



California Community Choice Financing Authority

**California Community Choice Financing Authority (CCCFA)
Board of Directors Regular Meeting
Thursday, September 24, 2026
1:00 P.M.**

Via Teleconference at the Following Locations:

- Ava Community Energy – 1999 Harrison St, Ste 2300, Oakland, CA 94612
- 2760 Ceilhunt Ave., Los Angeles, CA 90064
- Sunnyvale Civic Center – Madrone Room - 456 W Olive Ave. Sunnyvale, CA, 94086
- 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

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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 8/27/26 regular meeting and the 9/15/26 special meeting
 - b. Consider approval of Resolution No. 2026-16: Adopting a Fee Schedule for Membership, Prepayment Projects and the Allocation of General and Administrative Costs (Discussion/Action)
5. Receive and File the Audited Financial Statements as of December 31, 2025 and 2024 (Discussion/Action)
6. Consider Approval of Resolution No. 2026-17 – Authorizing the Issuance of One or More Series of Clean Energy Project Revenue Bonds in an Aggregate Principal Amount Not to Exceed \$1,700,000,000 to Finance the Acquisition of a Long-Term Supply of Electricity for Central Coast Community Energy and other Matters Relating Thereto (Discussion/Action)
7. Consider Approval of Resolution No. 2026-18 Approving San Diego Community Power as a Governing Member (Discussion/Action)
8. Adopt a Resolution Approving Annual Meeting Policies and Procedures (Discussion/Action)
9. General Manager's Working Group: Receive Working Group update and status report (Discussion/Action)
10. Board Member Announcements (Discussion)
11. Adjourn

Next CCCFA Board meeting is scheduled for Thursday, October 22, 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,

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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, 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

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Agenda

1. Call to Order & Roll Call

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Present:

Member Monica Padilla – Silicon Valley Clean Energy (SVCE)

Member Vicken Kasarjian – Marin Clean Energy (MCE)

Member Howard Chang – Ava Community Energy (Ava)

Vice-Chair Robert Shaw – Central Coast Community Energy (CCCE)

Chair Ted Bardack – 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

2. Agenda Update and/or Changes

There were no updates or changes to the agenda.

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.

3. 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

No public comments were received.

Action: It was M/S/C (Shaw/Kasarjian) 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

MCE – Yes

CPA – Yes

Ava – Yes

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4. 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)

Steve Rymer, General Manager, introduced the item and answered questions from the committee.

No public comments were received.

Action: It was M/S/C (Shaw/Padilla) to approve Resolution 2026-14. The motion carried (5/0/0/0/0) (yes/no/abstain/recuse/not present)

Approval of Resolution 2026-14:

CCCE – Yes

SVCE – Yes

MCE – Yes

CPA – Yes

Ava – Yes

5. 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.

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

Member Padilla referenced a recent Bond Buyer article quoting an SEC enforcement official who raised general questions about prepayment transaction structures and requested that staff develop FAQ materials to help Board members respond to inquiries.

Chair Bardacke noted that the remarks addressed the broader prepayment market and that the concerns identified did not appear characteristic of CCCFA's public agency model or California electricity prepaids.

Garth Salisbury indicated a willingness to develop FAQ materials while advising against proactively publicizing CCCFA's activities in the current federal regulatory environment.

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Chair Bardacke also reminded members to route any media inquiries regarding prepayment transactions through CCCFA's established media protocol involving the General Manager, legal counsel, and the Chair.

No public comments were received.

7. Board Member Announcements (Discussion)

No board member announcements were made.

8. Adjourn

The meeting was adjourned at 1:57pm

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

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California Community Choice Financing Authority

Draft Minutes

**California Community Choice Financing Authority (CCCFA)
Board of Directors Special Meeting
Tuesday, September 15, 2026
1:00 P.M.**

Via Teleconference at the Following Locations:

- Pioneer Community Energy – 2510 Warren Dr., Suite B, Rocklin, CA 95677
- Clean Power Alliance – 801 S. Grand Ave., Ste. 400, Los Angeles, CA 90017
- Ava Community Energy – 1999 Harrison Street, Suite 2300, Oakland, CA 94612
- 20 Ryan Ranch Road, Monterey, CA 93940

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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Agenda

1. Call to Order & Roll Call

Present:

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Alternate Member Zakary Liske – Silicon Valley Clean Energy (SVCE)

Member Vicken Kasarjian – Marin Clean Energy (MCE)

Member Howard Chang – Ava Community Energy (Ava)

Vice-Chair Robert Shaw – Central Coast Community Energy (CCCE)

Chair Ted Bardack – 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

***Alternate Member Zakary Liske** served as the voting representative for Silicon Valley Clean Energy (**Member Monica Padilla**).*

2. Agenda Update and/or Changes

There were no updates or changes to the agenda.

3. Consider Approval of Resolution 2026-15 - Authorizing the Execution and Delivery of One or More Interest Rate Swap Agreements in Connection with the Issuance of One or More Series of Clean Energy Project Revenue Bonds to Finance the Acquisition of Long-Term Supplies of Electricity for Clean Power Alliance of Southern California and Other Matters Relating Thereto (Discussion/Action)

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

No public comments were received.

Action: It was M/S/C (Chang/Shaw) to approve Resolution 2026-15. The motion carried (5/0/0/0/0) (yes/no/abstain/recuse/not present)

Approval of Resolution 2026-15:

CCCE – Yes

SVCE – Yes

MCE – Yes

CPA – Yes

Ava – Yes

4. Adjourn

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The meeting was adjourned at 1:12pm

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California Community Choice Financing Authority

Item 4B: Resolution No. 2026-16: Resolution of the Board of Directors of the California Choice Financing Authority Adopting a Fee Schedule for Membership, Prepayment Projects and the Allocation of General and Administrative Costs

From: Patty J. Kong, Finance Consultant

Date: September 24, 2026

Attachment: Resolution No. 2026-16

RECOMMENDATION

By motion, adopt Resolution No. 2026-16: Resolution of the Board of Directors of the California Choice Financing Authority Adopting a Fee Schedule for Membership, Prepayment Projects and the Allocation of General and Administrative Costs

BACKGROUND

The California Community Choice Financing Authority (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 Projects or 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.

The CCCFA Board reviewed the fees and proposed modifications to fees at its meetings on June 24, 2026 and August 27, 2026.

DISCUSSION & ANALYSIS

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

Revenue Category	Current Status	Proposed
New Membership Fee	\$50,000 per new membership	No Proposed Change
Prepayment Transaction Fee Multiple-CCA Fee	\$20,000 per new deal	\$25,000 per new deal 2 agencies \$18,000 each 3 agencies \$15,000 each 4+agencies \$12,000 each
Repricing Fee	None	\$25,000 per repricing 2 agencies \$18,000 each 3 agencies \$15,000 each 4+agencies \$12,000 each
Cash Call	Equal share of one Member one share with amount determined as needed	Hybrid of 50% flat equal share allocation and 50% based on number of completed transactions outstanding

Section 3.03 of the CCCFA Joint Powers Agreement (JPA) calls for each Member to pay an equal share for general and administrative costs unless otherwise determined by a two-thirds (2/3) vote of the entire Board. As a result, to implement the proposed change to the cash call, the proposed resolution requires an affirmative vote by at least four Board members.

Staff will return at a later date with a proposed embedded fee structure and implementation plan for Board consideration.

FISCAL IMPACT

Adoption of the attached fee schedule is projected to support a status quo budget based on the existing cash available balance and the projected 5-year forecast. Anticipated cash calls totaling \$350,000 to \$600,000 are projected over the next five years.

RESOLUTION NO. 2026-16

RESOLUTION OF THE BOARD OF DIRECTORS OF THE CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY ADOPTING A FEE SCHEDULE FOR MEMBERSHIP, PREPAYMENT PROJECTS AND THE ALLOCATION OF GENERAL AND ADMINISTRATIVE COSTS

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, CCCFA serves as a conduit issuer for renewable energy prepay bonds, and incurs costs related to facilitating the issuance of and ongoing maintenance of the prepay bonds;

WHEREAS, CCCFA is authorized by Sections 3.01 (Founding Members), 3.02 (Associate Members), 3.03 (Cost Allocations), 3.05 (Contributions and Advances), 4.09 (Budget), 6.02 (Prepayment Project Contract), and Article VII of the Joint Powers Agreement to prepare and revise budgets, to allocate organizational, planning, and general and administrative costs among its Members, and to allocate the costs of each prepayment project to the Member or Members undertaking such prepayment project, to fund CCCFA operations and cover its costs;

WHEREAS, pursuant to Section 3.03(a) of the Joint Powers Agreement, the Board may amend the allocation for general and administrative costs of equal shares of one Member one share on a two-thirds (2/3) vote of the entire Board;

WHEREAS, on March 11, 2022, the CCCFA Board of Directors established the existing New Membership Fee of \$50,000 for a new associate member’s portion of organization, planning, and other costs and charges and on December 16, 2022, the CCCFA Board of Directors established the existing Prepayment Project Transaction Fee of \$20,000 for each approved prepayment transaction;

WHEREAS, CCCFA is entering its fifth year of operations and recent cost analysis indicates that the sources and amounts of CCCFA costs have shifted over time, leading to a significant carryover balance and requiring a cash call to fund current year operations;

WHEREAS, on June 25, 2026, the CCCFA Board of Directors received the Finance Consultant’s presentation on CCCFA fees and revenue options, provided feedback, and requested further information;

WHEREAS, on August 27, 2026, the CCCFA Board of Directors received the Finance Consultant’s presentation and follow-up information, including concerning fixed versus variable costs associated with prepay bond issuance; any structural imbalance in CCCFA’s budget; a five-year forecast for perspective on CCCFA’s budget; and a potential option concerning the process and implementation of a methodology of embedding fees in monthly cashflows through a commodity swap provider;

WHEREAS, the CCCFA Board of Directors desires to amend its existing fees and the method by which it allocates general and administrative costs to align it with current operations and account for changes in cost; and

WHEREAS, the fees stated in Exhibit A attached hereto are consistent with other agencies providing similar services as CCCFA, and are calculated not to exceed the reasonable cost to CCCFA of providing the particular service or specific benefit to the Members and no more.

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 adopts the Fee Schedule, as attached to this Resolution as Exhibit A, and establishes the fees and cost allocation methodology as set forth therein and incorporated by this reference.

Section 3. The CCCFA Board of Directors finds and determines that the fees and charges set forth in Exhibit A hereto do not exceed the estimated reasonable costs of providing the services for which the fee is charged and do not recover more than the costs incurred by CCCFA for providing the services for which they are charged.

Section 4. 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 Fee Schedule herein authorized and otherwise to carry out, give effect to and comply with the terms and intent of the Fee Schedule and this Resolution.

Section 5. If any part of this Resolution is declared invalid or unconstitutional then it is the intention of the CCCFA Board of Directors to have passed the entire Resolution and all its component parts, and all other sections of this Resolution shall remain in full force and effect.

Section 6. The adoption of this Resolution is not a “project” subject to the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines sections 15378(b)(4), 15273(a), and 15061(b)(3) as government fiscal activities not involving any commitment to any specific project which may result in a potentially significant physical impact on the environment; as the establishment, modification, structuring, restructuring, or approval of rates and other charges for the purpose of meeting operating expenses; and as activity which can be seen with certainty to have no potential for causing a significant effect on the environment.

Section 7. This Resolution shall take effect immediately upon its adoption. The fees adopted hereunder shall only apply prospectively to cash calls, Prepayment Transactions, and new Members the CCCFA Board authorizes or approves after the date of approval of this Resolution.

Exhibit A: Fee Schedule

PASSED AND ADOPTED at a regular meeting of the CCCFA Board of Directors on this 24th day of September 2026, by the following vote:

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

CHAIR, CCCFA

Attest:

SECRETARY, CCCFA

Exhibit A



Fee Schedule

Description	Original Effective Date	Date Modified	Fee
New Membership	March 11, 2022	n/a	\$50,000
Prepayment Project Transaction Fee	December 16, 2022	September 24, 2026	Single member – \$25,000 2 members – \$18,000 each 3 members – \$15,000 each 4+ members – \$12,000 each
Repricing Fee	September 24, 2026		Single member – \$25,000 2 members – \$18,000 each 3 members – \$15,000 each 4+ members – \$12,000 each
Cost Allocation of General and Administrative Cost	June 25, 2021	September 24, 2026	Hybrid of 50% flat equal share allocation and 50% based on number of completed transactions outstanding



California Community Choice Financing Authority

Item 5: Receive and File the Audited Financial Statements as of December 31, 2025 and 2024

From: Patty J. Kong, Finance Consultant
Garth Salisbury, Treasurer/Controller

Date: September 24, 2026

Attachments:

- A. California Community Choice Financing Authority Financial Statements, years ended December 31, 2025 and 2024
- B. Reporting and Insights from 2025 Audit: California Community Choice Financing Authority – Report
- C. Reporting and Insights from 2025 Audit: California Community Choice Financing Authority – Presentation

RECOMMENDATION

For the Board of the California Community Choice Financing Authority (CCCFA) to receive and file its audited financial statements for the years ended December 31, 2025 and 2024.

BACKGROUND

The CCCFA Joint Powers Agreement Section 4.06 (b) states:

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.

Also, Section 10.02 Annual Audits and Audit Reports states:

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 no 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.

DISCUSSION & ANALYSIS

CCCFA has engaged the firm of Baker Tilly to conduct the audit for the years ended December 31, 2025 and 2024. Baker Tilly has performed the audit of CCCFA since its inception.

The financial statements include:

1. The Independent Auditor's Report - provides an unqualified opinion (Clean opinion), which means CCCFA's financial statements are fairly presented in accordance with Generally Accepted Accounting Principles (GAAP) without any major issues.
2. Management's discussion and Analysis - gives stakeholders and other readers an overview and narrative explanation of CCCFA's financial performance and changes from the prior year from the perspective of management.
3. Basic Financial Statements
 - a. Statement of Net Position – includes CCCFA's assets, liabilities and net position
 - b. Statement of Revenues, Expenses and Changes in Net Position – reports all of CCCFA's revenue and expenses for the years
 - c. Statement of Cash Flows – reports the cash provided and used by activities
 - d. Notes to the Basic Financial Statements – provides additional details and information related to the basic financial statements

Assets and Liabilities have increased over the prior year, reflecting the additional prepayment transactions that occurred in 2025. Revenues and expenses have also increased as a result of additional bond issuances. The increased deficit in net position is partly due to debt issuance costs that are fully recognized when the debt is issued. The decrease in net position reflects the terms of trust indentures and Prepayment Agreements and it is not believed to imperil or compromise the operations of CCCFA.

FISCAL IMPACT

The receiving and filing of the financial statements has no direct fiscal impact. In accordance with the JPA, the report of the financial audit is filed within 270 days of the close of the fiscal year.



CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2025 AND 2024

WITH REPORT OF

INDEPENDENT AUDITORS

**CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY
YEARS ENDED DECEMBER 31, 2025 AND 2024**

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Independent Auditors' Report

To the Board of Directors of
California Community Choice Financing Authority

Opinion

We have audited the accompanying financial statements of the California Community Choice Financing Authority (CCCFA), as of and for the years ended December 31, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the CCCFA's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the CCCFA as of December 31, 2025 and 2024, and the changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the CCCFA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the CCCFA's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the CCCFA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the CCCFA's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Baker Tilly US, LLP

Madison, Wisconsin
September 17, 2026

**CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEARS ENDED DECEMBER 31, 2025 AND 2024**

The purpose of management's discussion and analysis (MD&A) is to help stakeholders and other readers understand what the financial statements and notes in this report say about California Community Choice Financing Authority's (CCCFA) financial health and why it has changed since last year. It contains information drawn from other parts of the report, accompanied by explanations by management.

If you have any questions about this report or require additional financial information, please contact CCCFA at 1125 Tamalpais Ave, San Rafael, CA 94901 or contact info@cccfa.org.

Overview of the Financial Statements

CCCFA's financial report contains basic financial statements, which include:

- The *Statements of Net Position* include all of CCCFA's assets, liabilities, and net position and provide information about the nature and amounts of resources and obligations at a specific point in time.
- The *Statements of Revenues, Expenses, and Changes in Net Position* report all of CCCFA's revenue and expenses for the years shown.
- The *Statements of Cash Flows* report the cash provided and used by operating activities, as well as other sources and uses, such as noncapital financing activities and investing activities.
- The notes to the Basic Financial Statements provide additional details and information related to the basic financial statements.

**CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEARS ENDED DECEMBER 31, 2025 AND 2024**

Financial Summary

CCCFA's Net Position (in thousands of dollars)

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Current assets	\$ 1,443,772	\$ 1,025,007	\$ 517,211
Noncurrent assets	<u>23,284,001</u>	<u>17,395,249</u>	<u>8,548,746</u>
Total assets	24,727,773	18,420,256	9,065,957
Current liabilities	589,669	368,882	208,641
Noncurrent liabilities	<u>25,237,394</u>	<u>18,629,831</u>	<u>9,104,640</u>
Total liabilities	25,827,063	18,998,713	9,313,281
Net position			
Unrestricted (deficit)	<u>(1,099,290)</u>	<u>(578,457)</u>	<u>(247,324)</u>
Total net position	<u><u>\$ (1,099,290)</u></u>	<u><u>\$ (578,457)</u></u>	<u><u>\$ (247,324)</u></u>

At the end of 2025, CCCFA's total net deficit was approximately \$1.1 billion, an increase in unrestricted deficit of \$520.8 million compared to the end of 2024. See the discussion in the following section for the changes in the various components.

