



California Community Choice Financing Authority

**California Community Choice Financing Authority (CCCFA)
Board of Directors Meeting
Friday, December 16, 2022
1:00 P.M.**

This Meeting will be conducted via teleconference pursuant to the requirements of [Assembly Bill No. 361](#). By using teleconference for this meeting, CCCFA continues to promote social distancing measures recommended by local officials.

Members of the public who wish to observe the meeting may do so 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**

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1. Roll Call/Quorum
2. Public Open Time (Discussion)
3. Consent Calendar (Discussion/Action)
 - C.1 Approval of 12/1/22 Meeting Minutes
 - C.2 Resolution No. 2022-20: Resolution of the Board of Directors of the California Community Choice Financing Authority Authorizing Continued Remote Teleconferencing Meetings for the Board of Directors Pursuant to Government Code Section 54953(e)
 - C.3 Memorandum of Understanding between California Community Choice Financing Authority and Clean Power Alliance
4. 2022 Budget Report (Discussion)
5. Proposed 2023 Fiscal Year Budget (Discussion/Action)

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6. Proposed \$20,000 Fee for Each Prepayment Transaction (Discussion/Action)
7. Board Member Announcements (Discussion)
8. Adjourn

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 as soon as possible to ensure arrangements for accommodation.

California Community Choice Financing Authority (CCCFA)
Board of Directors Meeting
Thursday, December 1, 2022
1:00 P.M.
Draft Minutes

1. Roll Call/Quorum:

Michael Callahan, General Counsel, CCCFA called the regular meeting to order at 1:00pm with quorum established by roll call:

Present:

Garth Salisbury, Marin Clean Energy (MCE)

Jaya Bajpai, alternate to Tom Habashi, Central Coast Community Energy (CCCE)

Ted Bardacke, Clean Power Alliance (CPA)

Chair Nick Chaset, East Bay Community Energy (EBCE)

Excused:

Girish Balachandran, Silicon Valley Clean Energy (SVCE)

Staff and Others:

Michael Callahan – General Counsel, CCCFA

Adrian Bankhead – Board Clerk, EBCE

David McNeil – Chief Financial Officer, CPA

Amrit Singh – Chief Financial Officer, SVCE

Douglas Bird – Partner, Chapman and Cutler LLP

2. Public Open Time (Discussion):

- Michael Callahan, General Counsel, CCCFA opened the public comment period. There were no comments.

3. Consent Calendar (Discussion/Action):

C.1 Approval of 10/27/22 Meeting Minutes

C.2 Approval of 11/18/22 Meeting Minutes

- Action: It was M/S/C (Salisbury/Bardacke) to approve the Consent Calendar. The motion carried:

Consent Calendar Vote:

SVCE – Excused

MCE – Yes

CCCE – Yes

CPA – Yes

EBCE – Abstain

4. Resolution No. 2022-19: 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 \$1,000,000,000 to Finance the Acquisition of a Long-Term Supply of Electricity for Silicon Valley Clean Energy Authority and Other Matters Relating Thereto (Discussion/Action)

- Amrit Singh, SVCE, introduced this item and addressed questions from Board members
- Michael Callahan, General Counsel, CCCFA, opened the public comment period. There were no comments.
- Action: It was M/S/C (Bajpai/Salisbury) to approve Resolution 2022-19. The motion carried:

Resolution 2022-19 Vote:

SVCE – Excused

MCE – Yes

CCCE – Yes

CPA – Yes

EBCE - Yes

5. Potential for Outside Counsel to Serve as General Counsel (Discussion)

- Michael Callahan, General Counsel, CCCFA, introduced this item and addressed questions from Board members
- Michael Callahan, General Counsel, CCCFA, opened the public comment period. There were no comments.

6. Board Member Announcements (Discussion):

There were no member announcements.

7. Adjourned at 1:10pm

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 as soon as possible to ensure arrangements for accommodation.

