the JPA.

Section 4. Appointment of Treasurer. The Chief Financial Officer (“CFO”) of the Alliance shall act as the Treasurer of the Alliance. In the event of a vacancy, the Board Chair shall appoint a

qualified person to act as the interim Treasurer within ninety (90) days of the date the position becomes vacant and remain in that role until a new CFO is named. The Treasurer shall:

- a. Possess the powers of, and shall perform any functions required by applicable law, including those duties described in the Government Code Section 6505.5 and the Agreement, and which may be prescribed by the Board or these Bylaws.
- b. Prepare, maintain, and update as needed an investment policy governing the Alliance's investments.
- c. Any other reports or policies that the Board or the Finance Committee requires.

Section 5. General Counsel. The General Counsel shall be the attorney for the Alliance and shall represent the Alliance and the Board in all actions, hearings, and proceedings for or against the Alliance, or when the Alliance may be legally interested. The General Counsel shall also be the legal advisor to the Board and by extension, to the Alliance's officers and employees in their official capacity. When requested, the General Counsel shall give written legal advice or opinions to the Board or to any Alliance officer or employee.

The General Counsel may delegate her/his authority by designating other attorney(s) on a limited or temporary basis to assist in the performance of her/his duties.

#### ARTICLE IV

#### COMMITTEES

Section 1. Establishment of Committees. The Executive Committee and all other Committees of the Board shall be established as provided by Section 5.9 of the Agreement. The duties and authority of all Committees shall be subject to the approval and direction of the Board.

Section 2. Executive Committee. The duties of the Executive Committee shall be to review and provide advice to the Executive Director and the entire Board on policy, operation and organizational matters and perform such other responsibilities, tasks or activities as delegated to it by the Board.

- a. The Executive Committee shall consist of the following Board members:
  - i. The Chair of the Board, who shall serve as Chair of the Executive Committee;
  - ii. The two Vice-Chairs of the Board (subject to Article III, Section 1), who shall serve as the Vice-Chairs of the Executive Committee;
  - iii. The Chair from each of the Standing Committees as specified in this Article, except for the Community Advisory Committee;
  - iv. The immediate past Chair of the Board; and,
  - v. Two (2) At-Large Directors appointed by a majority vote of the Parties.

Section 3. Term of Executive Committee. The Executive Committee shall serve a two-year term, concurrent with the terms of the Board Officers.

Section 4. Finance Committee. The Standing Finance Committee’s duties shall include but not be limited to reviewing and recommending to the Executive Director and the Board;

- i. Fiscal year budgets;
- ii. Financial policies and procedures including a reserve and investment policies; and,
- iii. Other measures ensuring the sound financial management of the Alliance.

The Finance Committee shall select an Independent Auditor who shall perform a financial audit of accounts of the Alliance on an annual basis. The Independent Auditor shall be accredited in the State of California and provide independent, accurate, and timely assessments of the Alliance’s financial activities in compliance with generally accepted government auditing standards.

The Finance Committee shall recommend to the Board an Internal Auditor. The Internal Auditor may assess compliance with the Alliance’s financial policies and procedures; review the Alliance’s internal processes or the adequacy of financial controls; make recommendations for improvement; and any similar duties as the Board may direct.

Section 5. Energy Planning & Resources Committee (“Energy Committee”). There shall be a Standing Energy Committee whose duties shall be to review and provide advice to the Executive Director, the Executive Committee, and the Board on policy, operation and organizational matters related to the Alliance’s procurement and development of electric power supplies; the identification and quantification of risk within the energy market; and promotion of renewables portfolio projects and programs.

Section 6. Legislative and Regulatory Committee. There shall be a Standing Legislative and Regulatory Committee whose duties shall be to review and provide advice to the Executive Director and the Board on policy, operation and organizational matters related to the Alliance’s legislative and regulatory principles, priorities, and strategies; to promote the Alliance’s interests in protecting local control and autonomy to the Parties, and in ensuring fair treatment of the Alliance’s customers by regulatory bodies.

