



**MEETING of the Executive Committee of the
Clean Power Alliance of Southern California
Wednesday, January 16, 2019
1:30 p.m.**

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

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

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

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

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

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

I. WELCOME AND ROLL CALL

II. PUBLIC COMMENT

This item is reserved for persons wishing to address the Committee on any Clean Power Alliance-related matters not on today's agenda. Public comments on matters on today's

Clean Power Alliance Executive Committee Meeting Agenda
January 16, 2019

agenda shall be heard at the time the matter is called. As with all public comment, members of the public who wish to address the Committee are requested to complete a speaker's slip and provide it to Clean Power Alliance staff. If you have anything that you wish to be distributed to the Board and included in the official record, please hand it to a member of the staff who will distribute the information to the Committee members and staff. Speakers are customarily limited to three minutes, but is at the Chair's discretion.

III. CONSENT AGENDA

1. Approve Minutes from December 5, 2018 Executive Committee Meeting

IV. REGULAR AGENDA

2. Review Draft Agenda for February 7, 2019 Board of Directors Meeting

V. CLOSED SESSION

3. PUBLIC EMPLOYMENT
(Government Code Section 54957)
General Counsel Initial Performance Plan
4. PUBLIC EMPLOYMENT
(Government Code Section 54957)
Executive Director Performance Evaluation Process

VI. COMMITTEE MEMBER COMMENTS

VII. ADJOURN

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

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

Wednesday, December 5, 2018, 2:00 p.m.

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

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

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

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

MINUTES

I. WELCOME AND ROLL CALL

Vice Chair Linda Parks called the meeting to order. Community Outreach Manager, Christian Cruz conducted roll call.

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

II. PUBLIC COMMENT

There were no public comments.

III. CONSENT AGENDA**1. Approved Minutes from November 8, 2018 Executive Committee Meeting**

Motion: Rolling Hills Estates, Committee Member Zuckerman. Second: Los Angeles County, Committee Alternate Gero. Vote: Item 1 was approved by a unanimous roll call vote.

IV. REGULAR AGENDA**1. Reviewed Draft Agenda for December 13, 2018 Board of Directors Meeting**

Ted Bardacke, Executive Director, stated there are three main items for the upcoming Board meeting, as follows: rate adjustment for 2019, Implementation Plan Addendum for Westlake Village, and discussion of the 2019 Legislative and Regulatory Platform. Matt Langer, Chief Operating Officer, reviewed the first item with the Committee members and answered questions, as they pertained to the rate increase expected by SCE, which was caused in part by the significant undercollection of revenue by SCE in 2018. Mr. Langer clarified that according to current knowledge of CPUC's proceeding schedule, CPA anticipates SCE's 2019 rates to be implemented in March or April 2019.

Mr. Langer discussed the Implementation Plan for CPA's new member, the City of Westlake Village. He indicated that customer enrollment of the nearly 4,000 accounts is expected to begin in the first half of 2020. Once the addendum is approved it will be submitted to the CPUC.

On the 2019 Legislative and Regulatory Platform, the Committee discussed changes to the point referencing equitable treatment of CPA customers to incorporate language that references the development of state regulations that are appropriate for community owned energy providers. Committee Member Hovarth also clarified the 2019 platform is intended to be a guide for the Board to follow. The Committee also asked that staff make additional adjustments to the Ratepayer Advocacy and Social Justice section to better convey that benchmark

performance is really about measurement, while still maintaining the ability to adjust, as things change at the regulatory and legislative level. Finally, under Environmental Leadership, staff was directed to make edits regarding the goal of exceeding state mandates for environmental performance.

2. Reviewed and Discussed Draft Bylaws

Nancy Whang, General Counsel, provided a presentation on the Draft Bylaws. It was affirmed that the Board and Executive Committee will have a Chair and two Vice Chairs (one from Ventura County and one from LA County), as defined in Article 4. For the Executive Committee, there would be three at-large members, with one dedicated as a Ventura County representative. This would allow for a broader representative pool, which could include more than one Ventura County member. In addition, the Committee provided recommendations for staff to incorporate in the Bylaws regarding how to approach vacancies created by local election cycles. Mr. Bardacke also highlighted the terms of the officers and Executive Committee, which will be two-year terms, and that the current officers and Executive Committee would remain for that duration to maintain consistency.

