

**Golden State Finance
Authority (GSFA)
Executive Committee Meeting**



**Wednesday, July 10, 2019
10:30 A.M.**

**1215 K Street, Suite 1650
Sacramento CA 95814**

**Golden State Finance Authority (GSFA)
Executive Committee Meeting
1215 K Street, Suite 1650
Sacramento, CA 95814**

July 10, 2019 – 10:30 a.m.

Executive Committee Members:

Supervisor Kevin Cann, Mariposa County
Supervisor Bob Williams, Tehama County
Supervisor Matt Kingsley, Inyo County
Supervisor Daron McDaniel, Merced County
Supervisor Stacy Corless, Mono County
Supervisor Rex Bohn, Humboldt County

Supervisor Michael Kobseff, Siskiyou County
Supervisor Aaron Albaugh, Lassen County
Supervisor Diane Dillon, Napa County
Supervisor Jack Garamendi, Calaveras County
Supervisor Kuyler Crocker, Tulare County

Agenda

I. Call to Order and Determination of Quorum

Chair, Supervisor Kevin Cann, Mariposa County

II. Approval of Minutes of the May 22, 2019 Meeting

(Board Members absent from the meeting will be recorded as abstained unless the Board Member indicates otherwise)

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III. Public Comment

At this time any member of the public may address the Board. Speakers are asked to state their name for the record. Comments are usually limited to no more than 3 minutes per speaker.

IV. Quarterly Reports for GSFA (Discussion and possible action relative to)

Lisa McCargar, Chief Financial Officer

a. GSFA Budget Report (May 31, 2019)

Page 5

b. GSFA Investment Report (May 31, 2019)

Page 9

c. GSFA Liquidity Report

V. Business and Administrative Matters (Discussion and possible action relative to)

Greg Norton

Craig Ferguson, Deputy Director

a. Proposed Revisions to the GSFA JPA Agreement - ACTION

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b. Other Business and Administrative Matters

VI. Program Updates (Discussion and possible action relative to)

Greg Norton

Craig Ferguson

VII. Adjournment

Meeting facilities are accessible to persons with disabilities. By request, alternative agenda document formats are available to persons with disabilities. To arrange an alternative agenda document format or to arrange aid or services to modify or accommodate persons with a disability to participate in a public meeting, contact Sarah Bolnik by calling (916) 447-4806 at least 48 hours before the meeting.

Agenda items will be taken as close as possible to the schedule indicated. Any member of the general public may comment on agenda items at the time of discussion. In order to facilitate public comment, please let staff know if you would like to speak on a specific agenda item. The agenda for this meeting of the Executive Committee of the Golden State Finance Authority was duly posted at its offices, 1215 K Street, Suite 1650, Sacramento, California, 72 hours prior to the meeting.

**Golden State Finance Authority (GSFA)
Executive Committee Meeting
1215 K Street, Suite 1650 Board Room
Sacramento, CA 95814
May 22, 2019 – 10:00 a.m.**

Executive Committee Members:

Supervisor Kevin Cann, Mariposa County
Supervisor Bob Williams, Tehama County
Supervisor Matt Kingsley, Inyo County
Supervisor Daron McDaniel, Merced County
Supervisor Stacy Corless, Mono County
Supervisor Rex Bohn, Humboldt County

Supervisor Michael Kobseff, Siskiyou County
Supervisor Aaron Albaugh, Lassen County
Supervisor Diane Dillon, Napa County
Supervisor Jack Garamendi, Calaveras County
Supervisor Kuyler Crocker, Tulare County

Minutes

Call to Order and Determination of Quorum

GSFA Chair, Supervisor Kevin Cann, Mariposa County called the GSFA Executive Committee meeting to order at 10:45 a.m. A quorum was determined at that time. Those present were as follows:

<u>Supervisors in Attendance</u>	<u>County</u>
Kevin Cann	Mariposa
Bob Williams	Tehama
Matt Kingsley	Inyo
Daron McDaniel	Merced
Rex Bohn	Humboldt
Michael Kobseff	Siskiyou
Diane Dillon	Napa
Jack Garamendi	Calaveras
Kuyler Crocker	Tulare

Absent Members

Stacy Corless	Mono
Aaron Albaugh	Lassen

Others in Attendance

Greg Norton, Executive Director
Craig Ferguson, Deputy Director
Lisa McCargar, Chief Financial Officer
Barbara Hayes, RCRC Chief Economic Development Officer
Sarah Bolnik, RCRC Economic Development Specialist
Justin Caporusso, RCRC Vice President External Affairs
Paul A. Smith, RCRC Vice President Governmental Affairs
Arthur Wylene, RCRC General Counsel

Approval of Minutes of the February 20, 2019 Meeting

(Board Members absent from the meeting will be recorded as abstained unless the Board Member indicates otherwise)

Supervisor Michael Kobseff, Siskiyou County, motioned to approve the minutes of the February 20, 2019 GSFA Executive Committee Meeting. Supervisor Bob Williams, Tehama County, seconded the motion. Motion passed.

Public Comment

None

Approval of the 2018 GSFA Audited Financial Statements

Lisa McCargar, Chief Financial Officer, presented the GSFA Executive Committee with the 2018 Audited Financial Statements. The GSFA Executive Committee reviewed the financial statements and Ms. McCargar answered any questions the committee had.