Section 7. Appointment of Committee Chairs. Commencing at the Board Meeting in February 2020, the Board Chair shall appoint the Chairs of each Standing Committee when the Board Chair is appointed. The Chairs of each Standing Committee shall be appointed to a two-year term commencing at the April Board meeting following the appointment by the Chair and expiring at the March meeting two years later.

Section 8. Committee Membership. Any Director or Alternate Director who wishes to join a Standing Committee may become a member of that Committee. A Director or Alternate Director who wishes to join a Committee shall notify the Board Chair and the Board Secretary in writing of their intention to join. Such notification shall occur by the biennial meeting in Article V, Section 2. However, in no event shall the number of Directors in any one Committee constitute a quorum

of the Board and in no event shall a Party be represented on any one Committee by more than one member.

Section 9. Committee Voting. Action by a Standing Committee on all matters shall require an affirmative vote of a majority of all members who are present at the subject meeting.

Section 10. Alternate Directors in Committees. In the event a Director member of a Standing Committee is unavailable to attend a duly-noticed meeting of that Standing Committee, an Alternate Director representing the same Party as the absent Director may attend the Standing Committee meeting in place of that Director.

Section 11. Ad Hoc Committees. The Board may create Ad Hoc Committees, from time to time, to undertake special assignments on behalf of the Board. An Ad Hoc committee shall exist for a specified term or until its special assignments are completed, whichever comes first, but its existence may be extended for an added term or added assignments by action of the Board. The Board Chair shall appoint the Chair of any Ad Hoc Committee. Any Ad Hoc Committee membership shall be governed by Article IV, Section 8.

Section 12. Community Advisory Committee (“CAC”).

- a. Purpose. Pursuant to Section 5.9.1(c) of the Agreement, the CAC shall be an advisory committee formed to advise the Board on community outreach and engagement issues; to outreach to key stakeholder communities; and to undertake any assignments as directed by the Board. The CAC is not a Standing Committee.
- b. CAC Member Selection Process. On an ongoing basis, the Alliance’s staff shall accept and solicit applications from citizens that reside or work within the Alliance’s territory to become a member of the CAC. Commencing at the Board Meeting in November 2020, a list of all CAC member applicants by geography, skills and association, along with copies of all completed applications, shall be provided to the to the Board and the Board shall select CAC members from this list of CAC applicants.
- c. CAC Membership. The CAC shall be comprised of a total of 15 members representing customers or key stakeholders residing or working in the seven (7) geographical regions, as follows:
  - i. Three (3) members from the East Ventura/West Los Angeles County Region.
  - ii. Two (2) members from the West/Unincorporated Ventura County.
  - iii. Two (2) members from the Westside region in Los Angeles County.
  - iv. Two (2) member from the South Bay region in Los Angeles County.
  - v. Two (2) member from the Gateway Cities region in Los Angeles County.
  - vi. Two (2) member from the San Gabriel Valley region in Los Angeles County.

- vii. Two (2) member from the Unincorporated Los Angeles County.
- d. CAC Officers. The CAC shall appoint from among themselves by majority vote one Chair and two Vice-Chairs. At least one of the Vice Chairs shall be a member residing in the jurisdiction of a Party located in the County of Ventura. The CAC shall establish Bylaws of the CAC (“CAC Bylaws”) governing the operation of the CAC. The CAC Bylaws shall be drafted by the seated CAC members. Prior to becoming effective, the Bylaws of the CAC, including any amendments thereto, must be approved by a majority of the seated CAC members who are present at a meeting. The CAC Chair, or designee, shall be the liaison between the Board and the CAC and to the extent requested by each Board subject to the limits of the Agreement and applicable law.
- e. CAC Term. The initial term of service shall expire at the Board Meeting in December 2020. Thereafter, the term of service of each CAC member will be two years commencing at the Board Meeting in January and expiring in December two years later. There shall be no limit to the number of terms a CAC member may serve.
- f. CAC Quorum and Voting. Fifty percent (50%) of the seated CAC members shall constitute a quorum for the transaction of business. Action of the CAC on all matters shall require an affirmative vote of a majority of all members who are present at the subject meeting.
- g. CAC Member Removal. A CAC member may be removed by a majority vote of the Board if she/he has three (3) unexcused absences from CAC meetings.
- h. Reimbursements. CAC members may seek reimbursement of expenses incurred to attend a duly-noticed CAC meeting or a Board authorized meeting in compliance with “CPA Reimbursements for Board of Directors” policy, Policy No. CPA2018-05.