V. COMMITTEE MEMBER COMMENTS

There were no Committee Member comments.

VI. ADJOURN

Chair Mahmud adjourned the meeting.



Staff Report – Agenda Item 2

To: Clean Power Alliance (CPA) Executive Committee

From: Ted Bardacke, Executive Director

Subject: Review Draft Agenda for February 7, 2019 Board of Directors Meeting

Date: January 16, 2019

Staff will provide an overview of the proposed agenda items for the February 7, 2019 Board of Directors meeting for review and feedback from the Executive Committee. The Draft Board agenda and supporting materials are attached to this staff report, and a discussion of pertinent items for Board consideration on February 7 is provided below.

CONTRACT AMENDMENTS

Staff will be requesting budget increases for two contracts. The contract amount for rate setting assistance with MRW & Associates needs to be increased to accommodate the longer than anticipated rate setting schedule at the CPUC and number of rate adjustments CPA has had to present to the Board. The contract amount with LevelTen for the Long-Term Renewable Energy RFO needs to be increased to add additional expertise in the valuation of the stand-alone storage project bids that CPA received. Staff is currently in discussions with the two contractors to determine the amount of the additional budget requests.

BYLAWS

Following feedback received from the Executive Committee on an initial draft of the Bylaws, staff has prepared a revised draft (attached) for review by the Executive Committee on January 16 in advance of the Board's review of the Bylaws on February 7. Key changes from the prior draft, which was reviewed by the Executive Committee on December 5, are summarized below:

1. Staff still recommends changing the Fiscal Year (FY) to run from April to March, however CPA may not want to effectuate this change in FY 2019/2020 due to the still evolving impacts of SCE's undercollection proposal.
2. The proposed Bylaws would have the practical effect of keeping the CPA's current Board Officers in their positions until early 2020. In 2019 however, the Executive Committee would conduct an election for two new members, one representing Ventura County (newly created position per the Bylaws), and one from Los Angeles County to replace the current vacancy.
3. General restructuring of the Bylaws to include provisions relating to removal of Board Directors and Officers, eligibility requirements for Board Officers and Committee Chair positions, a process to address vacancies, and further definition of Standing Committee roles and responsibilities.

COMMUNITY ADVISORY COMMITTEE

On December 13, the Board appointed 13 members to CPA's inaugural Community Advisory Committee (CAC), leaving two vacancies for the positions representing unincorporated Los Angeles County due to a lack of applications received for that subregion. Since then, staff has continued to work with the County to solicit applications from qualified candidates, and to date has received three applications, with several additional pending. Prior to the February 7 Board meeting, staff intends to meet and confer with CPA's Board and staff representatives from LA County to conduct final review of the candidates to inform the recommendation to the Board for appointment.

UPDATE ON LONG-TERM RFO

Prior to the Executive Committee meeting on January 16, the Energy Committee will meet to consider making a recommendation on the initial shortlist of projects in CPA's Long Term RFO process. Staff will provide a verbal update to the Executive Committee on this item and a presentation to the full board on February 7.

Attachments: 1) Draft February 7, 2019 Board Agenda
2) Clean Power Alliance Draft Bylaws



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

Thursday, February 7, 2019

2:00 p.m.

DRAFT

TBD

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Jacquelyn Betha at least two (2) working days before the meeting at

jbetha@cleanpoweralliance.org or (213) 269-5870, ext. 1001.

