California Community Choice Financing Authority

California Community Choice Financing Authority (CCCFA)
Board of Directors Regular Meeting
Thursday, August 27, 2026
1:00 P.M.

Via Teleconference at the Following Locations:

- Ava Community Energy – 1999 Harrison St, Ste 2300, Oakland, CA 94612
- Sunnyvale Civic Center – Madrone Room - 456 W Olive Ave. Sunnyvale, CA, 94086
- Clean Power Alliance – 801 S. Grand Avenue, Suite 400, Los Angeles, CA 90017
- Pioneer Community Energy – 2510 Warren Dr., Suite B, Rocklin, CA 95677
- 2601 Porter Street, Soquel, CA 95073

Members of the public who wish to observe the meeting may do so at one of the locations listed above or telephonically via the following teleconference call-in number and meeting ID:

For Viewing Access Join the Zoom Meeting:
https://us02web.zoom.us/j/87343304744

Dial-in: (669) 900-6833
Webinar PIN: 873 4330 4744

In compliance with the Brown Act, Directors may participate at one of the meeting locations listed above. In either case, please: 1) post this Agenda at a publicly accessible location at the participation location no later than 72 hours before the beginning of the meeting, and 2) have a speaker phone available for members of the public who wish to attend at your location.

Agenda

1. Call to Order & Roll Call

2. Agenda Update and/or Changes

3. Public Comment
This item is reserved for persons wishing to address the Board of Directors on any CCCFA-related matters that are not otherwise on this meeting agenda. Public comments on matters listed on the 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 Board are customarily limited to three minutes per speaker.

4. Consent Calendar (Discussion/Action)
   a. Consider approval of the minutes from the 6/25/26 regular meeting
   b. Receive and file Cash Flow Report for the second quarter ending June 30, 2026

5. Consider Approval of Resolution 2026-14 – Approving the First Amendment to the Joint Powers Agreement to Implement a Governing Member Model Through a Maximum Five-Member Board of Governing Member and Annual Membership Meeting for Governing Member Elections (Discussion/Action)

6. CCCFA Fees - Revenue Options (Discussion/Action)

7. General Manager's Working Group: Receive Working Group update and status report (Discussion/Action)

8. Board Member Announcements (Discussion)

9. Adjourn

Next CCCFA Board meeting is scheduled for Thursday, September 24, 2026 at 1:00 pm.

DISABLED ACCOMMODATION: If you are a person with a disability which requires an accommodation, or an alternative format, please contact the Clerk of the Board at (510) 906-0491, 72 hours prior to the scheduled meeting to ensure reasonable accommodations are provided.

Materials related to an item on this agenda submitted to the Board of Directors, or a majority of the Board, after distribution of the agenda are available for public inspection at the Clerk's Office, Ava Community Energy,1999 Harrison St. Ste 2300, Oakland CA, 94612, during normal business hours. CCCFA meeting agendas and related materials are also available online at https://www.cccfa.org.

California Community Choice Financing Authority

Draft Minutes

California Community Choice Financing Authority (CCCFA)
Board of Directors Regular Meeting
Thursday, June 25, 2026
1:00 P.M.

Via Teleconference at the Following Locations:

- Ava Community Energy – 1999 Harrison St, Ste 2300, Oakland, CA 94612
- Silicon Valley Clean Energy – 333 W. El Camino Real, Suite 330, Sunnyvale, CA 94087
- Montgomery Town Library - 86 Mountain Road, Route 242, Montgomery Center, VT 05471
- 2601 Porter Street, Soquel, CA 95073

Members of the public who wish to observe the meeting may do so at one of the locations listed above or telephonically via the following teleconference call-in number and meeting ID:

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Dial-in: (669) 900-6833
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Agenda

1. Call to Order & Roll Call

Present:
Vice-Chair Robert Shaw – Central Coast Community Energy

(CCCE)
Member Monica Padilla – Silicon Valley Clean Energy (SVCE)
Alternate Member Maira Strauss – Marin Clean Energy (MCE)
Member Howard Chang – Ava Community Energy (Ava)
Alternate Member David McNeil – Clean Power Alliance (CPA)

Staff and Others:
Adrian Bankhead – Board Clerk
Garth Salisbury – Treasurer/Controller
David Ruderman – General Counsel
Steve Rymer – General Manager
Patty Kong – Financial Consultant, MRG
Robert Engel – Redwood Coast Community Energy
Lisa McNeilly – Desert Community Energy

Vice-Chair Robert Shaw *served as the acting Chair for this meeting.*

2. Agenda Update and/or Changes

There were no updates or changes to the agenda.

3. Public Comment
This item is reserved for persons wishing to address the Board of Directors on any CCCFA-related matters that are not otherwise on this meeting agenda. Public comments on matters listed on the 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 Board are customarily limited to three minutes per speaker.

No public comments were received.

4. Consent Calendar (Discussion/Action)
a. Consider approval of the minutes from the 5/28/26 regular meeting.
b. Consider Approval of Resolution 2026-10 - Authorizing the Amendment of Certain Existing Energy Prepayment Transaction Documents (Discussion/Action)

No public comments were received.

Action: It was M/S/C (Padilla/Chang) to approve the Consent Calendar. The motion carried (5/0/0/0/0) (yes/no/abstain/recuse/not present)

Approval of Consent Calendar Vote:
CCCE – Yes
SVCE – Yes

<u>MCE – Yes</u>
<u>CPA – Yes</u>
<u>Ava – Yes</u>

5. Ava bond issuance authorization (Discussion/Action)

a. (GS) Consider Approval of Resolution 2026-11 - Authorizing the Issuance of One of More Series of Clean Energy Project Revenue Bonds from Time to Time in an Aggregate Principal Amount Not to Exceed $2,500,000,000 to Finance the Acquisition of Long-Term Supplies of Electricity for the Ava Community Energy Authority and Other Matters Relating Thereto
b. (MS) Consider Approval of Resolution 2026-12 - Authorizing the Issuance of One of More Series of Clean Energy Project Revenue Bonds from Time to Time in an Aggregate Principal Amount Not to Exceed $2,500,000,000 to Finance the Acquisition of Long-Term Supplies of Electricity for the Ava Community Energy Authority and Other Matters Relating Thereto

Garth Salisbury, Treasurer/Controller, introduced the item and answered questions from the board.

<u>No public comments were received.</u>

<u>Action: It was M/S/C (Chang/McNeil) to approve Resolutions 2026-11 and 2026-12. The motion carried (5/0/0/0/0) (yes/no/abstain/recuse/not present)</u>

<u>Approval of Resolution 2026-11 and 2026-12:</u>
<u>CCCE – Yes</u>
<u>SVCE – Yes</u>
<u>MCE – Yes</u>
<u>CPA – Yes</u>
<u>Ava – Yes</u>

6. Consider Approval of Resolution 2026-13 - Authorizing the Issuance of One or More Series of Clean Energy Project Revenue Bonds in an aggregate Principal Amount Not to Exceed $900,000,000 to Finance the Acquisition of a Long-Term Supply of Electricity for Desert Community Energy and Redwood Coast Energy Authority and Other Matters Relating Thereto

Garth Salisbury, Treasurer/Controller, introduced the item and answered questions from the board. **Robert Engel** – Redwood Coast Community Energy and **Lisa McNeilly** – Desert Community Energy, provided additional comments and answered questions.

No public comments were received.

Action: It was M/S/C (Shaw/Padilla) to approve Resolution 2026-13. The motion carried (5/0/0/0/0) (yes/no/abstain/recuse/not present)

Approval of Resolution 2026-13:
CCCE – Yes
SVCE – Yes
MCE – Yes
CPA – Yes
Ava – Yes

7. CCCFA Fees - Revenue Options (Discussion/Action)

Patty Kong, Financial Consultant, introduced the item and answered questions from the board.

No public comments were received.

No formal vote was taken on this item.

8. General Manager's Working Group: Receive Working Group update and status report (Discussion/Action)

General Manager Steve Rymer reported that the JPA document redlines, developed with the assistance of General Counsel Ruderman, would be distributed to all CCA members within 7–10 days. The board is expected to consider potential actions on the JPA document at the August meeting.

No public comments were received.

9. Board Member Announcements (Discussion)

No board member announcements were made.

10. Adjourn

The meeting was adjourned at 2:12pm

Next CCCFA Board meeting is scheduled for Thursday, July 23, 2026 at 1:00 pm.

DISABLED ACCOMMODATION: If you are a person with a disability which requires an accommodation, or an alternative format, please contact the Clerk of the Board at (510) 906-0491, 72 hours prior to the scheduled meeting to ensure reasonable accommodations are provided.

Materials related to an item on this agenda submitted to the Board of Directors, or a majority of the Board, after distribution of the agenda are available for public inspection at the Clerk's Office, Ava Community Energy,1999 Harrison St. Ste 2300, Oakland CA, 94612, during normal business hours.

California Community Choice Financing Authority

Staff Report – Item 4B

Item 4B:	Board of Directors
From:	Patty J. Kong, Finance Consultant Garth Salisbury, Treasurer/Controller
Date:	August 27, 2026
Subject:	Cash Flow Report for the second quarter ending June 30, 2026
Attachments:	Statement of Cash Flows for the Three and Six Months ended June 30, 2026, and Budget to Actual Comparison as of June 30, 2026

RECOMMENDATION

Acknowledge and file the California Community Choice Financing Authority (CCCFA) Cash Flow Report for the quarter ending June 30, 2026.

BACKGROUND

Pursuant to Government Code section 6505.5, subdivision (e), Section 4.06 (b) of the Joints Powers Agreement (JPA) states:

"The Treasurer/Controller shall also create or caused to be created a report in writing on the first day of each fiscal quarter to CCCFA and each Founding Member, which report shall describe the amount of money held by the Treasurer/Controller, the amount of receipts since the last such report, and the amount paid out since the first such report."

This report is to satisfy the above requirement, the Statement of Cash Flows for the 3 months and 6 months ending June 30, 2026, is attached. In addition, a Budget to Actual Statement with actuals for the first six months, with an estimated amount for the year is compared to the 2026 annual budget.

There are two bank accounts: 1) the operating account and 2) the Insured Cash Sweep (ICS) account which acts like a savings account to achieve higher interest earnings and is FDIC insured.

The receipts are related to New Membership fees, Prepayment Transaction Fees and interest earnings. The payments are primarily related to professional services. The ending cash balance of $724,720 is higher than the 20 percent reserve requirement of $166,650.

This Quarterly Report includes additional financial information regarding budget and actual revenues and expenses for the current year. (See attachment). Although this is prepared on a cash basis, accrual basis is not anticipated to be significantly different.

The Year-to-date operating revenues of $616,000, as well as the estimated revenues for the 2026 year of $716,000 are estimated to be higher than the budget of $566,000. This is a result of higher new Membership Fees and New Prepayment Transaction Fees. The budget assumed 5 deals while 5 deals have occurred as of June 30th. Two additional deals have closed after June 30, with one additional in process. It is anticipated there will be two more deals before the end of the year for a total of ten deals this year.

