

AMENDMENT TO AGREEMENT

THIS AMENDMENT TO AGREEMENT is made and entered in the City of San Luis Obispo on _____, by and between the CITY OF SAN LUIS OBISPO, a municipal corporation, hereinafter referred to as San Luis Obispo, the CITY OF MORRO BAY, a municipal corporation, hereinafter referred to as Morro Bay.

WITNESSETH:

WHEREAS, on December 18, 2020, San Luis Obispo, Morro Bay, and Paso Robles entered into an agreement to share a Central Coast Community Energy Policy Board and Operations Board seat, (the “Agreement”); and

WHEREAS, the City of Atascadero joined Central Coast Community Energy in 2022 and will share a seat with the City of Paso Robles and therefore no longer shares a seat with Morro Bay and San Luis Obispo; and

WHEREAS, the previous agreement for a shared seat is void by the approval of the Joint Powers Agreement whereby Paso Robles and Atascadero share a seat; and

WHEREAS, San Luis Obispo, Morro Bay, and Paso Robles, desire to amend the Agreement to remove Paso Robles from the Agreement and to extend San Luis Obispo’s term on the Policy Board by one year, as set forth in Exhibit B attached hereto.

NOW THEREFORE, in consideration of their mutual promises, obligations and covenants hereinafter contained, the parties hereto agree as follows:

1. Paso Robles has indicated its intent to rescind from the Agreement as reflected in the letter attached as Exhibit A; and
2. The Agreement is hereby amended to reflect Paso Robles’ recission from the Agreement as set forth in Exhibit B attached hereto, which reflects an amended and restated version of the Agreement and limits the parties to Morro Bay and San Luis Obispo.

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IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed the day and year first written above.

CITY OF SAN LUIS OBISPO

Derek Johnson, City Manager, City of San Luis Obispo

CITY OF MORRO BAY

Scott Collins, City Manager, City of Morro Bay

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EXHIBIT A

**PASO ROBLES' LETTER EXPRESSING INTENT TO RESCIND FROM THE
MEMORANDUM OF UNDERSTANDING**

[to be provided by the City of Paso Robles after November 15, 2022]

EXHIBIT B

**MEMORANDUM OF UNDERSTANDING BETWEEN
CITY OF SAN LUIS OBISPO AND CITY OF MORRO BAY
REGARDING PARTICIPATION WITH
CENTRAL COAST COMMUNITY ENERGY**

This MEMORANDUM OF UNDERSTANDING (MOU) is hereby made and entered into by and between the City of San Luis Obispo, a California municipal corporation and Charter City, hereinafter referred to as SAN LUIS OBISPO and the City of Morro Bay, a California municipal corporation, hereinafter referred to as MORRO BAY (SAN LUIS OBISPO and MORRO BAY hereinafter individually referred to as “party” and hereinafter collectively referred to as the “parties”).

A. INTRODUCTION

In November 2018, SAN LUIS OBISPO and MORRO BAY jointly pursued community choice energy programs for the purpose of providing choice in the electricity market, reducing greenhouse gas emissions, proving potential rate savings, supporting energy efficiency, promoting regional collaboration, and contributing to economic development. The two cities pursued participating in a community choice energy program by joining Monterey Bay Community Power, which has since changed its name to Central Coast Community Energy (CCCE). On December 5, 2018, SAN LUIS OBISPO and MORRO BAY became official members of CCCE.

As outlined in the CCCE Joint Powers Agreement, the agency is governed by two decision making bodies and one advisory body:

- The Policy Board is comprised of elected officials and meets quarterly to make high level policy decisions.
- The Operations Board is comprised of City Managers or their designees and meets approximately eight times per year to make operational decisions.
- The Community Advisory Council is comprised of community members and serves in an advisory role to the Policy Board and Operations Board.

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CCCE is a large agency and to ensure manageable meetings, smaller jurisdictions share seats on the Policy Board and Operations Board. Jurisdictions with 50,000 or more residents have permanent seats, while smaller jurisdictions share seats based on geographic proximity. Since SAN LUIS OBISPO and MORRO BAY are smaller than 50,000 each, the two cities will share a Policy Board and Operations Board seat.

On November 13, 2018, SAN LUIS OBISPO and MORRO BAY City Councils voted unanimously to direct staff to negotiate a Memorandum of Understanding to provide a collaborative and fair strategy for CCCE representation and to return to their respective Councils for final approval. The MOU was executed by SAN LUIS OBISPO and MORRO BAY in December of 2018. On December 8, 2020, SAN LUIS OBISPO and MORRO BAY City Councils voted unanimously to rescind and replace the original MOU with a new MOU to include the City of El Paso de Robles (“PASO ROBLES”) and other minor updates. That MOU was executed by SAN LUIS OBISPO, MORRO BAY, and PASO ROBLES in December of 2020. That MOU is hereby replaced by this MOU to remove PASO ROBLES from the agreement and extend SAN LUIS OBISPO’s term on the Policy Board by one year, as described below.

B. PURPOSE

The purpose of this Memorandum of Understanding is to identify a clear framework between SAN LUIS OBISPO and MORRO BAY to share governance seats on CCCE’s Policy Board, Operations Board, and Community Advisory Council. This MOU rescinds and replaces the previous December 2020 MOU between SAN LUIS OBISPO, MORRO BAY, and PASO ROBLES.

It should also be noted that community collaboration and regionalism was a key value of the effort to create a local community choice energy program. This Memorandum of Understanding seeks to encourage further regional collaboration.