Recommendation

It is recommended that the GSFA Executive Committee, acting in their capacity as the Audit Committee, review and approve the 2018 audited financial statements and communication letter as presented, for presentation and adoption by the GSFA Board of Directors.

Supervisor Michael Kobseff, Siskiyou County, motioned to approve the GSFA 2018 Audited Financial Statements and Direct the Executive Director to make a formal recommendation to the Full GSFA Board of Directors. Supervisor Daron McDaniel, Merced County, seconded the motion. Motion passed.

GSFA Quarterly Reports

Lisa McCargar presented the GSFA Quarterly Investment Report, the Budget Report, and the Liquidity Report for the period ending March 31, 2019.

Program Updates

Craig Ferguson, Deputy Director, provided an update on the single and multifamily programs, the YgreneWorks Program, and the Mortgage Credit Certificate allocation for GSFA.

Economic Development Update

Barbara Hayes, RCRC Chief Economic Development Officer, provided an update on recent Economic Development activity to the GSFA Executive Committee.

Greg Norton, Executive Director, provided an update on the Golden State Natural Resources (GSNR) organization and stated that there will likely be a meeting in June 2019.

Mr. Norton and Supervisor Kevin Cann, Mariposa County, discussed recent meeting that took place at the WFLC Conference that they both attended in San Diego.

Adjournment

GSFA Chair, Supervisor Kevin Cann, Mariposa County, adjourned the meeting of the GSFA Executive Committee at 11:08 a.m.



Golden State Finance Authority (GSFA)
1215 K Street, Suite 1650 · Sacramento, California 95814
Phone: (855) 740-8422 · Fax: (916) 444-3219 · www.gsfahome.org

To: GSFA Executive Committee
From: Lisa McCargar, Chief Financial Officer
Date: July 2, 2019
Re: GSFA Budget Report (May 31, 2019)

Summary

The Statement of Revenues and Expenses for GSFA provides a budget to actual comparison for the five months ended May 31, 2019.

Attachment

- GSFA Statement of Revenues and Expenses, Budget vs. Actual, for the Five Months Ended May 31, 2019.

GOLDEN STATE FINANCE AUTHORITY
2019 BUDGET vs. ACTUAL
May 31, 2019

	2019 Annual Budget	Five Months Ended May 31, 2019 Budget	Five Months Ended May 31, 2019 Actual	Variance Favorable/ (Unfavorable)	Percent Favorable/ (Unfavorable)
Income:					
Housing Program Revenue	\$ 25,500,000	\$ 10,625,000	\$ 4,375,893	\$ (6,249,107)	-58.82%
Energy Program Revenue	851,500	354,790	343,903	(10,887)	-3.07%
Grant Reimbursed Costs	250,000	104,165	92,416	(11,749)	-11.28%
Interest and Dividend	600,000	250,000	485,060	235,060	94.02%
Capital Gains / (Losses)	20,000	8,335	159,288	150,953	1811.07%
Ongoing Issuer Fees	80,000	33,335	22,002	(11,333)	-34.00%
2nd Mortgage Interest	300,000	125,000	88,473	(36,527)	-29.22%
Miscellaneous Income	-	-	642	642	100.00%
Total Income	\$ 27,601,500	\$ 11,500,625	\$ 5,567,677	\$ (5,932,948)	-51.59%
Expenditures:					
Accounting & Auditing	\$ 34,000	\$ 14,165	\$ 5,004	\$ 9,161	64.67%
Bank Fees	1,000	415	78	337	81.20%
Business Dev & Expansion	100,000	41,665	72,267	(30,602)	-73.45%
CDLAC fees	100,000	41,665	-	41,665	100.00%
Custodian/Trustee	30,000	12,500	-	12,500	100.00%
Consultants	811,000	337,915	110,051	227,864	67.43%
Contract Performance Fee	810,000	337,500	-	337,500	100.00%
Dues, Fees & Subscriptions	20,000	8,335	7,864	471	5.65%
Grant Cost	250,000	104,165	92,416	11,749	11.28%
Insurance	38,000	15,835	16,311	(476)	-3.01%
Legal Services	200,000	83,335	35,648	47,687	57.22%
Loan Losses	80,000	33,335	-	33,335	100.00%
Miscellaneous	-	-	1,366	(1,366)	-100.00%
Energy Servicing Programs	245,000	102,085	100,400	1,685	1.65%
Gift Program (DPA)	22,000,000	9,166,665	3,194,150	5,972,515	65.15%
Pipeline Services	180,000	75,000	40,000	35,000	46.67%
DPA Program Management	550,000	229,165	84,815	144,350	62.99%
Postage	4,000	1,665	1,117	548	32.91%
Printing and Duplication	1,000	415	621	(206)	-49.64%
Promotion and Marketing	25,000	10,415	817	9,598	92.16%
Rent	93,500	38,960	38,210	750	1.93%
Contract Support Services	4,908,000	2,045,000	2,045,000	-	0.00%
Sponsorships	100,000	41,665	44,000	(2,335)	-5.60%
Board Member Travel & Reimbs	15,000	6,250	-	6,250	100.00%
Travel	40,000	16,665	15,732	933	5.60%
Total Expenditures	\$ 30,635,500	\$ 12,764,780	\$ 5,905,867	\$ 6,858,913	53.73%
Net Revenues Over Expenditures	\$ (3,034,000)	\$ (1,264,155)	\$ (338,190)	\$ 925,965	-73.25%



To: GSFA Executive Committee
From: Lisa McCargar, Chief Financial Officer
Date: July 2, 2019
Re: GSFA Investment Report (May 31, 2019)

Summary

In accordance with GSFA's investment policy, we are providing the GSFA investment report. This report provides a summary of investment transactions from March 31, 2019 to May 31, 2019. In addition, the report provides the returns by investment type and a comparison to the 90 day Treasury Rate.