CCCFA's Changes in Net Position (in thousands of dollars)

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Operating revenues	\$ 732,964	\$ 369,032	\$ 157,750
Interest and investment income	<u>28,108</u>	<u>19,116</u>	<u>6,785</u>
Total revenues	761,072	388,148	164,535
Operating expenses	432,868	222,502	103,883
Debt issuance and other nonoperating costs	38,975	54,713	37,534
Interest on debt	<u>810,062</u>	<u>442,065</u>	<u>209,323</u>
Total expenses	<u>1,281,905</u>	<u>719,280</u>	<u>350,740</u>
Change in net position	<u><u>\$ (520,833)</u></u>	<u><u>\$ (331,132)</u></u>	<u><u>\$ (186,205)</u></u>

The increase in operating revenues and expenses is due to activities related to additional bond issuances each year. See the following section for a detailed discussion.

**CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEARS ENDED DECEMBER 31, 2025 AND 2024**

Detailed Analysis – Net Position

Current assets increased each year primarily as a result of additional prepaid energy transactions during 2025. As new transactions closed, proceeds were received and subsequently used to fund additional prepaid energy supply contracts, resulting in increases in cash and investments, prepaid energy supply contracts, and related receivables. Current assets at the end of 2025 were primarily comprised of cash and investments of \$781.2 million, accounts receivable of \$65.2 million, and prepaid energy supply contracts of \$595.1 million.

Noncurrent assets increased each year primarily due to the execution of additional long-term prepaid energy supply transactions during 2025, which increased the outstanding balances of prepaid energy supply contracts and the related long-term investment holdings. Noncurrent assets at the end of 2025 primarily consisted of prepaid energy supply contracts of \$23.1 billion and investments of \$203.6 million.

Current liabilities are mostly comprised of accrued interest payable and short-term bonds payable. Current liabilities increased each year as the result of new debt issuances.

Noncurrent liabilities consist entirely of bonds outstanding with serial maturities from 2026 through 2057. Noncurrent liabilities increased each year as a result of new debt issuances.

Net position decreased by \$520.8 million and \$331.1 million in 2025 and 2024, respectively. Expenses exceeded revenues partly because debt issuance costs are fully recognized in the period the debt is issued. Also, interest accrues from the date of debt issuance but revenue from the delivery of energy may be scheduled to start several months later. Issuance costs and first year bond interest payments are funded by bond proceeds as described in the notes in the basic financial statements.

The decreases in net position in 2025 and 2024 reflect the terms of trust indentures and Prepayment Agreements and management believes that the decreases do not in any way imperil or compromise the operations of the CCCFA.

**CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEARS ENDED DECEMBER 31, 2025 AND 2024**

Detailed Analysis – Changes in Net Position

Operating revenues are derived from electricity sales to members, energy swap settlements, and member contributions. The increase year-over-year is due to activities related to additional bond issuances.

Operating expenses include prepaid energy supply amortization, contract services, and other general expenses. The increase year-over-year is due to activities related to additional bond issuances.

CCCFA earned \$28.1 million in investment income during 2025 compared to \$19.1 million in 2024. The positive change is due to an increase in investments from proceeds of new bond issuances.

Debt issuance costs were \$37.5 million and \$53.3 million during 2025 and 2024, respectively. These costs covered underwriter's discount and other bond issuance costs. Also included in other nonoperating costs are estimated arbitrage rebates expected to be payable to the United States Treasury.

Interest on debt was \$810.1 million and \$442.1 million during 2025 and 2024, respectively. The increase is due to additional bond issuances each year.

Significant Long-Term Financing Activity

During 2025 and 2024, CCCFA issued bonds to provide cash to prepay for future deliveries of electricity under prepaid energy supply agreements with its members. Net proceeds from bond issuances totaled approximately \$6.8 billion and \$9.7 billion during 2025 and 2024, respectively. These proceeds were used to fund prepaid energy supply contracts and related investments established under the financing arrangements.

**CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEARS ENDED DECEMBER 31, 2025 AND 2024**

Currently Known Facts, Decisions, or Conditions (continued)

Subsequent to December 31, 2025, CCCFA has executed additional prepaid energy financing transactions to support the long-term energy procurement needs of its members.

Changes in energy commodity prices, including oil and natural gas prices, may influence wholesale electricity market prices. However, because CCCFA's role is to facilitate long-term prepaid energy financing arrangements rather than purchase or sell electricity for its own account, management does not expect short-term fluctuations in commodity prices to have a material direct impact on CCCFA's financial position. Future financing activity will depend on market conditions, member demand, and access to the municipal bond market.

BASIC FINANCIAL STATEMENTS

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY
STATEMENTS OF NET POSITION
DECEMBER 31, 2025 AND 2024
(Amounts in thousands)

	<u>2025</u>	<u>2024</u>
ASSETS		
CURRENT ASSETS		
Cash - unrestricted	\$ 441	\$ 586
Cash and cash equivalents - restricted	69,623	19,648
Investments - restricted	711,158	558,598
Accounts receivable	65,219	31,734
Interest receivable	2,260	2,228
Prepaid energy supply contracts	595,071	412,213
Total current assets	<u>1,443,772</u>	<u>1,025,007</u>
NONCURRENT ASSETS		
Prepaid energy supply contracts	23,080,401	17,245,549
Investments - restricted	203,600	149,700
Total noncurrent assets	<u>23,284,001</u>	<u>17,395,249</u>
TOTAL ASSETS	<u>24,727,773</u>	<u>18,420,256</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	67	49
Current liabilities payable from restricted assets:		
Accrued interest payable	309,523	177,024
Accounts payable and accrued expenses	47,992	11,900
Bonds payable, net	232,087	179,909
Total current liabilities	<u>589,669</u>	<u>368,882</u>
NONCURRENT LIABILITIES		
Noncurrent liabilities payable from restricted assets:		
Bonds payable, net	<u>25,237,394</u>	<u>18,629,831</u>
TOTAL LIABILITIES	<u>25,827,063</u>	<u>18,998,713</u>
NET POSITION		
Unrestricted (deficit)	<u>(1,099,290)</u>	<u>(578,457)</u>
Total net position	<u><u>\$ (1,099,290)</u></u>	<u><u>\$ (578,457)</u></u>

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY
STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Amounts in thousands)

	<u>2025</u>	<u>2024</u>
OPERATING REVENUES		
Electricity sales to members	\$ 543,160	\$ 261,621
Energy swap settlement, net	189,537	106,811
Member contributions	267	600
Total operating revenues	<u>732,964</u>	<u>369,032</u>
OPERATING EXPENSES		
Amortization of prepaid energy supply contracts	431,673	221,740
Contract services and other operating costs	1,195	762
Total operating expenses	<u>432,868</u>	<u>222,502</u>
OPERATING INCOME	<u>300,096</u>	<u>146,530</u>
NONOPERATING REVENUES (EXPENSES)		
Investment income	28,108	19,116
Arbitrage rebate expense	(1,490)	(1,400)
Debt issuance costs	(37,485)	(53,313)
Interest on debt, net	(810,062)	(442,065)
Nonoperating revenues (expenses), net	<u>(820,929)</u>	<u>(477,662)</u>
CHANGE IN NET POSITION	(520,833)	(331,132)
Net position at beginning of year	<u>(578,457)</u>	<u>(247,325)</u>
Net position at end of year	<u><u>\$ (1,099,290)</u></u>	<u><u>\$ (578,457)</u></u>

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Amounts in thousands)

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from members for electricity sales	\$ 552,253	\$ 251,948
Receipts of member contributions	267	600
Receipts of energy swap settlements	181,801	102,354
Payments for prepaid energy supply	(6,449,383)	(9,206,316)
Payments for contract services and other operating costs	<u>(1,173)</u>	<u>(755)</u>
Net cash used by operating activities	(5,716,235)	(8,852,169)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Net proceeds from bond issuance	6,820,783	9,679,021
Payments of bond principal	(29,625)	(15,885)
Debt issuance costs	(8,232)	(10,039)
Interest paid	<u>(838,475)</u>	<u>(464,499)</u>
Net cash provided by noncapital financing activities	5,944,451	9,188,598
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income	28,075	17,670
Proceeds from investment sales	1,336,157	670,321
Purchase of investments	<u>(1,542,618)</u>	<u>(1,019,103)</u>
Net cash used by investing activities	<u>(178,386)</u>	<u>(331,112)</u>
Net change in cash and cash equivalents	49,830	5,317
Cash and cash equivalents at beginning of year	<u>20,234</u>	<u>14,917</u>
Cash and cash equivalents at end of year	<u><u>\$ 70,064</u></u>	<u><u>\$ 20,234</u></u>
Reconciliation to the Statement of Net Position		
Cash	\$ 441	\$ 586
Restricted cash and cash equivalents	<u>69,623</u>	<u>19,648</u>
Cash and cash equivalents	<u><u>\$ 70,064</u></u>	<u><u>\$ 20,234</u></u>
Noncash Financing activities		
Underwriter discounts withheld from bond proceeds	\$ 29,494	\$ 42,907

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY
STATEMENTS OF CASH FLOWS (Continued)
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Amounts in thousands)

**RECONCILIATION OF OPERATING INCOME
TO NET CASH USED BY OPERATING ACTIVITIES**

	<u>2025</u>	<u>2024</u>
Operating income	\$ 300,096	\$ 146,530
Adjustments to reconcile operating income to net cash used by operating activities:		
Amortization expense	431,673	221,740
(Increase) decrease in:		
Accounts receivable	(33,485)	(14,177)
Prepaid energy supply contracts	(6,449,383)	(9,206,316)
Increase (decrease) in:		
Accounts payable and accrued expenses	34,864	54
Net cash used by operating activities	<u>\$ (5,716,235)</u>	<u>\$ (8,852,169)</u>

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

California Community Choice Financing Authority (CCCFA) is a California joint powers authority created on June 25, 2021, pursuant to California Joint Exercise of Powers Act constituting Chapter 5 of Division 7 of Title 1 of the California Government Code, and a joint powers agreement (JPA) by and among its founding and associate members, comprised of the following Community Choice Aggregators (CCAs) as of December 31, 2025:

AVA Community Energy Authority	San Diego Community Power
Central Coast Community Energy	San Jose Clean Energy
Clean Power Alliance of Southern California	Silicon Valley Clean Energy
Marin Clean Energy	Sonoma Clean Power Authority
Peninsula Clean Energy Authority	Valley Clean Energy Alliance
Pioneer Community Energy	

CCCFA is distinct from its members and is governed by a Board of Directors consisting of one director from each founding member of CCCFA.

CCCFA was established to issue debt to provide cash to pay in advance for a supply of electricity to be delivered over a multi-year period. The transactions occur through Prepaid Energy Purchase and Sale Agreements or equivalent agreements between CCCFA and electricity suppliers (PEPSAs), and Clean Energy Purchase Contracts (CEPCs) or equivalent agreements between CCCFA and CCA members (PEPSAs and CEPCs, together Prepayment Agreements).

The members that participate are obligated to pay CCCFA only for the electricity delivered under their CEPC. The member CCAs have no obligation to pay for the electricity that CCCFA fails to deliver. CCCFA anticipates that additional Prepayment Agreements will be entered into in subsequent years.

The JPA will remain in effect until terminated by a supplemental written agreement of the parties; provided that in no event shall the JPA terminate while any of the Prepayment Agreements are in effect, or while any of CCCFA's debt is outstanding.

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

REPORTING ENTITY (continued)

Revenues related to Prepayment Agreements and the debt service payments are dependent upon the continued delivery of electricity under the PEPSAs. Upon the occurrence of any termination event as specified in each PEPSA, the PEPSA may be terminated. If a PEPSA is terminated, the energy supplier will be required to make a scheduled termination payment to CCCFA. Any termination of a PEPSA will cause the simultaneous termination of the related CEPC(s) and result in the extraordinary mandatory redemption of CCCFA's long-term debt related to the specific Prepayment Agreements. Members have no obligation or liability to CCCFA beyond that specifically provided for in the JPA.

As a pass-through issuer, CCCFA is only responsible for delivering energy to a CCA under each CEPC that it has received from the energy supplier under the related PEPSA. CCCFA is not responsible for any shortfall of deliveries to member CCAs under the CEPCs nor any failure of an energy supplier to deliver energy under a PEPSA. Swap agreements entered into by CCCFA in connection with the Prepayment Agreements are secured by and payable solely from the revenues of CCCFA from the related Prepayment Agreements and CCCFA is not ultimately responsible for making payments under such swap agreements. CCCFA does not retain the proceeds of the bonds issued to fund the prepayments. The bonds are payable solely from amounts pledged under the respective transaction documents and are non-recourse to CCCFA and its member CCAs. CCCFA remits the proceeds of interest income to member CCAs annually consistent with operating agreements associated with the related Prepayment Agreements.

BASIS OF ACCOUNTING

CCCFA's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements.

CCCFA's operations are accounted for as a governmental enterprise fund and are reported using the economic resources measurement focus and the accrual basis of accounting – similar to business enterprises. Accordingly, revenues are recognized when they are earned, and expenses are recognized at the time liabilities are incurred. General and administrative costs, electric energy sale revenues, and electric energy purchase costs that are directly related to delivery of electricity are reported as operating revenues and expenses. All other revenues and expenses are reported as non-operating revenues and expenses. Enterprise fund-type operating statements present increases (revenues) and decreases (expenses) in total net position. Reported net position is segregated into three categories, if applicable – investment in capital assets, restricted and unrestricted. When both restricted and unrestricted resources are available for use, CCCFA will use restricted resources first, then unrestricted resources as they are needed.

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

CASH

For the purpose of the Statement of Cash Flows, CCCFA has defined cash to include cash on hand, demand deposits, and short-term investments with an original maturity of three months or less.

INVESTMENTS

CCCFA's investments comprise of guaranteed investment contracts (GIC) that have been determined to be nonparticipating and, therefore, are valued at amortized cost as required by Governmental Standards Board Statement No. 72. Investments with a maturity of one year or more are shown as noncurrent assets and investments with a maturity of less than one year are shown as current assets in the Statement of Net Position.

RESTRICTED ASSETS

CCCFA's restricted assets are comprised of money market funds and Guaranteed Investment Contracts (GICs) for which use is limited to specific purposes pursuant to trust indenture (Indenture) requirements. The Indentures specify the flow of cash into the various trust accounts and when they may be used or become unrestricted.

PREPAID ELECTRICITY SUPPLY CONTRACTS

CCCFA has prepaid the purchase of electricity supply from proceeds of revenue bonds. CCCFA provides for amortization of the historical cost of the Prepaid Energy Supply Contract based on the contracted volume expected to be delivered under contract.

LONG-TERM OBLIGATIONS

Bonds payable are presented net of premiums. Premiums are amortized from the issuance dates to the earlier of the scheduled maturity dates or mandatory remarketing dates. Remarketing dates range from five to ten years from issuance. The amortized balance of premiums is added to the nominal debt outstanding reported in the Statements of Net Position.

DEBT ISSUANCE COSTS

CCCFA considers all debt issuance costs as an expense in the year of issuance.

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

DERIVATIVE FINANCIAL INSTRUMENTS

Forward Contracts – CCCFA enters into forward contracts (electricity price swap agreements) to manage its exposure to market volatility of electricity commodity prices and not for trading purposes. Due to the termination provisions of these agreements, they have no fair value, and therefore, these derivative financial instruments are not included in the Statement of Net Position. Accordingly, there is no adjustment to mark to market. CCCFA is exposed to the risk of early termination of Prepaid Agreements if the counterparties default or if the swap agreements are terminated. Net swap payments received or paid are reported in the Statement of Revenues, Expenses and Changes in Net Position.

Interest Rate Swap Agreements - CCCFA enters into interest rate swap agreements to modify the effective interest rates on outstanding debt. Due to the termination provisions of these agreements, they have no fair value. Interest expense is reported net of the swap payments received or paid as a component of Interest on Debt in the Statements of Revenues, Expenses and Changes in Net Position.

NET POSITION

CCCFA classifies its Net Position as follows:

Restricted - This component of net position consists of assets with constraints placed on their use, either externally or internally. Constraints include those imposed by debt indentures, grants or laws and regulations of other governments, by law through constitutional provisions or enabling legislation, or by the Board. These restricted assets are reduced by liabilities and deferred inflows of resources related to those assets. Current liabilities paid from restricted assets are classified as restricted on the Statement of Net Position. No net position was considered restricted as of December 31, 2025 or 2024.

Unrestricted - This component of net position consists of net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that do not meet the definition of “Restricted.”

OPERATING AND NONOPERATING REVENUES

Operating revenues include electricity sales to members that are recognized when the electricity is delivered. Also included are energy swap settlements which represent the effective conversion of energy sales from variable price to fixed price as determined by the relevant PEPSA and swap agreements. Amounts contributed by CCA members to provide for the cost of administrative and general expenses are recorded as Member Contributions.

Investment income is considered nonoperating revenue.