For expenses, most line item expenses are estimated to be below budget and in total are estimated to be $637,000 compared to the budget of $833,000.

FISCAL IMPACT

The action of acknowledging and filing this report does not have a fiscal impact in and of itself. The fiscal impacts are noted in this report and the attachments.

Statement of Cash Flows
For the Three and Six Months ended June 30, 2026

		Three Months June 30, 2026	Six Months June 30, 2026
Cash Flows from Operating Activities:			
Receipts from New Member Fees	$	100,000.00	150,000.00
Reciepts from Transactions Fees		20,000.00	100,000.00
Receipts from Cash Call		-	365,805.00
Payments for Insurance		-	(106,859.00)
Payments for professional services		(125,499.25)	(229,410.70)
Payments for bank services		(75.00)	(284.97)
Net Cash Provided by (Used in) Operating Activities		(5,574.25)	279,250.33
Cash Flows from Investing Activities:			
Interest income received		5,337.92	9,648.28
Net Cash Provided by (Used in) Investing Activities		5,337.92	9,648.28
Net Change in Cash		(236.33)	288,898.61
Cash at beginning of period		724,955.85	435,820.91
Cash at end of period	$	724,719.52	724,719.52

CCCFA
Budget to Actual Comparison
as of June 30, 2026
REVISED

	Budget 2026	YTD Actuals 2026	Estimated 2026	Variance Budget to Estimated
Operating Revenues:				
New Membership Fees	100,000	150,000	150,000	50,000
Prepayment Transaction Fees	100,000	100,000	200,000	100,000
Repricing Fees	-	-	-	-
Cash Calls	365,800	365,805	365,805	5
Total Operating Revenues	565,800	615,805	715,805	150,005
Operating Expenses:				
Accounting	24,000	24,000	24,000	-
Audit	28,000	3,840	28,000	-
Bank Fees	500	285	840	(340)
Insurance	130,000	106,859	106,859	23,141
GM/MRG	350,000	76,827	216,821	133,179
Legal Services	70,000	37,342	69,673	327
Treasurer/Controller	120,000	77,690	139,102	(19,102)
Other Misc Prof Services	10,000	2,518	5,035	4,965
CCA Staff Reimb	25,000	6,174	46,348	(21,348)
Misc	-	1,020	1,020	(1,020)
Contingency	75,750	-	-	75,750
Total Operating Expenses	833,250	336,555	637,698	195,552
Budget Savings				
Operating Income (Loss)	(267,450)	279,250	78,107	345,557
NonOperating Revenues (Expenses):				
Interest Income	15,000	9,648	15,000	-
Total NonOperating Revenues (Expenses):	15,000	9,648	15,000	-
Change in Cash Balance	(252,450)	288,899	93,107	345,557
Beginning Cash Balance	419,100	435,821	435,821	16,721
Ending Cash Balance	166,650	724,720	528,928	362,278
Reserve	166,650			

Operating Budget Reserve is 20% of Total Budget

Staff Report – Item 5

Item 5:	CCCFA Board of Directors
From:	Steve Rymer, General Manager
Date:	August 27, 2026
Subject:	CCCFA Joint Powers Agreement Governing Model Amendment Resolution

RECOMMENDATION

1. Adopt Resolution amending Articles I, IV, and V of CCCFA's Joint Powers Agreement to incorporate the "Governing Member" governance model; and

2. Direct staff to prepare CCCFA Annual Meeting policies and procedures for Board consideration; and

3. Direct staff to identify dates for the inaugural Annual Meeting in the first quarter of 2027.

PURPOSE

At the May 28, 2026, CCCFA Board Meeting, the Board directed staff to prepare a resolution amending Articles I, IV, and V of the CCCFA Joint Powers Agreement (JPA) to incorporate the proposed "Governing Member" governance model, which requires approval by two-thirds of the entire CCCFA Board. The Board also directed staff to provide formal notice of the proposed amendments to all CCCFA members in accordance with the JPA amendment process.

BACKGROUND and ANALYSIS

CCCFA was established in 2021 with the sole purpose of reducing ratepayer energy costs through the issuance of prepayment bonds. Since its inception, CCCFA has expanded from four to fourteen members and has successfully closed 32 prepay bond transactions, generating an estimated $6.2 billion in savings over a 30-year period.

CCCFA's growth, operational maturity, and the addition of a General Manager created a natural opportunity to revisit the Board's governance model. The current structure, five Directors representing five Founding Members (with no cap on the number of Board Members), reflects the organization's emphasis on agility and streamlined decision making.

During its March, April, and May 2026 meetings, the Board evaluated several governance models, with discussions focused on Board size, composition, member eligibility, term lengths, and the selection process. Based on those discussions, the Board directed staff to prepare a resolution for consideration at its August meeting that would amend the Joint Powers Agreement (JPA) to implement the proposed "Governing Member" governance model. Key elements of the proposed model include:

- Five member board
- Board comprised of Governing Members (currently known as Founding Members)
- Two-year staggered board terms
- Nomination and election process

Additionally, it is proposed that an annual meeting of all CCCFA members be established to support engagement and governance transparency under the new structure. This meeting would serve as the forum for conducting Board elections and facilitating strategic discussion on key organizational priorities, initiatives, and policy matters, ensuring alignment on the organization's direction and objectives.

It is recommended that the annual meeting be held during the last quarter (October, November, or December) of each year. However, due to the time required to schedule and coordinate the meeting and implement the transition to the new governance structure, staff proposes holding the initial annual meeting in the first quarter of 2027.

Implementation of the proposed governance model requires amendments to Articles I, IV, and V of the Joint Powers Agreement (JPA). Under the JPA amendment process, all members must receive notice of the proposed amendments at least 30 days before

Board consideration, and adoption requires approval by a two-thirds vote of the Board. No action by member CCAs is required. Members were notified of the proposed amendments via email on July 2, 2026, and a formal notice letter was mailed on July 6, 2026. As of the date of this report, neither the General Counsel nor the General Manager has received any comments, questions, or feedback from member agencies.

If the resolution is adopted, the next steps in the implementation process will include:

- Notifying the appropriate State agencies
- Adopting annual meeting policies and procedures
- Scheduling the initial annual meeting in Q1 2027
- Initiating the Board election nomination process

FISCAL IMPACT

Adoption of the Governing Member governance model will require additional administrative effort to administer the election process and coordinate the annual meeting.

Attachments:

- JPA amendment resolution
- Amended JPA redline copy

RESOLUTION NO. 2026-14

RESOLUTION OF THE BOARD OF DIRECTORS OF THE CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY APPROVING THE FIRST AMENDMENT TO THE JOINT POWERS AGREEMENT TO IMPLEMENT A GOVERNING MEMBER MODEL THROUGH A MAXIMUM FIVE-MEMBER BOARD OF GOVERNING MEMBERS AND ANNUAL MEMBERSHIP MEETINGS FOR GOVERNING MEMBER ELECTIONS

WHEREAS, the California Community Choice Financing Authority ("CCCFA") is a joint powers authority established pursuant to the Joint Powers Agreement dated June 25, 2021, as amended from time to time (the "Joint Powers Agreement"), and organized under the Joint Exercise of Powers Act, constituting Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the Government Code, as amended and supplemented;

WHEREAS, on March 26, 2026, the CCCFA Board of Directors commenced discussion of CCCFA Board Composition and directed staff to return with options for implementing a five-member board;

WHEREAS, on April 23, 2026, the CCCFA Board of Directors received the General Manager's Report on Board Member representation options, and reached informal consensus to direct staff to return at a future meeting with more fully developed analysis of two governance models including the "Board Eligible" model;

WHEREAS, on May 28, 2026, the CCCFA Board of Directors received the General Manager's Report on Board Member representation options, and directed staff to prepare a resolution for consideration to amend CCCFA's Joint Powers Agreement to incorporate a "Governing Member" governance model (formerly "Board Eligible");

WHEREAS, the Joint Powers Agreement has previously only been amended to add Members, as that term is defined therein, but has not been amended concerning the CCCFA governance structure;

WHEREAS, Section 5.06, subdivision (a)(iv) of the Joint Powers Agreement allows for amendment of Articles I, IV, and V thereof, pursuant to the voting requirements in Section 11.03 thereof; and

WHEREAS, Section 11.03 of the Joint Powers Agreement allows for amendment of Articles I, IV, and V thereof by with approval by at least two-thirds vote of the entire CCCFA Board of Directors; and

WHEREAS, the CCCFA Board of Directors desires to implement a "Governing Member" governance model by amending the Joint Powers Agreement to: (i) amend CCCFA's present Board of Directors governance structure to a maximum five-member Board of Governing Directors with alternating two-year terms; (ii) set eligibility requirements for nomination of Directors; (iii) convene annual meetings of the Members to conduct elections of Directors from Governing Members and to discuss CCCFA business and organizational priorities; and (iv) provide for adoption of bylaws, policies or rules and regulations for the conduct of Annual Meetings and elections at Annual Meetings, by resolutions of the CCCFA Board of Directors; and

WHEREAS, on July 2, 2026, the CCCFA General Manager provided written notice to all Members of the proposed amendments to the Joint Powers Agreement in the First Amendment in compliance with Section 11.03 of the Joint Powers Agreement.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the California Community Choice Financing Authority as follows:

Section 1. The above recitals are true and correct and incorporated by this reference.

Section 2. The CCCFA Board of Directors hereby approves the First Amendment to the Joint Powers Agreement, as attached to this Resolution as Exhibit A.

Section 3. The officers, employees and agents of CCCFA are hereby authorized and directed, jointly and severally, to execute and deliver any and all documents, agreements and instruments and to do any and all things which they may deem necessary or advisable in order to consummate the amendment herein authorized and otherwise to carry out, give effect to and comply with the terms and intent of the CCCFA Joint Powers Agreement and this Resolution, including but not limited to filing notice of this First Amendment to the Joint Powers Agreement with the Secretary of State, the State Controller, and County Clerk, and to take all other necessary steps to implement the First Amendment to the Joint Powers Agreement.

Section 4. The adoption of this Resolution is not a "project" subject to the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines sections 15378(b)(2) and 15061(b)(3) as amendments to the governing model of a local agency constitute general policy and procedure-making which can be seen with certainty to have no potential for causing a significant effect on the environment.

Section 5. This Resolution shall take effect immediately upon its adoption.

Exhibit A: First Amendment to the California Community Choice Financing Authority Joint Powers Agreement

[Signature Page Follows]

PASSED AND ADOPTED at a regular meeting of the CCCFA Board of Directors on this 27th day of August 2026, by the following vote:

	YES	**NO**	**ABSTAIN**	**ABSENT**
Ted Bardacke				
Robert Shaw				
Vicken Kasarjian				
Monica Padilla				
Howard Chang				

____
CHAIR, CCCFA

Attest:

____
SECRETARY, CCCFA

FIRST AMENDMENT TO THE CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY JOINT POWERS AGREEMENT

This First Amendment to the California Community Choice Financing Authority Joint Powers Agreement dated June 25, 2021, as amended from time to time (the "Joint Powers Agreement") and made by and among those public agencies who are signatories thereto and those public agencies which may thereafter become signatories thereto, is entered into and effective as of August 27, 2026.