CHAIR, CCCFA

Attest:

SECRETARY, CCCFA

RESOLUTION NO. 2022-20

RESOLUTION OF THE BOARD OF DIRECTORS OF THE CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY AUTHORIZING CONTINUED REMOTE TELECONFERENCE MEETINGS FOR THE BOARD OF DIRECTORS PURSUANT TO GOVERNMENT CODE SECTION 54953(e)

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 members include the following Community Choice Aggregators: Central Coast Community Energy (“CCCE”, East Bay Community Energy, (“EBCE”), Marin Clean Energy (“MCE”) and Silicon Valley Clean Energy; and

WHEREAS, CCCFA is subject to various provisions of the California Government Code; and

WHEREAS, Government Code section 54953, as amended by Assembly Bill No. 361, allows legislative bodies to hold open meetings by teleconference without reference to otherwise applicable requirements in Government Code section 54953(b)(3), so long as the legislative body complies with certain requirements set forth in Government Code section 54953(e), finding there exists a declared state of emergency, and one of the following circumstances is met:

1. State or local officials have imposed or recommended measures to promote social distancing.
2. The legislative body is holding the meeting for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.
3. The legislative body has determined, by majority vote, pursuant to option 2, that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

WHEREAS, the Governor of California proclaimed a state of emergency pursuant to Government Code section 8625 on March 4, 2020; and

WHEREAS, the CCCFA Board of Directors previously adopted Resolution No. 2021-5 finding that the requisite conditions exist for the CCCFA Board of Directors to conduct teleconference meetings under California Government Code section 54953(e);

WHEREAS, Government Code section 54953(e)(3) requires the legislative body

adopt certain findings every 30 days by majority vote to continue holding open meetings by teleconference without reference to otherwise applicable requirements in government Code section 54953(b)(3); and

WHEREAS, the CCCFA Board of Directors desires to hold the CCCFA Board of Directors public meetings by teleconference consistent with Government Code section 54953(e).

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

- A. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

- B. The CCCFA Board of Directors hereby finds and declares the following, as required by Government Code section 54953(e)(3):
 - 1. The CCCFA Board of Directors has reconsidered the circumstances of the state of emergency declared by the Governor pursuant to his or her authority under Government Code section 8625;
 - 2. The state of emergency continues to directly impact the ability of members of the CCCFA Board of Directors to meet safely in person; and
 - 3. State and local officials have imposed or recommended measures to promote social distancing.

PASSED AND ADOPTED at a regular meeting of the CCCFA Board of Directors on this 16th day of December 2022, by the following vote:

	YES	NO	ABSTAIN	ABSENT
Jaya Bajpai, alternate for Tom Habashi				
Nick Chaset				
Garth Salisbury				
Girish Balachandran				
Ted Bardacke				

CHAIR, CCCFA

Attest:

SECRETARY, CCCFA

Memorandum of Understanding

Between

California Community Choice Financing Authority and Clean Power Alliance

This Memorandum of Understanding (“MOU”) is entered into by and between Clean Power Alliance (hereinafter “CPA”), a California Joint Powers Authority, and California Community Choice Financing Authority (hereinafter “Partner”), a Joint Powers Authority (collectively “the Parties”) for the purpose of CPA providing resources and in-house staff time to support Partner’s operations and invoicing Partner for the same. This MOU has been created to clearly define roles and expectations for the Parties (Clean Power Alliance and Partner).

I. Background

Partner is a bond issuer for its members’ prepayment transactions and is not intended, at this time, to have full-time staff. However, Partner requires legal, financial, marketing, and other services and resources to successfully operate. CPA is a member of Partner and has a designated member on Partner’s Board. This MOU is intended to allow CPA to provide financial, marketing, and other services and resources to Partner and to invoice for the same.

II. Partner Roles and Responsibilities

The expectations of each Party with regard to providing services and resources are specified below:

A. Partner agrees to:

1. provide direction to CPA about the services and resources to provide to Partner;
2. reimburse CPA for in-house staff time at the agreed upon rates listed herein as Exhibit A to support Partner’s operations; and
3. reimburse CPA for other services and resources at the agreed upon rates and costs listed herein as Exhibit A to support Partner’s operations.