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

OPERATING AND NONOPERATING EXPENSES

Operating expenses include the cost of energy, professional services and administrative expenses. CCCFA's policy is to recognize an expense for energy costs associated with the volume of electricity delivered. Amortization of prepaid electricity supply contract assets represent the majority of operating expenses. The amortization of prepaid electricity supply is recognized in proportion to the total scheduled volume of energy to be delivered under each contract.

Nonoperating expenses are expenses related to debt and investments.

INCOME TAXES

CCCFA is a joint powers authority under the provision of the California Government Code and is not subject to federal or state income or franchise taxes.

ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2. CASH, CASH EQUIVALENTS, AND INVESTMENTS

CCCFA's investments are governed by the California State and Municipal Code which allow Agency investments to include obligations which are unconditionally guaranteed by the U.S. Government or its agencies or instrumentalities, direct and general obligations of the State or any local agency within the State, bankers' acceptances; commercial paper, certificates of deposit, repurchase and reverse repurchase agreements, medium term corporate notes, Local Agency Investment Fund, and money market funds.

CCCFA also maintains cash for general operations at River City Bank in Sacramento, California. CCCFA's deposits with River City Bank are subject to California Government Code Section 16521 which requires that banks collateralize the amount of public funds in excess of the Federal Deposit Insurance Corporation limit of \$250,000 at 110% of the amount on deposit.

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

2. CASH, CASH EQUIVALENTS, AND INVESTMENTS (continued)

CREDIT RISK

This is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. To mitigate the risk, CCCFA limits investments to Guaranteed Investment Contracts to be held only by trustee banks rated “A” or better and money market funds held at the trustee banks. As of December 31, 2025 and 2024, all Guaranteed Investment Contract counterparties or guarantors met or exceeded this rating requirement.

CUSTODIAL CREDIT RISK

This is the risk that in the event of the failure of a depository financial institution or counterparty to a transaction, CCCFA’s deposits may not be returned or CCCFA will not be able to recover the value of its deposits, investments or securities that are in the possession of another party. CCCFA’s invested funds are governed according to each trust indenture. CCCFA is exposed to custodial risk in that cash and investments are held by Bank of New York Mellon Trust Company, N.A. and U.S. Bank N.A.

CONCENTRATION OF CREDIT RISK

Concentration of credit risk is the risk of loss to the magnitude CCCFA’s investment in a single issuer. CCCFA manages the concentration of credit risk by diversifying its portfolio so that reliance on any one issuer will not place an undue burden on CCCFA. CCCFA places no limit on the amounts invested in any one issuer for Guaranteed Investment Contract providers that are rated at least “A”.

CCCFA’s investments in uncollateralized guaranteed investment contracts were \$914.8 million and \$708.3 million as of December 31, 2025 and 2024, respectively.

CCCFA’s investment portfolio was concentrated as follows as of December 31, 2025:

	Issuer	Investment Type	Percentage of Portfolio
2024A	Morgan Stanley Capital Group	Guaranteed Investment Contract	5.15%
2024H	Natixis Funding Corp	Guaranteed Investment Contract	5.61%
2025E	Societe Generale	Guaranteed Investment Contract	5.29%
2025G	Societe Generale	Guaranteed Investment Contract	5.50%

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

2. CASH, CASH EQUIVALENTS, AND INVESTMENTS (continued)

CCCFA's investment portfolio was concentrated as follows as of December 31, 2024:

	Issuer	Investment Type	Percentage of Portfolio
2023G	J. Aron & Company LLC	Guaranteed Investment Contract	8.19%
2024A	Morgan Stanley Capital Group	Guaranteed Investment Contract	6.82%
2024C	Sumitomo Mitsui Banking Corporation	Guaranteed Investment Contract	6.59%
2024D	The Toronto Dominion Bank	Guaranteed Investment Contract	5.17%
2024E	Morgan Stanley Capital Group	Guaranteed Investment Contract	8.70%
2024F	The Toronto Dominion Bank	Guaranteed Investment Contract	5.92%
2024H	Natixis Funding Corp	Guaranteed Investment Contract	9.11%

3. PREPAID ELECTRICITY SUPPLY

During 2025 and 2024, CCCFA paid for electricity supply that is expected to be delivered each year until 2056.

	2025	2024
Prepaid electricity supply: current	\$ 595,070,719	\$ 412,212,934
Prepaid electricity supply: noncurrent	23,080,400,747	17,245,548,810
Total prepaid electricity supply	<u>\$ 23,675,471,466</u>	<u>\$ 17,657,761,744</u>

	2025	2024
Balance at beginning of year	\$ 17,657,761,744	\$ 8,673,184,989
Acquired	6,449,382,823	9,206,316,479
Recognized as expense	(431,673,101)	(221,739,724)
Balance at end of year	<u>\$ 23,675,471,466</u>	<u>\$ 17,657,761,744</u>

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

4. DEBT

CCCFA's debt is presented below:

	Coupon Rate	Effective Rate	Maturity Year	Remarketing Year	December 31, 2025	December 31, 2024
2021A Bonds	4.00%	0.540% - 1.380%	2023-2027	n/a	\$ 3,580,000	\$ 5,465,000
2021A Bonds	4.00%	1.480%	2052	2027	593,250,000	593,250,000
Premium, net of amortization					28,238,528	42,753,682
Subtotal issue 2021A					<u>\$ 625,068,528</u>	<u>\$ 641,468,682</u>
2021B Bonds	4.00%	1.440% - 1.540%	2025-2031	n/a	\$ 36,140,000	\$ 39,340,000
2021B Bonds	4.00%	1.540%	2052	2031	1,041,380,000	1,041,380,000
2021B Bonds	2%	1.540%	2052	2031	4,000,000	4,000,000
2021B Bonds	SIFMA Index plus 45 basis		2052	2031	150,000,000	150,000,000
Premium, net of amortization					139,622,594	163,979,537
Subtotal issue 2021B					<u>\$ 1,371,142,594</u>	<u>\$ 1,398,699,537</u>
2022A Bonds	4.00%	2.920% -3.780%	2024-2028	n/a	\$ 26,490,000	\$ 34,625,000
2022A Bonds	4.00%	3.830%	2053	2028	791,605,000	791,605,000
2022A Bonds	67% of SOFR Index plus 170 basis points	3.730%	2053	2028	97,000,000	97,000,000
Premium, net of amortization					3,423,881	4,735,729
Subtotal issue 2022A					<u>\$ 918,518,881</u>	<u>\$ 927,965,729</u>
2023A Bonds	5.00%	4.250%	2053	2029	\$ 392,985,000	\$ 392,985,000
2023A Bonds	67% of SOFR Index plus 195 basis points	4.226%	2053	2029	50,500,000	50,500,000
2023A Bonds	5.95%	5.950%	2029	n/a	16,155,000	16,155,000
Premium, net of amortization					9,722,568	12,178,199
Subtotal issue 2023A					<u>\$ 469,362,568</u>	<u>\$ 471,818,199</u>
2023B Bonds	5.00%	3.670% - 3.890%	2024-2029	n/a	\$ 4,530,000	\$ 6,550,000
2023B Bonds	5.00%	3.890%	2053	2029	784,805,000	784,805,000
2023B Bonds	67% of SOFR Index plus 163 basis points	3.755%	2053	2029	50,000,000	50,000,000
Premium, net of amortization					28,921,209	36,358,229
Subtotal issue 2023B					<u>\$ 868,256,209</u>	<u>\$ 877,713,229</u>

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

4. DEBT (continued)

	Coupon Rate	Effective Rate	Maturity Year	Remarketing Year	December 31, 2025	December 31, 2024
2023C Bonds	5.00%	4.350% - 4.550%	2024-2031	n/a	\$ 12,210,000	\$ 14,185,000
2023C Bonds	5.25%	4.600%	2054	2031	982,405,000	982,405,000
Premium, net of amortization					32,081,768	36,901,705
Subtotal issue 2023C					<u>\$ 1,026,696,768</u>	<u>\$ 1,033,491,705</u>
2023D Bonds	5.00%	4.44% - 4.50%	2025-2028	n/a	\$ 10,045,000	\$ 13,595,000
2023D Bonds	5.50%	4.530%	2054	2028	944,695,000	944,695,000
Premium, net of amortization					24,226,946	32,048,578
Subtotal issue 2023D					<u>\$ 978,966,946</u>	<u>\$ 990,338,578</u>
2023E Bonds	5.00%	4.26 % - 4.29%	2027-2031	n/a	\$ 32,540,000	\$ 32,540,000
2023E Bonds	5.00%	4.310%	2054	2031	\$ 870,355,000	\$ 870,355,000
2023E Bonds	67% of SOFR Index plus 167 basis points	4.175%	2054	2031	95,000,000	95,000,000
Premium, net of amortization					28,144,715	33,001,059
Subtotal issue 2023E					<u>\$ 1,026,039,715</u>	<u>\$ 1,030,896,059</u>
2023F Bonds	5.50%	5.070%	2054	2030	\$ 639,420,000	\$ 644,080,000
Premium, net of amortization					11,692,989	13,832,671
Subtotal issue 2023F					<u>\$ 651,112,989</u>	<u>\$ 657,912,671</u>
2023G Bonds	5.25%	4.450%	2030	n/a	\$ 960,000	\$ 960,000
2023G Bonds	5.25%	4.480%	2054	2030	1,012,805,000	1,012,805,000
2023G Bonds	6.13%	6.125%	2030	n/a	24,520,000	24,520,000
Premium, net of amortization					29,788,157	36,050,995
Subtotal issue 2023G					<u>\$ 1,068,073,157</u>	<u>\$ 1,074,335,995</u>
2024A Bonds	5.000%	3.95%-4.07%	2028-2032	n/a	\$ 46,560,000	\$ 46,560,000
2024A Bonds	5.000%	4.150%	2054	2032	1,055,065,000	1,055,065,000
Premium, net of amortization					50,771,673	57,890,306
Subtotal issue 2024A					<u>\$ 1,152,396,673</u>	<u>\$ 1,159,515,306</u>
2024B Bonds	5.000%	3.64%-3.99%	2025-2032	n/a	\$ 34,425,000	\$ 38,625,000
2024B Bonds	5.000%	4.050%	2055	2032	1,485,555,000	1,485,555,000
Premium, net of amortization					85,753,613	96,462,300
Subtotal issue 2024B					<u>\$ 1,605,733,613</u>	<u>\$ 1,620,642,300</u>

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

4. DEBT (continued)

	Coupon Rate	Effective Rate	Maturity Year	Remarketing Year	December 31, 2025	December 31, 2024
2024C Bonds	5.000%	3.650%	8/1/2055	2032	\$ 959,825,000	\$ 959,825,000
Premium, net of amortization					76,889,821	86,765,317
Subtotal issue 2024C					<u>\$ 1,036,714,821</u>	<u>\$ 1,046,590,317</u>
2024D Bonds	5.000%	3.19%-3.64%	2026-2032	n/a	\$ 87,280,000	\$ 87,280,000
2024D Bonds	5.000%	3.830%	2055	2032	1,065,715,000	1,065,715,000
Premium, net of amortization					77,740,554	88,367,442
Subtotal issue 2024D					<u>\$ 1,230,735,554</u>	<u>\$ 1,241,362,442</u>
2024E Bonds	5.000%	3.34%-3.87%	2027-2032	n/a	\$ 64,470,000	\$ 64,470,000
2024E Bonds	5.000%	3.920%	2055	2032	1,178,740,000	1,178,740,000
Premium, net of amortization					77,407,040	87,691,511
Subtotal issue 2024E					<u>\$ 1,320,617,040</u>	<u>\$ 1,330,901,511</u>
2024F Bonds	5.000%	3.43%-3.95%	2027-2032	n/a	\$ 43,365,000	\$ 43,365,000
2024F Bonds	5.000%	4.000%	2055	2032	957,135,000	957,135,000
Premium, net of amortization					58,907,720	66,452,412
Subtotal issue 2024F					<u>\$ 1,059,407,720</u>	<u>\$ 1,066,952,412</u>
2024G Bonds	5.000%	4.150%	2055	2032	\$ 775,590,000	\$ 775,590,000
Premium, net of amortization					37,583,740	42,472,976
Subtotal issue 2024G					<u>\$ 813,173,740</u>	<u>\$ 818,062,976</u>
2024H Bonds	5.000%	3.42%-3.80%	2031-2033	n/a	\$ 15,675,000	\$ 15,675,000
2024H Bonds	5.000%	3.620%	2056	2033	1,275,075,000	1,275,075,000
Premium, net of amortization					117,063,800	130,323,035
Subtotal issue 2024H					<u>\$ 1,407,813,800</u>	<u>\$ 1,421,073,035</u>
2025A Bonds	5.000%	4.220%	2056	2035	\$ 493,345,000	-
Premium, net of amortization					29,400,389	-
Subtotal issue 2025A					<u>\$ 522,745,389</u>	<u>\$ -</u>
2025B Bonds	5.000%	3.59-4.32%	2028-2034	n/a	\$ 40,690,000	-
2025B Bonds	5.000%	4.480%	2056	2035	1,021,915,000	-
Premium, net of amortization					43,943,930	-
Subtotal issue 2025B					<u>\$ 1,106,548,930</u>	<u>\$ -</u>

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

4. DEBT (continued)

	Coupon Rate	Effective Rate	Maturity Year	Remarketing Year	December 31, 2025	December 31, 2024
2025C Bonds	5.000%	3.02-3.85%	2028-2033	n/a	\$ 74,440,000	-
2025C Bonds	5.000%	3.860%	2055	2033	929,955,000	-
Premium, net of amortization					75,564,708	-
Subtotal issue 2025C					<u>\$ 1,079,959,708</u>	<u>\$ -</u>
2025D Bonds	5.000%	3.96-4.67%	2030-2034	n/a	\$ 75,730,000	-
2025D Bonds	5.000%	4.720%	2055	2034	929,955,000	-
Premium, net of amortization					20,563,868	-
Subtotal issue 2025D					<u>\$ 1,026,248,868</u>	<u>\$ -</u>
2025E Bonds	5.000%	3.62-3.78%	2034-2035	n/a	\$ 1,425,000	-
2025E Bonds	5.000%	3.850%	2056	2035	959,305,000	-
Premium, net of amortization					85,908,211	-
Subtotal issue 2025E					<u>\$ 1,046,638,211</u>	<u>\$ -</u>
2025F Bonds	5.000%	3.550%	2056	2033	\$ 844,495,000	-
Premium, net of amortization					83,107,468	-
Subtotal issue 2025F					<u>\$ 927,602,468</u>	<u>\$ -</u>
2025G Bonds	5.000%	3.880%	2057	2035	\$ 1,035,235,000	-
Premium, net of amortization					94,670,949	-
Subtotal issue 2025G					<u>\$ 1,129,905,949</u>	<u>\$ -</u>
Total debt, net - all bonds issued					<u>\$ 25,469,480,839</u>	<u>\$ 18,809,740,683</u>

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

4. DEBT (continued)

The following is a summary of long-term debt activity:

	December 31, 2024	Additions	Reductions	December 31, 2025
Nominal value	\$ 17,741,475,000	\$ 6,406,490,000	\$ (29,625,000)	\$ 24,118,340,000
Premiums	1,068,265,683	443,786,457	(160,911,301)	1,351,140,839
Total long-term debt, net	<u>\$ 18,809,740,683</u>	<u>\$ 6,850,276,457</u>	<u>\$ (190,536,301)</u>	\$ 25,469,480,839
Less: Amounts due within one year - principal payments				(35,280,000)
Less: Amounts due within one year - premium amortization				(196,806,798)
Subtotal: Amounts due within one year				<u>232,086,798</u>
Amounts due after one year				<u>\$ 25,237,394,041</u>

	December 31, 2023	Additions	Reductions	December 31, 2024
Nominal value	\$ 8,708,685,000	\$ 9,048,675,000	\$ (15,885,000)	\$ 17,741,475,000
Premiums	485,847,115	673,253,521	(90,834,953)	1,068,265,683
Total long-term debt, net	<u>\$ 9,194,532,115</u>	<u>\$ 9,721,928,521</u>	<u>\$ (106,719,953)</u>	\$ 18,809,740,683
Less: Amounts due within one year - principal payments				(29,625,000)
Less: Amounts due within one year - premium amortization				(150,284,369)
Subtotal: Amounts due within one year				<u>179,909,369</u>
Amounts due after one year				<u>\$ 18,629,831,314</u>

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

4. DEBT (continued)

The annual debt service requirements to maturity for the bonds are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 35,280,000	\$ 1,183,616,986	\$ 1,218,896,986
2027	61,460,000	1,184,162,000	1,245,622,000
2028	108,940,000	1,180,707,570	1,289,647,570
2029	143,920,000	1,175,271,800	1,319,191,800
2030	178,210,000	1,167,807,947	1,346,017,947
2031-2035	1,945,205,000	5,634,408,165	7,579,613,165
2036-2040	3,601,845,000	4,957,782,082	8,559,627,082
2041-2045	4,856,305,000	3,948,215,512	8,804,520,512
2046-2050	6,374,805,000	2,605,663,710	8,980,468,710
2051-2055	6,411,020,000	916,837,160	7,327,857,160
2056-2057	401,350,000	11,820,833	413,170,833
	<u>\$ 24,118,340,000</u>	<u>\$ 23,966,293,765</u>	<u>\$ 48,084,633,765</u>

Interest in the preceding tables includes interest requirements at the stated fixed rates and the effective rate for variable-rate bonds. Some bonds include requirements for remarketing within the next 10 years. The amortization included in the table assumes the interest rates after the remarketing dates are the same as before the remarketing dates.