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Calabasas City Hall – Council Conference Room

100 Civic Center Way, Calabasas, CA 91301

Ventura County Government Center

Channel Islands Conference Room, 4th Floor Hall of Administration

800 South Victoria Avenue, Ventura, CA 93009

Whittier City Hall – Admin Conference Room

13230 Penn Street, Whittier, CA 90602

I. WELCOME AND ROLL CALL

II. PUBLIC COMMENT

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III. CONSENT AGENDA

1. Approve Minutes from December 13, 2018 Board of Directors Meeting
2. Approve Amendment No. 1 to Task Order No. 1 between CPA and MRW & Associates for Rate Setting and Cost of Service Consulting Services
3. Approve Amendment No. 1 to Task Order No. 1 between CPA and LevelTen Energy for Long-Term RFO Support Consultant Services

IV. REGULAR AGENDA

4. Discuss Clean Power Alliance Bylaws
5. Appoint Two Members to the Community Advisory Committee Representing Unincorporated Los Angeles County
6. Report on Long Term Renewable Energy Request for Offers
7. Discuss Financial Reserve Policy

V. LEGISLATIVE & REGULATORY UPDATE

VI. MANAGEMENT UPDATE

VII. BOARD MEMBER COMMENTS

VIII. REPORT FROM THE CHAIR

IX. ADJOURN – TO FEBRUARY 28 OR MARCH 7, 2019

BYLAWS FOR CLEAN POWER ALLIANCE OF SOUTHERN CALIFORNIA

PREAMBLE

The Clean Power Alliance of Southern California¹ (the “Alliance”) was established on June 27, 2017 pursuant to the execution of the Joint Powers Agreement (“JPA”). The members of the Alliance are referred to individually as “Party” or “Local Agency” or collectively, as “Parties” or “Local Agencies” in these Bylaws. The JPA and any Amendments to the JPA shall collectively be referred to as the “Agreement.”

ARTICLE I

PURPOSE AND DEFINITIONS

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

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

ARTICLE II

BOARD OF DIRECTORS

Section 1. Board of Directors. The Alliance shall be governed by a Board of Directors composed of one representative of each of the Parties (“Board”).

Section 2. Appointment of Directors by Party. Consistent with Section 4.2 of the Agreement, the governing body of each Party shall appoint and designate in writing to the Alliance one regular Director (“Regular Director”) and up to two alternate Directors (“Alternate Director”) who may vote on all matters when the Regular Director is absent for a Board meeting.

Section 3. Resignation. In addition to meeting a Party’s requirements concerning resignation, any Director may resign at any time by giving written notice to the Chair and the Executive

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

Director. Any resignation is effective upon receipt of the written notice or at a time designated in the written notice. A vacancy shall be filled as specified in Article IX.

Section 4. Removal for Cause.

- a. Grounds for Removal. A Regular Director or Alternate Director may be removed for cause. Cause shall be defined for the purposes of this section as follows:
 - i. Unexcused absences from three (3) consecutive Board meetings except an “unexcused absence” shall not be applied against a Director if any one of the designated directors from a Party attends a Board meeting in place of that Director. An unexcused absence shall not include an absence due to vacation, illness or medical appointment, family emergency, jury duty, religious observance, or some other unavoidable conflict, if the Director notifies the Alliance of the conflict in writing;
 - ii. Unauthorized disclosure of confidential information or documents from a closed session or the unauthorized disclosure of information or documents provided to the Director on a confidential basis and whose public disclosure may be harmful to the interests of the Alliance;
 - iii. Willful violation of any of the Alliance’s Operating Policies and Procedures;
 - iv. Has been found by a final order or judgment of any court to be of unsound mind;
 - v. Has been convicted of a felony; or,
 - vi. Fails or ceases to meet any required qualification that was in effect at the beginning of that Director’s current term of office.
- b. Process for Removal.
 - i. If a Director is considered to have met any of the Grounds for Removal specified in Article II, Section 4.a., above, the matter shall be referred to the Executive Committee for investigation and consideration of removal of such Director.
 - ii. Prior to considering the removal, the Executive Committee shall provide written notice to the Director proposed for removal and the governing body that appointed such Director at least thirty (30) days prior to the meeting at which the proposed removal will be considered by the Executive Committee. The notice shall state the grounds for removal, a brief summary of the supporting facts, and the date of the scheduled hearing on the removal (“Removal Notice”). The Director proposed for removal shall be given an opportunity to be heard and to submit any supporting oral or written evidence at the meeting. Upon consideration of the evidence presented, the Executive Committee shall issue a written recommendation to the Board concerning the removal of such Director within ten (10) business days after the removal matter is heard by the Executive Committee, unless the Chair determines that additional time is needed. A copy of the recommendation shall be sent to the Director proposed for

removal and the governing body that appointed such Director within three (3) business days of the issuance of the written recommendation.