RECITALS

A. The California Community Choice Financing Authority ("CCCFA") is a joint powers authority established pursuant to the Joint Powers Agreement, and organized under the Joint Exercise of Powers Act, constituting Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the Government Code, as amended and supplemented. All capitalized terms used herein without definition shall have the same meanings assigned to them in the Joint Powers Agreement.

B. The Member parties desire to enter into this First Amendment to implement a "Governing Member" governance model by amending the Joint Powers Agreement to: (i) modify CCCFA's present Board of Directors governance structure to a maximum five-member Board of Governing Directors with alternating two-year terms; (ii) set eligibility requirements for nomination of Governing Directors; (iii) convene annual meetings of the Members to conduct elections of Directors from Governing Members and to discuss CCCFA business and organizational priorities; and (iv) provide for adoption of bylaws, policies or rules and regulations for the conduct of Annual Meetings and elections at Annual Meetings, by resolutions of the CCCFA Board of Directors.

AGREEMENT

NOW THEREFORE, in consideration of the mutual promises, covenants and conditions herein, the Members agree as follows:

Section 1. Section 1.025 is hereby added to Article I of the Joint Powers Agreement to read as follows:

> **Section 1.025 "Annual Meeting"** means the annual meeting of Members as provided in Article IV of this Agreement.

Section 2. Section 1.08 of Article I of the Joint Powers Agreement is repealed and replaced with the following:

> **Section 1.08 "Founding Member"** means each of the Public CCA Agencies initially executing this Agreement, and any Public CCA Agency that becomes a Founding Member pursuant to Section 3.01 below. The term "Founding Member" shall, however, exclude any Founding Member which shall have withdrawn or been excluded from

CCCFA pursuant to Section 3.04 below. The initial Founding Members are Central Coast Community Energy, East Bay Community Energy, Marin Clean Energy, and Silicon Valley Clean Energy. "Founding Member" is synonymous with "Governing Member" and the two terms may be used interchangeably in this Agreement and any other CCCFA rule, policy, bylaw, resolution, or other document.

Section 3. Sections 4.01 and 4.02 of Article IV of the Joint Powers Agreement are repealed and replaced with the following:

Section 4.01 Board. CCCFA shall be administered by a Board which shall consist of no more than five Directors appointed according to Sections 4.02 and 4.11 of this Agreement. Such Board shall be the governing body of this CCCFA, and, as such, shall be vested with the powers set forth in this Agreement, and shall execute and administer this Agreement in accordance with the purposes and functions provided herein. The Board shall have the authority to provide for the general management and oversight of the affairs, property and business of CCCFA.

Section 4.02 Appointment, Election and Term. Each Director shall be appointed by election at an Annual Meeting in accordance with Section 4.11 of this Agreement. Each Director shall be the Chief Executive Officer, General Manager, Executive Director, or designee of the Chief Executive Officer, General Manager, or Executive Director, of a Founding Member to serve on the Board, subject to election to the Board at an Annual Meeting. Only Founding Members are eligible to nominate a Director for service on the Board. Founding Members shall provide written notice to CCCFA of their nominations, if any, at least ninety (90) days before an Annual Meeting. Except for Board appointments made at the first Annual Meeting, Directors shall serve a two-year term from January 1 following election until their successors are elected and seated under Section 4.11.

Section 4. Section 4.025 is hereby added to Article IV of the Joint Powers Agreement to read as follows:

Section 4.025 Vacancies. Directors shall be nominated by and serve at the pleasure of the Founding Member that the Director represents, and may be removed as Director by such Founding Member at any time. If a vacancy occurs on the Board unrelated to the conclusion of a Director's term, a replacement shall be appointed by the Founding Member that nominated that Director to fill the position of the previous Director in accordance with the provisions of this Article IV within 60 days of the date that such position becomes vacant or the Founding Member shall be subject to the exclusion procedures in Section 3.04(c) above. Each Director may appoint an alternate to serve in their absence.

Section 5. Section 4.05 of Article IV of the Joint Powers Agreement is repealed and replaced with the following:

Section 4.05 Director Compensation. Compensation for work performed by Directors, including alternates, on behalf of CCCFA shall be borne by the Founding Member that nominated the Director. The Board, however, may adopt by resolution a policy relating to the reimbursement of expenses incurred by Directors.

Section 6. Section 4.11 is hereby added to Article IV of the Joint Powers Agreement to read as follows:

Section 4.11 Annual Meeting. An Annual Meeting of all Members shall be held once each calendar year. The Board shall fix the date, hour and place of each Annual Meeting by resolution and shall provide written notice to all Members at least sixty (60) days before the Annual Meeting, which shall also include Founding Members' nominations for Directors under Section 4.02 of this Agreement.

(a) **Purpose**. Each Annual Meeting shall include: (i) election of Directors to the Board; and (ii) any other matters properly before the Members as determined by the Board.

(b) **Brown Act Compliance.** All Annual Meetings shall be conducted in accordance with the provisions of the Ralph M. Brown Act (Government Code Section 54950 *et seq*.), and as augmented by rules of the Board not inconsistent therewith. Member representatives may participate in meetings telephonically or by other electronic means, with full voting rights, to the extent permitted by law.

(c) **Election of Directors.** Directors shall be elected at the Annual Meeting as provided in the bylaws, policies or rules and regulations of the Board, and any applicable laws not inconsistent therewith. At the first Annual Meeting only, elections shall be held for all five Board seats, of which three Directors shall serve a two-year term, and two Directors shall serve a three-year term. Thereafter, elections shall occur at the Annual Meeting for all Board seats whose term is set to expire in that calendar year. Each Director shall assume the duties of their office at the first regular Board meeting of the calendar year.

(d) **Conduct.** CCCFA may adopt, from time to time, by resolution of the Board such bylaws, policies or rules and regulations for the conduct of Annual Meetings as may be required.

Section 7. Section 5.06 of Article V of the Joint Powers Agreement is repealed and replaced with the following:

Section 5.06 Voting. Each Founding Member elected to the Board shall have one vote, which may be cast on any matter before the Board by each Director or alternate. Except to the extent otherwise specified in this Agreement, or by law, a vote of the majority of the Directors in attendance shall be required and sufficient to constitute action, provided a quorum is established and maintained.

(a) Special Voting Requirements as specified in this Agreement:

(i) Action of the Board on the matters set forth in Section 3.01 related to addition of Founding Members shall require the affirmative vote of at least two-thirds (2/3) of the entire Board.

(ii) Action of the Board on the matters set forth in Section 3.04(c) related to involuntary termination of a Member shall require the affirmative vote of at least two-thirds (2/3) of the entire Board.

(iii) Action of the Board on the matters set forth in Section 9.01 related to termination of this Agreement shall require the affirmative vote of at least two-thirds (2/3) of the entire Board approved by resolution of each Founding Member's governing body.

(iv) Action of the Board to amend any other provision of this Agreement shall be subject to the voting requirements set forth in Section 11.03 below.

<u>Section 8</u>. This Amendment shall take effect immediately upon its adoption by approval of a resolution of at least two-thirds of the entire CCCFA Board of Directors.

<u>Section 9</u>. Except as specifically stated above, all other provisions of the Joint Powers Agreement shall be unchanged and remain in full force and effect.

IN WITNESS WHEREOF, the Board of Directors has caused this Amendment to be approved by Resolution on August __, 2026.

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY

____

Ted Bardacke, Chair
Board of Directors

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY
JOINT POWERS AGREEMENT

This Joint Powers Agreement (this “Agreement”) is made by and among those public agencies who are signatories to this Agreement, and those public agencies which may hereafter become signatories to this Agreement (all such parties, except those which have withdrawn as provided herein, are referred to herein as the “Member” and those parties initially executing this Agreement are referred to as the “Founding Members”), creating a separate joint powers agency, which is named “California Community Choice Financing Authority” (“CCCFA”).

WITNESSETH

WHEREAS, each Member is a ”community choice aggregator,” as that term is defined in Section 331.1 of the Public Utilities Code of the State of California (the “Public Utilities Code”), having duly adopted, established and implemented a community choice aggregation program pursuant to Section 366.2 of the Public Utilities Code, with the authority to group retail electricity customers to solicit bids, broker, and contract for electricity and energy services for those customers, and to enter into agreements for services to facilitate the sale and purchase of electricity and other related services, and to study, promote, develop, conduct, operate and manage energy-related programs; and

WHEREAS, each Member is a “public agency,” as that term is defined in Section 6500 of the Government Code of the State of California (the “Government Code”); and

WHEREAS, Chapter 5 of Division 7 of Title I of the Government Code, being Section 6500 and following (the “Act”), authorizes a joint exercise by two or more public agencies of any power which is common to each of them and the creation of an entity that is separate from the parties to the joint exercise of powers agreement; and

WHEREAS, it is to the mutual benefit of the Members and in the public interest that an agency by the name of the California Community Choice Financing Authority be created, by which the Members jointly exercise for their common benefit and for the purposes specified herein certain powers that they have in common or are otherwise provided for by applicable law, including but not limited to (i) the acquisition and operation of power supplies, resource adequacy and renewable attributes, and (ii) the provision of other energy services or programs which may be of benefit to one or more Members; and

WHEREAS, the Act conveys upon joint exercise of powers authorities certain additional powers, including but not limited to the power to issue revenue bonds and incur other evidences of indebtedness for such purposes as are specified in the Act; and

WHEREAS, CCCFA’s purpose is to assist Members by undertaking the financing or refinancing of energy prepayments that can be financed with tax advantaged bonds on behalf of one or more of the Members by, among other things, issuing or incurring Bonds (as such term is defined herein) and entering into related contracts with Members.

NOW, THEREFORE, the Members, for and in consideration of the mutual promises and agreements herein contained, do hereby agree as follows:

Article I DEFINITIONS

In addition to the other terms defined herein, the following terms, whether in the singular or in the plural, when used herein and initially capitalized, shall have the meanings specified throughout this Agreement.

Section 1.01 **"Act"** means Chapter 5 of Division 7 of Title I of the Government Code (Section 6500 *et seq.*), as supplemented and amended from time to time, including without limitation the Marks-Roos Local Bond Pooling Act of 1985.

Section 1.02 **"Agreement"** means this Joint Powers Agreement, as it may be supplemented and amended from time to time in accordance with the terms hereof.

Section 1.025 **"Annual Meeting"** means the annual meeting of Members as provided in Article IV of this Agreement.

Section 1.03 **"Associate Member"** means any Public CCA Agency that is a signatory to this Agreement and that has met the requirements of Section 3.02 below to become an Associate Member. The term "Associate Member" shall, however, exclude any Associate Member which shall have withdrawn or been excluded from CCCFA pursuant to Section 3.04 below.

Section 1.04 **"Board"** means the Board of Directors of CCCFA as established by this Agreement.

Section 1.05 **"Bonds"** means bonds, notes, commercial paper, installment purchase, lease purchase and similar agreements and certificates of participation therein, and any other evidences of indebtedness.