As of December 31, 2025, CCCFA had pledged future net revenues to repay \$24.1 billion for outstanding bonds. Proceeds from the bonds were used to purchase prepaid electricity. The bonds, payable through 2057, are secured solely by pledges of the trust estate under the Indentures which include bond proceeds, revenues, any termination payments, and any investment income. Semi-annual principal and interest payments on the bonds are expected to require approximately 100 percent of CCCFA's net revenues.

The ability of CCCFA to pay related principal and interest payments associated with the bonds is contingent upon the continued successful operation of the Prepaid Agreements. If a Prepaid Agreement were to terminate, a termination payment would be received into the trust estate from the respective energy supplier. The amount of the termination payment, together with the amounts required to be on deposit in certain funds and accounts held by the trustee, has been calculated to provide a sum sufficient to pay the redemption price of the bonds upon early termination of the Prepaid Agreement. The termination payment declines over time as the energy suppliers perform their electricity delivery obligations under the Prepaid Agreement. CCCFA members are not obligated to pay debt service costs if the energy project is unable to operate pursuant to the Prepaid Agreement or if revenues generated by the Energy Project are insufficient to meet debt service obligations.

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

5. DERIVATIVE INSTRUMENT AGREEMENT

CCCFA entered into interest rate swaps in order to hedge against the interest rate risk related to variable rate debt. The swaps were entered into simultaneously with the related debt and were valued at zero on that date. Under the swap agreements, CCCFA makes and receives payments that net to fixed interest rates. The counterparty is obligated to pay CCCFA based on the same notional amount and interest rate applicable to the bond for which the swap is intended to hedge. After giving effect to the swap agreements, CCCFA's effective interest cost was approximately \$13.9 million for each of the years ended December 31, 2025 and 2024.

The following derivative instruments were active for years ended December 31, 2025 and 2024 :

Issuance	Notional amount	Effective date	Maturity Date	Bond Interest rate	Hedge to Effective Rate
2021B Bonds	\$150,000,000	9/23/2021	8/1/2031	SIFMA + 0.45%	1.540%
2022A Bonds	\$97,000,000	6/28/2022	8/1/2028	67% of SOFR + 1.70%	3.730%
2023A Bonds	\$50,500,000	12/6/2022	8/1/2029	67% of SOFR + 1.95%	4.226%
2023B Bonds	\$50,000,000	1/17/2023	8/1/2029	67% of SOFR + 1.63%	3.755%
2023E Bonds	\$95,000,000	8/9/2023	3/1/2031	67% of SOFR + 1.67%	4.175%

Future net cash flows on variable-rate debt are shown below. These amounts assume that the interest rate of the bond and the reference rate of the hedging derivative instruments remain at December 31, 2025 levels. These rates will vary and, as they do, interest payments on the variable-rate bonds and net receipts/payments on the interest rate swaps will vary. The table below includes only CCCFA's effectively hedged variable-rate debt, which is a subset of the CCCFA's total debt. As of December 31, 2025, all of CCCFA's variable-rate debt is effectively hedged.

Estimated future net cash flows on variable-rate debt:

Year	Principal	Interest	Net Derivative Payment (Receipt)	Total
2026	\$ -	\$ 17,042,183	\$ (3,136,203)	\$ 13,905,980
2027	-	17,042,183	(3,136,203)	13,905,980
2028	-	17,077,325	(3,171,345)	13,905,980
2029	1,360,000	17,027,919	(3,134,434)	15,253,485
2030	3,255,000	16,960,839	(3,125,214)	17,090,625
2031 - 2035	47,475,000	80,874,455	(14,960,097)	113,389,358
2036 - 2040	69,995,000	69,694,843	(12,752,168)	126,937,675
2041 - 2045	95,630,000	54,441,602	(9,731,991)	140,339,611
2046 - 2050	140,735,000	32,888,266	(5,550,139)	168,073,127
2051 - 2054	84,050,000	5,936,416	(701,590)	89,284,826
	<u>\$ 442,500,000</u>	<u>\$ 328,986,031</u>	<u>\$ (59,399,384)</u>	<u>\$ 712,086,647</u>

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

5. DERIVATIVE INSTRUMENT AGREEMENT (continued)

INTEREST RATE RISK

CCCFA has exposure to interest rate risk on its pay-fixed, receive-variable interest rate swaps that is the inverse of the interest rate risk of the bonds that it is hedging.

ROLLOVER RISK

CCCFA is exposed to rollover risk on hedging derivative instruments that are hedges of debt that mature or may be terminated prior to the maturity of the hedged debt. When these hedging derivative instruments terminate, CCCFA will be re-exposed to the risks being hedged by the hedging derivative instrument. For bonds with hedging instruments, CCCFA is exposed to rollover risk on the relevant pay-fixed, receive-variable interest rate-swap schedule.

TERMINATION RISK

CCCFA or its counterparties may terminate a derivative instrument if the other party fails to perform under the terms of the contract. The termination will not result in any future amounts payable by either party.

6. FUTURE GASB PRONOUNCEMENTS

The requirements of the following Governmental Standards Board Statements are effective for future fiscal years ending after December 31, 2025:

GASB has approved GASB Statement No. 103, *Financial Reporting Model Improvements*, Statement No. 104, *Disclosure of Certain Capital Assets*, and Statement No. 105, *Subsequent Events*.

Management is evaluating the effect of implementation of these statements.

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

7. SUBSEQUENT EVENTS

BOND ISSUANCE

In 2026, CCCFA entered into new Prepaid Agreements and issued bonds in the amount of \$7.2 billion as described in the following table.

<u>Deal</u>	<u>Member</u>	<u>Issued</u>	<u>Amount</u>
2026A	San Jose Community Energy	January 2026	\$ 1,245,685,000
2026B	Clean Power Alliance	February 2026	962,915,000
2026C	San Diego Community Power	March 2026	687,215,000
2026D	Orange County Power Authority	March 2026	929,440,000
2026E	Pioneer Community Energy	June 2026	1,197,070,000
2026F	Ava Community Energy	July 2026	1,242,870,000
2026G	Ava Community Energy	July 2026	948,325,000
			<u>\$ 7,213,520,000</u>

NEW MEMBERS

In January 2026, CCCFA admitted Orange County Power Authority as a new member, followed by Desert Community Energy and Redwood Coast Energy Authority in May 2026.



Reporting and insights from 2025 audit:

California Community Choice
Financing Authority

December 31, 2025

Executive summary

September 17, 2026

The Board of Directors
California Community Choice Financing Authority
1125 Tamalpais Avenue
San Rafael, CA, 94901

We have completed our audit of the financial statements of California Community Financing Authority (CCCFA) for the year ended December 31, 2025 and have issued our report thereon dated September 17, 2026. This letter presents communications required by our professional standards.

Your audit should provide you with confidence in your financial statements. The audit was performed based on information obtained from meetings with management, data from your systems, knowledge of CCCFA's operating environment and our risk assessment procedures. We strive to provide you clear, concise communication throughout the audit process and of the final results of our audit.

Additionally, we have included information on key risk areas CCCFA should be aware of in your strategic planning. We are available to discuss these risks as they relate to your organization's financial stability and future planning.

If you have questions at any point, please connect with us:

- Bethany Ryers, Principal: Bethany.Ryers@bakertilly.com or +1 (608) 240 2382

Sincerely,

Baker Tilly US, LLP



Bethany Ryers, CPA

Principal

THIS COMMUNICATION IS INTENDED SOLELY FOR THE INFORMATION AND USE OF THOSE CHARGED WITH GOVERNANCE AND, IF APPROPRIATE, MANAGEMENT AND IS NOT INTENDED TO BE AND SHOULD NOT BE USED BY ANYONE OTHER THAN THESE SPECIFIED PARTIES.

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Responsibilities

Our responsibilities

As your independent auditor, our responsibilities include:

- Planning and performing the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. Reasonable assurance is a high level of assurance.
- Assessing the risks of material misstatement of the financial statements, whether due to fraud or error. Included in that assessment is a consideration of CCCFA's internal control over financial reporting.
- Performing appropriate procedures based upon our risk assessment.
- Evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management.
- Forming and expressing an opinion based on our audit about whether the financial statements prepared by management, with the oversight of the board of directors:
 - Are free from material misstatement
 - Present fairly, in all material respects and in accordance with accounting principles generally accepted in the United States of America
- Our audit does not relieve management or the board of directors of their responsibilities.

We are also required to communicate significant matters related to our audit that are relevant to the responsibilities of the board of directors, including:

- Internal control matters
- Qualitative aspects of CCCFA's accounting practice including policies, accounting estimates and financial statement disclosures
- Significant unusual transactions
- Significant difficulties encountered
- Disagreements with management
- Circumstances that affect the form and content of the auditors' report
- Audit consultations outside the engagement team
- Corrected and uncorrected misstatements
- Other audit findings or issues

Audit status

Significant changes to the audit plan

There were no significant changes made to either our planned audit strategy or to the significant risks and other areas of emphasis identified during the performance of our risk assessment procedures.

Audit approach and results

Planned scope and timing

Audit focus

Based on our understanding of CCCFA and the environment in which you operate, we focused our audit on the following key areas:

- Key transaction cycles
- Areas with significant estimates
- Implementation of new accounting standards

Our areas of audit focus were informed by, among other things, our assessment of materiality. Materiality in the context of our audit was determined based on specific qualitative and quantitative factors combined with our expectations about CCCFA's current year results.

Key areas of focus and significant findings

Significant risks of material misstatement

A significant risk is an identified and assessed risk of material misstatement that, in the auditor's professional judgment, requires special audit consideration. Within our audit, we focused on the following areas below.

Significant risk areas	Testing approach	Conclusion
Management override of controls	Incorporate unpredictability into audit procedures, emphasize professional skepticism and utilize audit team with industry expertise	Procedures identified provided sufficient evidence for our audit opinion

Other areas of emphasis

We also focused on other areas that did not meet the definition of a significant risk but were determined to require specific awareness and a unique audit response.

Other areas of emphasis		
Cash and investments	Revenues and receivables	General disbursements
Financial reporting and required disclosures	Prepayments	Long-term debt

Internal control matters

We considered CCCFA's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing an opinion on the financial statements. We are not expressing an opinion on the effectiveness of CCCFA's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis.

A material weakness is a deficiency or combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

Required communications

Qualitative aspect of accounting practices

- Accounting policies: Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we have advised management about the appropriateness of accounting policies and their application. The significant accounting policies used by CCCFA are described in Note 1 to the financial statements. As described in Note 1, no new accounting policies were adopted and the application of existing accounting policies was not changed during 2025. We noted no transactions entered into by CCCFA during the year for which accounting policies are controversial or for which there is a lack of authoritative guidance or consensus or diversity in practice.
- Accounting estimates: Accounting estimates, including fair value estimates, are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements, the degree of subjectivity involved in their development and because of the possibility that future events affecting them may differ significantly from those expected. The following estimates are of most significance to the financial statements:

Estimate	Management's process to determine	Baker Tilly's conclusions regarding reasonableness
Amortization of prepaid energy expense	Net present value based on scheduled energy deliveries over the contract	Reasonable in relation to the financial statements as a whole

There have been no significant changes made by management to either the processes used to develop the particularly sensitive accounting estimates or to the significant assumptions used to develop the estimates noted above.

- Financial statement disclosures: The disclosures in the financial statements are neutral, consistent and clear.

Significant unusual transactions

There have been no significant transactions that are outside the normal course of business for CCCFA or that otherwise appear to be unusual due to their timing, size or nature.

Significant difficulties encountered during the audit

We encountered no significant difficulties in dealing with management and completing our audit.

Disagreements with management

Professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting or auditing matter that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Audit report

There have been no departures from the auditors' standard report.

Audit consultations outside the engagement team

We encountered no difficult or contentious matters for which we consulted outside of the engagement team.

Uncorrected misstatements and corrected misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial and communicate them to the appropriate level of management. There were no misstatements identified.

Other audit findings or issues

We encountered no other audit findings or issues that require communication at this time.

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as CCCFA's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other information in documents containing audited financial statements

CCCFA's audited financial statements are "general purpose" financial statements. General purpose financial statements consist of the basic financial statements that can be used by a broad group of people for a broad range of activities. Once we have issued our audit report, we have no further obligation to update our report for events occurring subsequent to the date of our report. CCCFA can use the audited financial statements in other client prepared documents, such as official statements related to the issuance of debt, without our acknowledgement. Unless we have been engaged to perform services in connection with any subsequent transaction requiring the inclusion of our audit report, as well as to issue an auditor's acknowledgment letter, we have neither read the document nor performed subsequent event procedures in order to determine whether or not our report remains appropriate.

Management's consultations with other accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that and, to our knowledge, there were no consultations with other accountants regarding auditing or accounting matters.

Written communications between management and Baker Tilly

The attachments include copies of other material written communications, including a copy of the management representation letter.

Compliance with laws and regulations

We did not identify any non-compliance with laws and regulations during our audit.

Fraud

We did not identify any known or suspected fraud during our audit.

Going concern

Pursuant to professional standards, we are required to communicate to you, when applicable, certain matters relating to our evaluation of CCCFA's ability to continue as a going concern for a reasonable period of time but no less than 12 months from the date of the financial statements, including the effects on the financial statements and the adequacy of the related disclosures and the effects on the auditor's report. No such matters or conditions have come to our attention during our engagement.

Independence

We are not aware of any relationships between Baker Tilly and CCCFA that, in our professional judgment, may reasonably be thought to bear on our independence.

Related parties

We did not have any significant findings or issues arise during the audit in connection with CCCFA's related parties.

Other matters

We applied certain limited procedures to the required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Audit committee resources

Our business is to know every aspect of yours and to maintain a constant lookout for what's next. We invite you to learn about some of the trending challenges and opportunities for public sector organizations like yours and how Baker Tilly can help.

To explore more trending topics and regulatory updates, visit our resource page at <https://www.bakertilly.com/insights/audit-committee-resource-page>.



Capital project oversight

Public sector capital projects face increasing pressure from cost escalation, supply chain disruption, regulatory complexity and heightened scrutiny around transparency and accountability. Strong planning, governance and controls are critical across the full project life cycle, from feasibility and funding strategy through execution and closeout.

Independent oversight helps chart a clear course from planning to delivery. Our teams work alongside leadership to strengthen governance, establish financial and contractual controls, align funding with project goals and monitor performance throughout execution, helping projects stay on schedule, within budget and aligned with community priorities.



Succession planning

An aging workforce, rising retirement rates and competition for specialized talent make succession planning a fiscal and operational a priority for public sector organizations.

By identifying critical roles, assessing workforce risk, building internal talent pipelines and integrating succession planning with broader workforce strategies, Baker Tilly helps organizations preserve institutional knowledge and maintain continuity, today and into the future.



Economic development

Successful economic development depends on disciplined planning, sound financial analysis and coordinated execution. Public sector leaders must balance incentives, infrastructure investment, funding opportunities and stakeholder priorities while maintaining fiscal responsibility.

Baker Tilly's supports local governments with strategic and financial planning, incentive structuring and negotiation, tax increment financing administration, project financing, grant strategy and economic and fiscal impact analysis. This integrated approach helps leaders move from vision to action, strengthening communities and advancing sustainable, long-term growth.

Management representation letter



California Community Choice Financing Authority

September 17, 2026

Baker Tilly US, LLP
4807 Innovate Ln
PO Box 7398
Madison, WI 53707-7398

Dear Baker Tilly US, LLP:

We are providing this letter in connection with your audit of the financial statements of California Community Choice Financing Authority (CCCFA) as of December 31, 2025 and 2024 and for the years then ended for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the financial position of CCCFA and the respective changes in financial position and cash flows in conformity with accounting principles generally accepted in the United States of America (GAAP). We confirm that we are responsible for the fair presentation of the previously mentioned financial statements in conformity with accounting principles generally accepted in the United States of America. We are also responsible for adopting sound accounting policies, establishing and maintaining internal control over financial reporting, and preventing and detecting fraud.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated December 18, 2024, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.

- 2) The financial statements referred to above are fairly presented in conformity with accounting principles generally accepted in the United States of America. The financial statements include all properly classified funds of the primary government required by accounting principles generally accepted in the United States of America to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, if any, are reasonable in accordance with U.S. GAAP.
- 6) All events subsequent to the date of the financial statements and for which accounting principles generally accepted in the United States of America require adjustment or disclosure have been adjusted or disclosed. No other events, including instances of noncompliance, have occurred subsequent to the financial statement date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.
- 7) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 8) We are not aware of any known actual, possible, pending, or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with accounting principles generally accepted in the United States of America, and we have not consulted a lawyer concerning litigation, claims, or assessments.
- 9) Guarantees, whether written or oral, under which the CCCFA is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

- 10) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as financial records and related data, documentation, and other matters.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

- d) Minutes of the meetings of the Board of Directors or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 11) We have disclosed to you results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 12) We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - a) Management,
 - b) Employees who have significant roles in internal control, or
 - c) Others where the fraud could have a material effect on the financial statements.
- 13) We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, regulators, or others.
- 14) We have no knowledge of known instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
- 15) We have disclosed to you the names of our related parties and all the related party relationships and transactions, including side agreements, of which we are aware.

