

**Before the Board of Supervisors in and for the  
County of Monterey, State of California**

**RESOLUTION NO.**

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF  
MONTEREY AFFIRMING THE COUNTY’S INTENT TO PARTICIPATE IN  
GOVERNANCE AND FINANCING DISCUSSIONS FOR THE PROPOSED  
MONTEREY BAY COMMUNITY POWER (MBCP) JOINT POWERS AUTHORITY**

**WHEREAS**, Representatives from various jurisdictions in Santa Cruz, Monterey, and San Benito counties have been meeting for the last several years to discuss forming a Joint Powers Authority (JPA), under the provisions of the Joint Exercise of Powers Act of the State of California (Government Code Section 6500 et seq.), to form a community choice aggregation program through which to purchase, supply, and aggregate the electrical load of their municipal, residential and commercial customer accounts.

**WHEREAS**, In 2006, the State Legislature adopted AB 32, the Global Warming Solutions Act, which mandates a reduction in greenhouse gas emissions in 2020 to 1990 levels. The California Air Resources Board is promulgating regulations to implement AB 32 which will require local governments to develop programs to reduce green-house gas emissions; and

**WHEREAS**, The purposes for forming the JPA include:

- A. Jointly administering a community choice aggregation (CCA) program for jurisdictions in the Monterey, Santa Cruz and San Benito County region;
- B. Reducing greenhouse gas emissions related to the use of power in the Monterey, Santa Cruz, and San Benito County region;
- C. Providing electric power and other forms of energy to customers at a competitive cost;
- D. Carrying out programs to reduce energy consumption;
- E. Stimulating and sustaining the local economy by developing local jobs in renewable energy and other energy related initiatives; and
- F. Promoting long-term electric rate stability, energy security, and reliability for residents through local control of electric generation resources.

NOW, THEREFORE, BE IT RESOLVED THAT, the Board of Supervisors of the County of Monterey does hereby affirm its intent to participate in governance and financing discussions for the Monterey Bay Community Power Joint Powers Authority (referred to herein as “JPA,” “MBCP JPA,” or “Agency”) under the following general terms:

- (1) The Monterey Bay Community Power JPA is planned to be formed in early 2017, and the JPA expected to begin providing electrical service to customers by spring 2018.
- (2) The Monterey Bay Community Power JPA will be composed of jurisdictions within the region of Monterey, Santa Cruz and San Benito Counties choosing to participate by

passage of a JPA Agreement resolution and CCA ordinance as required by State statute. The target deadline for passage of said resolution and ordinance is January 31, 2017.

- (3) The proposed Governing Board structure of the Monterey Bay Community Power JPA seeks to:
  - (a) Represent the interests of a large geographical area while keeping the Board size to a manageable level;
  - (b) Reserve important policy-level decisions for elected officials through creation of a Policy Board that would meet 2-3 times per year or as requested by the Chief Executive Officer;
  - (c) Reserve Agency operational decisions for administrative managers (City managers and county administrators) through the creation of an Operations Board that would meet 8-12 times per year; and
  - (d) Provide fair and equitable representation to Agency members based on population size (number of ratepayers) rather than electrical load size (volume of electric usage).
- (4) The proposed MBCP JPA Board seats would be allocated as follows:
  - (a) Policy and Operations Board seats for founding JPA members (i.e. those jurisdictions that pass a CCA ordinance by January 30, 2017) which will remain in place unless the number of member jurisdictions exceeds 11.
  - (b) Once the JPA reaches more than 11 member agencies, the Policy and Operations Boards' composition shall shift to a regional allocation based on population size.
  - (c) This allocation shall be one seat for each jurisdiction with a population of 50,000 and above, and shared seats for jurisdictions with populations below 50,000 allocated on a sub-regional basis.
  - (d) Under current population estimates, the Board seats in the Tri-County area would be allocated as follows:
    - i. 1 seat for Santa Cruz County
    - ii. 1 seat for Monterey County
    - iii. 1 seat for the City of Santa Cruz
    - iv. 1 seat for the City of Salinas
    - v. 1 seat for the City of Watsonville
    - vi. 1 shared seat for remaining Santa Cruz cities including Capitola and Scotts Valley selected by the City Selection Committee
    - vii. 1 shared seat for Monterey Peninsula cities including Monterey, Pacific Grove, and Carmel selected by the City Selection Committee
    - viii. 1 shared seat for Monterey Coastal cities including Marina, Seaside, Del Rey Oaks, and Sand City selected by the City Selection Committee
    - ix. 1 shared seat for Salinas Valley cities including King City, Greenfield, Soledad, Gonzales selected by the City Selection Committee

- x. 1 shared seat for San Benito County and cities selected by the City Selection Committee.
- (e) It is proposed that the member of the Policy Board and Operations Board shall be from the same jurisdiction.
- (f) The Policy Board of elected officials would meet three times per year with the option for special meetings as determined by the Chief Executive Officer. It is proposed that the Policy Board would provide guidance/approval in the following areas:
- i. Strategic planning and goal setting
  - ii. Passage of Agency budget and customer rates
  - iii. Large capital expenditures outside the typical power procurement required to provide electrical service.
- (g) The Operations Board of appointed County Administrative Officers or City Managers from participating jurisdictions would meet no less than eight times per year and would focus on the routine operations of the Agency and provide oversight and support to the Chief Executive Officer on matters pertaining to the provision of electrical service to customers in the region.
- (5) Financial participation contemplated for members of MBCP JPA is proposed as a pro-rata share of credit support to guarantee a seed capital loan of up to three million dollars (\$3,000,000) to implement the program and cover the costs of Agency start up.
- (a) The County of Santa Cruz on behalf of the proposed MBCP JPA will issue an RFP for banking and credit services to solicit credit and terms associated with provision of said capital
  - (b) The final amount of required credit and the level of guarantee to cover pre-revenue expenses will be confirmed once ordinances are passed and the size of the program is known
  - (c) Should the program fail to launch and the Agency were to default on the loan, the County would be required to fund its portion of any outstanding loan balance.
- (6) Any loan or capital contribution made by a member jurisdiction to the JPA is fully reimbursable through ratepayer revenues at terms mutually agreeable by the jurisdiction and JPA.
- (7) Passage of this resolution authorizes staff of the County of Monterey to participate in discussions in anticipation of MBCP JPA formation. It does not, however, bind the County of Monterey to membership in the JPA, allocation of general funds, or participation in a future CCA program. If the County of Monterey chooses to move

forward, it will be required to pass a resolution for JPA membership, authorize a pro-rata share of credit support, and pass a CCA ordinance by January 31, 2017.

PASSED AND ADOPTED upon motion of Supervisor \_\_\_\_\_, seconded by Supervisor \_\_\_\_\_ and carried this \_\_\_\_ day of November, 2016 by the following vote, to wit:

AYES:  
NOES:  
ABSENT:

I, Gail T. Borkowski, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof Minute Book \_\_\_\_\_ for the meeting on \_\_\_\_\_.

Dated: Gail T. Borkowski, Clerk of the Board of Supervisors  
County of Monterey, State of California

By: \_\_\_\_\_  
Deputy