C. SHARED SEATS

1. Policy Board – The Policy Board representative shall serve for a term of two years and shall rotate between cities (with exception of the first two, two-year terms, which shall be held by SAN LUIS OBISPO). SAN LUIS OBISPO provided the initial representative and served the first two, two-year terms from December 2018 to December 2022. Both parties

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have agreed to extend SAN LUIS OBISPO's term to serve as the Policy Board representative through December 2023, and thereafter shall transition every two years between MORRO BAY and SAN LUIS OBISPO.

- a. The city with the currently serving Policy Board representative shall distribute via email to both City Councils and City Managers the meeting minutes and any additional narrative deemed necessary after each Policy Board meeting to stay informed of policy, business, or other related matters.
 - b. The Policy Board Director alternative shall be identified by the City currently holding the seat.
2. Operations Board – The Operations Board representative shall serve for a term of two years and may be one of two options:
 - a. The City Manager for the City of the Policy Board representative; or
 - b. A director or deputy-director level staff member as determined by the City Manager of the Policy Board representative.
3. Community Advisory Council – There shall be one Community Advisory Council member who shall serve a two-year term and be selected by the current Policy Board Member and their alternative. The pool of Community Advisory Committee applicants shall include all registered voters residing in the cities of San Luis Obispo and Morro Bay. The City currently providing the Policy Board representative shall conduct the Community Advisory Council selection process. The Community Advisory Council member does not need to be from the same city as the Policy Board member and the parties agree that the seat should rotate informally among the three cities.
4. In all cases, the elected officials, staff, or public representing the joint interests of SAN LUIS OBISPO and MORRO BAY, for purposes of the CCCE, shall consider the program purposes outlined in the Central Coast Community Energy Joint Exercise of Powers Agreement:
 - a. Reducing greenhouse gas emissions;
 - b. Providing electric power to customers at a competitive cost;
 - c. Carrying our programs to increase energy efficiency;

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- d. Stimulating and sustaining the local economy by developing local jobs in renewable energy and energy efficiency; and
 - e. Promoting long-term rate stability and energy security and reliability for residents through local control of electric generation resources.
5. If a party fails to attend or otherwise comply with the CCCE JPA and bylaws, and if the seat becomes vacated because of such conduct, the next party shall serve in that seat.

D. PROCESS

SAN LUIS OBISPO City Council will appoint its respective Board Members for the two-year term by February 2019. Terms shall run for two-years starting in December and concluding in November of even- numbered years. Based on mutual agreement of the parties, SAN LUIS OBISPO will also appoint respective Board Members for the two-year term running from January 2022 through December 2024.

Future term appointees shall be made by alternating City Councils in November of the year that the term concludes (e.g., SAN LUIS OBISPO in 2022, MORRO BAY in 2024). Thereafter, the rotation shall continue in two-year periods until this MOU is amended.

E. PRINCIPAL CONTACTS

The principal contacts for this MOU are:

SAN LUIS OBISPO:

Name

Derek Johnson,
Bob Hill,

Role:

City Manager
City Lead

MORRO BAY:

Name

Scott Collins,

Role:

City Manager, City Lead

F. COST OBLIGATION

Each party to this Memorandum of Understanding shall be financially responsible for absorbing costs incurred for their own participation on the Policy Board, Operations Board, and Community Advisory Council.

G. COMMENCEMENT/EXPIRATION DATE

This Memorandum of Understanding is executed as of the date of last signature and is effective until the CCCE governance model changes, or SAN LUIS OBISPO or MORRO BAY withdraw from CCCE, or either party fails in good faith to resolve with the other party a conflict over a substantial issue concerning the CCCE or the parties' performance of this MOU. As to SAN LUIS OBISPO and MORRO BAY, this MOU is effective as of December, 2018, in so far as this MOU replaces and rescinds a prior MOU similar in substance to this MOU. Prior to such termination, the party desiring to terminate this MOU shall provide the non-terminating party with written notice of its desire to terminate and the reasons therefore. Both parties agree to engage in a meet and confer process, and, in the case of termination based on a conflict over a substantial issue concerning the CCCE or the parties' performance of this MOU, the parties shall engage with one another in good faith to resolve the conflict. If a conflict still exists after such good faith negotiations, this MOU shall terminate upon thirty (30) days final written notice.

H. LIABILITIES

It is understood that none of the parties to this Memorandum of Understanding is the agent of any of the other parties and none of the parties is liable for the wrongful acts, omissions or negligence of any other party to this MOU. Each party shall be responsible for its wrongful or negligent acts or omissions and those of its officials, officers, employees, and agents, howsoever caused, to the extent allowed by law, and shall be responsible for their own Commercial General Liability, Auto, Worker's Compensation and Errors and Omissions insurance and adherence to their respective City's policies. Each party to this Memorandum of Understanding agrees to indemnify, defend and hold the other, and their officials, officers, employees, and agents, against any liability, claim, personal injury, including death, or property damage caused by that party's negligence or willful misconduct in their performance under this Memorandum of Understanding.

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I. NO ASSIGNMENT

The rights and obligations of the parties to this Memorandum of Understanding may not be assigned or delegated.

J. AMENDMENT

This Memorandum of Understanding may not be amended or modified in any manner whatsoever except by written agreement between the parties hereto.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the last written date below.

FOR SAN LUIS OBISPO

Date: _____

Derek Johnson, City Manager, City of San Luis Obispo

FOR MORRO BAY

Date: _____

Scott Collins, City Manager, City of Morro Bay