Other

- 16) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 17) We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.
- 18) CCCFA has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources or fund balance or net position.
- 19) We are responsible for compliance with federal, state, and local laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits, debt contracts, and IRS arbitrage regulations; and we have identified and disclosed to you all federal, state, and local laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
- 20) There are no:

- a) Violations or possible violations of budget ordinances, federal, state, and local laws or regulations (including those pertaining to adopting, approving and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, or for reporting on noncompliance, except those already disclosed in the financial statement, if any.
 - b) Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by accounting principles generally accepted in the United States of America.
 - c) Nonspendable, restricted, committed, or assigned fund balances that were not properly authorized and approved.
 - d) Rates being charged to customers other than the rates as authorized by the applicable authoritative body.
 - e) Violations of restrictions placed on revenues as a result of bond resolution covenants such as revenue distribution or debt service funding.
- 21) CCCFA has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 22) CCCFA has complied with all aspects of contractual agreements that would have a material effect on the financial statement in the event of noncompliance.
- 23) The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations, if any. Component units have been properly presented as either blended or discrete.
- 24) Components of net position (net investment in capital assets; restricted; and unrestricted) are properly classified and, if applicable, approved.
- 25) We believe that we have properly identified all derivative instruments and any embedded derivative instruments that require bifurcation. The authority's hedging activities, if any, are in accordance with its documented and approved hedging and risk management policies. The authority follows the valuation, accounting, reporting and disclosure requirements outlined in GASB No. 53. We believe the timing, nature, and amounts of all forecasted transactions are probable of occurring. The Commodity Swap and Interest Rate Swap Agreements, as disclosed in the footnotes, contain termination provisions such that upon early termination, the Gas Swap Agreement would have no value to either party.
- 26) Deposits and investments are properly classified, valued, and disclosed (including risk disclosures, collateralization agreements, valuation methods, and key inputs, as applicable).

- 27) Tax-exempt bonds issued have retained their tax-exempt status.
- 28) We have appropriately disclosed CCCFA's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available and have determined that net position were properly recognized under the policy.
- 29) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 30) We have reviewed our long-term debt agreements and believe that all terms related to significant events of default with finance-related consequences, termination events with finance-related consequences and subjective acceleration clauses have been properly identified and disclosed.
- 31) Unused lines of credit, collateral pledged to secure debt and direct borrowings and private placements have been properly identified and disclosed.
- 32) We have reviewed existing contracts and determined there are no items requiring accounting or reporting as leases/subscriptions.
- 33) We have evaluated our ongoing operations and determined there are no concentrations or constraints meeting the requirements for disclosure under GASB Statement No. 102.
- 34) The auditing standards define an annual report as "a document, or combination of documents, typically prepared on an annual basis by management or those charged with governance in accordance with law, regulation, or custom, the purpose of which is to provide owners (or similar stakeholders) with information on the entity's operations and the financial results and financial position as set out in the financial statements." Among other items, an annual report contains, accompanies, or incorporates by reference the financial statements and the auditors' report thereon. We confirm that we do not prepare and have no plans to prepare an annual report.

Sincerely,

California Community Choice Financing Authority

Signed: _____

Title: Treasurer/Controller

Signed: _____

Title: Accounting Director

Client service team



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Accounting changes relevant to California Community Choice Finance Authority

Future accounting standards update

GASB statement number	Description	Potentially impacts you	Effective date
103	Financial reporting model improvements	✓	12/31/26
104	Disclosure of certain capital assets		12/31/26
105	Subsequent events	✓	12/31/27

Further information on upcoming [GASB pronouncements](#).

Changes to the financial reporting model

GASB Statement 103, *Financial Reporting Model Improvements*, builds on Statement 34 by providing key targeted improvements to the financial reporting model. Its requirements are designed to:

- Enhance the effectiveness of governmental financial reports in providing information essential for decision making and assessing a government's accountability; and
- Address certain application issues.

The targeted improvements contained in Statement 103 establish or modify existing accounting and financial reporting requirements related to:

- Management's discussion and analysis: While the overall requirements do not substantially change management's discussion and analysis, the modifications are meant to improve the analysis included in this section and provide details about the items that should be discussed as currently known facts, decisions or conditions expected to have a significant financial effect in the subsequent period.
- Unusual or infrequent items (previously known as extraordinary and special items): The new statement simplifies GASB literature by eliminating the separate presentation of extraordinary and special items. Under the requirement of Statement 103, applicable items will either be identified as unusual or infrequent or both.
- Presentation of the proprietary fund statement of revenues, expenses and changes in fund net position: The changes are designed to improve consistency around the classification of items in these statements by better defining what should be included in operating revenues and expenses and nonoperating revenues and expenses including, for example, the addition of subsidies received or provided as a new category of nonoperating revenues and expenses.
- Major component unit information and budgetary comparison information: Statement 103 is designed to improve the consistency of the reporting of major component unit information and budgetary comparison information by specifying required placement of that information.

Revisions to disclosures for certain capital assets

Governments are required to provide information on capital assets in the footnotes to the financial statements as outlined in GASB Statement No. 34. Recent standards have impacted the accounting and reporting for capital assets and as a result GASB issued Statement No. 104, *Disclosure of Certain Capital Assets* to provide enhanced disclosures for certain capital assets, including

- (a) Lease assets reported under Statement No. 87, intangible right-to-use assets reported under Statement No. 94 and subscription assets reported under Statement No. 96 should all be disclosed separately and by major class of underlying asset. In addition, if there are any other intangible assets reported, they should also be disclosed separately.
- (b) Capital assets that are held for sale should have the ending balance with separate disclosure for historical cost and related accumulated depreciation as well as any outstanding debt for which the asset is pledged as collateral disclosed by major class of asset. Assets held for sale are defined as those for which the government has decided to pursue the sale and it is probable that the sale will be finalized within one year of the financial statement date.

While these changes are focused on footnote disclosures, it is important to plan ahead to ensure the required information is available for implementation.

Updated guidance for the financial reporting of subsequent events

GASB Statement No. 105, *Subsequent Events*, which supersedes GASB Statement No. 56, is intended to enhance consistency in the application of requirements for subsequent events.

The Statement defines subsequent events as transactions or other events that occur after year end but before the date the financial statements are available to be issued. The date the financial statements are available to be issued is the date at which (a) the financial statements are complete in a form and format that complies with generally accepted accounting principles (GAAP) and (b) approvals necessary for issuance have been obtained or typically the opinion date. The definition of subsequent events in this Statement modifies the subsequent events time frame throughout the GASB literature.

The Statement also clarifies:

- The different types of subsequent events (recognized and nonrecognized events)
- When note disclosures are required
- The information that should be included in those note disclosures

Two-way audit communications

As part of our audit of your financial statements, we are providing communications to you throughout the audit process. Auditing requirements provide for two-way communication and are important in assisting the auditor and you with more information relevant to the audit.

As this past audit is concluded, we use what we have learned to begin the planning process for next year's audit. It is important that you understand the following points about the scope and timing of our next audit:

- a. We address the significant risks of material misstatement, whether due to fraud or error, through our detailed audit procedures.
- b. We will obtain an understanding of the five components of internal control sufficient to assess the risk of material misstatement of the financial statements whether due to error or fraud and to design the nature, timing and extent of further audit procedures. We will obtain a sufficient understanding by performing risk assessment procedures to evaluate the design of controls relevant to an audit of financial statements and to determine whether they have been implemented. We will use such knowledge to:
 - Identify types of potential misstatements
 - Consider factors that affect the risks of material misstatement
 - Design tests of controls, when applicable and substantive procedures
- c. We will not express an opinion on the effectiveness of internal control over financial reporting or compliance with laws, regulations and provisions of contracts or grant programs.
- d. The concept of materiality recognizes that some matters, either individually or in the aggregate, are important for fair presentation of financial statements in conformity with generally accepted accounting principles while other matters are not important. In performing the audit, we are concerned with matters that, either individually or in the aggregate, could be material to the financial statements. Our responsibility is to plan and perform the audit to obtain reasonable assurance that material misstatements, whether caused by errors or fraud, are detected.

Our audit will be performed in accordance with auditing standards generally accepted in the United States of America.

We are very interested in your views regarding certain matters. Those matters are listed here:

- a. We typically will communicate with your top level of management unless you tell us otherwise.
- b. We understand that the governing board has the responsibility to oversee the strategic direction of your organization, as well as the overall accountability of the entity. Management has the responsibility for achieving the objectives of the entity.
- c. We need to know your views about your organization's objectives and strategies and the related business risks that may result in material misstatements.
- d. We anticipate that CCCFA will receive an unmodified opinion on its financial statements.
- e. Which matters do you consider warrant particular attention during the audit and are there any areas where you request additional procedures to be undertaken?
- f. Have you had any significant communications with regulators or grantor agencies?
- g. Are there other matters that you believe are relevant to the audit of the financial statements?

Also, is there anything that we need to know about the attitudes, awareness and actions of the governing body concerning:

- a. The entity's internal control and its importance in the entity, including how those charged with governance oversee the effectiveness of internal control?
- b. The detection or the possibility of fraud?

We also need to know if you have taken action in response to developments in financial reporting, laws, accounting standards, governance practices or other related matters or in response to previous communications with us.

With regard to the timing of our audit, here is some general information. If necessary, we may do preliminary financial audit work during the month of January. Our final financial fieldwork is scheduled during the summer to best coincide with your readiness and report deadlines. After fieldwork, we wrap up our financial audit procedures at our office and may issue drafts of our report for your review. Final copies of our report and other communications are issued after approval by your staff. This is typically 6-12 weeks after final fieldwork but may vary depending on a number of factors.

Keep in mind that while this communication may assist us with planning the scope and timing of the audit, it does not change the auditor's sole responsibility to determine the overall audit strategy and the audit plan, including the nature, timing and extent of procedures necessary to obtain sufficient appropriate audit evidence.

We realize that you may have questions on what this all means or wish to provide other feedback. We welcome the opportunity to hear from you.



Reporting and Insights from 2025 Audit: California Community Choice Financing Authority

September 24, 2026

Agenda

- 1 Audit Results
- 2 Required communication to governing body
- 3 Impact of future standards
- 4 Discussion

Our responsibilities

As your independent auditor, our responsibilities include:

Planning and performing the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement. Reasonable assurance is a high level of assurance

Assessing the risks of material misstatement of the basic financial statements whether due to fraud or error. Included in that assessment is a consideration of the Authority's internal control over financial reporting

Performing appropriate procedures based upon our risk assessment

Evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management

Forming and expressing an opinion based on our audit about whether the basic financial statements prepared by management, with the oversight of the Board of Directors:

- ✓ Are free from material misstatement
- ✓ Present fairly in all material respects and in accordance with accounting principles generally accepted in the United States of America

Our audit of the basic financial statements does not relieve management or the Board of Directors of their responsibilities.

Planned scope and timing

Audit focus:

Based on our understanding of the Authority and environment in which you operate, we focused our audit on the following key areas:

- Key transaction cycles
- Areas with significant estimates

Our areas of audit focus were informed by, among other things, our assessment of materiality. Materiality in the context of our audit was determined based on specific qualitative and quantitative factors combined with our expectations about the Authority's current year results.

Audit approach and results

Audit performed in accordance with *Generally Accepted Auditing Standards*

Audit objective – reasonable assurance that financial statements are free from material misstatement

Financial statements of the Authority received an Unmodified Opinion

There was no material weakness noted

Auditor communication to those charged with governance

**Auditor
responsibility &
independence**

**Board
responsibility**

**Accounting
policies and
estimates**

**Baker Tilly agrees with the
Authority's accounting policies and
disclosures**

**No audit
adjustments**

No other audit findings or concerns

Future accounting standards update

GASB Statement Number	Description	Potentially Impacts You	Effective Date
103	Financial reporting model improvements	✓	12/31/2026
104	Disclosure of certain capital assets		12/31/2026
105	Subsequent events	✓	12/31/2027

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Discussion

Audit committee resources

Visit our resource page for regulatory updates, trending challenges and opportunities in your industry and other timely updates.

[Visit the resource page.](#)



California Community Choice Financing Authority

Staff Report – Item 6

Item 6: Board of Directors

From: Garth Salisbury, Treasurer/Controller

Date: September 24, 2026

Attachments: Board Resolution No. 2026-17 authorizing the issuance of Clean Energy Project Revenue Bonds to finance the acquisition of a long-term supply of electricity for Central Coast Community Energy

RECOMMENDATION

By motion, adopt Resolution No. 2026-17 authorizing the issuance of one or more series of Clean Energy Project Revenue Bonds (the “Bonds”) and approving parameters under which an energy prepayment transaction can be completed on behalf of Central Coast Community Energy (“3CE”) with Goldman Sachs & Co. LLC as underwriter (the “Underwriter”) and one or more limited liability companies established by J. Aron & Company LLC (“J. Aron”), as the energy suppliers (the “Energy Supplier”); authorizing and/or approving documents or “form of” documents supporting the prepayment transactions; and approving payments by CCCFA to service providers for issuance costs from prepayment bond proceeds.

BACKGROUND

3CE has retained PFM Financial Advisors LLC (“PFM”) as Municipal Financial Advisor and Stradling Yocca Carlson & Rauth LLP (“Stradling”) as Project Participant Counsel to support 3CE’s continued evaluation and preparation of an energy prepayment transaction.

In June 2021, 3CE and three other CCAs created and established CCCFA. In October 2023, CCCFA issued \$647.8 million in Clean Energy Project Revenue Bonds to finance the acquisition of a long-term supply of electricity for 3CE.

On September 17, 2026, the 3CE Policy Board of Directors adopted a Resolution authorizing the completion of an energy prepayment transaction with the Underwriter and the Energy Suppliers, provided that the principal amount of the bonds issued shall not exceed \$1.7 billion and total cost of issuance shall not exceed 1.25% of the proceeds of the bonds.

In the current plan of finance, 3CE plans to prepay energy purchased under one or more power purchase and sale agreements (including related energy storage) between 3CE and certain sellers of electricity.

REQUESTED ACTION

The proposed Board Resolution encompasses the following approvals or authorizations relating to the execution of the prepayment transaction:

- Authorizes the issuance of the Bonds by CCCFA for the purpose of financing the purchase of certain quantities of electricity from the Energy Supplier and selling such quantities of electricity to 3CE;
- Authorizes CCCFA Officers to execute, or approve for distribution of, documents and “form of” documents supporting the prepayment transaction; and
- Confirms receipt by CCCFA of certain representations and good faith estimates from PFM regarding the Bonds;

The proposed Board Resolution is substantially similar to the Resolutions approved by the Board to support previous prepayment transactions by other CCAs.

Good Faith Estimates for Prepayment Transaction

Pursuant to Government Code Section 5852.1, PFM has provided CCCFA with the following required good faith estimates for the prepayment transaction contemplated herein:

- An aggregate principal amount of \$1,545,050,000 for the Bonds estimated to be sold;
- A True Interest Cost of 4.62%;
- A sum of all fees and charges paid to third parties (being costs of issuance of approximately \$1,378,379 plus estimated underwriters' compensation of \$8,105,900) totaling \$9,484,279;
- Proceeds to be received by CCCFA for the sale of the Bonds, less the finance charge for the Bonds and any reserves or capitalized interest paid or funded with proceeds of the Bonds, of \$1,521,096,303; and
- A total payment amount, being the sum of all payments the borrower will make to pay debt service on the Bonds to final maturity, plus the finance charge for the Bonds described above not paid from proceeds of the Bonds, of \$2,313,283,194 to the initial final maturity date or Mandatory Purchase Date, as applicable.

Prepayment Documents

The proposed Board Resolution authorizes Authorized Officers of CCCFA to execute and deliver the following documents and document forms supporting the prepayment transaction:

- A proposed form of the Trust Indenture(s), between CCCFA and U.S. Bank Trust Company, National Association ("U.S. Bank"), as Trustee, or other trustee named therein;
- A proposed form of the Master Power Supply Agreement(s), between CCCFA and the Energy Supplier(s);
- A proposed form of the Clean Energy Purchase Contract(s), between CCCFA and 3CE;
- Proposed forms of one or more Limited Assignment Agreements, among 3CE, J. Aron, and certain sellers of electricity (collectively, the "PPA Sellers") under one or

more power purchase and sale agreement(s) between 3CE and the respective PPA Sellers (collectively, the “Assigned PPAs”);

- A proposed form of Consolidated, Amended and Restated PPA Custodial Agreement, among CCCFA, 3CE, J. Aron, and U.S. Bank, as custodian, or other custodian named therein, relating to payments to be made with respect to the Assigned PPAs;
- A proposed form of Re-Pricing Agreements between the Energy Supplier(s) and CCCFA;
- Proposed forms of ISDA Master Agreement, Schedule thereto and one or more related Confirmations between CCCFA and a counterparty to be identified therein (the “Commodity Swap Counterparty”) relating to a commodity swap (the “Commodity Swap Agreement”);
- A proposed form of Custodial Agreement (the “Front-End Custodial Agreement”) among CCCFA, U.S. Bank, as Trustee and Custodian, and the Commodity Swap Counterparty;
- Proposed forms of ISDA Master Agreement, Schedule thereto and related Confirmations between CCCFA and J. Aron, relating to one or more interest rate swaps (the “Interest Rate Swap Agreement”);
- A proposed form of Clean Energy Project Operational Services Agreement (the “Operational Services Agreement”) between CCCFA and 3CE;
- A proposed form of Official Statement to be used by the Underwriter in connection with the offering and sale of the Bonds; and
- A proposed form of Bond Purchase Contract, between the Underwriter and CCCFA.