Section 1.06 **"CCCFA"** means the California Community Choice Financing Authority, the Joint Powers Authority established by this Agreement.

Section 1.07 **"Director"** means each Director duly appointed and serving on the Board as provided in Article IV of this Agreement.

Section 1.08 **"Founding Member"** means each of the Public CCA Agencies initially executing this Agreement, and any Public CCA Agency that becomes a Founding Member pursuant to Section 3.01 below. The term "Founding Member" shall, however, exclude any Founding Member which shall have withdrawn or been excluded from CCCFA pursuant to Section 3.04 below. The initial Founding Members are Central Coast Community Energy, East Bay Community Energy, Marin Clean Energy, and Silicon Valley Clean Energy. "Founding Member" is synonymous with "Governing Member" and the two terms may be used interchangeably in this Agreement and any other CCCFA rule, policy, bylaw, resolution, or other document.

Section 1.09 **"Government Code"** means the Government Code of the State of California.

Section 1.10 **"Member"** means a Founding Member or an Associate Member.

Section 1.11 **"Prepayment Project"** means, in connection with the financing or refinancing of energy prepayments that can be financed with tax advantaged bonds and other obligations: (i) the purchase and sale of electric energy and associated capacity and environmental attributes, (ii) the design, acquisition, maintenance, or operation of any Public Capital Improvement (as defined in the Act) or other facility or improvement, or the leasing thereof, (iii) the provision of working capital, and (iv) any other project, program, public capital improvement or purpose authorized by the Act or other law to be undertaken, financed, or refinanced by CCCFA, subject to CCCFA's approval of an application from one or more Members or support of such project, program, public capital improvement or authorized purpose and in connection with the financing or refinancing of energy prepayments that can be financed with tax advantaged bonds and other obligations.

Section 1.12 **"Prepayment Project Contract"** means a contract among any Members and CCCFA in connection with the undertaking, financing or refinancing of a Prepayment Project by such Members and CCCFA in accordance with the terms of this Agreement.

Section 1.13 **"Public CCA Agency"** means any community choice aggregator, as such term is defined in Section 331.1 of the Public Utilities Code, that is a public agency, as such term is defined in the Act, which has implemented a CCA program pursuant to Section 366.2 of the Public Utilities Code.

Section 1.14 **"Public Utilities Code"** means the Public Utilities Code of the State of California.

Article II FORMATION OF AUTHORITY

Section 2.01 **Creation of CCCFA.** Pursuant to the Act, there is hereby created a public entity, to be known as the "California Community Choice Financing Authority," which shall be a public entity separate and apart from its Members. The debts, liabilities and obligations of CCCFA shall not constitute debt, liabilities or obligations of any Member.

Section 2.02 **Purpose.** This Agreement is made, and CCCFA is being established, pursuant to the Act to provide for the joint exercise of powers common to the parties hereto to assist the Members in financing or refinancing energy prepayments that can be financed with tax advantaged bonds and other obligations on behalf of one or more of the Members, including by undertaking, financing or refinancing Prepayment Projects on behalf of one or more of the Members and/or CCCFA, all as further described in Section 2.03 hereof. CCCFA will fulfill the purposes of this Agreement by, among other things, undertaking the sale and issuance or incurrence of Bonds to finance or refinance Prepayment Projects on behalf of one or more of the Members and/or CCCFA in accordance with the Act. CCCFA is not being formed for the purposes of providing municipal services within the meaning of Section 6503.6 or Section 6503.8 of the Act.

Section 2.03 **Powers.** CCCFA, in its own name, shall have any and all power to undertake Prepayment Projects on behalf of one or more of the Members and/or CCCFA, and to finance or refinance such Prepayment Projects through the sale and issuance or incurring of Bonds for the purposes set forth in Section 2.02 hereof. CCCFA is empowered to exercise any and all common powers of the Members, and any other powers provided to it by any applicable laws, beneficial for the issuance or incurrence from time to time of such Bonds pursuant to Article VII hereof. Without limiting the generality of the foregoing, CCCFA, in its own name, shall have the power:

- **(a)** to acquire, purchase, finance, operate, maintain, utilize and/or dispose of one or more Prepayment Projects and any facilities, programs or other authorized costs relating thereto;
- **(b)** to make and enter contracts (including without limitation interest rate, commodity, basis and similar hedging contracts intended to hedge payment, rate, cost or similar exposure);
- **(c)** to employ agents and employees;
- **(d)** to acquire, manage, maintain or operate any building, works or improvements;

(e) to acquire, hold, lease or dispose of property;

(f) to incur debts (including without limitation through the issuance or incurrence of Bonds), liabilities or obligations (which shall not constitute debts, liabilities, or obligations of any of the Members);

(g) to sue and be sued in its own name;

(h) to receive gifts, contributions and donations of real or personal property, funds, services and other forms of assistance from any source;

(i) to receive, collect, invest and disburse moneys;

(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 make and enter into service agreements relating to the provision of services necessary to plan, implement, operate and administer energy-related programs;

(l) to defend, hold harmless, and indemnify, to the fullest extent permitted by law, each Member from any liability, claims, suits, or other actions;

(m) to exercise any other power and take any other action permitted by law to accomplish the purposes of this Agreement.

Such powers shall be exercised by CCCFA subject only to such restrictions upon the manner of exercising such power as are imposed upon Silicon Valley Clean Energy in the exercise of similar powers, as provided in Section 6509 of the Act, and, should Silicon Valley Clean Energy withdraw or be excluded from this Agreement pursuant to Section 3.04 hereof, the manner of exercising any power shall be subject only to the restrictions upon the manner of exercising such powers as are imposed upon Marin Clean Energy in the exercise of similar powers; *provided, however,* that nothing herein shall limit the powers of CCCFA under Article 4 of the Act.

Any Bonds issued or incurred by CCCFA shall not constitute general obligations of CCCFA, but shall be payable solely from the moneys pledged to the payment of principal of or interest on such Bonds under the terms of the resolution, indenture, trust agreement or other instrument pursuant to which the Bonds are issued or incurred, as further described in Article VII hereof. Such Bonds shall not constitute debts, liabilities or obligations of the Members.

Any of the Prepayment Projects acquired, financed or refinanced by CCCFA shall be operated by a Member or CCCFA for and on behalf of CCCFA, either directly or pursuant to contract or agreement with a third party designated by the applicable Member or Members and approved by CCCFA. None of the Members or CCCFA shall have liability for the breach, negligence or willful misconduct of any such third party.

Article III MEMBERSHIP

Section 3.01 Founding Members. A Public CCA Agency will be qualified to join as a Founding Member only if it possesses the power to purchase and sell electric energy and enter into related contracts for such purposes. Public CCA Agencies may be added as parties to this Agreement and become Founding Members, and existing Associate Members may be elevated to Founding Members, upon: (1) the filing by such Public CCA Agency with the Board of an executed counterpart of this Agreement, together with a copy of the resolution of the governing body of such Public CCA Agency approving this Agreement and the execution and delivery hereof, and requesting to be added as a Founding Member of CCCFA; (2) the approval at a regular or special meeting of the Board by at least two-thirds (2/3) of the entire Board, and the adoption of a resolution of the Board approving the addition of such Public CCA Agency as a Founding

Member; and (3) the deposit with, or the written agreement to pay to, CCCFA a share of organization, planning and other costs and charges as determined by the Board to be appropriate, if any. Upon satisfaction of such conditions, the Board shall file such executed counterpart of this Agreement as an amendment hereto, effective upon such filing. Upon completion of the foregoing, the Public CCA Agency shall become a Founding Member for all purposes of this Agreement.

Section 3.02 Associate Members. A Public CCA Agency will be qualified to join as an Associate Member only if it possesses the power to purchase and sell electric energy and enter into related contracts for such purposes. Public CCA Agencies may be added as Associate Members of CCCFA upon: (1) the filing by such Public CCA Agency with the Board of an executed counterpart of this Agreement, together with a copy of the resolution of the governing body of such Public CCA Agency approving this Agreement and the execution and delivery hereof, and requesting to be added as an Associate Member of CCCFA; (2) the approval at a regular or special meeting of the Board by a majority vote of the Directors in attendance, provided a quorum is established and maintained, and the adoption of a resolution of the Board approving the addition of such Public CCA Agency as an Associate Member; and (3) the deposit with, or the written agreement to pay to, CCCFA a share of organization, planning and other costs and charges as determined by the Board to be appropriate, if any. Upon satisfaction of such conditions, the Board shall file such executed counterpart of this Agreement as an amendment hereto, effective upon such filing. Upon completion of the foregoing, the Public CCA Agency shall become an Associate Member for all purposes of this Agreement.

Section 3.03 Cost Allocations.

(a) Unless otherwise determined by a two-thirds (2/3) vote of the entire Board, each Member shall pay an equal share of one Member one share for general and administrative costs as determined by the Board associated with all operations of CCCFA. General and administrative costs do not include any costs that relate solely to any specific Prepayment Project Contract.

(b) The costs of each Prepayment Project shall be allocated solely to the Member or Members undertaking or participating in such Prepayment Project or on whose behalf CCCFA undertakes such Prepayment Project, which allocation shall be described in a Prepayment Project Contract relating to such Prepayment Project.

Section 3.04 Withdrawal or Exclusion of Member.

(a) Any Member may withdraw from CCCFA upon the following conditions:

(i) The Member shall have filed with the Board Secretary a certified copy of a resolution of its governing body expressing its desire to so withdraw. If a Founding Member files a resolution to withdraw with the Board Secretary, that Founding Member no longer has any voting rights on the Board;

(ii) Members undertaking or participating in Prepayment Projects or on whose behalf CCCFA undertakes a Prepayment Project shall remain subject to the cost allocation, participation and withdrawal terms and conditions, as applicable, set forth in the applicable Prepayment Project Contract; and

(iii) Prior to the Board accepting the Member's filing of such resolution, any Member so terminating shall be obligated to pay its share of general and administrative costs then due. However, this obligation shall take into account any refunds due to the Member and shall not extend to debts, liabilities and obligations of CCCFA. The debts, liabilities and obligations of CCCFA shall not constitute debt, liabilities or obligations of any Member.

(iv) No such withdrawal shall, or shall be permitted if it would, result in (a) CCCFA having fewer than three Founding Members; or (b) the dissolution of CCCFA so long as any Bonds remain outstanding under any resolution, indenture, trust agreement or other instrument pursuant to which such Bonds are issued or incurred.

(b) Upon compliance with the conditions specified in Section 3.04(a), the Board shall accept the withdrawing Member's resolution and the withdrawing Member shall no longer be considered a Member for any reason or purpose under this Agreement and its rights and obligations under this Agreement shall terminate. The withdrawal of a Member shall not affect any obligations of such Member under any Prepayment Project Contract or other program agreement.