B. CPA agrees to:

1. only provide services or resources at the direction of Partner’s Board of Directors (collectively), individual Board members, or the General Counsel;
2. invoice Partner at the end of each month for any services or resources provided;
3. provide financial services including invoice issuance and payments, accounting and reconciliation,
4. provide professional consulting services with respect to financial matters and prepayment transactions; and
5. provide other services as directed.

C. The Parties mutually agree:

1. to be direct and proactive with each other in raising any concerns related to this MOU.
2. Exhibit A may be revised by mutual written agreement between the parties to reflect current hourly rates and costs of services offered. These costs may include incremental insurance and other expenses associated with providing services to Partner.
3. CPA will provide a good faith estimate of costs in the applicable invoice to the extent costs are bundled with unrelated services or resources, or any other circumstance preventing the isolation of costs for services and resources provided to Partner. Partner may dispute the invoiced amount and Parties will work in good faith to establish a mutually agreed-upon cost estimate over the next 30 days following notice of the disputed amount. In the absence of a mutually agreed-upon cost estimate, CPA will retain the right to invoice based on its own estimate of costs.

III. Term of Agreement

This MOU will be considered effective December 16, 2022 until terminated by either party, unless otherwise agreed upon by the Parties. Either Party may terminate the MOU without cause by providing thirty (30) days' advance written notice to the other Party at the location listed in Section V (C).

IV. Payment

Payment will be made by either: (1) direct payments via automated clearinghouse transfers to CPA to an account designated on the CPA-provided invoice; or (2) offsets to CPA's share of financial contributions to Partner to cover Partner's general and administrative costs. Partner shall process all undisputed invoiced amounts within 30 days of receipt of invoice. In the event of termination, Partner is responsible for all unpaid amounts invoiced up to the date of termination.

V. Miscellaneous Terms and Conditions

A. Jurisdiction and Venue

This MOU shall be construed in accordance with the laws of the State of California and the parties hereto agree that venue shall be in Marin County, California.

B. No Recourse Against Constituent Members of CPA or Partner

Both CPA and Partner are organized as a Joint Powers Authorities in accordance with the Joint Exercise of Powers Act of the State of California (Government Code Section 6500, et seq.) pursuant to the Joint Powers Agreement and are public entities separate from their constituent members. Both CPA and Partner shall solely be responsible for their respective debts, obligations and liabilities accruing and arising out of this MOU. Both CPA and Partner shall have no rights and shall not make any claims, take any actions or assert any remedies against any of CPA's or Partner's constituent members in connection with this MOU.

C. Notice

All notices shall be given to CPA at the following location:

Contract Manager:	Ted Bardacke, Chief Executive Officer
CPA Address:	500 W. 5th Street, 35th Floor
	City: Los Angeles, CA 90013
Email Address:	tbardacke@cleanpoweralliance.org
Telephone No.:	(213) 269-5870

Notices and invoices shall be given to Partner at the following address:

Partner:	California Community Choice Financing Authority
Address:	1125 Tamalpais Avenue
	San Rafael, CA 94901
Email Address:	Invoices@cccfa.org
Telephone No.:	

The Parties to this MOU hereby acknowledge and agree, by executing this document, that the provisions herein shall constitute legally binding and enforceable obligations in accordance with applicable laws.

Ted Bardacke, CPA CEO

DATE

Garth Salisbury, CCCFA Treasurer/Controller

DATE

Exhibit A: Supporting Staff and Hourly Rates

- 1) **Level I: Legal and Senior Professional Services: \$156 per hour** plus an **annual flat-fee** to cover the cost of additional Employed Lawyers' Professional Liability Insurance, as needed
- 2) **Level II: Website and Professional Marketing Services: \$113 per hour**
- 3) **Level III: Administrative Services: \$63 per hour**
- 4) **Other Services and Resources: Direct pass-through** costs incurred by CPA on behalf of CCCFA (e.g. materials, licenses, domain name for website)



California Community Choice Financing Authority

Staff Report – Item 4

Item 6: Proposed \$20,000 Fee for Each Prepayment Transaction (Discussion/Action)

From: The California Community Choice Financing Authority (CCCFA) Working Group

Date: 12/16/2022

RECOMMENDATION

The CCCFA Working Group, consisting of a representative from each of the five founding member Community Choice Aggregators (CCAs),¹ recommends that the Board establish a Transaction Fee for each approved prepayment transaction of \$20,000.