The CalTRUST yields are the funds' reported May 31st yields. The LAIF return is the fund's May 31st apportionment rate.

Attachment

- GSFA Investment Report as of May 31, 2019

GOLDEN STATE FINANCE AUTHORITY
Investment Report
As of May 31, 2019

	Total	CalTRUST Short-Term	CalTRUST Medium-Term	LAIF
Balance 3/31/2019	\$ 20,340,899	\$ 7,754,380	\$ 12,394,439	\$ 192,080
Additions	-	-	-	
Withdrawals	-	-	-	
Interest (includes accrued)	85,922	35,569	50,353	
Capital Gain/(Loss)	-	-	-	
Balance 5/31/2019	\$ 20,426,821	\$ 7,789,949	\$ 12,444,792	\$ 192,080

Yield:

	Short Term	Mid Term	LAIF
Annualized One Year	2.40%	2.23%	2.55%
Average Maturity (days)	313	722	179
90 Day Treasury Bill Rate	2.35%		

All current cash investments are held in either California Treasurer's Local Agency Investment Fund (LAIF) or CalTRUST's Short-Term Fund or Medium-Term Fund. Cash in the LAIF fund and the CalTRUST Short-Term Fund may be accessed within 24 hours. Cash in the CalTRUST Medium-Term Fund may be accessed at the end of each month.

No members of the Investment Committee have any conflict of interest with any current investment firms.

Purpose of transactions in excess of \$1 million:
 -None



To: GSFA Executive Committee

From: Greg Norton, Executive Director

Date: July 2, 2019

Re: Proposed Revisions to the Golden State Finance Authority JPA Agreement - **ACTION**

Summary

The GSFA Joint Powers Agreement (JPA) was last amended in May 2015. Since that time, GSFA has substantially expanded its efforts to assist member counties in several areas, in addition to the well-established housing and PACE financing programs. These include:

- Establishment of an economic development team to facilitate county-lead business attraction and retention efforts, job creation efforts, and assist member counties in obtaining related state and federal funding.
- Leveraging GSFA's expertise in capital finance to facilitate rural infrastructure financing.
- Initiating the Golden State Natural Resources Project to promote forest resiliency and associated economic development on a large scale.

The JPA presently grants GSFA the power to (among other things) "finance the construction, acquisition, improvement and rehabilitation of real property..." and all of the ongoing activities of GSFA fall within this authorization. However, GSFA management and counsel recommend amending the JPA to expressly reference these expanded activities, both for purposes of clarity and to ensure that the organization's commitment to these initiatives is reflected in the governing documents.

The JPA Agreement is attached with proposed revisions in track changes. The specific proposed revisions include:

- Expressly authorizing GSFA to establish and operate programs and projects to promote public safety, economic development, and environmental protection, including without limitation forest resiliency, wildfire risk reduction, air quality improvement, and waste diversion and reuse.

- Clarifying that GSFA may finance the *preservation* of real property and infrastructure.
- Incorporating recent amendments to the PACE statutes expanding the types of improvements that may be financed through that program.
- Expressly authorizing GSFA to issue Industrial Development Bonds for qualifying projects.
- Specifically referencing GSFA's ability to create nonprofit corporations (such as NHF and GSNR).
- Other technical amendments to revise obsolete language or conform to current practice.

All of the proposed revisions are included in track changes in Attachment 1. The process for revision of the Agreement is as follows:

- Presentation to the GSFA Board of Directors for review and approval to initiate the revisions. A majority vote of the GSFA Board is required.
- Providing of the Agreement with proposed revisions to each member's delegate for presentation and action by each member's Board of Supervisors.
- Section 19 of the Agreement calls for presentation and action by each Member's Board to be completed within 60 days of approval by the GSFA Board of Directors. Adoption of the amendment requires approval by a majority of Member Boards.

Staff Recommendation:

It is recommended that the GSFA Executive Committee review and approve the proposed revisions to the GSFA Joint Powers Authority Agreement and recommend review and approval by the GSFA Board of Directors.

Attachments

Proposed Amended and Restated Joint Exercise of Powers Agreement (Track Changes)

GOLDEN STATE FINANCE AUTHORITY

AMENDED AND RESTATED JOINT EXERCISE OF POWERS AGREEMENT

(Original date July 1, 1993 and as last amended and restated May 5, 2015 2019)

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THIS AMENDED AND RESTATED JOINT EXERCISE OF POWERS AGREEMENT ("Agreement") is entered into by and among the counties listed on Attachment 1 hereof and incorporated herein by reference. All such counties are referred to herein as "Members" with the respective powers, privileges and restrictions provided herein.

