



**Department:** Administration  
**Cost Center:** 1005  
**For Agenda of:** 11/15/2022  
**Placement:** Consent  
**Estimated Time:** N/A

**FROM:** Greg Hermann, Deputy City Manager  
**Prepared By:** Chris Read, Sustainability Manager

**SUBJECT:** APPROVE AN UPDATED MEMORANDUM OF UNDERSTANDING FOR SHARING CENTRAL COAST COMMUNITY ENERGY BOARD SEATS

### RECOMMENDATION

1. Approve an amendment to the Agreement and Memorandum of Understanding with the City of Morro Bay for sharing Policy Board, Operations Board, and Community Advisory Committee seats on Central Coast Community Energy; and
2. Authorize the City Manager to execute the Amendment to the Agreement and Memorandum of Understanding in a form subject to approval of the City Attorney's Office.

### POLICY CONTEXT

1. [Ordinance 1656 \(2018 Series\)](#) approved the City's participation in Central Coast Community Energy (CCCE; originally named Monterey Bay Community Power or MBCP).
2. [2022 Legislative Action Platform](#) Energy Section plank #6 identifies Council's CCCE Policy Board and Operations Board positions.
3. The existing Memorandum of Understanding (MOU) requires Council action to make any amendments to it.

### DISCUSSION

#### Background

In November of 2018, the City of Morro Bay and the City of San Luis Obispo adopted ordinances and resolutions committing both cities to join Monterey Bay Community Power (MBCP). On December 5, the MBCP Policy Board unanimously voted to approve the two cities' membership. In September of 2020, MBCP officially changed its name to Central Coast Community Energy (CCCE).

CCCE is governed by two Boards: 1) a Policy Board that meets quarterly and is comprised of elected officials, and 2) an Operations Board that meets at least eight times per year and is comprised of City Managers and County Administrative Officers. An Executive Committee, which is comprised of both Policy and Operations Board members, is delegated some authority under the Joint Use Agreement to address matters that are a combination of policy implementation and operations. CCCE also has a Community Advisory Council comprised of residents and business owners.

In CCCE, counties and jurisdictions with 50,000 or more residents hold permanent Board seats. Additional Board seats are shared by multiple jurisdictions based on geography. As part of membership in 2019, the City of San Luis Obispo and the City of Morro Bay agreed to share a seat on each of the boards and to negotiate a formal agreement for sharing the Policy Board and Operations Board seat. In December of 2018, staff from the two cities drafted and negotiated an initial draft MOU.

In 2019, additional cities and counties joined CCCE. Due to population and geographic proximity, the City of Paso Robles was added to the seat currently shared by San Luis Obispo and Morro Bay. Because of the addition of Paso Robles, the name change from MBCP to CCCE, and a mutual desire by all three cities for the City of San Luis Obispo to serve the 2021-22 term, the original 2019 MOU was updated and executed in December of 2020.

### 2022 CCCE MOU Update (Attachment A)

In 2022, the City of Atascadero joined CCCE and a new Policy Board and Operations seat was created for the City of Paso Robles and City of Atascadero to share. Staff from the City of San Luis Obispo and the City of Morro Bay have drafted and negotiated a third iteration of the CCCE MOU to formalize two changes: (1) the removal of the City of Paso Robles from the formal agreement and (2) the extension of the City of San Luis Obispo's current two-year term on the Policy Board by one additional year to serve on the Board through December 2023. City of Paso Robles staff have committed to providing a letter expressing their intent to be removed from the current MOU. Attachment A includes a placeholder for that letter, which is expected to be received after November 15, 2022.

### **Previous Council or Advisory Body Action**

- November 2018 – City of San Luis Obispo joins 3CE and commits to sharing a Policy Board and Operations Board seat with the City of Morro Bay.
- December 2020 – Council approves amendment to the City's MOU with Morro Bay to include Paso Robles.

### **Public Engagement**

Council and staff received public and written testimony in support of joining CCCE and sharing Board seats with the City of Morro Bay at the November 13, 2018, City Council meeting. Throughout the 2019 and 2020 Climate Action Plan Update, community members expressed support for CCCE participation.

## CONCURRENCE

The City of Morro Bay and City of Paso Robles staff concurs with this report. The City of Paso Robles submitted a letter to the City sharing its agreement to be removed from the current MOU and the City of Morro Bay City Council is voting to approve the updated Memorandum of Understanding at a regularly scheduled meeting in November of 2022.

## ENVIRONMENTAL REVIEW

The California Environmental Quality Act does not apply to the recommended action in this report, because the action does not constitute a "Project" under CEQA Guidelines Sec. 15378.

## FISCAL IMPACT

Budgeted: Yes

Budget Year: 2022-23

Funding Identified: Yes

### Fiscal Analysis:

Funding Sources	Total Budget Available	Current Funding Request	Remaining Balance	Annual Ongoing Cost
General Fund	\$0	\$0	\$0	\$0
State				
Federal				
Fees				
Other:				
<b>Total</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>

The only fiscal impact to participating on CCCE's Boards come from staff time and occasional travel to Monterey County. These impacts are accounted for in City Administration's current appropriated operating budget.

## ALTERNATIVES

***The City Council could request amendments to the MOU.*** Should Council request amendments, they would be provided to the City of Morro Bay for consideration and brought back to Council at a future date.

## ATTACHMENTS

A - Updated CCCE MOU with Morro Bay