(c) Any Member which has (i) defaulted under this Agreement, a Prepayment Project Contract, or other program agreement, (ii) if such Member is a Founding Member, failed to appoint a Director to serve on the Board in accordance with Section 4.02 below, or (iii) failed to pay any required share of costs in accordance with Sections 3.01, 3.02, and 3.03 above, may have its rights under this Agreement terminated and may be excluded from participation in CCCFA by the vote (taken at a regular or special meeting of the Board) of at least two-thirds (2/3) of the entire Board (including the Director representing the defaulting Member, if such Member is a Founding Member). Prior to any vote to terminate participation of any 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 60 days prior to the Board meeting at which such matter shall first be discussed as an agenda item. The written notice of the proposed termination shall specify the particular provisions of this Agreement or a Prepayment Project Contract or other program agreement which the Member has allegedly defaulted on, or whether the proposed termination is based on failure to appoint a Director (if such Member is a Founding Member) or pay any required share of costs. The Member subject to possible termination shall have the opportunity to cure the violation prior to the meeting at which termination will be considered. At the meeting where termination of the Member is considered, the Member shall be given the opportunity to respond to any reasons and allegations that may be cited as a basis for termination prior to a termination vote. Any excluded Member shall continue to be liable for its obligations under any Prepayment Project Contract or other program agreement and for any unpaid contribution, payment, or advance approved by the Board prior to such Member's exclusion. No such termination shall, or shall be permitted if it would, result in (a) CCCFA having fewer than three Founding Members; or

(d) the dissolution of CCCFA so long as any Bonds remain outstanding under any resolution, indenture, trust agreement or other instrument pursuant to which such Bonds are issued or incurred.

(e) The withdrawal or termination of a Member shall not affect the provisions or obligations set forth in Article VIII or Section 11.04 below.

Section 3.05 Contributions and Advances. Contributions or advances of public funds and of personnel, equipment or property may be made to CCCFA by any Member for any of the purposes of this Agreement. Payment of public funds may be made to defray the cost of such purpose. Any such advance shall be made subject to repayment, and shall be repaid in the manner agreed upon by such Member and CCCFA at the time of making such advance. It is mutually understood and agreed that no Member is under any obligation to make advances or contributions to CCCFA to provide for the costs and expenses of administration of CCCFA, even though any Member, in its sole discretion, may do so. Any Founding Member may allow the use of personnel, equipment or property in lieu of other contributions or advances to CCCFA.

Article IV POWERS OF BOARD & MANAGEMENT OF CCCFA

Section 4.01 Board. CCCFA shall be administered by a Board which shall consist of ~~one~~ no more than five Directors ~~representing each Founding Member~~ appointed according to Sections 4.02 and 4.12 of this Agreement. Such Board shall be the governing body of this CCCFA, and, as such, shall be vested with the powers set forth in this Agreement, and shall execute and administer this Agreement in accordance with the purposes and functions provided herein. The Board shall have the authority to provide for the general management and oversight of the affairs, property and business of CCCFA.

Section 4.02 Appointment, Election and ~~Vacancies~~ Term. Each Director shall be appointed by election at an Annual Meeting in accordance with Section 4.12 of this Agreement. Each Director shall be the Chief Executive Officer, General Manager, Executive Director, or designee of the Chief Executive Officer, General Manager, or Executive Director, of ~~each~~ a Founding Member to serve on the Board, subject to election to the Board at an Annual Meeting.~~and shall be appointed by and serve at the pleasure of the Founding Member that the Director represents, and may be removed as Director by such Founding Member at any time.~~ Only Founding Members are eligible to nominate a Director for service on the Board. Founding Members shall provide written notice to CCCFA of their nominations, if any, at least ninety (90) days before an Annual Meeting. Except for Board appointments made at the first Annual Meeting, Directors shall serve a two-year term from January 1 following election until their successors are elected and seated under Section 4.12.

Section 4.025 Vacancies. Directors shall be nominated by and serve at the pleasure of the Founding Member that the Director represents, and may be removed as Director by such Founding Member at any time. If ~~at any time~~ a vacancy occurs on the Board unrelated to the conclusion of a Director's term, a replacement shall be appointed by the Founding Member that nominated that Director to fill the position of the previous Director in accordance with the provisions of this Article IV within 60 days of the date that such position becomes vacant or the Founding Member shall be subject to the exclusion procedures in Section 3.04(c) above. Each Director may appoint an alternate to serve in their absence.

Section 4.03 Notices. The Board shall comply with the applicable provisions of Sections 6503.5, 6503.6 and 53051 of the Government Code requiring the filing of notices and a statement with the Secretary of State and the State Controller.

Section 4.04 Committees. The Board may create committees to provide advice to the Board or conduct the business of CCCFA subject to delegation of authority from the Board as permitted in the bylaws and any applicable laws.

Section 4.05 Director Compensation. Compensation for work performed by Directors, including alternates, on behalf of CCCFA shall be borne by the Founding Member that ~~appointed~~ nominated the Director. The Board, however, may adopt by resolution a policy relating to the reimbursement of expenses incurred by Directors.

Section 4.06 Board Officers. At its first meeting in every second calendar year, the Board shall elect or re-elect a Chair and a Vice-Chair, each of whom shall be selected from among the Directors and shall also appoint or re-appoint a Secretary, and a Treasurer/Controller, each of whom may, but need not, be selected from among the Directors.

(a) **Chair and Vice-Chair**. The duties of the Chair shall be to preside over the Board meetings, sign all ordinances, resolutions, contracts and correspondence adopted or authorized by the Board, and to help ensure the Board's directives and resolutions are carried out. In the absence or inability of the Chair to act, the Vice Chair shall act as Chair.

(b) **Treasurer/Controller**. The Board shall appoint a qualified person to act as the Treasurer/Controller, who does not need to be a Director. Where a certified public accountant has been designated as Treasurer/Controller of CCCFA, the auditor of one of the Founding Members or of a county in which one of the Founding Members is located shall be designated as auditor of CCCFA. Subject to the provisions of any resolution, indenture, trust agreement or other instrument providing for a trustee or other fiscal agent in connection with any Bonds, and, except as may otherwise be specified by resolution of CCCFA, the Treasurer/Controller shall be the depository of CCCFA to have custody of all the money of CCCFA, from whatever source, and, as such, shall have the powers, duties and responsibilities specified in Section 6505.5 of the Government Code. The Treasurer/Controller is hereby designated as the public officer or person who has charge of, handles, or has access to any property of CCCFA, and such officer shall file an official bond in an amount determined from time to time by the Board as required by Section 6505.1 of the Government Code. The Treasurer/Controller shall cause an independent audit to be made by a certified public accountant, or public accountants, in compliance with Section 6505 of the Government Code. The Treasurer/Controller shall also create or caused to be created a report in writing on the first day of each fiscal quarter to CCCFA and each Founding Member, which report shall describe the amount of money held by the Treasurer/Controller, the amount of receipts since the last such report, and the amount paid out since the first such report.

(c) **Secretary**. The Secretary shall be responsible for keeping the minutes of all meetings of the Board and all other official records of CCCFA, and responding to public records requests of the JPA.

Section 4.07 Management of CCCFA. The Board may appoint a part-time or full-time General Manager, and may appoint one or more part-time or full-time Assistant General Managers, to serve at the pleasure of the Board. If a General Manager has been appointed, the General Manager shall be responsible for the day-to-day operation and management of CCCFA. If no General Manager shall have been appointed, the Treasurer/Controller shall be responsible for the day-to-day operation and management of CCCFA. The General Manager, if any, and the Treasurer/Controller may each enter into and execute contracts in accordance with the policies established and direction provided by the Board, and shall file an official bond in the amount determined from time to time by the Board.

Section 4.08 Other Officers and Employees. The Board shall have the power to appoint such other officers, deputies, legal counsel (which may be the legal counsel to one or more of the Members) and staff as it may deem necessary who shall have such powers, duties and responsibilities as are determined by the Board, and to retain independent accountants, legal counsel, engineers and other consultants. The Founding Members may contract with CCCFA to provide staff to perform services for CCCFA, but such employees shall at all times, and for all purposes including benefits and compensation, remain employees of the Founding Member only.

Section 4.09 Budget. The budget shall be approved by the Board. The Board may revise the budget from time-to-time as may be reasonably necessary to address contingencies and expected expenses. All subsequent budgets of CCCFA shall be approved by the Board in accordance with rules as may be adopted by the Board from time to time. All expenditures must be made in accordance with the adopted budget.

Section 4.10 Fiscal Year. Unless changed by resolution of the Board, the fiscal year of CCCFA shall be the period from January 1 of each year to and including the following December 31.

Section 4.11 Annual Meeting. An Annual Meeting of all Members shall be held once each calendar year. The Board shall fix the date, hour and place of each Annual Meeting by resolution and shall provide written notice to all Members at least sixty (60) days before the Annual Meeting, which shall also include Founding Members' nominations for Directors under Section 4.02 of this Agreement.

(a) Purpose. Each Annual Meeting shall include:

(i) Election of Directors to the Board.
(ii) Any other matters properly before the Members as determined by the Board.

(b) Brown Act Compliance. All Annual Meetings shall be conducted in accordance with the provisions of the Ralph M. Brown Act (Government Code Section 54950 *et seq.*), and as augmented by rules of the Board not inconsistent therewith. Member representatives may participate in meetings telephonically or by other electronic means, with full voting rights, to the extent permitted by law.

(c) Election of Directors. Directors shall be elected at the Annual Meeting as provided in the bylaws, policies or rules and regulations of the Board, and any applicable laws not inconsistent therewith. At the first Annual Meeting only, elections shall be held for all five Board seats, of which three Directors shall serve a two-year term, and two Directors shall serve a three-year term. Thereafter, elections shall occur at the Annual Meeting for all Board seats whose term is set to expire in that calendar year. Each Director shall assume the duties of their office at the first regular Board meeting of the calendar year.

(d) Conduct. CCCFA may adopt, from time to time, by resolution of the Board such bylaws, policies or rules and regulations for the conduct of Annual Meetings as may be required.

Article V MEETINGS OF THE BOARD

Section 5.01 Regular Meetings. The Board shall hold at least one regular meeting 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 of the Board. Regular meetings may be adjourned to another meeting time.

Section 5.02 Special Meetings. Special and emergency meetings of the Board may be called in accordance with the provisions of Government Code Sections 54956 and 54956.5, as amended.

Section 5.03 Brown Act Compliance. All meetings of the Board shall be conducted in accordance with the provisions of the Ralph M. Brown Act (Government Code Section 54950 *et seq.),* and as augmented by rules of the Board not inconsistent therewith. Directors may participate in meetings telephonically or by other electronic means, with full voting rights, to the extent permitted by law.

Section 5.04 Minutes. The Secretary shall cause to be kept minutes of the meetings of the Board, both regular and special, and shall cause a copy of the minutes to be forwarded promptly to each Director.

Section 5.05 Quorum. A quorum of the Board shall consist of a majority of the Directors, except that less than a quorum may adjourn from time to time in accordance with law.

Section 5.06 Voting. Each Founding Member elected to the Board shall have one vote, which may be cast on any matter before the Board by each Director or alternate. Except to the extent otherwise specified in this Agreement, or by law, a vote of the majority of the Directors in attendance shall be required and sufficient to constitute action, provided a quorum is established and maintained.