RECITALS

A. WHEREAS, the California Rural Home Mortgage Finance Authority ("CRHMFA") was created by a Joint Exercise of Powers Agreement dated July 1, 1993 pursuant to the Joint Exercise of Powers Act (commencing with Article 1 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Act"). By Resolution 2003-02, adopted on January 15, 2003, the name of the authority was changed to CRHMFA Homebuyers Fund. On December 10, 2014, the name of the authority was changed to California Home Finance Authority. On May 5, 2015, the name of the authority was changed to Golden State Finance Authority. The most recent amendment to the Joint Exercise of Powers Agreement was on December 10, 2014 May 5, 2014 2015.

B. WHEREAS, the Members of ~~California Home Finance~~ Golden State Finance Authority desire to update, reaffirm, clarify and revise certain provisions of the joint powers agreement, including the renaming of the joint powers authority, as set forth herein.

C. WHEREAS, the Members are each empowered by law to finance the construction, acquisition, improvement, preservation, and rehabilitation of real property and infrastructure.

G.D. WHEREAS, the Members are each empowered by law to establish and operate programs and projects to promote public safety, forest resiliency, wildfire risk reduction, air quality improvement, organic waste reduction, and economic development, and environmental protection, including without limitation forest resiliency, wildfire risk reduction, air quality improvement, and organic waste reduction and reuse.

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D.E. WHEREAS, by this Agreement, the Members desire to create and establish a joint powers authority to exercise their respective powers for the purposes of financing the construction, acquisition, improvement, preservation, and rehabilitation of real property and infrastructure within the jurisdiction of the Authority as authorized by the Act, and establishing and operating programs and projects to promote public safety, economic development, and environmental protection, including without limitation forest resiliency, wildfire risk reduction, air quality improvement, and organic waste diversion and reuse.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the Members individually and collectively agree as follows:

1. Definitions

Unless the context otherwise requires, the following terms shall for purposes of this Agreement have the meanings specified below:

"Act" means the Joint Exercise of Powers Act, commencing with Article 1 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California, including the Marks-Roos Local Bond Pooling Act of 1985, as amended.

"Agreement" means this Joint Exercise of Powers Agreement, as the same now exists or as it may from time to time be amended as provided herein.

"Associate Member" means a county, city or other public agency which is not a voting member of the Rural County Representatives of California, a California nonprofit corporation ("RCRC"), with legal power and authority similar to that of the Members, admitted pursuant to paragraph 4.d. below to associate membership herein by vote of the Board.

"Audit Committee" means a committee made up of the Executive Committee.

"Authority" means Golden State Finance Authority (GSFA) formerly known as California Home Finance Authority ("CHF"), or CRHMFA Homebuyers Fund or California Rural Home Mortgage Finance Authority.

"Board" means the governing board of the Authority as described in Section 7 below.

"Bonds" means bonds, notes, warrants, leases, certificates of participation, installment purchase agreements, loan agreements and other securities or obligations issued by the Authority, or financing agreements entered into by the Authority pursuant to the Act and any other obligation within the meaning of the term "Bonds" under the Act.

"Delegate" means the Supervisor designated by the governing board of each Member to serve on the Board of the Authority.

"Executive Committee" means the Executive Committee of the Board established pursuant to Section 10 hereof.

"Member" means any county which is a member of RCRC, has executed this Agreement and has become a member of the Authority.

"Obligations" means bonds, notes, warrants, leases, certificates of participation, installment purchase agreements, loan agreements and other securities or obligations issued by the Authority, or financing agreements entered into by the Authority pursuant to the Act and any other financial

or legal obligation of the Authority under the Act.

"Program" or "Project" means any work, improvement, program, project or service undertaken by the Authority.

"Rural County Representatives of California" or "RCRC" means the nonprofit entity incorporated under that name in the State of California.

"Supervisor" means an elected County Supervisor from an RCRC member county.

2. Purpose

The purposes of the Authority ~~is~~ are to provide financing for the acquisition, construction, improvement, preservation, and rehabilitation of real property and infrastructure, and to establish and operate programs and projects to promote public safety, economic development, and environmental protection, including without limitation forest resiliency, wildfire risk reduction, air quality improvement, and organic waste diversion and reuse ~~reduction public safety, forest resiliency, wildfire risk reduction, air quality improvement, organic waste reduction, and economic development~~, in accordance with applicable provisions of law for the benefit of residents and communities. In pursuit of this purpose, this Agreement provides for the joint exercise of powers common to any of its Members and Associate Members as provided herein, or otherwise authorized by the Act and other applicable laws, including ~~assisting in financing provision of financing and other programs and projects~~ as authorized herein, jointly exercised in the manner set forth herein.

3. Principal Place of Business

The principal office of the Authority shall be 1215 K Street, Suite 1650, Sacramento, California 95814.