- iii. If the Executive Committee recommends a Director's removal, this recommendation shall be considered by the full Board at the next Regular Meeting following the issuance of the Executive Committee's written recommendation. A copy of the Removal Notice and any evidence presented to the Executive Committee shall be provided to the Board. A Director shall not be removed for cause from the Board unless two-thirds of all present Directors (excluding the Director subject to removal) vote in favor of the removal.

ARTICLE III

INTERNAL ORGANIZATION

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

Section 2: Eligibility Requirements for Board Officers. The following minimum eligibility requirements must be met in order for a Regular Director to be elected Chair or Vice-Chair of the Board.

- a. The potential candidate must be a Regular Director;
- b. The potential candidate must have attended at least 50% of the Alliance's Regular Meetings in the prior calendar year; and,
- c. The potential candidate must affirm that his/her elected term as a member of the governing body of a Party will not prevent the potential candidate from serving a full term as a Board Officer.

Section 3. Extension of Term of Office. If, for any reason, the election of a new Board Officer is not made, the then current officer shall continue to serve in his/her position until an election is held at a meeting of the Board.

Section 4. Term of Board Officers. Board Officers shall be elected to a two-year term commencing on the first day of the Fiscal Year (as defined in Section 7.1 of the Agreement) and ending on the last day of the following Fiscal Year two years later except that the term of office for current Board Officers shall end on March 31, 2020. In no event shall a Director serve in the same Board Officer position for more than two consecutive full two-year terms, or for current Board Officers, a total of four and one quarter (4.25) years.

Section 5. Removal of Board Officers. The Board may remove any of the Board Officers, with or without cause, by a two-thirds vote of the present Directors of the Board at a Regular Meeting of the Board. If removal is being considered, three or more Directors must provide written notice

of the proposed removal to the affected Director and to the Executive Director. Thirty (30) days after the receipt of the notice, the Executive Director shall place the removal vote on the agenda at the next Regular Meeting of the Board.

Section 6. Appointment of Treasurer. The Chief Financial Officer (“CFO”) of the Alliance shall act as the Treasurer of the Alliance. In the event of a vacancy, the Board Chair shall appoint a qualified person to act as the interim Treasurer within ninety (90) days of the date the position becomes vacant and the interim Treasurer shall remain in that role until a new CFO is named. The Treasurer shall:

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

Section 7. General Counsel. The General Counsel shall be the attorney for the Board and the Alliance and shall represent the Board and the Alliance in all actions, hearings, and proceedings for or against the Alliance, or when the Alliance may be legally interested. The General Counsel shall also be the legal advisor to the Board and by extension, to the Alliance’s officers and employees in their official capacity. When requested, the General Counsel shall give written legal advice or opinions to the Board or to any Alliance officer or employee.

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

ARTICLE IV

BOARD MEETINGS

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

Section 2. Biennial Meeting. Commencing in 2020, the Board shall hold a meeting every two years (“Biennial Meeting”) to elect Board Officers as set forth in Article III, Section 1, to elect certain members of the Executive Committee as set forth in Article VI, Section 3, and to appoint Committee Chairs as set forth in Article VII, Section 1.

Section 3. Closed Session.

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

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

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

c. Procedure.

- i. The General Counsel and Executive Director shall designate staff members and others who shall remain in the closed session to assist the Board in its deliberations.
 - ii. Any Director who has not attended a closed session and wishes to be advised of the content of the session may inquire of any Director who attended the closed session. The person contacted may advise the inquiring Director of the content of the session. The advised Director shall not disclose the matter for which the session was held.
 - iii. The General Counsel shall be consulted before an item is placed on the Closed Session agenda.
- d. Alternate Directors Participation. Any designated Alternate Director of the governing body of a Local Agency who is also a member of the governing body of a Local Agency and who is attending a properly noticed meeting of the Alliance in lieu of a Local Agency Regular Director may participate in a closed session meeting of the Alliance.