FISCAL IMPACT

Upon the successful closing of the prepayment bond transaction, CCCFA will receive a New Deal fee of \$20,000 as part of the total costs of issuance paid out of Bond proceeds. In the event the prepayment bond transaction is not successfully completed, 3CE will make a payment to Moody’s Investors Service and the Second Party Opinion provider as described in the ratings fee Memoranda of Understanding between CCCFA and 3CE.

RESOLUTION NO. 2026-17

RESOLUTION OF THE CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY AUTHORIZING THE ISSUANCE OF ONE OR MORE SERIES OF CLEAN ENERGY PROJECT REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$1,700,000,000 TO FINANCE THE ACQUISITION OF A LONG-TERM SUPPLY OF ELECTRICITY FOR CENTRAL COAST COMMUNITY ENERGY AND OTHER MATTERS RELATING THERETO

WHEREAS, pursuant to the provisions of the Joint Exercise of Powers Act, constituting Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the California Government Code, as amended and supplemented (the “Act”), a number of California public agencies (as defined in the Act) that are community choice aggregators that have implemented CCA programs (as such terms are defined in the California Public Utilities Code) have entered into a joint powers agreement (as amended, the “Agreement”) pursuant to which the California Community Choice Financing Authority (the “Issuer”) has been organized for the purpose, among other things, of entering into contracts and issuing bonds to assist its members in financing or refinancing energy prepayments;

WHEREAS, Central Coast Community Energy (“3CE”) is a Founding Member (as such term is defined in the Agreement) of the Issuer;

WHEREAS, the Issuer is authorized by its Agreement to purchase and sell electric energy and associated capacity and environmental attributes and to issue revenue bonds to finance or refinance the cost of such transactions, and is vested with all powers necessary to accomplish the purposes for which it was created;

WHEREAS, the Issuer has determined to purchase certain quantities of electricity from one or more suppliers (the “Energy Supplier(s)”) on a prepaid basis (the “Project”) and to sell such electricity to the 3CE, as contemplated herein;

WHEREAS, the Issuer has determined to finance the costs of the Project with the proceeds of its Clean Energy Project Revenue Bonds, to be issued in one or more series or subseries (collectively, the “Bonds”);

WHEREAS, the Issuer has determined to authorize the officers of the Issuer to take all necessary action to accomplish the purchase of the Project on a prepaid basis, the sale of electricity to 3CE and the issuance, sale and delivery of the Bonds;

WHEREAS, pursuant to one or more Trust Indentures (the “Indenture(s)”), between the Issuer and U.S. Bank Trust Company, National Association, as trustee, or other trustee named therein (the “Trustee”), the Issuer will issue the Bonds for the purpose, among others, of financing the Project;

WHEREAS, pursuant to a Bond Purchase Contract, to be dated the date of sale of the Bonds (the “Bond Purchase Contract”), between Goldman Sachs & Co. LLC, as the

sole underwriter or as representative of the underwriters (collectively, the “Underwriters”), and the Issuer, the Bonds will be sold to the Underwriters, and the proceeds of such sale will be used as set forth in the Indenture and the Bond Purchase Contract to finance the Project and to pay costs incurred in connection with the issuance of the Bonds;

WHEREAS, pursuant to one or more a Master Power Supply Agreements (the “Master Power Supply Agreement(s)”) between the Issuer and the Energy Supplier(s), the Issuer will acquire a supply of electricity from the Energy Supplier(s);

WHEREAS, pursuant to one or more a Clean Energy Purchase Contracts (the “Clean Energy Purchase Contract(s)”) between the Issuer and 3CE, the Issuer will sell such supply of electricity to 3CE over a period of years; and

WHEREAS, pursuant to Section 5852.1 of the California Government Code, the Issuer has received certain representations and good faith estimates from PFM Financial Advisors LLC, which good faith estimates are attached hereto as Exhibit A;

WHEREAS, there have been made available to the Board of Directors of the Issuer (the “Board of Directors”) the following documents and agreements:

1. A proposed form of the Indenture(s);
2. A proposed form of the Master Power Supply Agreement(s);
3. A proposed form of the Clean Energy Purchase Contract(s);
4. Proposed forms of one or more Limited Assignment Agreements, among 3CE, J. Aron & Company LLC, a New York limited liability company (“J. Aron”), and certain sellers of electricity (collectively, the “PPA Sellers”) under one or more power purchase and sale agreements between 3CE and the respective PPA Sellers (collectively, the “Assigned PPAs”);
5. A proposed form of Consolidated, Amended and Restated PPA Custodial Agreement (the “PPA Custodial Agreement”) among 3CE, J. Aron, the Issuer and U.S. Bank Trust Company, National Association, as custodian, or other custodian named therein, relating to payments to be made with respect to the Assigned PPAs;
6. A proposed form of Re-Pricing Agreements (the “Re-Pricing Agreement(s)”), between the Energy Supplier(s) and the Issuer;
7. Proposed forms of ISDA Master Agreement, the Schedule thereto and one or more related Confirmations between the Issuer and a counterparty to be identified therein (the “Commodity Swap Counterparty”) relating to a commodity swap (the “Commodity Swap Agreement”);

8. A proposed form of Custodial Agreement (the “Front-End Custodial Agreement”), among the Issuer, the Trustee, as trustee and custodian, and the Commodity Swap Counterparty;

9. Proposed forms of ISDA Master Agreement, the Schedule thereto and related Confirmations between the Issuer and J. Aron, relating to one or more interest rate swaps (the “Interest Rate Swap Agreement”);

10. A proposed form of Clean Energy Project Operational Services Agreement (the “Operational Services Agreement”) between the Issuer and 3CE;

11. A proposed form of official statement (the “Official Statement”) to be used by the Underwriters in connection with the offering and sale of the Bonds; and

12. A proposed form of Bond Purchase Contract.

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

Section 1. Pursuant to the Act and the Indenture(s), the Issuer is hereby authorized to issue its revenue bonds designated as the “California Community Choice Financing Authority Clean Energy Project Revenue Bonds” in an aggregate principal amount not to exceed one billion seven hundred million dollars (\$1,700,000,000), in one or more series or subseries, with such other name or names of the Bonds or series or subseries thereof as designated in the Indenture(s) pursuant to which the Bonds are issued. The Bonds shall be issued and secured in accordance with the terms of, and shall be in the form or forms set forth in, the form of the Indenture(s) made available to the Board of Directors for this meeting. The Bonds shall be executed by the manual or facsimile signature of the Chair of the Issuer, the Vice Chair of the Issuer, the Treasurer/Controller of the Issuer, the Secretary of the Issuer or any other person or persons designated by the Board of Directors by resolution to act on behalf of the Issuer (each, including the designees thereof, an “Authorized Officer”), and attested by the manual or facsimile signature of the Secretary of the Issuer or any other Authorized Officer.

Section 2. The proposed form of the Indenture(s), as made available to the Board of Directors for this meeting, is hereby approved. Any Authorized Officer is hereby authorized and directed, for and on behalf of the Issuer, to execute and deliver the Indenture(s) in substantially said form, with such changes and insertions therein (including any change of the funding recipient and any changes or insertions relating to a change of the funding recipient) as the Authorized Officer executing the same may approve, such approval to be conclusively evidenced by the execution and delivery thereof. The designation of the trustee, the designation of the funding recipient, Indenture provisions relating to the funding recipient, the designation of the commodity swap counterparty, dated date, maturity date or dates and provisions relating to the extension thereof, methods of determining interest rate or rates, interest payment dates,

denominations, forms, registration privileges, manner of execution, place or places of payment, tender provisions, terms of redemption and other terms of the Bonds shall be as provided in the Indenture(s), as finally executed.

Section 3. The proposed forms of the Master Power Supply Agreement(s), the Clean Energy Purchase Contract(s), the Limited Assignment Agreements, the PPA Custodial Agreement, the Re-Pricing Agreement(s), the Front-End Custodial Agreement, and the Operational Services Agreement, each as made available to the Board of Directors for this meeting, are hereby approved. Any Authorized Officer is hereby authorized and directed, for and on behalf of the Issuer, to execute and deliver such agreements in substantially said forms, with such changes and insertions therein (including any change of the funding recipient and any changes or insertions relating to a change of the funding recipient) as the Authorized Officer executing the same may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. The proposed preliminary form of the Official Statement, as made available to the Board of Directors for this meeting, is hereby approved. Any Authorized Officer is hereby authorized and directed, for and on behalf of the Issuer, to execute and deliver a certificate deeming the preliminary form of the Official Statement final for purposes of Securities and Exchange Commission Rule 15c2-12 and to execute and deliver the Official Statement in substantially said form, with such changes and insertions therein (including any change of the funding recipient and any changes or insertions relating to a change of the funding recipient) as the Authorized Officer executing the same may approve, such approval to be conclusively evidenced by the execution and delivery thereof. The Underwriters are hereby authorized to distribute the Official Statement in preliminary form to persons who may be interested in the purchase of the Bonds, and to deliver the Official Statement in final form to the purchasers of the Bonds, in each case with such changes as may be approved as aforesaid.

Section 5. The proposed form of the Bond Purchase Contract, as made available to the Board of Directors for this meeting, is hereby approved. Any Authorized Officer is hereby authorized and directed, for and on behalf of the Issuer, to execute and deliver the Bond Purchase Contract in substantially said form, with such changes and insertions therein (including any change of the funding recipient and any changes or insertions relating to a change of the funding recipient) as the Authorized Officer executing the same may approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided that the Underwriters' discount or compensation pursuant to such Bond Purchase Contract shall not exceed 0.6% of the principal amount of the Bonds and total costs of issuance for the Bonds, including all underwriting, legal and consultant fees will not exceed 1.0% of the proceeds of the Bonds. For the purpose of the limitations contained in this Section, costs of issuance do not include any structuring charge payable by the Energy Supplier(s) to J. Aron or any costs ultimately paid with additional proceeds or rounding amounts (howsoever such proceeds or amounts are designated in any pricing schedules relating to the Bonds).

Section 6. The proposed form of Commodity Swap Agreement, as made available to the Board of Directors for this meeting, is hereby approved. Any Authorized Officer is hereby authorized and directed, for and on behalf of the Issuer, to execute and deliver the Commodity Swap Agreement in substantially said form, with such changes and insertions therein (including any change of the funding recipient and any changes or insertions relating to a change of the funding recipient) as the Authorized Officer executing the same may approve, such approval to be conclusively evidenced by the execution and delivery thereof. The Board of Directors hereby finds and determines, pursuant to Section 5922 of the California Government Code, that due consideration has been given for the creditworthiness of the Commodity Swap Counterparty, and that the Commodity Swap Agreement is designed to reduce the amount or duration of rate, spread or similar risk and result in a lower cost of borrowing when used in combination with the issuance of the Bonds, including entering into the Master Power Supply Agreement(s) and the Clean Energy Purchase Contract(s), and, in particular, to reduce the rate, spread or similar risk between the variable payments to be made by the Project Participant under the Clean Energy Purchase Contract(s) and the fixed payments to be made on the Bonds and under the Interest Rate Swap Agreements.

Section 7. The proposed form of Interest Rate Swap Agreement, as made available to the Board of Directors for this meeting, is hereby approved. Any Authorized Officer is hereby authorized and directed, for and on behalf of the Issuer, to execute and deliver one or more Interest Rate Swap Agreements in substantially said form, with such changes and insertions therein (including any change of the funding recipient and any changes or insertions relating to a change of the funding recipient) as the Authorized Officer executing the same may approve, such approval to be conclusively evidenced by the execution and delivery thereof. The Board of Directors hereby finds and determines, pursuant to Section 5922 of the California Government Code, that due consideration has been given for the creditworthiness of J. Aron, including the guarantee of the obligations of J. Aron under the Interest Rate Swap Agreements by The Goldman Sachs Group, Inc., and that the Interest Rate Swap Agreements are designed to reduce the amount or duration of rate, spread or similar risk when used in combination with the issuance of the Bonds and to enhance the relationship between risk and return with respect to the electricity purchase program financed or refinanced with the proceeds of the Bonds, and, in particular, to reduce the rate, spread or similar risk between the fixed payments received under the Commodity Swap Agreement and the variable interest rate payments on one or more series of the Bonds.

Section 8. The Bonds, when executed as provided in Section 1, shall be delivered to the Trustee for authentication by the Trustee. The Trustee is hereby requested and directed to authenticate the Bonds by executing the Trustee's Certificate of Authentication appearing thereon, and to deliver the Bonds, when duly executed and authenticated, to the purchaser or purchasers thereof in accordance with written instructions executed on behalf of the Issuer by an Authorized Officer, which any Authorized Officer, acting alone, is authorized and directed, for and on behalf of the Issuer, to execute and deliver to the Trustee. Such instructions shall provide for the

delivery of the Bonds to the purchaser or purchasers thereof, upon payment of the purchase price thereof.

Section 9. The Authorized Officers, each acting alone, are hereby authorized and directed, for and in the name and on behalf of the Issuer, to execute and deliver any and all documents, including, without limitation, any tax certificates or agreements relating to the Bonds, any continuing disclosure certificates or agreements relating to the Bonds, any calculation agent agreements relating to the Bonds, any investment agreements relating to the Bonds or the investment of moneys in the funds and accounts under the Indenture, any letter agreement with J. Aron relating to the Limited Assignment Agreements, any rating agency fee memoranda of understanding, and any and all documents and certificates to be executed in connection with securing credit support, if any, for the Bonds, or investing proceeds of the Bonds or other moneys held under the Indenture(s), and to do any and all things and take any and all actions which may be necessary or advisable, in their discretion, to effectuate the actions which the Issuer has approved in this Resolution and to consummate by the Issuer the transactions contemplated by the documents approved hereby, including any subsequent amendments, waivers or consents entered into or given under or in accordance with such documents, the retaining of financial, legal or other consultants, as needed, the costs for which may be payable from proceeds of the Bonds as provided in Section 5 of this Resolution, the appointment of a director to the board of directors of the Energy Supplier, and the collection and spending of any administrative fees funded with proceeds of the Bonds and on an annual and ongoing basis as needed.

Section 10. All actions heretofore taken by the Authorized Officers with respect to the issuance of the Bonds are hereby ratified, confirmed and approved.

Section 11. The Board of Directors hereby approves the execution and delivery of all agreements, documents, certificates and instruments referred to herein with electronic signatures as may be permitted under the California Uniform Electronic Transactions Act and digital signatures as may be permitted under Section 16.5 of the California Government Code using DocuSign.

Section 12. This Resolution shall take effect immediately.

[Remainder of page intentionally left blank]

PASSED AND ADOPTED at a regular meeting of the California Community Choice Financing Authority Board of Directors on this 24th day of September, 2026, by the following vote:

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

CHAIR, CCCFA

Attest:

SECRETARY, CCCFA

EXHIBIT A

REQUIRED GOOD FAITH ESTIMATES PURSUANT TO GOVERNMENT CODE SECTION 5852.1

1. **Estimated Principal Amount.** The aggregate principal amount of Bonds estimated to be sold: \$1,545,050,000.
2. **True Interest Cost.** As defined in Section 5852.1(a)(1)(A) of the Government Code: 4.62%.
3. **Finance Charge.** As defined in Section 5852.1(a)(1)(B) of the Government Code, the sum of all fees and charges paid to third parties (being costs of issuance of approximately \$1,378,379 plus estimated underwriters' compensation of \$8,105,900): \$9,484,279.
4. **Amount of Proceeds to be Received.** As described in Section 5852.1(a)(1)(C) of the Government Code, the proceeds to be received by the Issuer for sale of the Bonds, less the finance charge for the Bonds described in (3) above and any reserves or capitalized interest paid or funded with proceeds of the Bonds: \$1,521,096,303.
5. **Total Payment Amount.** As defined in Section 5852.1(a)(1)(D) of the Government Code, the total payment amount, being the sum of (a) all payments the borrower will make to pay debt service on the Bonds to final maturity, plus (b) the finance charge for the Bonds described in (3) above not paid from proceeds of the Bonds: \$2,313,283,194 to the initial final maturity date or initial Mandatory Purchase Date, as applicable, for the Bonds.



California Community Choice Financing Authority

Staff Report – Item 7

Item 7: Resolution 2026-18: Resolution of the Board of Directors of the California Community Choice Financing Authority Approving San Diego Community Power as a Governing Member

From: Patty J. Kong, Finance Consultant
Garth Salisbury, Treasurer/Controller

Date: September 24, 2026

Attachment: Resolution No. 2026-18: Resolution of the Board of Directors of the California Community Choice Financing Authority Approving San Diego Community Power as a Governing Member; and

SDCP Resolution No. 2026-06: A Resolution of the Board of Directors of San Diego Community Power to Approve San Diego Community Power Becoming a California Community Choice Financing Authority (CCCFA) Founding Member

RECOMMENDATION

By motion, adopt Resolution No. 2026-18: Resolution of the Board of Directors of the California Community Choice Financing Authority approving San Diego Community Power as a Governing Member.