BACKGROUND

The CCCFA Joint Powers Agreement (JPA) enables public CCA agencies to become a member of CCCFA by executing the CCCFA JPA, submitting their Board resolution approving the JPA, obtaining CCCFA Board approval by a majority vote, and paying an equal share of the CCCFA Board-approved budget. The CCAs can join as an associate member, and the CCCFA Board, with two-thirds (2/3) approval of the entire Board and adoption of a resolution, can elevate an associate member to founding member status. The CCCFA Board consists of one Director representing each of the founding members.

Each CCCFA member is required to pay an equal share of the general and administrative (G&A) costs, as determined by the Board, associated with running the operations of CCCFA to cover expenses such as insurance, audits, and accounting fees. Processing a prepayment transaction contributes to G&A costs due exclusively to additional staff time provided by the CCCFA General Counsel, Treasurer/Controller, and Working Group. The intent of the fee structure for members within CCCFA is for the costs directly incurred from any prepayment transaction be solely allocated to the member or members undertaking the transaction. The CCCFA Board requested the Working Group develop a proposed Transaction Fee for each prepayment transaction to account for these additional G&A costs that are incurred due to transaction-specific work.

¹ The CCCFA founding members are Central Coast Community Energy (3CE), Clean Power Alliance, East Bay Community Energy (EBCE), Marin Clean Energy (MCE), and Silicon Valley Clean Energy (SVCE).

Several prepayment transactions have been completed with others in progress.

ANALYSIS & DISCUSSION

The Working Group recommends CCCFA adopt a \$20,000 Transaction Fee for each approved prepayment considered by the Board in the future.

In reviewing a prepayment transaction, the staff time is the only element that contributes to G&A expenses. The other expenses are invoiced separately and are the responsibility of the member or members undertaking a prepayment transaction. Staff time to process a transaction is estimated to be approximately \$5,000-\$10,000 dollars, including the steps needed after Board approval. Additionally, the Working Group has discussed outsourcing aspects of the process which would increase costs. There is a likely need to outsource legal services and potentially some of the work currently being carried out by the Treasurer/Controller. Outsourcing could increase costs by \$5,000 or more per transaction, depending on the extent of the outsourcing and complexity of a given transaction. The Working Group proposes to only charge the transaction fee to prepayment transactions that are approved by CCCFA's Board. This is intended to keep the non-contingent costs minimal for CCAs exploring but not securing CCCFA approval of a prepayment transaction. The Working Group estimates a \$20,000 fee will generally be sufficient to cover the additional staff or vendor time to process each prepayment transaction. As described above, this is a conservative estimate and is intended to account for the potential need to: (1) conduct more complex review of particular transactions; (2) outsource some aspects of the work; and (3) have approved transactions cover costs of processing a transaction that is ultimately not approved by the Board. While conservative, the \$20,000 figure is still quite modest compared to the \$300,000 fee charged by the California Statewide Communities Development Authority for each bond issue.

It is possible, depending on deal flow and efficiency of the Working Group in processing prepayment transactions, that the \$20,000 Transaction Fees may completely offset the G&A expenses in a given fiscal year. If approved, the Working Group will include a discussion of income from the transaction fees when providing the regular budget updates to the Board. The Board will be able to revisit the transaction fee at any time and may adjust it as desired.

FISCAL IMPACT

Transaction Fee proceeds will be used to offset transaction costs within G&A costs as described above. Transaction Fee proceeds in excess of transaction costs will be allocated to the general fund of CCCFA. Transaction Fees are expected to cover a portion of costs currently funded by annual member contributions and are intended to be revenue neutral.