ARTICLE V

RULES GOVERNING COMMITTEES

Section 1. Establishment of Committees. Section 5.9 of the Agreement establishes the Executive Committee ("Executive Committee"), the Finance Committee, the Community Advisory Committee, and authorizes the Board to establish additional policy committees. The Finance Committee and the policy committees identified in Article VII shall collectively be referred to as "Standing Committees." The duties and authority of all Committees shall be subject to the approval and direction of the Board.

Section 2. Committee Voting. Action by a Committee on all matters shall require an affirmative vote of a majority of all members who are present at the meeting.

Section 3. Alternate Directors in Committees. In the event a Regular Director member of a Committee is unavailable to attend a duly-noticed meeting of that Committee, an Alternate Director representing the same Party as the absent Director may attend the Committee meeting in place of that Director, except when the Chair is absent. In event of the Chair's absence, the Vice Chair shall serve as Chair in accordance with Section 5.1 of the Agreement.

Section 4. Ad Hoc Committees. The Board may create Ad Hoc Committees from time to time, to undertake special assignments on behalf of the Board. An Ad Hoc committee shall exist for a specified term or until its special assignments are completed, whichever comes first, but its existence may be extended for an added term or added assignments by action of the Board. The Board Chair shall appoint the Chair of any Ad Hoc Committee. Any Ad Hoc Committee membership shall be governed by Article VII, Section 2.

Section 5. Eligibility Requirements. The following minimum eligibility requirements must be met in order for a Director to be elected to the Executive Committee or appointed as a Standing Committee Chair.

- a. The potential candidate must be a Regular Director;
- b. The potential candidate must have attended at least 50% of the Alliance's Regular Meetings in the prior calendar year; and,
- c. The potential candidate must affirm that his/her elected term as a member of the governing body of a Party will not prevent the potential candidate from serving a full term as an Executive Committee member or a Standing Committee Chair.

Section 6. Removal of a Committee Member. The Board may remove any Committee member from office, including any member of the Executive Committee (pursuant to Article III, Section 4) or Standing Committee Chair, with or without cause, by a two-thirds vote of the present Directors of the Board at a Regular Meeting of the Board.

Section 7. Open Meeting Requirements. The meetings of the committees established by the Board shall be governed by the provisions of the Ralph M. Brown Act (Government Code Section 54950 et seq.).

ARTICLE VI

EXECUTIVE COMMITTEE

Section 1. Executive Committee. The duties of the Executive Committee shall be to review and provide advice to the Executive Director and the entire Board on policy, operation and organizational matters and perform such other responsibilities, tasks or activities as delegated to it by the Board.

The Executive Committee shall consist of the following ten (10) Regular Directors:

- a. The Chair of the Board, who shall serve as Chair of the Executive Committee;

- b. The two Vice-Chairs of the Board (subject to Article III, Section 1), who shall serve as the Vice-Chairs of the Executive Committee;
- c. The Chair from each of the Standing Committees;
- d. The immediate past Chair of the Board;
- e. Two (2) At-Large Directors, each of which represent a Party located in the County of Los Angeles. These two (2) At-Large Directors shall be elected by a majority vote of the Parties located in the County of Los Angeles; and,
- f. One (1) At-Large Director, who represents a Party located in the County of Ventura. This At-Large Director shall be elected by a majority vote of the Parties located in the County of Ventura.

Section 2. Term of At-Large Executive Committee Members and Immediate Past Chair. The At-Large Executive Committee members and when applicable, the immediate past Chair shall serve a two-year term, concurrent with the term of the Board Officers. If, for any reason, the election of new At-Large Directors is not made, the then current Directors shall continue to serve in his/her position until an election is held at a meeting of the Board.