BACKGROUND

Article III, Section 3.01 of the California Community Choice Financing Authority (CCCFA)'s Joint Powers Agreement (JPA) allows existing Associate Members to be elevated to Founding Members (otherwise known as Governing Members), upon request by the Associate Member and subject to approval by at least two-thirds (2/3) of the entire Board at a regular or special meeting. In addition to the above, the Board has approved Membership Criteria, most recently updated on October 23, 2025, which provide as follows:

To be eligible to become a Governing Member of CCCFA, one must:

1. Be an Associate Member of CCCFA.
2. Comply with all requirements for founding membership under CCCFA's JPA, including:
 - a. File a resolution of the applicant's legislative body approving CCCFA's JPA and requesting founding membership.
 - b. Receive approval of two-thirds of the entire CCCFA board as stated in JPA.
 - c. File an executed counterpart to the CCCFA JPA with the Board clerk.
 - d. Pay the new member fee (if 3.b below applies) and agree to pay ongoing costs for share of CCCFA planning costs, any prepay transaction fee, or any other future fees agreed upon by the Board.
3. Have either:
 - a. received energy deliveries through a CCCFA prepay transaction for a minimum of one year, or
 - b. employ a Director/Manager-level staff member with at least one year's direct oversight of prepay issuances and prepay operations while employed by a Founding Member CCA.
4. Be in good standing in all compliance related obligations related to the energy prepay transaction, including but not limited to ongoing disclosures, arbitrage rebate reporting and payments, eligible energy deliveries and/or remediation.
5. Designate a CCA full-time employee (at Director/Manager level or above) to serve in the CCCFA working group as an active participant for one year and commit to continued future contributions in the working group.
6. Be current on all CCCFA associated fees and other energy prepay related fees and payments.
7. Must comply with any other transactional requirements as set forth and required by CCCFA.

Governing Members are eligible to nominate its CEO or designee to a seat on the CCCFA Board of Directors and will provide a representative to the CCCFA Working Group. The Board of Directors is selected at CCCFA's Annual Meeting. CCCFA must maintain at least three Governing Members to preserve non-recourse accounting treatment for CCCFA bond issues and can have no more than 5 Directors pursuant to the First Amendment to the JPA.

ANALYSIS & DISCUSSION

San Diego Community Power (SDCP) became an Associate Member of CCCFA on October 11, 2024 and has expressed interest in becoming a Governing Member of CCCFA. The Board of SDCP adopted Resolution 2026-06 on March 26, 2026, requesting Founding member status, has had a full-time employee serve on the Working Group for over one year, remains in

good standing, is current on all CCCFA fees and payments. SDCP has met the criteria to request approval by the CCCFA Board to become a Governing Member.

With the recent amendment to the JPA adopted on August 27, 2026, CCCFA shall be administered by a Board of no more than five Directors. Adding SDCP as a Governing Member would allow SDCP to nominate a Director for service on the Board. The nominations and election of Board members shall be in accordance with the JPA. Another Governing Member provides an additional eligible candidate to serve on the Board and would also provide additional flexibility in preserving the non-recourse accounting treatment of CCCFA bond issues.

Each Governing Member of CCCFA has entered into an MOU with CCCFA to govern reimbursement for the time spent by the Governing Member's staff on CCCFA business. In particular, time spent by the Governing Member representatives on the General Manager's Working Group is reimbursable by CCCFA pursuant to the MOUs. The proposed resolution approving SDCP as a Founding Member also delegates to the General Manager the authority to enter into such an MOU with SDCP to ensure its time devoted to CCCFA matters is reimbursed.

FISCAL IMPACT

There is no direct fiscal impact of SDCP becoming a Governing Member.

RESOLUTION NO. 2026-18

RESOLUTION OF THE BOARD OF DIRECTORS OF THE CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY APPROVING SAN DIEGO COMMUNITY POWER AS A GOVERNING MEMBER

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

WHEREAS, CCCFA was established pursuant to a Joint Powers Agreement, as amended from time to time (“CCCFA Joint Powers Agreement” or “JPA”); and

WHEREAS, CCCFA members include the following community choice aggregators: Ava Community Energy Authority, Central Coast Community Energy, City of San José, Clean Power Alliance of Southern California, Desert Community Energy, Marin Clean Energy, Orange County Power Authority, Pioneer Community Energy, Redwood Coast Energy Authority, San Diego Community Power, Silicon Valley Clean Energy Authority, Sonoma Clean Power, Valley Clean Energy Alliance, and WestLight Energy; and

WHEREAS, the CCCFA Joint Powers Agreement allows Associate Member to be elevated to Governing Members, subject to the requirements of the JPA including approval by two-thirds of the entire CCCFA Board of Directors, and Board policy; and

WHEREAS, San Diego Community Power (“SDCP”) is a community choice aggregator, as defined in Section 331.1 of the Public Utilities Code, and a public agency as defined in Section 6500 of the Government Code, which has implemented a CCA program pursuant to Section 366.2 of the Public Utilities Code; and

WHEREAS, having met the qualifications for an Associate Member and paying the requisite Membership Fee, the CCCFA Board of Directors approved SDCP as an Associate Member of CCCFA on October 11, 2024 pursuant to Resolution No. 2024-8; and

WHEREAS, SDCP has met the following requirements for Founding Membership, also known as Governing Membership, under CCCFA’s JPA and Board-approved policy:

- Filed SDCP Resolution No. 2026-06 approving CCCFA’s JPA and requesting Founding Membership,
- Received energy deliveries through a CCCFA prepay transaction for a minimum of one year,
- Is in good standing in all compliance-related obligations related to its energy prepay transactions,
- Designated a full-time SDCP employee who has serve on the CCCFA General Manager working group (previously, Treasurer/Controller working group) as an

active participant for at least one year and committed to continued future contributions in the working group,

- Is current on all CCCFA associated fees and other energy prepay related fees and payments, and
- Complied with any other transactional requirements as set forth and required by CCCFA; and

WHEREAS, the CCCFA Board of Directors wishes to elevate SDCP from Associate to Governing Member.

NOW, THEREFORE, BE IT RESOLVED by the CCCFA Board of Directors as follows:

1. The above recitals are true and correct and incorporated by this reference.
2. San Diego Community Power is hereby approved as Governing Member of CCCFA.
3. Upon satisfaction of the following condition, the Secretary is directed to file an executed counterpart of the CCCFA Joint Powers Agreement as an amendment thereto, effective upon such filing. Upon completion of this condition, SDCP shall become a Governing Member for all purposes:

SDCP shall file an executed counterpart of the CCCFA Joint Powers Agreement with the Secretary.

4. Consistent with the CCCFA Joint Powers Agreement, including the First Amendment thereto, SDCP is eligible to nominate its Chief Executive Officer, General Manager, Executive Director, or designee to serve as a member of the CCCFA Board of Directors at CCCFA's next Annual Meeting.
5. The CCCFA General Manager or his designee is hereby authorized and directed to execute and deliver any and all documents, agreements and instruments and to do any and all things which he may deem necessary or advisable in order to consummate the transaction 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 executing a Memorandum of Understanding with SDCP for the contribution or advances of personnel, equipment or property under Section 3.05 of the CCCFA Joint Powers Agreement.

[Signatures on following page]

PASSED AND ADOPTED at a regular meeting of the CCCFA Board of Directors on this 24th day of September, 2026, by the following vote:

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

CHAIR, CCCFA

Attest:

SECRETARY, CCCFA

RESOLUTION NO. 2026-06

A RESOLUTION OF THE BOARD OF DIRECTORS OF SAN DIEGO COMMUNITY POWER TO APPROVE SAN DIEGO COMMUNITY POWER BECOMING A CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY (CCCFA) FOUNDING MEMBER.

WHEREAS, San Diego Community Power (Community Power) is a joint powers agency formed pursuant to the Joint Exercise of Powers Act (Cal. Gov. Code § 6500 *et seq.*), California Public Utilities Code § 366.2, and a Joint Powers Agreement effective on October 1, 2019, and amended and restated December 16, 2021 (JPA Agreement); and

WHEREAS, San Diego Community Power, acting pursuant to the JPA Law, may enter into a joint exercise of powers agreement with one or more other public agencies pursuant to which such contracting parties may jointly exercise any power common to them and, pursuant to Government Code Section 6588, to exercise certain additional powers; and

WHEREAS, the California Community Choice Financing Authority (“CCCFA”) is a joint exercise of powers agency established under JPA Law and a Joint Powers Agreement (the “CCCFA JPA Agreement”) among various California Community Choice Aggregators (“CCAs”) for the purpose of undertaking the financing and refinancing of energy prepayments that can be financed with tax advantaged bonds on behalf of one or more of its members by, among other things, issuing or incurring bonds and entering into related contracts; and

WHEREAS, in September of 2024, San Diego Community Power Board initially authorized Community Power to join CCCFA, and Community Power is an Associate Member of CCCFA, and possesses the power to purchase and sell electric energy and enter into related contracts for such purchases; and

WHEREAS, San Diego Community Power is considering additional energy prepayment transactions and using CCCFA as the issuer of bonds for the purpose of financing such transactions, and in connection therewith has determined that it is in the best interests of San Diego Community Power to convert CCCFA membership to Founding Member status (as defined in the CCCFA JPA Agreement hereinafter defined) and to execute and deliver the CCCFA JPA Agreement in order to establish such membership; and

WHEREAS, there has been submitted to this meeting (i) a copy of the CCCFA Joint Powers Agreement, dated June 25, 2021, creating and establishing CCCFA, as in effect on the date hereof (the “CCCFA JPA Agreement”) and CCCFA By-Laws; and

WHEREAS, under the JPA Law and the CCCFA JPA Agreement, CCCFA is a public entity separate and apart from the parties to the CCCFA JPA Agreement, and the debts, liabilities, and obligations of the CCCFA will not constitute debts, liabilities, or obligations of San Diego Community Power.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of San Diego Community Power as follows:

Section 1. **AUTHORIZED REPRESENTATIVES.** The following titled representatives are the authorized representatives of San Diego Community Power (collectively referred to as “**Authorized Representatives**” and individually referred to as an “**Authorized Representative**”):

AUTHORIZED REPRESENTATIVES
Chair of the Board
Chief Executive Officer
Chief Financial Officer
Chief Commercial Officer
Chief Operating Officer
General Counsel

Section 2. **JOINT POWERS AGREEMENT AND BY-LAWS.** The CCCFA JPA Agreement, attached hereto as Exhibit A, and the By-Laws of CCCFA, attached hereto as Exhibit B, are hereby approved.

Section 3. **FOUNDING MEMBER STATUS.** San Diego Community Power hereby requests to be added as a Founding Member of CCCFA.

Section 4. **ACTIONS AUTHORIZED.** Any one of the Authorized Representatives is authorized and approved to (a) execute and deliver the CCCFA JPA Agreement as a Founding Member, along with this Resolution, to the CCCFA Board of Directors, (b) pay any and all fees and costs and execute and deliver such other documents and agreements as may be required of a Founding Member under the terms of the CCCFA JPA Agreement, the By-Laws of CCCFA, and any other rules adopted by CCCFA Board of Directors, including San Diego Community Power’s share of organization, planning, and other costs and charges as determined by CCCFA’s Board of Directors; and (c) do and perform such other acts and things as any Authorized Representative may in his or her discretion deem reasonably necessary or proper in order comply with the terms and intent of the CCCFA JPA Agreement and to carry into effect the provisions of this Resolution.

IT IS HEREBY FURTHER DETERMINED AND ORDERED that the Authorized Representatives are duly elected, appointed, or employed by or for San Diego Community Power, as the case may be. This Resolution now stands of record on the books of San Diego Community Power, is in full force and effect, and has not been

modified or revoked in any manner whatsoever.

IT IS HEREBY FURTHER DETERMINED AND ORDERED that this Resolution shall take effect upon its adoption, shall be continuing and shall remain in full force and effect unless and until expressly revoked by further resolution of the Board of Directors.

PASSED AND ADOPTED at a meeting of the Board of Directors of San Diego Community Power held on March 26, 2026.

AYES: VICE CHAIR YAMANE, DIRECTORS INZUNZA, SAN ANTONIO AND SUZUKI AND ALTERNATE DIRECTOR LACAVA

NOES:

ABSTAIN:

ABSENT: CHAIR LAWSON-REMER AND DIRECTOR FISHER

Ditas Yamane

Ditas Yamane (Mar 28, 2026 00:07:47 PDT)

Ditas Yamane, Vice Chair
San Diego Community Power

ATTEST:

APPROVED AS TO FORM:

Maricela Hernandez

Maricela Hernandez, MMC, CPMC
Clerk of the Board/Board Secretary
San Diego Community Power

Veera Tyagi

Veera Tyagi, General Counsel
San Diego Community Power

EXHIBIT A

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 "Members" 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 1 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 1 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 1.03 “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.

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 for 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 (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.

- (d) 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 Director representing each Founding Member. 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 and Vacancies. 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 Founding Member 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. If at any time a vacancy occurs on the Board, a replacement shall be appointed by the Founding Member 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 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.

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 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.

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]

IN WITNESS WHEREOF, each Member hereto has caused this Agreement to be executed as an original counterpart by its duly authorized representative on the date indicated below.

DocuSigned by:
By: Dawn Weisz
A5987B416EB04F8
Name: Dawn Weisz
Title: CEO
CCA Name: MCE
Date: June 25, 2021

DocuSigned by:
By: Girish Balachandran
6CAB48BAC4C24C3
Name: Girish Balachandran
Title: CEO
CCA Name: Silicon Valley Clean Energy
Date: June 25, 2021

DocuSigned by:
By: Nick Chaset
9DF6BA3232CE44F
Name: Nick Chaset
Title: CEO
CCA Name: East Bay Community Energy
Date: June 25, 2021

DocuSigned by:
By: Tom Habashi
B9C2537744BB497
Name: Tom Habashi
Title: CEO
CCA Name: central coast community energy
Date: June 25, 2021

IN WITNESS WHEREOF, each Member hereto has caused this Agreement to be executed as an original counterpart by its duly authorized representative on the date indicated below.

E-SIGNED by Donald Eckert

By: on 2022-09-02 12:27:33 PDT

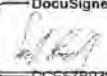
Name: Donald Eckert

Title: Executive Director

CCA Name: Pioneer Community Energy

Date: September 02, 2022

IN WITNESS WHEREOF, each Member hereto has caused this Agreement to be executed as an original counterpart by its duly authorized representative on the date indicated below.

DocuSigned by:
By: 
DCE57B93C1DA48A
Name: Ted Bardacke
Title: Chief Executive officer
CCA Name: Clean Power Alliance of Southern California
Date: 9/6/2022

IN WITNESS WHEREOF, each Member hereto has caused this Agreement to be executed as an original counterpart by its duly authorized representative on the date indicated below.

By: Lori Mitchell

Name: Lori Mitchell

Title: Director, Energy

CCA Name: City of San José

Date: 6/17/2024

IN WITNESS WHEREOF, each Member hereto has caused this Agreement to be executed as an original counterpart by its duly authorized representative on the date indicated below.

By:  _____
Name: Shawn Marshall _____
Title: Chief Executive Officer _____
CCA: Name: Peninsula Clean Energy _____
Date: 8/23/24 _____

IN WITNESS WHEREOF, each Member hereto has caused this Agreement to be executed as an original counterpart by its duly authorized representative on the date indicated below.

By: 
Eric Washington (Oct 16, 2024 15:14 PDT)

Name: Dr. Eric W. Washington

Title: Chief Financial Officer

CCA Name: San Diego Community Power

Date: October 16, 2024

IN WITNESS WHEREOF, each Member hereto has caused this Agreement to be executed as an original counterpart by its duly authorized representative on the date indicated below.

By: _____

Name: Geof Syphers

Title: Chief Executive Officer

CCA Name: Sonoma Clean Power Authority

Date: October 17, 2024

IN WITNESS WHEREOF, each Member hereto has caused this Agreement to be executed as an original counterpart by its duly authorized representative on the date indicated below.

By: _____

Name: Mitch Sears

Title: Executive Officer

CCA Name: Valley Clean Energy Alliance

Date: October 16, 2024

IN WITNESS WHEREOF, each Member hereto has caused this Agreement to be executed as an original counterpart by its duly authorized representative on the date indicated below.

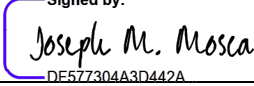
Signed by:

By: DE577304A3D442A
Name: Joseph M. Mosca
Title: Chief Executive Officer
CCA Name: Orange County Power Authority
Date: 1/28/2026

EXHIBIT B

**BYLAWS OF THE
CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY**

Adopted June 25, 2021

BYLAWS OF THE CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY

ARTICLE I - THE AUTHORITY

Section 1.1 Name. The official name of the Authority shall be the “California Community Choice Financing Authority.”