4. Creation of Authority; Addition of Members or Associate Members

a. The Authority is hereby created pursuant to the Act. As provided in the Act, the Authority shall be a public entity separate and distinct from the Members or Associate Members.

b. The Authority will cause a notice of this Agreement or any amendment hereto to be prepared and filed with the office of the Secretary of State of California in a timely fashion in the manner set forth in Section 6503.3 of the Act.

c. A county that is a member of RCRC may petition to become a member of the Authority by submitting to the Board a resolution or evidence of other formal action taken by its governing body adopting this Agreement. The Board shall review the petition for membership and shall vote to approve or disapprove the petition. If the petition is approved by a majority of the Board, such county shall immediately become a Member of the Authority.

d. An Associate Member may be added to the Authority upon the affirmative approval of its respective governing board and pursuant to action by the Authority Board upon such terms and conditions, and with such rights, privileges and responsibilities, as may be established from time to time by the Board. Such terms and conditions, and rights, privileges and responsibilities may vary among the Associate Members. Associate Members shall be entitled to participate in one or more programs of the Authority as determined by the Board, but shall not be voting members of the Board. The Executive Director of the Authority shall enforce the terms and conditions for prospective Associate Members to the Authority as provided by resolution of the Board and as amended from time to time by the Board. Changes in the terms and conditions for Associate Membership by the Board will not constitute an amendment of this Agreement.

5. Term and Termination of Powers

This Agreement shall become effective from the date hereof until such time as it is terminated in writing by all the Members; provided, however, that this Agreement shall not terminate or be terminated until the earlier of the time when all Bonds and any interest thereon shall have been paid in full, or provision for such payment shall have been made, or when the Authority shall no longer own or hold any interest in a public capital improvement or program. The Authority shall continue to exercise the powers herein conferred upon it until termination of this Agreement, except that if any Bonds are issued and delivered, in no event shall the exercise of the powers herein granted be terminated until all Bonds so issued and delivered and the interest thereon shall have been paid or provision for such payment shall have been made and any other debt incurred with respect to any other financing program established or administered by the Authority has been repaid in full and is no longer outstanding.

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6. Powers; Restriction upon Exercise

a. To effectuate its purpose, the Authority shall have the power to exercise any and all powers of the Members or of a joint powers authority under the Act and other applicable provisions of law, subject, however, to the conditions and restrictions herein contained. Each Member or Associate Member may also separately exercise any and all such powers. The powers of the Authority are limited to those of a general law county.

b. The Authority may adopt, from time to time, such resolutions, guidelines, rules and regulations for the conduct of its meetings and the activities of the Authority as it deems necessary or desirable to accomplish its purpose.

c. The Authority shall have the power to finance the construction, acquisition, improvement, preservation, and rehabilitation of real property and infrastructure, including without limitation the power to purchase, with the amounts received or to be received by it pursuant to a bond purchase agreement, bonds issued by any of its Members or Associate Members and other local agencies at public or negotiated sale, for the purpose set forth herein and in accordance with the Act. All or any part of such bonds so purchased may be held by the Authority or resold to public or private purchasers at public or negotiated sale. The Authority shall

set any other terms and conditions of any purchase or sale contemplated herein as it deems necessary or convenient and in furtherance of the Act. The Authority may issue or cause to be issued Bonds or other indebtedness, and pledge any of its property or revenues as security to the extent permitted by resolution of the Board under any applicable provision of law. The Authority may receive funds from any lawful source, and may issue Bonds in accordance with the Act in order to raise funds necessary to effectuate its purpose hereunder and may enter into agreements to secure such Bonds. The Authority may issue other forms of indebtedness authorized by the Act or applicable law, and to secure such debt, to further such purpose. Without limiting the generality of the foregoing, the Authority shall be empowered to issue industrial development bonds pursuant to the California Industrial Development Financing Act (Title 19 (commencing with Section 91500) of the Government Code of the State of California). The Authority may utilize other forms of capital, including, but not limited to, the Authority's internal resources, capital markets and other forms of private capital investment authorized by the Act. The Authority shall further have the power to establish and operate programs and projects to promote public safety, economic development, and environmental protection, including without limitation forest resiliency, wildfire risk reduction, air quality improvement, and organic waste diversion and reuse, forest resiliency, wildfire risk reduction, air quality improvement, organic waste reduction, and economic development. The Authority may exercise the common powers of the Members and exercise all additional powers given to a joint powers entity under any of the laws of the State of California, including, but not limited to, the Joint Exercise of Powers Act, for any purpose authorized under this Agreement.

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d. The Authority is hereby authorized to do all acts necessary for the exercise of its powers, including, but not limited to:

- (1) executing contracts,
- (2) employing agents, consultants and employees,
- (3) acquiring, constructing or providing for maintenance and operation of any building, work or improvement,
- (4) acquiring, holding or disposing of real or personal property wherever located, including property subject to mortgage,
- (5) incurring debts, liabilities or obligations,
- (6) receiving grants, gifts, contributions and donations of property, funds, services and any other forms of assistance from persons, firms, corporations or governmental entities,
- (7) suing and being sued in its own name, and litigating or settling any suits or claims,
- (8) doing any and all things necessary or convenient to the exercise of its specific powers and to accomplishing its purpose
- (9) establishing and/or administering districts to finance and refinance the acquisition, installation and improvement of energy efficiency, water conservation, wildfire safety, seismic strengthening, and renewable energy improvements, or any other improvements authorized by law, to or on real property and in buildings. The Authority may enter into one or more agreements, including without limitation, participation agreements and

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implementation agreements to implement such programs.