Section 3. Election of At-Large Executive Committee Members. Commencing in 2020, the At-Large Directors shall be elected by a majority vote of the Parties located in their respective Counties.

Section 4. Tie-Break Vote. In the event of a tie vote of the Executive Committee, the matter shall be referred to the Board for a percentage vote in accordance with Section 4.10.1 of the Agreement.

ARTICLE VII

STANDING COMMITTEES

Section 1. Appointment and Term of Standing Committee Chairs. Commencing in 2020, the Board Chair shall appoint the Chairs of each Standing Committee after the Board Chair is elected. The Chairs of each Standing Committee shall be appointed to a two-year term concurrent with the term of the Board Officers. If, for any reason, the appointment of new Committee Chairs is not made, the then-current Committee Chair shall continue to serve in his/her position until an appointment is made by the Chair at a meeting of the Board.

Section 2. Standing Committee Membership. Any Director or Alternate Director who wishes to join a Standing Committee may become a member of that Committee. A Director or Alternate Director who wishes to join a Committee shall notify the Board Chair and the Board Secretary in writing of their intention to join. In no event shall the number of Directors in any one Standing Committee constitute a quorum of the Board and in no event shall a Party be represented on any one Standing Committee by more than one Director member.

Section 3. Finance Committee. The Standing Finance Committee's duties shall include but not be limited to reviewing and recommending to the Executive Director and the Board:

- a. Fiscal year budgets;
- b. Financial policies and procedures including a reserve and investment policy; and,
- c. Other measures ensuring the sound financial management of the Alliance or as similarly directed by the Board.

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

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

Section 4. Energy Planning & Resources Committee ("Energy Committee"). There shall be a Standing Energy Committee whose duties shall be to review and provide advice to the Executive Director, the Executive Committee, and the Board on policy, operation and organizational matters related to the Alliance's procurement and development of electric power supplies; the identification and quantification of risk within the energy market; promotion of renewable energy projects and programs; and any similar duties as the Board may direct.

Section 5. Legislative and Regulatory Committee. There shall be a Standing Legislative and Regulatory Committee whose duties shall be to review and provide advice to the Executive Director and the Board on policy, operation and organizational matters related to the Alliance's legislative and regulatory principles, priorities, and strategies; to promote the Alliance's interests by protecting local control and autonomy; to ensure fair treatment of the Alliance's customers by regulatory bodies; and any similar duties as the Board may direct.

ARTICLE VIII

COMMUNITY ADVISORY COMMITTEE ("CAC")

Section 1. Purpose. Pursuant to Section 5.9.1(c) of the Agreement, the CAC shall be an advisory committee formed to advise the Board on community outreach and engagement issues; to outreach to key stakeholder communities; and to undertake any assignments as directed by the Board. The CAC is not a Standing Committee.

Section 2. CAC Member Selection Process. On an ongoing basis, the Alliance's staff shall accept and solicit applications from citizens that reside or work within the Alliance's territory to become a member of the CAC. Commencing in 2020, a list of all CAC member applicants by geography, skills and association, along with copies of all completed applications, shall be provided to the Board and the Board shall select CAC members from this list of CAC applicants.

Section 3. CAC Membership. The CAC shall be comprised of a total of 15 members representing customers or key stakeholders residing or working in the seven (7) geographical regions, as follows:

- a. Three (3) members from the East Ventura/West Los Angeles County Region.
- b. Two (2) members from the West/Unincorporated Ventura County.
- c. Two (2) members from the Westside region in Los Angeles County.
- d. Two (2) member from the South Bay region in Los Angeles County.
- e. Two (2) member from the Gateway Cities region in Los Angeles County.
- f. Two (2) member from the San Gabriel Valley region in Los Angeles County.
- g. Two (2) member from the Unincorporated Los Angeles County.

Section 4. CAC Officers. The CAC shall appoint from among themselves by majority vote one Chair and two Vice-Chairs. At least one of the Vice Chairs shall be a member residing in the jurisdiction of a Party located in the County of Ventura. The CAC may establish Bylaws of the CAC (“CAC Bylaws”) governing the operation of the CAC. Any CAC Bylaws shall be drafted by the seated CAC members. Prior to becoming effective, any CAC Bylaws, including any amendments thereto, must be approved by a majority of the seated CAC members who are present at a meeting. The CAC Chair, or designee, shall be the liaison between the Board and the CAC and to the extent requested by each Board subject to the limits of the Agreement and applicable law.