(a) Special Voting Requirements as specified in this Agreement:

(i) Action of the Board on the matters set forth in Section 3.01 related to addition of Founding Members shall require the affirmative vote of at least two-thirds (2/3) of the ~~Entire~~ entire Board.

(ii) Action of the Board on the matters set forth in Section 3.04(c) related to involuntary termination of a Member shall require the affirmative vote of at least two-thirds (2/3) of the entire Board.

(iii) Action of the Board on the matters set forth in Section 9.01 related to termination of this Agreement shall require the affirmative vote of at least two-thirds (2/3) of the entire Board approved by resolution of each Founding Member's governing body.

(iv) Action of the Board to amend any other provision of this Agreement shall be subject to the voting requirements set forth in Section 11.03 below.

Section 5.07 Rules and Regulations. CCCFA may adopt, from time to time, by resolution of the Board such bylaws, policies or rules and regulations for the conduct of its meetings and affairs as may be required.

Article VI PREPAYMENT PROJECTS

Section 6.01 Prepayment Projects. The Board has the power, upon majority vote of the Directors in attendance, provided a quorum is established and maintained, to approve the application of any Member for the undertaking, financing, or refinancing of any Prepayment Projects within the purpose and power of CCCFA and to adopt guidelines for their implementation.

Section 6.02 Prepayment Project Contract. The costs and other expenses of each Prepayment Project, including without limitation applicable administrative costs of CCCFA with respect to the Prepayment

Project, shall be allocated solely to the Member or Members undertaking or participating in such Prepayment Project or on whose behalf CCCFA undertakes such Prepayment Project, which allocation shall be described in a Prepayment Project Contract relating to such Prepayment Project, which will be separate and distinct from this Agreement.

Article VII BONDS AND OTHER INDEBTEDNESS

In addition to the other powers conferred on CCCFA by this Agreement, CCCFA shall have the power to issue, incur, sell and deliver Bonds in accordance with the provisions of the Act and other applicable laws for the purpose of acquiring, undertaking, financing, or refinancing one or more Prepayment Projects. The terms and conditions of the issuance or incurrence of any such bonds or indebtedness shall be set forth in a resolution, indenture, trust agreement, or other instrument pursuant to which the Bonds are issued or incurred, as required by law and as approved by the Board. CCCFA's debts, liabilities and obligations with respect to Bonds issued or incurred under this Agreement and contracts or obligations entered into to carry out the purposes for which Bonds are issued or incurred, shall not constitute a debt, liability or obligation of any of the Members.

Any Bonds issued or incurred by CCCFA shall not constitute general obligations of CCCFA, but shall be payable solely from the moneys pledged to the payment of principal of or interest on such Bonds under the terms of the resolution, indenture, trust agreement or other instrument pursuant to which the Bonds are issued or incurred.

Article VIII LIMITATION ON LIABILITY OF MEMBERS

Section 8.01 Pursuant to Section 6508.1 of the Government Code, no debt, liability or obligation of CCCFA shall be a debt, liability or obligation of any Member. Nothing contained in this Article VIII shall in any way diminish the liability of any Member with respect to any Prepayment Project Contract such Member enters into pursuant to this Agreement.

Section 8.02 Notwithstanding anything to the contrary in this Agreement or otherwise, CCCFA shall not have the power to and shall not enter into any retirement contract with any public retirement system (as defined in Section 6508.1 of the Government Code) for any reason. The provision in this paragraph is intended to benefit Members and to be a confirming, irrevocable obligation of CCCFA which may be enforced by Members individually or collectively.

Article IX TERM; TERMINATION; LIQUIDATION; DISTRIBUTION

Section 9.01 **Term and Termination.** This Agreement shall become effective when at least three Founding Members execute this Agreement. This Agreement shall continue in full force and effect until terminated as provided in this Article; *provided, however,* this Agreement cannot be terminated while either (a) any Bonds of CCCFA remain outstanding under the terms of the resolution, indenture, trust agreement or other instrument pursuant to which such Bonds are issued or incurred, or (b) CCCFA is the owner, lessor or lessee of any real or personal property financed from the proceeds of any Bonds. This Agreement may be terminated by a two-thirds (2/3) vote of the entire Board that is approved by resolution of each Founding Member's governing body; *provided, however,* that this Agreement and CCCFA shall continue to exist after termination for the purpose of disposing of all claims, distribution of assets and all other functions necessary to conclude the obligations and affairs of CCCFA. In any event, CCCFA shall cause all records regarding its formation, existence, the Prepayment Projects, any Bonds issued or incurred by it and proceedings pertaining to its termination to be retained for at least six years (or as otherwise required by law) following termination of CCCFA or final payment of any Bonds issued or incurred by CCCFA, whichever is later.

Section 9.02 Liquidation; Distribution. Upon termination of this Agreement, the Board shall liquidate the business and assets and the property of CCCFA as expeditiously as possible, and distribute any net proceeds, after the conclusions of all debts and obligations of CCCFA, to any Members in proportion to the contributions made or in such manner as otherwise provided by law. The Board is vested with all powers of CCCFA for the purpose of concluding and dissolving the business affairs of CCCFA. Notwithstanding the foregoing, no dissolution of CCCFA shall be permitted while either (a) any Bonds of CCCFA remain outstanding, or (b) CCCFA is the owner, lessor or lessee of any real or personal property financed from the proceeds of any Bonds.

Article X ACCOUNTS AND REPORTS

Section 10.01 Establishment and Administration of Funds. CCCFA is responsible for the strict accountability of all funds and reports of all receipts and disbursements. It will comply with every provision of law relating to the establishment and administration of funds, including without limitation Section 6505 of the Government Code. CCCFA shall establish and maintain such funds and accounts as may be required by good accounting practice or by any provision of any resolution, indenture or other instrument of CCCFA securing its bonds or other indebtedness, except insofar as such powers, duties and responsibilities are assigned to a trustee appointed pursuant to such resolution, indenture or other instrument. The books and records of CCCFA shall be open to inspection at all reasonable times to each Member and its representatives.

Section 10.02 Annual Audits and Audit Reports. The Treasurer/Controller shall cause an annual independent audit of the accounts and records of CCCFA to be made by a certified public accountant or public accountant in accordance with all applicable laws. If permitted by applicable law and authorized by the Board, the audit(s) may be conducted at the longer interval authorized by applicable law. A report of the financial audit will be filed as a public record with each Member not later than 270 days after the close of the fiscal year or fiscal years under examination. CCCFA will pay the cost of the financial audit and charge the cost against the Members in the same manner as other administrative costs.

Article XI GENERAL PROVISIONS

Section 11.01 Conflict of Interest Policy. CCCFA, unless otherwise exempt, shall adopt a conflict of interest policy as required under applicable laws of the State of California. Counsel to CCCFA for financing matters, including bond counsel, shall not be considered a consultant or other designated position for purposes of the conflict of interest policy.

Section 11.02 Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the successors of the parties. Except to the extent expressly provided herein, neither a Member nor CCCFA may assign any right or obligation under this Agreement without the consent of all other Members.

Section 11.03 Amendments. Subject to any requirements of law, a two-thirds (2/3) vote of the entire Board will be required to amend Articles II, III, VIII, and IX of this Agreement, and an amendment of Section 8.02 and Section 11.03 of this Agreement shall require an affirmative vote of the entire Board. Once an amendment of Articles II, III, VIII, or IX is adopted by the Board, the amendment must be approved by two-thirds of the Founding Members pursuant to each Founding Member's applicable approval process, and an amendment of Section 8.02 and Section 11.03 of this Agreement shall require an affirmative vote of all Founding Members pursuant to each Founding Member's applicable approval process. All other provisions of this Agreement may be amended at any time or from time to time by an amendment approved by at least two-thirds (2/3) vote of the entire Board. Written notice shall be provided to all Members of proposed amendments to this Agreement, including the effective date of such amendments, at least thirty (30) days prior to the date upon which the Board votes on such amendments. Each Member hereby agrees to take any actions necessary on its part to approve any amendment adopted pursuant to this Section 11.03, and if any Member fails to perform any such actions, such Member shall be deemed to have submitted a resolution of withdrawal pursuant to the provisions of Section 3.04 hereof

Notwithstanding the foregoing, this Agreement shall not terminate while any Bonds of CCCFA remain outstanding under the terms of the resolution, indenture, trust agreement or other instrument pursuant to which such Bonds are issued or incurred.

Section 11.04 Indemnification and Insurance. To the fullest extent permitted by law, CCCFA shall defend, indemnify, and hold harmless the Members and each Director, alternate, officer, employee and agent 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 CCCFA under this Agreement to the extent not otherwise provided under a Prepayment Project Contract. CCCFA shall acquire such insurance coverage as the Board deems is necessary and appropriate to protect the interests of CCCFA and the Members.

Section 11.05 Waiver of Personal Liability. No member, director, commissioner, officer, agent or employee of CCCFA or the Members, respectively, past, present or future, shall be individually or personally liable for the observance or performance of any terms, conditions or provisions hereof or for any claims, losses, damages, costs, injury and liability of any kind, nature or description arising from the actions of CCCFA or the actions undertaken pursuant to this Agreement; *provided, however*, that nothing herein shall relieve any such person from the performance of any official duty provided hereby or by applicable provision of law.

Section 11.06 Limitation of Rights. All of the covenants, agreements, terms and conditions in this Agreement to be observed or performed by or on behalf of CCCFA or the Members shall be for the sole and exclusive benefit of CCCFA and the Members, whether so expressed or not, and nothing contained herein, express or implied, is intended to or shall give any other person other than CCCFA and the Members any legal or equitable right, remedy or claim hereunder.

Section 11.07 Notices. The Board shall designate its principal office as the location at which it will receive notices, correspondence, and other communications, and shall designate one of its Directors or staff as an officer for the purpose of receiving service of process on behalf of CCCFA. Any notice given pursuant to this Agreement shall be in writing and shall be dated and signed by the Member giving such notice. Notice to each Member under this Agreement is sufficient if mailed to the Member, and separately to the Director appointed by such Founding Member, to their respective addresses on file with CCCFA.

Section 11.08 Severability. Should any portion, term, condition, or provision of this Agreement be determined by a court of competent jurisdiction to be illegal or in conflict with any law of the State of

California, or be otherwise rendered unenforceable or ineffectual, the remaining portions, terms, conditions, and provisions shall not be affected thereby.

Section 11.09 Section Headings. The section headings herein are for convenience only and are not to be construed as modifying or governing the language in the section to which they refer.

Section 11.10 Choice of Law. This Agreement will be governed and construed in accordance with the laws of the State of California.

Section 11.11 Counterparts. This Agreement may be executed in any number of counterparts, and each executed counterpart shall have the same force and effect as an original instrument and as if all Members had signed the same instrument.

Section 11.12 Dispute Resolution. The Members shall make reasonable efforts to informally settle all disputes arising out of, or in connection with, this Agreement. Should such informal efforts to settle a dispute fail, the dispute shall be mediated in accordance with policies and procedures established by the Board. In the event such mediation fails to settle a dispute, the parties may pursue any remedies provided by law.