Section 1.2 Board Members. The Authority shall be administered by a board of directors (the “Board”) whose members (the “Directors”) shall be as set forth in Article IV of the Joint Powers Agreement, dated June 25, 2021 (the “Agreement”). Directors shall, to the extent required by law, comply with the requirements of the California Political Reform Act, as amended from time to time, the provisions of the Joint Exercise of Powers Act, as amended from time to time, and any other requirements applicable to members of the governing body of a joint powers authority.

Section 1.3 Office and Place of Meetings. The business office of the Authority shall be at 1125 Tamalpais Avenue, San Rafael, California 94901 or at such other place as may be designated by resolution by the Board. Regular meetings shall be held at 1125 Tamalpais Avenue, San Rafael, California 94901 or at such other place as the Board may designate.

ARTICLE II - OFFICERS

Section 2.1 Officers. The Officers of the Authority shall be the Chair, Vice Chair, Treasurer/Controller, and Secretary. The Officers of the Authority may also include a General Manager.

Section 2.2 Chair and Vice Chair. The Chair and Vice Chair of the Authority shall be elected by the Board. The term of office for the respective officers shall be from the date of his or her election as Chair or Vice Chair through the date of the first regular meeting of the Authority in the second succeeding calendar year following such election: provided, that each person shall serve until a successor has been duly elected. The Chair shall preside at all meetings of the Authority. If the Chair is absent, then the Vice Chair shall act in the Chair’s place.

Section 2.3 General Manager. A General Manager may be appointed by the Board and may, but need not, be a Director. The General Manager shall submit such information and recommendations to the Board as he or she may consider proper concerning the business, policies and affairs of the Authority. Except as otherwise specified by resolution of the Board, the General Manager or the General Manager's designee shall have the power to sign all contracts, deeds and other instruments executed by the Authority, shall have the power to direct employees, borrowed or seconded staff and consultants in implementing policy set by the Board, and shall have the power to perform all duties incident to the office or delegated by the Board. The General Manager may designate one or more officers of the Authority or employees of the Authority to act as his or her designee in exercising the power and performing the duties of the General Manager.

Section 2.4 Secretary. The Secretary shall be appointed by the Board, and such Secretary may, but need not, be a Director. The Secretary shall keep the records of the Authority, shall act as Secretary of the meetings of the Authority and record all votes, and shall keep a record of the proceedings of the Authority in a journal of proceedings to be kept for such purpose, and shall perform all duties incident to the office.

Section 2.5 Treasurer/Controller. The Treasurer/Controller shall be appointed by the Board, and may, but need not, be a Director. The Treasurer/Controller shall perform the duties set forth in the Agreement. The Treasurer/Controller may submit such information and recommendations to the Board as he or she may consider proper concerning the business, policies and affairs of the Authority. The Treasurer/Controller shall be responsible for preparation and submission of any reports required to be provided to holders of the Authority's Bonds (as such term is defined in Section 1.05 of the Agreement) pursuant to any continuing disclosure undertakings entered into by the Authority. Except as otherwise specified by resolution of the Board, the Treasurer/Controller or the Treasurer/Controller's designee shall have the power to sign all contracts, deeds and other instruments executed by the Authority, shall have the power to direct employees, borrowed or seconded staff and consultants in implementing policy set by the Board,

and shall have the power to perform all duties incident to the office or delegated by the Board. The Treasurer/Controller may designate one or more officers of the Authority or employees of the Authority to act as his or her designee in exercising the power and performing the duties of the Treasurer/Controller.

Section 2.6 Election of Officers. Election of officers shall be the first order of business at the first regular meeting of the Authority held in every second calendar year; provided, that failure to elect any or all officers at such meeting shall not affect the title to office of any officer duly elected and then holding office as of such meeting.

Section 2.7 Authority to Bind Authority. No Director, officer, agent or employee of the Authority, without prior specific or general authority by a vote of the Board, shall have any power or authority to bind the Authority by any contract, to pledge its credit, or to render it liable for any purpose in any amount.

ARTICLE III - MEETINGS

Section 3.1 Regular Meetings. The Board shall hold at least one regular meeting each year, and, by resolution, may provide for the holding of regular meetings at more frequent intervals in accordance with the provisions of Section 54956 of the Government Code of the State of California. Regular meetings shall be held as set forth in Section 1.3, on dates and at times as fixed by resolution of the Authority and at such places as are determined by the Board. If at any time any regular meeting falls on a legal holiday, such regular meeting shall be held on the next business day at the same time.

All meetings of the Board shall be called, noticed, held and conducted subject to the provisions of the Ralph M. Brown Act (Chapter 9 of Part I of Division 2 of Title 5 of the Government Code of the State of California (Sections 54950-54961)), as supplemented and amended, or any successor legislation hereafter enacted, and other applicable law.

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

Section 3.2 Special Meetings. A special meeting may be called in accordance with the provisions of Sections 54956 and 54956.5 of the Government Code of the State of California, as amended.

Section 3.3 Closed Sessions. Nothing contained in these Bylaws shall be construed to prevent the Board from holding closed sessions during a regular or special meeting concerning any matter permitted by law to be considered in a closed session.

Section 3.4 Public Hearings. All public hearings held by the Board shall be held during regular or special meetings of the Board.

Section 3.5 Adjourning Meetings and Continuing Public Hearings to Other Times or Places. Any public hearing being held, or any hearing noticed or ordered to be held at any meeting, may by order or notice of continuance be continued or re-continued to any subsequent meeting in the same manner and to the same extent set forth herein for the adjournment of the meetings: provided, that if the hearing is continued to a time less than 24 hours after the time specified in the order or notice of hearing a copy of the order or notice of continuance shall be posted immediately following the meeting at which the order or declaration of continuance was adopted or made.

Section 3.6 Meetings to be Open and Public. All meetings of Directors to take action or to deliberate concerning Authority business and its conduct shall be open and public and all persons shall be permitted to attend any such meetings, except as otherwise provided or permitted by law, including as permitted by Section 3.3 of these Bylaws.

Section 3.7 Quorum, Voting Requirements, and Manner of Action. A quorum of the Board, the minimum voting thresholds for actions of the Board, and the manner in which the Board may act shall be as set forth in Article V of the Agreement.

Section 3.8 Parliamentary Procedure. The rules of parliamentary procedure set forth in Robert's Rules of Order shall govern all meetings of the Authority, except as otherwise herein provided.

ARTICLE IV - MISCELLANEOUS

Section 4.1 Statements of Economic Interest. Each Director shall comply with the Authority's Conflict of Interest Code, fully respond to all requests from Authority staff in regard to conflict of interest issues that may arise and timely submit all applicable forms, including Statements of Economic Interest (Form 700), Assuming, Annual, and Leaving Office Statements with the Secretary. The Secretary shall make and retain copies of these forms in compliance with applicable law and the Authority's Conflict of Interest Code.

Section 4.2 No Reimbursement for Travel Expenses. Directors, officers, and employees shall not be reimbursed by the Authority for any travel expenses incurred by those persons in attending events, meetings, and conferences on behalf of the Authority. Non-reimbursable travel expenses shall include all charges for meals, lodging, airfare, and costs of travel by automobile.

Notwithstanding the foregoing, the Board may vote to permit reimbursement of any such reasonable and necessary travel expenses incurred for Directors, officers, or employees to attend non-Authority events, meetings, and conferences, only if that person's sole purpose is to attend on behalf of the Authority. "Reasonable and necessary" travel expenses, with respect to any Director, shall be only those expenses which the Director would not have incurred in performing the normal business of the Founding Member (as defined in Section 1.08 of the Agreement) that appointed such Director. The Treasurer/Controller, upon approval of the Board, shall be authorized to pay all such expenses deemed reasonable and necessary so long as sufficient funds have been budgeted therefor.

Section 4.3 Bonds and Other Indebtedness. The Authority may issue or incur Bonds (as such term is defined in Section 1.05 of the Agreement) in accordance with Article VII of the Agreement, and such Bonds shall not constitute general obligations of the Authority or a debt, liability or obligation of any of the Members (as such term is defined in Section 1.10 of the Agreement), 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 V - AMENDMENTS

Section 5.1 Amendments to Bylaws. These Bylaws may be amended by the Authority at any regular or special meeting by majority vote of the Board, provided, that the proposed amendment to any particular section is included in the notice of such meeting.



California Community Choice Financing Authority

Staff Report – Item 8

Item 8: Resolution No. 2026-19 Adopting Annual Meeting Policies and Procedures

From: Steve Rymer – General Manager

Date: September 24, 2026

Subject: Adopt a Resolution Approving Annual Meeting Policies and Procedures

Attachments: Resolution No. 2026-19 Adopting Annual Meeting Policies and Procedures
Annual Meeting Policies and Procedures

RECOMMENDATION

Adopt resolution adopting Annual Meeting Policies and Procedures.

BACKGROUND

The Board amended CCCFA's Joint Powers Agreement (JPA) at its August 27, 2026, meeting. In addition to revising the governance model, the amendment formally established the requirement to hold an Annual Meeting. The primary purpose of CCCFA's Annual Meeting is for representatives of the full membership to elect the Board Directors, provide updates on financial, strategic, and organizational matters, and discuss any items the Board refers to the full membership.

The Annual Meeting will be convened in the final quarter of each calendar year, with the inaugural session held in the first quarter of 2027, to accommodate the transition timeline. A central purpose of the Annual Meeting is to conduct Board elections, and the policy establishes several key provisions to support a clear and consistent process.

- The Board Chair has the authority to determine if the Annual meeting will be in-person, remote, or hybrid of the two as permitted by the Brown Act.
- The Board Chair also has the authority to schedule the annual meeting at another time if necessary and approved by resolution of the Board.
- The Board Chair, or designee, presides over the Annual meeting and works with the General Manager to set and prepare the agenda.
- Each Member's Chief Executive Officer, General Manager, or Executive Director must be present at the Annual Meeting to vote.
- Each Member, whether Governing or Associate, has one vote.
- If the number of nominees is equal to or fewer than the number of open Board seats, no election will be required.

FISCAL IMPACT

Conducting an Annual Meeting will require additional administrative and planning time. There may be additional expenses when the Annual Meeting is held in-person.

RESOLUTION NO. 2026-19

RESOLUTION OF THE BOARD OF DIRECTORS OF THE CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY ADOPTING ANNUAL MEETING POLICIES AND PROCEDURES

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

WHEREAS, Section 4.11(d) of the CCCFA Joint Powers Agreement provides that the Board of Directors may, by resolution, adopt policies or rules and regulations for the conduct of Annual Meetings; and

WHEREAS, the Board of Directors wishes to adopt Annual Meeting policies and procedures to establish the Annual Meeting’s key provisions and facilitate a clear and consistent process for same.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of CCCFA as follows:

1. The Annual Meeting Policies and Procedures, attached hereto as Exhibit A and incorporated by this reference, are hereby approved and adopted.
2. This Resolution shall take effect immediately.

[Remainder of page intentionally left blank]

PASSED AND ADOPTED at a regular meeting of CCCFA's Board of Directors on this 24th day of September, 2026 by the following vote:

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

CHAIR, CCCFA

Attest:

SECRETARY, CCCFA

Exhibit A



Annual Meeting Policies and Procedures

Adopted September 24, 2026

Introduction

The primary purpose of CCCFA's Annual Meeting is for representatives of the full membership to elect the Board Directors, provide updates on financial, strategic, and organizational matters, and discuss any issues the Board may refer to the full membership. All Annual Meetings will be conducted in accordance with the provisions of the Ralph M. Brown Act (Government Code section 54950 et seq.).

The Annual Meeting will be convened during the final quarter of the calendar year. The Board Chair has the authority to determine if the Annual meeting will be in-person, remote, or hybrid of the two as permitted by the Brown Act. The Board Chair also has the authority to schedule the annual meeting at another time if necessary and approved by resolution of the Board. The Board Chair, or designee, presides over the Annual meeting and works with the General Manager to set and prepare the agenda.

Written notice of the Annual Board Meeting, including the format, date, time, location, agenda, and any proposed actions requiring Member votes or Board approval, will be distributed to all Member agency CEOs (or designees) within the Joint Powers Agreement (JPA) required notice period.

A quorum is present when at least 51% of all CCCFA Members, including both Governing Members and Associate Members, are in attendance.

Agenda and Order of Business

The Annual Meeting agenda will include;

- Call to order and confirmation of quorum
- Approval of minutes from the prior Annual Meeting
- General public comment
- Summary of organization accomplishments
- Annual financial update
- Elections of Board Directors
- Review and discussion of strategic priorities as necessary

Exhibit A

- Consideration of resolutions or other formal actions as necessary

The Chair may adjust the agenda as needed.

Election Procedures

Elections will be conducted to fill Board seats with expiring terms. Governing Members must submit their nominations to the General Manager at least 90 days before the Annual Meeting, so the candidate slate can be finalized. All Members will be notified of the nominations for Director(s) in accordance with the JPA.

Voting will be conducted by roll call vote. The General Manager will serve as the election official and will oversee a fair, impartial, and efficient election process. Nominees need not abstain and may vote for themselves or for other nominees.

Each Member's Chief Executive Officer, General Manager, or Executive Director must be present at the Annual Meeting to vote. Each Member, whether Governing or Associate, has one vote. The Member's Chief Executive Officer, General Manager, or Executive Director may designate an alternate from their organization to vote in their place, if done in writing and submitted to the CCCFA Board Clerk at least three calendar days in advance of the Annual Meeting. Board Officers will be elected in accordance with the JPA. In the event of a tie between two nominees, the election between those two nominees will be decided by lot.

Election results will be announced during the Annual Meeting and recorded in the official minutes. Newly elected Directors will assume office at the time specified in the JPA. If the number of nominees is equal to or fewer than the number of open Board seats, no election will be required; provided that at no time may the number of Board seats be fewer than three.

Decision-Making and Voting Requirements

All motions, resolutions, and elections must meet the voting thresholds established in CCCFA's governing documents. Board elections and standard actions typically require a majority vote of those present, provided a quorum is established and maintained, while amendments, major policy changes, or structural decisions may require higher thresholds such as two-thirds approval.

Recordkeeping and Follow-Up

Draft Minutes of the Annual Board Meeting are prepared promptly and distributed to all Members and Directors for review. The minutes will document attendance, motions, votes,

Exhibit A

election results, and any actions assigned for follow-up. Minutes will be considered for adoption at the next Annual Meeting.



California Community Choice Financing Authority

Staff Report – Item 9

Item 9: Working Group Report

From: Steve Rymer, General Manager

Date: September 24, 2026

Subject: CCCFA Working Group Update and Status Report

OVERVIEW

The CCCFA Working Group met on September 14, 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

- A Board Special Meeting was held on September 15 to consider CPA's interest rate swap agreement, which had not been included in the original prepay bond approval. Going forward, deal documents will include language to avoid the need for future special meetings on this issue.
- 3CE's prepay transaction is scheduled for Board consideration at the September 24 meeting.
- The Desert/Redwood prepay deal priced on Tuesday, September 15.
- SVCE remains in the planning phase for its prepay transaction and may seek Board approval in December.
- Thanks to Garth, a draft prepay bond FAQ has been developed. The next step is review by the Working Group, with the intent to share the document with members and maintain it as a living resource that is updated as needed.

ITEMS FOR SEPTEMBER AND OCTOBER BOARD MEETINGS

Annual Meeting Policy - September

The following was shared as the proposed framework for CCCFA's Annual Meeting. The Meeting is being recommended to typically be held in the final quarter of the calendar year, though the inaugural session will occur in early 2027 due to timing considerations. A quorum would be established when at least 51% of voting Members are present with the agenda including items such as public comment, organizational accomplishments, financial updates, Board Director elections, and discussion of strategic priorities. Governing Members must submit Director nominations to the General Manager no later than 90 days before the meeting. Each Member's CEO or authorized designee must attend to vote, and election results are announced during the meeting, with Directors assuming office as outlined in the JPA.

Fee Resolution – September

The Board will consider a resolution to adopt the fees presented at previous Board meetings. In addition to member and new-deal fees, future cash calls would follow a hybrid structure, with 50% allocated in equal shares and 50% based on each Member's number of deal transactions. Discussion of the embedded fee approach is being addressed separately at a future date (see below).

Embedded Deal Fees – October or December

Embedded deal fees are commonly used by prepay bond conduit issuers. CCCFA expects to adopt a modest fee to offset annual operating costs, with the next step being to determine an amount that is reasonable and appropriate. CCCFA should also include a rebate mechanism if fee revenues exceed its operating needs. Any embedded fee approved by the Board would apply only to new transactions, including repricings. Garth will work with Working Group members over the next couple of months to further develop the information for Board consideration.

OLD BUSINESS

None.

UPCOMING BOARD ITEMS

- Set 2027 Annual Meeting date.
- Embedded fee discussion.
- Quarterly cash flow report.

- 2027 budget adoption consideration.

CCCFA DEAL SUMMARY STATISTICS – To Date

<u>Issues</u>	<u>Par Amount</u>	<u>Annual Savings</u>	<u>30yr Estimated Savings</u>
33	\$31.5 Billion	\$210 Million	\$6.4 Billion

FISCAL IMPACT

There is no fiscal impact associated with this report.

RECOMMENDED MOTION

Information only.