Section 5. CAC Term. The initial term of service for current CAC members shall expire at the Board Meeting in April 2020. Thereafter, the term of service of each CAC member will be two years commencing at the Board Meeting in May and expiring in April two years later. There shall be no limit to the number of terms a CAC member may serve.

Section 6. CAC Quorum and Voting. Fifty percent (50%) of the seated CAC members shall constitute a quorum for the transaction of business. Action of the CAC on all matters shall require an affirmative vote of a majority of all members who are present at the subject meeting.

Section 7. CAC Member Removal. A CAC member may be removed by a majority vote of the Board, with or without cause.

Section 8. CAC Vacancies.

- a. Whenever a vacancy occurs among the CAC Officers during that officer’s term of office, the CAC shall hold an election to fill such vacancy within 90 days of the date of the vacancy if there are 90 days or more in the term at the time the vacancy occurs.
- b. Whenever a vacancy occurs for a CAC member during that member’s term of office, the Board shall fill such vacancy.

Section 9. Reimbursements. CAC members may seek reimbursement of expenses incurred to attend a duly-noticed CAC meeting or a Board authorized meeting in compliance with “CPA Reimbursements for Board of Directors” policy, Policy No. CPA2018-05.

ARTICLE IX

DIRECTOR VACANCIES

Section 1. Vacancy Definition. A vacancy shall exist in the case of death; resignation; expiration of term; termination or withdrawal of membership from the Alliance; removal of a Director by the governing body of a Party that designated and appointed the member Director; removal of a Director by the Board; or when a Director, who is an elected member of a Party, ceases to be an elected member, including term limits.

Section 2. Vacancy of a Director. Whenever a vacancy occurs for a Regular Director or Alternate Director representing a Party, the affected Party shall comply with Section 4.3 of the Agreement and the appointment and designation shall occur in a manner consistent with each Party’s rules, regulations, bylaws, policies, or procedures. In addition, the affected Party shall notify the Executive Director in writing no later than five (5) business days after a replacement Director is appointed or elected by the governing body.

Section 3. Vacancy of a Regular Director serving as a Board Officer. Whenever a vacancy occurs of a Regular Director serving as a Board Officer during that officer’s term of office, the Board shall hold an election to fill such vacancy within 90 days of the date of the vacancy if there are 90 days or more in the term at the time the vacancy occurs.

Section 4. Vacancy of Standing Committee Chairs. Whenever a vacancy occurs for a Standing Committee Chair, during that Standing Committee Chair’s term of office, the Board Chair shall fill such vacancy within 90 days of the date of the vacancy if there are 90 days or more in the term at the time the vacancy occurs.

Section 5. Vacancy of At-Large Executive Committee Member. Whenever a vacancy occurs for an At-Large Executive Committee member, during that member’s term of office, the Board shall hold an election to fill such vacancy within 90 days of the date of the vacancy if there are 90 days or more in the term at the time the vacancy occurs. The election of an At-Large Executive Committee Member shall be consistent with Article VI, Sections 1.e and f.

Section 6. Remaining Term. Any Director appointed or elected to fill a vacancy before the expiration of the term for which her or his predecessor was appointed shall serve for the remainder of such term.

ARTICLE X

VOTING

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

ARTICLE XI**CONTINUING LIABILITY**

As provided by Section 3.5 of the Agreement, the debts, liabilities and obligations of the Alliance shall not be debts, liabilities or obligations of the individual Parties unless the governing board of a Party agrees in writing to assume any of the debts, liabilities or obligations of the Alliance. A Party who has not agreed to assume an Alliance debt, liability or obligation shall not be responsible in any way for such debt, liability or obligation even if a majority of the Parties agree to assume the debt, liability or obligation of the Alliance.

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