[Signature Page Follows]

Staff Report – Item 6

Item 6:	Board of Directors
From:	Patty J. Kong, Finance Consultant
Date**:**	August 27, 2026
Subject:	CCCFA Fees and Revenue Options
Attachment**:**	Five-Year Forecast

RECOMMENDATION

1. Receive presentation and follow up Information regarding recommended CCCFA fees and revenue options; and
2. Staff to return with a resolution to adopt modifications to CCCFA fees as recommended or as modified by the Board:

Recommended Revenue Options Summary

A table summarizing the current and recommended fee structure is as follows:

Revenue Category	Current Status	Recommended Changes
New Membership Fee	$50,000 per new membership	No Proposed Change
Prepayment Transaction Fee Multiple-CCA Fee	$20,000 per new deal	$25,000 Proposed 2 agencies $18,000 each 3 agencies $15,000 each 4+agencies $12,000 each
Repricing Fee	None	$25,000 Proposed 2 agencies $18,000 each 3 agencies $15,000 each 4+agencies $12,000 each

Cash Call	Amount determined as needed	Hybrid of 50% flat equal share allocation and 50% based on number of transactions outstanding
Option 3 Embedded Fee:	None	Create a new fee embedded into each new repricing or prepayment transaction.

BACKGROUND

The California Community Choice Financing Authority (CCCFA) was established in 2021 with the goal of reducing the cost of power purchases for member community choice aggregators (CCAs) through the issuance of prepayment bonds. CCCFA receives member contributions as new member fees, prepayment transaction fees, and, when necessary, member cash calls to support its ongoing operations.

This report provides the follow-up information requested by the CCCFA Board at its June 25, 2026, meeting, to assist the Board in its deliberations for potential modifications to existing fees, the allocation methodology, and potential new fees.

On June 25, 2026, the CCCFA Board received a presentation on CCCFA fees and revenue options and provided feedback. The main areas for additional information requested are:

1. Identify the fixed versus variable costs associated with a prepay bond issue;
2. Whether there is a structural imbalance in CCCFA's budget;
3. A five-year forecast to provide a long-term perspective on CCCFA's budget, and
4. If option 3 were adopted (new fee embedded in swap / prepayment agreements) provide additional information on the process and the implementation of this methodology.

DISCUSSION & ANALYSIS

Fixed vs Variable Costs

CCCFA was created for the purpose of serving as a conduit issuer for renewable energy prepay bonds. Therefore, all costs incurred by CCCFA are related to its main mission of facilitating the issuance of and the ongoing maintenance of the prepay bonds. The Prepayment Transaction Fee was adopted on December 16, 2022, at $20,000 per transaction, to recover the costs of time incurred by personnel engaged in the prepayment transaction. This was a best estimate at the time to recover the time incurred by CCCFA staff, primarily the Treasurer/Controller and General Counsel.

To address the question as to whether the variable costs are being recovered by the variable revenues (Prepayment Transaction Fee), a high-level cost analysis was performed by reviewing the time allocated to new prepayment transactions over the past six months. This analysis indicated that the cost of the direct time spent by CCCFA staff was less than the associated fee. A rough estimate is that the direct costs would be less than $10,000 for the initial time incurred on a new prepayment transaction. When the fee was originally adopted, CCCFA had only issued a handful of bonds. Therefore, it is reasonable to assume that it took more time in the early days of CCCFA to complete a prepay bond issuance. Now that the process has become more efficient and routine, it requires less CCCFA direct staff time.

Although a smaller percentage of time is directly related to the new prepayment transaction, significant time is related to the ongoing administration of the existing prepay bonds. Therefore, it is not recommended to reduce the existing Prepayment Transaction Fee and it is still recommended to increase the fee from $20,000 to $25,000 for a single CCA off-taker transaction.

The fee is relatively immaterial in comparison to the total cost of issuance of each prepayment transaction and if this fee is reduced, then additional revenues would need to be recovered through the Cash Call. When CCCFA was formed, California State Communities Development Authority's (CSCDA) initial bond issuance fee was $300,000. The current fee for a comparable bond transaction through another conduit financing entity (i.e., CSCDA, CEDA) is $75,000.

Structural Budget Imbalance

CCCFA has been designed to operate as a lean organization with low operational costs. The organization has no full-time employees and only recently contracted for a part-time general manager. The budget for 2026 is $833,250 and consists primarily of costs for professional services to operate the organization and insurance costs. With a significant carryover balance, a cash call of $365,800 was required to fund current year operations.

A high level of comparison of the current year's budget with a structurally balanced budget is as follows:

2026 Budget	**Adopted**	**Structural**
Revenues:		
Other Revenues	$215,000	$ 15,000
Cash Call	365,800	766,000
Total Revenues	580,800	781,000
Expenses:		
Operational	182,500	182,500
Professional Services	575,000	522,750
Contingency	75,750	75,750
Total Expenses	833,250	781,000

Surplus (Deficit)	$(252,450)	$ -0-

Although the full budget will likely not be spent each year, there was a budget deficit adopted of approximately $250,000 that can be covered by the existing cash balance carried over from the prior year.

However, if you remove the budgeted revenues for prepayment transactions ($100,000) and new membership fees ($100,000) and variable expenses related to prepayment transactions ($52,250), a total cash call of $766,000, (or additional cash call of $400,000 over the $366,000) would have been needed to structurally balance the current year's budget.

Since there was a large cash balance of $435,000 at the beginning of the year, it is recommended that we gradually increase the annual cash call, drawing down on the cash balance, until the revenues and expenses can be structurally balanced within the next five years and still maintain a 20 percent reserve.

5-Year Forecast

A 5-year forecast can be helpful for planning purposes, and while it is based on assumptions and actual results may not be precisely as projected, it is helpful to identify trends. A 5-year forecast is attached to this report.

Revenues - CCCFA has a relatively straightforward budget, as discussed, with three main revenue sources. In the forecast, six new prepayment transactions are forecasted at the $25,000 level for the first couple of years and gradually reduced as it is anticipated that fewer deals may occur in the future as CCA's prepay their PPAs. Also included are the repricings that are scheduled to occur beginning in 2027. After discussion with bond counsels and underwriters, the repricing of bonds will essentially be in the form of a refunding and it is anticipated that the same level of staff time will be required for each repricing.

It is anticipated with the addition of the general manager and support staff, the budget should remain stable over the next couple of years and member contribution "cash calls" will be required annually. An inflationary increase of 4.0 percent is included in the forecast. However, this could be higher or lower, but does not make a significant difference plus or minus 1.0 percent.

Proposing to gradually draw down on the existing cash balance, it is anticipated that cash calls will begin in the $350,000 range and increasing to $600,000 once the available balance is reduced to the 20% reserve requirement.

Option 3 – Build an Ongoing Fee into each Prepayment Transaction

A potential substitution for the annual cash call methodology would be to include a small fee in the monthly transaction cash flows. This approach is intended to eliminate the need for annual cash calls.

Other more mature energy prepayment conduits in the US charge an embedded fee in the monthly cashflows. This fee slightly reduces the savings to the beneficiaries of the prepayment transactions but produces an ongoing source of revenue for the conduit agency. In this fee arrangement, the municipal natural gas or public power utilities receive slightly lower savings each month as the conduit collects a small fixed fee in the form of $ cents per MMBTu for gas or $ cents per MWhrs for electricity.

This fee is collected in the monthly cashflows and remitted monthly most often by the custodian bank. In some larger, more heavily staffed conduit agencies, the conduit actually bills the participant agencies for the gas or electricity then passes through the payments to the gas or electricity supplier. During this process, the conduit will retain a small predetermined fee each month established at the onset of the transaction.

If CCCFA were to consider a similar arrangement, the most likely vehicle would be via the commodity swap provider who is already extracting their small fee in the monthly cashflows. If the Board wants to further explore this approach, there are a few things to consider:

1) While it is possible to amend the documents in all of the existing transactions to facilitate this approach, it is likely that the best way to proceed would be to embed the monthly fee with each prospective transaction going forward.
2) This approach would directly align fees with the benefit realized by each CCA as there would be a fixed fee based upon the cashflows (size) of each transaction.
3) If the Board wants to proceed with this approach, over time the legacy transactions would include the monthly fee once they reset at the end of the initial bond period. Until these newly imbedded monthly transaction fees are sufficient to sustain the operating expenses of CCCFA, there would be a transition period where cash calls are utilized to satisfy annual expenses. Also, if there is a shortfall, an annual cash call could still be implemented.

SUMMARY

Current Fee Structure

CCCFA currently receives member contribution revenues from three sources:

1. **New membership fee** of $50,000 paid by each new member to CCCFA (adopted on March 11, 2022).
2. **Prepayment transaction fee** of $20,000 paid for each bond issue for which CCCFA provides conduit financing (adopted on December 16, 2022).
3. **Cash Call** is done as needed when it is anticipated during the budget process that additional funds will be needed to support CCCFA operating expenses for the coming year. The cash call is authorized under CCCFA's Joint Powers Agreement.

Recommended Modifications

1. **New Membership Fee**: No modification is proposed because it is anticipated that future new members may be limited.

2. **Prepayment Transaction Fee**: This fee is paid out of the cost of issuance when a prepayment transaction has closed. The fee is recommended to be increased to $25,000.

   Multiple-CCA member transaction (New)
   Staff recommends a fee structure apply to transactions involving multiple member CCAs. Although these transactions have historically been uncommon, they may become more frequent if CCA members pursue joint financings.

   It is recommended CCCFA adopt a tiered fee structure based on the number of participating members in a transaction, as follows:

Number of CCA Member Participants	Proposed Fee Per CCA Member Participant
1	$25,000
2	$18,000
3	$15,000
4+	$12,000

   If a multiple-CCA fee is adopted, it is recommended to be applied on a prospective basis for transactions CCCFA authorizes after adoption. The current $20,000 fee would apply to the proposed DCE/RCEA transaction.

   Repricing Fee (New): It is also recommended that CCCFA establish a repricing (or “roll”) fee. The first repricing will be the 2021A bonds that were set for 6 years and has a repricing period maturing December 1, 2027. Two more transactions will be repricing in 2028 with more occurring in the following years.

   Based on discussions with bond counsels and underwriters, repricings are a refunding of the bonds and are expected to require the same amount of staff effort as a new prepayment transaction. Therefore, A repricing fee per repricing is recommended to be established at the same fee as a new prepayment transaction of $25,000. The associated multi CCA transaction fees are also recommended to apply to repricings.

3. **Cash Calls:** Each CCCFA member must pay an equal share of the general and administrative (G&A) costs, as determined by the Board, associated with running the operations of CCCFA to cover expenses such as insurance, audits, staff time, and accounting fees. Any change to the methodology of the allocation of the cash call will require approval by 2/3 of the Board.