- (10) ~~establishing and administering one or more nonprofit corporations under the Nonprofit Corporations Law (Division 2 (commencing with Section 5000) of the Corporations Code of the State of California) to undertake programs and projects to promote public safety, economic development, and environmental protection, including without limitation forest resiliency, wildfire risk reduction, air quality improvement, and organic waste reduction; and reuse public safety, forest resiliency, wildfire risk reduction, air quality improvement, organic waste reduction, and economic development.~~

e. Subject to the applicable provisions of any indenture or resolution providing for the investment of monies held thereunder, the Authority shall have the power to invest any of its funds as the Board deems advisable, in the same manner and upon the same conditions as local agencies pursuant to Section 53601 of the Government Code of the State of California.

f. All property, equipment, supplies, funds and records of the Authority shall be owned by the Authority, except as may be provided otherwise herein or by resolution of the Board.

g. Pursuant to the provisions of Section 6508.1 of the Act, the debts, liabilities and obligations of the Authority shall not be debts, liabilities and obligations of the Members or Associate Members. Any Bonds, together with any interest and premium thereon, shall not constitute debts, liabilities or obligations of any Member. The Members or Associate Members hereby agree that any such Bonds issued by the Authority shall not constitute general obligations of the Authority but shall be payable solely from the moneys pledged to the repayment of principal or interest on such Bonds under the terms of the resolution, indenture, trust, agreement or other instrument pursuant to which such Bonds are issued. Neither the Members or Associate Members nor the Authority shall be obligated to pay the principal of or premium, if any, or interest on the Bonds, or other costs incidental thereto, except from the revenues and funds pledged therefor, and neither the faith and credit nor the taxing power of the Members or Associate Members or the Authority shall be pledged to the payment of the principal of or premium, if any, or interest on the Bonds, nor shall the Members or Associate Members of the Authority be obligated in any manner to make any appropriation for such payment. No covenant or agreement contained in any Bond shall be deemed to be a covenant or agreement of any Delegate, or any officer, agent or employee of the Authority in an individual capacity, and neither the Board nor any officer thereof executing the Bonds or any document related thereto shall be liable personally on any Bond or be subject to any personal liability or accountability by reason of the issuance of any Bonds.

7. Governing Board

a. The Board shall consist of the number of Delegates equal to one representative from each Member.

b. The governing body of each Member shall appoint one of its Supervisors to serve as a Delegate on the Board. A Member's appointment of its Delegate shall be delivered in writing (which may be by electronic mail) to the Authority and shall be effective until he or she is replaced by such governing body or no longer a Supervisor; any vacancy shall be filled by the governing body of the Member in the same manner provided in this paragraph b..

c. The governing body of each Member of the Board shall appoint a Supervisor as an alternate to serve on the Board in the absence of the Delegate; the alternate may exercise all the rights and privileges of the Delegate, including the right to be counted in constituting a quorum, to participate in the proceedings of the Board, and to vote upon any and all matters. No alternate may have more than one vote at any meeting of the Board, and any Member's designation of an alternate shall be delivered in writing (which may be by electronic mail) to the Authority and shall be effective until such alternate is replaced by his or her governing body or is no longer a Supervisor, unless otherwise specified in such appointment. Any vacancy shall be filled by the governing body of the Member in the same manner provided in this paragraph c..

d. Any person who is not a member of the governing body of a Member and who attends a meeting on behalf of such Member may not vote or be counted toward a quorum but may, at the discretion of the Chair, participate in open meetings he or she attends.

e. Each Associate Member may designate a non-voting representative to the Board who may not be counted toward a quorum but who may attend open meetings, propose agenda items and otherwise participate in Board Meetings.

f. Delegates shall not receive compensation for serving as Delegates, but may claim and receive reimbursement for expenses actually incurred in connection with such service pursuant to rules approved by the Board and subject to the availability of funds.

g. The Board shall have the power, by resolution, to the extent permitted by the Act or any other applicable law, to exercise any powers of the Authority and to delegate any of its functions to the Executive Committee or one or more Delegates, officers or agents of the Authority, and to cause any authorized Delegate, officer or agent to take any actions and execute any documents for and in the name and on behalf of the Board or the Authority.

h. The Board may establish other committees as it deems necessary for any lawful purpose; such committees are advisory only and may not act or purport to act on behalf of the Board or the Authority.

i. The Board shall develop, or cause to be developed, and review, modify as necessary, and adopt each Program.

8. Meetings of the Board

a. The Board shall meet at least once annually, but may meet more frequently upon call of any officer or as provided by resolution of the Board.

b. Meetings of the Board shall be called, noticed, held and conducted pursuant to the provisions of the Ralph M. Brown Act, Chapter 9 (commencing with Section 54950) of Part I of Division 2 of Title 5 of the Government Code of the State of California.

c. The Secretary of the Authority shall cause minutes of all meetings of the Board to be taken and distributed to each Member as soon as possible after each meeting.

d. The lesser of twelve (12) Delegates or a majority of the number of current Delegates shall constitute a quorum for transacting business at any meeting of the Board, except that less than a quorum may act to adjourn a meeting. Each Delegate shall have one vote.

e. Meetings may be held at any location designated in notice properly given for a meeting and may be conducted by telephonic or similar means in any manner otherwise allowed by law.