Section 13. Open Meeting Requirements. The meetings of the committees established by the Board shall be governed by the provisions of the Ralph M. Brown Act (Government Code Section 54950 et seq.).

## ARTICLE V

### MEETINGS

Section 1. Regular Meetings. The regular meetings of the Board shall be held on the first Thursday of each month at 2 PM, unless the Chair and the Executive Director agree that a meeting should be held on another day and time.

Section 2. Biennial Meeting. Commencing in 2020, the Board shall hold a biennial meeting in February to elect Board Officers as set forth in Article III, Section 1, and to appoint Committee Chairs as set forth in Article IV, Section 6.

### Section 3. Closed Session.

- a. Confidentiality. No person attending a closed session may disclose any matter discussed in the session except as provided below.

**Commented [NW3]:** For the Board’s information. This section will supersede the current Closed Session policy.

**b. Discussions with Local Agency Governing Bodies and Local Agency Legal Counsel.**

A Director may disclose information obtained in a closed session that has direct financial or liability implications for the Director's Local Agency, to the following individuals: 1) Legal counsel of the Director's governing body for purposes of obtaining advice on whether the matter has direct financial or liability implications for that Local Agency; and 2) Other members of the governing body of the Local Agency present in a closed session of that Local Agency.

Prior to disclosing any information obtained in a closed session to legal counsel of the Director's Local Agency or other members of the governing body of the Director's Local Agency, the Director shall notify the General Counsel of the intention to discuss the matter with their Local Agency's legal counsel or other members of the legislative body. This notification shall provide the General Counsel with an opportunity to discuss with the Local Agency's legal counsel whether the matter has direct financial or liability implications for the Director's Local Agency.

**c. Procedure.**

- i. The General Counsel and Executive Director shall designate staff members and others who shall remain in the closed session to assist the Board in its deliberations.
- ii. Any Director or Alternate Director who has not attended a closed session and wishes to be advised of the content of the session may inquire of any Director or Alternate Director who attended the closed session. The person contacted may advise the inquiring Director of the content of the session. The advised Director shall not disclose the matter for which the session was held.
- iii. The General Counsel shall be consulted before an item is placed on the Closed Session agenda.

**d. Alternate Directors.** The Board finds and determines that in addition to regular Directors, Alternate Directors are members of the Board when conferring with or receiving legal advice from the General Counsel during Closed Session.

## ARTICLE VI

### VOTING

Voting on Alliance matters shall be held in accordance with the requirements of Sections 4.10 and 4.11 of the Agreement, except when the Agreement or these Bylaws require a two-thirds vote.

## ARTICLE VII

### CONTINUING LIABILITY

As provided by Section 3.5 of the Agreement, the debts, liabilities and obligations of the Alliance shall not be debts, liabilities or obligations of the individual Parties unless the governing

board of a Party agrees in writing to assume any of the debts, liabilities or obligations of the Alliance. A Party who has not agreed to assume an Alliance debt, liability or obligation shall not be responsible in any way for such debt, liability or obligation even if a majority of the Parties agree to assume the debt, liability or obligation of the Alliance.

**ARTICLE VIII**

**FISCAL YEAR**

The initial full Fiscal Year shall run from July 1, 2018 to June 30, 2019. The subsequent fiscal year shall run from July 1, 2019 to March 31, 2020. Commencing on April 1, 2020 and thereafter, the Fiscal Year shall run from April 1 to March 31 of the following year.

DRAFT