With the maturity of CCCFA, the budget is more defined and established. It is anticipated that a cash call will be necessary each year going forward. At the last meeting it appeared there was not a strong preference for an annual membership fee, but a preference to maintain the current annual cash call. There also did not appear to be a strong preference for the methodology for assessing the cash call, the methodology for assessing the cash call could be modified as follows:

- Based on number of bonds outstanding
- Based on par amount of bonds outstanding
- Hybrid with combination of a flat amount and transaction component

There is justification for any of the above methods. There are benefits to all members for the continued operations of CCCFA. Whether a bond transaction is $0.5 billion or $1.5 billion, the staff time is similar, and the prepayment transaction fee is generated to cover the staff time associated with each transaction. Allocating a portion of the cash call based on each agency's number of outstanding bonds would align costs with the benefits received from CCCFA conduit financings. The Working Group supported a method that weighted the cost allocation based on the benefits received by each agency.

Based on a budget of approximately $800,000, it is anticipated with other revenue and cash on hand the annual cash call could range in the $350,000 to $600,000 range over the next five years. Based on a $350,000 allocation, a summary of the allocations based on the different methodologies, is as follows:

Method	Min amount	Max amount
Equal Allocation	$25,000	$25,000
# of Transactions	$11,000	$71,000
Par Amount of Bonds	$ -0-	$77,000
Hybrid/# of Trans	$12,500	$48,000
Hybrid/Par Amount	$12,500	$51,000

Under any of the methods, applying a $350,000 cash call would result in an estimated increase of $52,000 to any one member. However, there is a benefit to all members for the continued operations of CCCFA. Therefore, staff proposes a hybrid method, where each member shares a flat rate of the allocation, with the balance allocated based on the number of bond transactions. A 50/50 allocation between equal shares and the number of transactions is recommended. This would more evenly distribute the cash call, with a component that members share a portion of the costs equally and a portion based on relative benefit received.

4. Staff to return with a detailed transition plan to implement the embedded fee into each new repricing and prepayment transaction for the Board's consideration.

CCCFA's existing fee structure has supported operations during its initial years; however, increasing organizational activity and evolving administrative needs warrant consideration of updated revenue methodologies. Staff seeks Board discussion and direction on recommended modifications to transaction fees, repricing fees, and long-term operating revenue sources.

FISCAL IMPACT

As CCCFA is maturing as an organization, current revenue sources could change. New membership fees are anticipated to decline as there are relatively fewer CCA's of a size that would benefit from CCCFA membership. New prepayment transactions could also slow as members prepay their existing power purchase agreements. However, repricing transactions will begin in 2027 and continue into the future. Therefore, new fees and modifications to existing fees are recommended.

Based on the existing cash available balance and the projected 5-year forecast, it is anticipated that cash calls in the range of $350,000 to $600,000 will be needed over the next five years.

CCCFA
Five Year Forecast

	Budget 2026	YTD Actuals 2026	Estimated 2026	Budget Fixed 2026	Projected 2027	4% Projected 2028	4% Projected 2029	4% Projected 2030	4% Projected 2031
Operating Revenues:									
New Membership Fees	100,000	150,000	150,000		-	-	-	-	-
Prepayment Transaction Fees	100,000	100,000	200,000		150,000	125,000	100,000	100,000	100,000
Repricing Fees	-	-	-		25,000	50,000	50,000	50,000	100,000
Cash Calls	365,800	365,805	365,805	766,000	350,000	425,000	500,000	575,000	600,000
Total Operating Revenues	565,800	615,805	715,805	766,000	525,000	600,000	650,000	725,000	800,000
Operating Expenses:									
Accounting	24,000	24,000	24,000	24,000	25,000	26,000	27,040	28,122	29,246
Audit	28,000	3,840	28,000	28,000	30,000	31,200	32,448	33,746	35,096
Bank Fees	500	210	840	500	1,000	1,040	1,082	1,125	1,170
Insurance	130,000	106,859	106,859	130,000	130,000	135,200	140,608	146,232	152,082
GM/MRG	350,000	76,827	216,821	337,750	250,000	260,000	270,400	281,216	292,465
Legal Services	70,000	37,342	69,673	56,000	75,000	78,000	81,120	84,365	87,739
Treasurer/Controller	120,000	77,690	139,102	96,000	140,000	145,600	151,424	157,481	163,780
Other Misc Prof Services	10,000	2,218	4,435	10,000	10,000	10,400	10,816	11,249	11,699
CCA Staff Reimb	25,000	6,174	46,348	23,000	50,000	50,000	50,000	50,000	50,000
Misc	-	1,020	1,020		-	-	-	-	-
Contingency	75,750	-	-	75,750	75,000	75,000	75,000	75,000	75,000
Total Operating Expenses	833,250	336,180	637,098	781,000	786,000	812,440	839,938	868,535	898,277
Budget Savings					(100,000)	(100,000)	(100,000)	(100,000)	(100,000)
Operating Income (Loss)	(267,450)	279,625	78,707	(15,000)	(161,000)	(112,440)	(89,938)	(43,535)	1,723
NonOperating Revenues (Expenses):									
Interest Income	15,000	6,334	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Total NonOperating Revenues (Expenses):	15,000	6,334	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Change in Cash Balance	(252,450)	285,959	93,707	-	(146,000)	(97,440)	(74,938)	(28,535)	16,723
Beginning Cash Balance	419,100	435,821	435,821	419,100	529,528	383,528	286,088	211,151	182,616
Ending Cash Balance	166,650	721,780	529,528	419,100	383,528	286,088	211,151	182,616	199,339
Reserve	166,650				157,200	162,488	167,988	173,707	179,655

Operating Budget Reserve is 20% of Total Budget

California Community Choice Financing Authority

CCCFA Fees - Revenue Options
Item 6

Board Meeting August 27, 2026

Recommendation

- Receive presentation and follow up information on CCCFA fees and revenue options; and
- Staff to return with a resolution to adopt modifications to CCCFA Fees as recommended or as modified by the Board.

Recommended Modifications

- New Membership Fee – No Change
- Prepayment Transaction Fee – Increase to $25,000
  - Multiple-CCA Member Prepayment Fee (New)
  - Repricing/Reset Fee (New) $25,000
- Cash call – Hybrid 50/50 allocation
- Embedded Fee (New)

Background

- June 25, 2026 Board meeting
  - Reviewed options and provided feedback
- Follow up information requested
  - Identify the fixed versus variable costs for prepayment transactions
  - Whether there is a structural imbalance in the budget
  - Requested a 5 year forecast
  - Additional information regarding an embedded fee

Fixed vs. Variable Costs

- Prepayment Transaction Fee adopted 12/16/22
- High level cost analysis performed
- Estimate the direct costs are less than $10,000
- Ongoing administration related to each issue
- Fee is a minor component of total issuance costs
- Comparative transaction fee is $75,000

Structural Budget Imbalance

- Budget adopted
  - Other Revenues: $215,000
  - Cash Call: $365,800
  - Operating Expenses: $833,000
- Reserve requirement of $166,650
- Budget deficit of $252,000

Structural Budget Imbalance (Cont.)

- Structural Budget
  - Other Revenues: $15,000
  - Cash Call: $766,000
  - Operating Expenses: $781,000
- Cash Call increase of $400,000

5-Year Forecast

- Helpful for planning purposes, but based on assumptions and actual results will vary
- Assumptions
  - Six Prepayment Transaction Fees reduced to four
  - Includes future Repricing Fees
- Plan to align revenues with fixed costs drawing down the cash balance over 5 year period to the reserve level
- Future cash calls are projected at $350,00 to $600,000

Embedded Fee in Prepayment Transaction

- Potential replacement for annual cash calls
- Slightly reduces the savings to CCA
- Considerations:
  - Implement in future transactions, not retroactive
  - Aligns fee with benefit realized
- Staff will return with additional information and potential implementation for Board consideration

Recommended Fee Modifications

Revenue Category	Current Status	Proposed Changes
New Membership Fee	$50,000 per new membership	No Proposed Change
Prepayment Transaction Fee (multiple CCAs)	$20,000 per prepayment transaction	$25,000 2 agencies $18,000 each 3 agencies $15,000 each 4+ agencies $12,000 each
Repricing Fee	None	Same as above

Recommended Fee Modifications (Cont.)

Revenue Category	Current Status	Proposed Changes
Cash Call	Determined as needed	Hybrid of 50% flat equal share allocation and 50% based on number of transactions outstanding
Option 3 Embedded Fee:	None	Create a new fee embedded into each new repricing or prepayment transaction

Fiscal Impact

- CCCFA is maturing as an organization
- Current revenue sources could be changing
  - New membership fees are anticipated to decline
  - Prepayment transactions could also slow, as members prepay existing power purchase agreements
- Reset-Repricing transactions to commence in 2027
- Expenses expected to stabilize

Next Steps

- Board to provide feedback
- Staff to return with a resolution to adopt fees as recommended or as modified by the Board
- Staff to return with potential fee and implementation plan for an embedded fee for Board consideration

Staff Report – Item 7

Item 7:	Board of Directors
From:	Steve Rymer, General Manager
Date:	August 27, 2026
Subject:	CCCFA Working Group Update and Status Report

OVERVIEW

The CCCFA Working Group met on August 10, 2026, to review recent transactional activity, discuss items anticipated for upcoming Board meetings, and address ongoing organizational and governance matters. This report summarizes key developments since the prior meeting and highlights matters that will require future Board consideration.

RECENT ACTIVITY AND ANNOUNCEMENTS

- Clean Energy Alliance is likely to request membership in the coming months.
- Ava 2026G deal closed July 30.
- CPA is preparing for its seventh deal and may go to market in September.
- 3CE is preparing for its second deal and may go to market by end of year or early 2027.
- All side letters for prior deals have been signed and archived. Process is in place for all new deals.

ITEMS FOR AUGUST BOARD MEETING

Update on Revenue Report

The team will develop recommendations on the current fee structure, including a transition to an embedded fee applied to all new deals and repricings. If the Board supports this direction, the fee percentage will need to be calculated to ensure that revenue generated is sufficient to cover program costs without becoming excessive. Implementation would occur through a multi-year transition from the proposed hybrid model, allowing time for operational adjustments and stakeholder alignment.

Governance Model JPA Amendments

A resolution to amend the JPA governance model will be considered at the August Board meeting, and if adopted, the next steps include developing annual meeting policies and procedures for Board consideration. Another key action will be scheduling the inaugural annual meeting for Q1 2027.

OLD BUSINESS

- Request for an interview from Bloomberg
  - We agreed it would be worthwhile to speak with the Bloomberg reporter, and the conversation took place in late July. It was framed as a background interview with no stated intent to publish an article in the near term, and we have not received any follow-up from Bloomberg since.
- Bond Buyer Article
  - We reviewed the recent article, and annual ratepayer savings were substantiated by MCE.

UPCOMING BOARD ITEMS

September 2026 Board Meeting

- Consideration of CCCFA fees
- Annual meeting policies and procedures

CCCFA DEAL SUMMARY STATISTICS – To Date

Issues	Par Amount	Annual Savings	30yr Estimated Savings
32	$31.5 Billion	$205 Million	$6.2 Billion

FISCAL IMPACT

There is no fiscal impact associated with this report.

RECOMMENDED MOTION

Information only.