9. Officers; Duties; Official Bonds

a. The Board shall elect a chair and vice chair from among the Delegates at the Board's annual meeting who shall serve a term of one (1) year or until their respective successor is elected. The chair shall conduct the meetings of the Board and perform such other duties as may be specified by resolution of the Board. The vice chair shall perform such duties in the absence or in the event of the unavailability of the chair.

b. The Board shall contract annually with RCRC to administer the Agreement and to provide administrative services to the Authority, and the President and Chief Executive Officer of RCRC shall serve *ex officio* as Executive Director, Secretary, Treasurer, and Auditor of the Authority. As chief executive of the Authority, the Executive Director is authorized to execute contracts and other obligations of the Authority, and to adopt administrative, personnel, accounting, and similar internal policies for the operation of the Authority, unless prior Board approval is required by a third party, by law or by Board specification, and to perform other duties specified by the Board. The Executive Director may appoint such other officers as may be required for the orderly conduct of the Authority's business and affairs who shall serve at the pleasure of the Executive Director. Subject to the applicable provisions of any indenture or resolution providing for a trustee or other fiscal agent, the Executive Director, as Treasurer, is designated as the custodian of the Authority's funds, from whatever source, and, as such, shall have the powers, duties and responsibilities specified in Section 6505.5 of the Act. The Executive Director, as Auditor, shall have the powers, duties and responsibilities specified in Section 6505.5 of the Act.

c. The Legislative Advocate for the Authority shall be the Rural County Representatives of California.

d. The Treasurer and Auditor are public officers who have charge of, handle, or have access to all property of the Authority, and a bond for such officer in the amount of at least one

hundred thousand dollars (\$100,000.00) shall be obtained at the expense of the Authority and filed with the Executive Director. Such bond may secure the faithful performance of such officer's duties with respect to another public office if such bond in at least the same amount specifically mentions the office of the Authority as required herein. The Treasurer and Auditor shall cause periodic independent audits to be made of the Authority's books by a certified public accountant, or public accountant, in compliance with Section 6505 of the Act.

c. The business of the Authority shall be conducted under the supervision of the Executive Director by RCRC personnel.

10. Executive Committee of the Authority

a. Composition

The Authority shall appoint no fewer than nine (9) and no more than eleven (11) members of its Board to serve on an Executive Committee. The Chair and Vice Chair of the Authority shall serve on the Executive Committee.

b. Powers and Limitations

The Executive Committee shall act in an advisory capacity and make recommendations to the Authority Board. Duties will include, but not be limited to, review of the quarterly and annual budgets, service as the Audit Committee for the Authority, periodically review this Agreement; and complete any other tasks as may be assigned by the Board. The Executive Committee shall be subject to all limitations imposed by this Agreement, other applicable law, and resolutions of the Board.

c. Quorum

A majority of the Executive Committee shall constitute a quorum for transacting business of the Executive Committee.

11. Disposition of Assets

Upon termination of this Agreement, all remaining assets and liabilities of the Authority shall be distributed to the respective Members in such manner as shall be determined by the Board and in accordance with the law.

12. ~~Agreement Not Exclusive, Operation in Jurisdiction of Member~~

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This Agreement shall not be exclusive, and each Member expressly reserves its rights to carry out other ~~public capital improvements and programs~~ improvements, programs, and projects as provided for by law and to issue other obligations for those purposes. This Agreement shall not be deemed to amend or alter the terms of other agreements among the Members or Associate Members.

13. Conflict of Interest Code

The Authority shall by resolution adopt a Conflict of Interest Code as required by law.

14. Contributions and Advances

Contributions or advances of public funds and of personnel, equipment or property may be made to the Authority by any Member, Associate Member or any other public agency to further the purpose of this Agreement. Payment of public funds may be made to defray the cost of any contribution. Any advance may be made subject to repayment, and in that case shall be repaid in the manner agreed upon by the advancing Member, Associate Member or other public agency and the Authority at the time of making the advance.

15. Fiscal Year; Accounts; Reports; Annual Budget; Administrative Expenses

a. The fiscal year of the Authority shall be the period from January 1 of each year to and including the following December 31, except for any partial fiscal year resulting from a change in accounting based on a different fiscal year previously.

b. Prior to the beginning of each fiscal year, the Board shall adopt a budget for the succeeding fiscal year.

c. The Authority shall establish and maintain such funds and accounts as may be required by generally accepted accounting principles. The books and records of the Authority are public records and shall be open to inspection at all reasonable times by each Member and its representatives.

d. The Auditor shall either make, or contract with a certified public accountant or public accountant to make, an annual audit of the accounts and records of the Authority. The minimum requirements of the audit shall be those prescribed by the State Controller for special districts under Section 26909 of the Government Code of the State of California, and shall conform to generally accepted auditing standards. When an audit of accounts and records is made by a certified public accountant or public accountant, a report thereof shall be filed as a public record with each Member (and also with the auditor of Sacramento County as the county in which the Authority's office is located) within 12 months after the end of the fiscal year.

e. In any year in which the annual budget of the Authority does not exceed five thousand dollars (\$5,000.00), the Board may, upon unanimous approval of the Board, replace the annual audit with an ensuing one-year period, but in no event for a period longer than two fiscal years.

16. Duties of Members or Associate Members; Breach

If any Member or Associate Member shall default in performing any covenant contained herein, such default shall not excuse that Member or Associate Member from fulfilling its other obligations hereunder, and such defaulting Member or Associate Member shall remain liable for the performance of all covenants hereof. Each Member or Associate Member hereby declares that this Agreement is entered into for the benefit of the Authority created hereby, and each Member or Associate Member hereby grants to the Authority the right to enforce, by whatever lawful means the Authority deems appropriate, all of the obligations of each of the parties hereunder. Each and all of the remedies given to the Authority hereunder or by any law now or hereafter enacted are cumulative, and the exercise of one right or remedy shall not impair the right of the Authority to any or all other remedies.

17. Indemnification

To the full extent permitted by law, the Board may authorize indemnification by the Authority of any person who is or was a Board Delegate, alternate, officer, consultant, employee or other agent of the Authority, and who was or is a party or is threatened to be made a party to a proceeding by reason of the fact that such person is or was such a Delegate, alternate, officer, consultant, employee or other agent of the Authority. Such indemnification may be made against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with such proceeding, if such person acted in good faith and in a manner such person reasonably believed to be in the best interests of the Authority and, in the case of a criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful and, in the case of an action by or in the right of the Authority, acted with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.

18. Immunities

All of the privileges and immunities from liabilities, exemptions from law, ordinances and rules, all pension, relief, disability, workers' compensation and other benefits which apply to the activity of officers, agents or employees of any of the Members or Associate Members when performing their respective functions, shall apply to them to the same degree and extent while engaged as Delegates or otherwise as an officer, agent or other representative of the Authority or while engaged in the performance of any of their functions or duties under the provisions of this Agreement.

19. Amendment

This Agreement may be amended by the adoption of the amendment by the governing bodies of a majority of the Members. The amendment shall become effective on the first day of the month following the last required member agency approval. An amendment may be initiated by the Board, upon approval by a majority of the Board. Any proposed amendment, including the text of the proposed change, shall be given by the Board to each Member's Delegate for presentation and action by each Member's board within 60 days, which time may be extended by the Board.

The list of Members, Attachment 1, may be updated to reflect new and/or withdrawn Members without requiring formal amendment of the Agreement by the Authority Board of Directors.

20. Withdrawal of Member or Associate Member

If a Member withdraws as member of RCRC, its membership in the Authority shall automatically terminate. A Member or Associate Member may withdraw from this Agreement upon written notice to the Board; provided however, that no such withdrawal shall result in the dissolution of the Authority as long as any Bonds or other obligations of the Authority remain outstanding. Any such withdrawal shall become effective thirty (30) days after a resolution adopted by the Member's governing body which authorizes withdrawal is received by the Authority. Notwithstanding the foregoing, any termination of membership or withdrawal from the Authority shall not operate to relieve any terminated or withdrawing Member or Associate Member from Obligations incurred by such terminated or withdrawing Member or Associate Member prior to the time of its termination or withdrawal.

21. Miscellaneous

a. **Counterparts.** This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

b. **Construction.** The section headings herein are for convenience only and are not to be construed as modifying or governing the language in the section referred to.

c. **Approvals.** Wherever in this Agreement any consent or approval is required, the same shall not be unreasonably withheld.

d. **Jurisdiction; Venue.** This Agreement is made in the State of California, under the Constitution and laws of such State and is to be so construed; any action to enforce or interpret its terms shall be brought in Sacramento County, California.

e. **Integration.** This Agreement is the complete and exclusive statement of the agreement among the parties hereto, and it supersedes and merges all prior proposals, understandings, and other agreements, whether oral, written, or implied in conduct, between and among the parties relating to the subject matter of this Agreement.

f. **Successors; Assignment.** This Agreement shall be binding upon and shall inure to the benefit of the successors of the parties hereto. Except to the extent expressly provided herein, no Member may assign any right or obligation hereunder without the consent of the Board.

g. **Severability.** Should any part, term or provision of this Agreement be decided by the courts to be illegal or in conflict with any law of the State of California, or otherwise be rendered unenforceable or ineffectual, the validity of the remaining parts, terms or provisions

hereof shall not be affected thereby.

The parties hereto have caused this Agreement to be executed and attested by their properly authorized officers.

AS ADOPTED BY THE MEMBERS:

Originally dated July 1, 1993

Amended and restated December 10, 1998

Amended and restated February 18, 1999

Amended and restated September 18, 2002

Amended and restated January 28, 2004

Amended and restated December 10, 2014

Amended and restated May 5, 2015

Amended and restated , 2019

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[SIGNATURES ON FOLLOWING PAGES]

Name

Phone Number

[illegible]

Provide documentation for expenses as required in the Travel and Expense Policy for Delegates. Mileage expenses may not exceed \$0.58 per mile. For lodging in the Sacramento area, reimbursement will include lodging expense, inclusive of room rate, occupancy tax and other fees, up to a maximum of \$135 per night. Meal allowances may not exceed \$16 for breakfast, \$17 for lunch, and \$34 for dinner without prior approval, except as noted in the Travel and Expense Policy. Receipts for ALL requested reimbursements must be attached to this expense claim.

Mail Payment To:

City, Zip:

Approved By:

Amount:

