



Silicon Valley Clean Energy Executive Committee Meeting

Friday, October 23, 2026
10:00 a.m.

Larry Klein, Chair
City of Sunnyvale

Sally Meadows, Vice Chair
City of Los Altos

Terry Hines
City of Campbell

R "Ray" Wang
City of Cupertino

Zach Hilton
City of Gilroy

George Tyson
Town of Los Altos Hills

Rob Rennie
Town of Los Gatos

Garry Barbadillo
City of Milpitas

Bryan Mekechuk
City of Monte Sereno

Mark Turner
City of Morgan Hill

Pat Showalter
City of Mountain View

Chuck Page
City of Saratoga

Otto Lee
County of Santa Clara

Sunnyvale Civic Center
Redwood Conference Room
456 W Olive Ave.
Sunnyvale, CA

Director Mekechuk will participate remotely pursuant to
Government Code Section 54953.8.7

Teleconference Meeting Information:

<https://svcleanenergy-org.zoom.us/j/87693420056>

Telephone (Audio only):

US: +1 669 219 2599

Webinar ID: 876 9342 0056

Members of the public may observe this meeting electronically by accessing the meeting via instructions above. Public Comments can be sent in advance of the meeting via email up to three hours before the meeting begins to Board Clerk Andrea Pizano at Andrea.Pizano@svcleanenergy.org and will be distributed to the Executive Committee. The public will also have an opportunity to provide comments during the meeting. Members of the public using Zoom may comment during public comment or the applicable agenda item by using the Raise Hand feature and you will be recognized by the Chair. Those using the telephone (audio only) feature should press star 9 on your phones to initiate the "Raise Hand" function in Zoom. You will then be announced, unmuted, and your time to speak will begin.

The public may provide comments on any matter listed on the Agenda. Speakers are customarily limited to 3 minutes each, however, the Committee Chair may increase or decrease the time allotted to each speaker based on the number of speakers, the length of the agenda and the complexity of the subject matter. Speaking time will not be decreased to less than one minute.

If you are an individual with a disability and need a reasonable modification or accommodation pursuant to the Americans with Disabilities Act ("ADA") please contact Board Clerk Andrea Pizano at Andrea.Pizano@svcleanenergy.org prior to the meeting for assistance.

AGENDA

Call to Order

Roll Call

svcleanenergy.org

298 S Sunnyvale Ave.
Sunnyvale, CA 94086

Larry Klein, Chair
City of Sunnyvale

Sally Meadows, Vice Chair
City of Los Altos

Terry Hines
City of Campbell

R "Ray" Wang
City of Cupertino

Zach Hilton
City of Gilroy

George Tyson
Town of Los Altos Hills

Rob Rennie
Town of Los Gatos

Garry Barbadillo
City of Milpitas

Bryan Mekechuk
City of Monte Sereno

Mark Turner
City of Morgan Hill

Pat Showalter
City of Mountain View

Chuck Page
City of Saratoga

Otto Lee
County of Santa Clara

Public Comment on Matters Not Listed on the Agenda

The public may provide comments on any matter not listed on the Agenda provided that it is within the subject matter jurisdiction of SVCE. Speakers are customarily limited to 3 minutes each, however, the Committee Chair may increase or decrease the time allotted to each speaker based on the number of speakers, the length of the agenda and the complexity of the subject matter. Speaking time will not be decreased to less than one minute.

Consent Calendar (Action)

- 1) Approve Minutes of the August 28, 2026, Executive Committee Meeting

Regular Calendar

- 2) Receive CEO Update (Informational)
- 3) New Data Center Load Rate Principles and Policy (Action)
- 4) Staffing and Operations Presentation (Discussion)
- 5) Competitive Community Grants Awardees Update and Request to Increase Competitive Community Grants Program by \$25,750 (Action)
- 6) Consider Review of SVCE's Operating Rules and Regulations (Action)

Committee/Staff Remarks

Adjourn

svcleanenergy.org

298 S Sunnyvale Ave.
Sunnyvale, CA 94086



**Silicon Valley Clean Energy
Executive Committee Meeting**

Friday, August 28, 2026
10:00 a.m.

Sunnyvale Civic Center
Redwood Conference Room
456 W Olive Ave.
Sunnyvale, CA 94086

DRAFT MEETING MINUTES

Call to Order

Chair Showalter called the meeting to order at 10:02 a.m.

Roll Call

Present:

Chair Pat Showalter, City of Mountain View
Vice Chair Yvonne Martinez Beltran, City of Morgan Hill (arrived at 10:41 a.m.)
Director Bryan Mekechuk, City of Monte Sereno
Director Larry Klein, City of Sunnyvale
Director Sally Meadows, City of Los Altos
Director George Tyson, Town of Los Altos Hills

Absent:

None.

Public Comment on Matters Not Listed on the Agenda

No speakers.

Consent Calendar

Chair Showalter opened Public Comment.
No speakers.
Chair Showalter closed Public Comment.

MOTION: Director Mekechuk moved and Director Klein seconded the motion to approve the Consent Calendar.

The motion carried unanimously with Vice Chair Martinez Beltran absent.

- 1) Approve Minutes of the June 26, 2026, Executive Committee Meeting**



Regular Calendar

2) CEO Update (Discussion)

Monica Padilla, Chief Executive Officer (CEO), addressed the following:

- A legislative update on California AB 1761, bills related to data centers, a bill related to wildfires, and a solar balcony bill;
- A presentation from Senior Regulatory Analyst & Associate General Counsel Adam Pearse on the Power Charge Indifference Adjustment (PCIA) Track 2; and
- Invitation to a meeting on August 31, 2026 which would address the Bay Area Air District's rules around heat pump water heaters.

Staff responded to committee member questions on the PCIA Track 2 and AB 1761.

3) Integrated Decarbonization Roadmap Recommendations (Action)

Vice Chair Martinez Beltran joined the meeting during Item 3.

Zoe Elizabeth, Director of Decarbonization Policy and Community Strategies, introduced the item and presented information on the development of the Integrated Decarbonization Roadmap with a request for the Executive Committee's support for the Board to approve the proposed roadmap. Information in the presentation included:

- The strategic focus of the 2018 roadmap versus the 2026 roadmap;
- A review of achievements and lessons learned;
- Review of the Decarbonization Roadmap organization;
- Review of the proposed 2027-2045 SVCE decarbonization goal;
- Summary of the proposed goal and targets;
- Review of the five proposed decarbonization principles and four 2027-2032 priorities; and
- Review of key outcomes.

Staff responded to committee member questions on generation and storage, EV charging stations information, timeline and evaluation of pilot programs and success rates, the intent of the definition of "SVCE region", focusing on public facilities, how the overarching goal was determined, preowned EV cars, and current budget trajectory.

Committee members provided comments and feedback on time-based rates, realistic expectations of the proposal, EV charging station placement, alignment with the state on the proposed goal, and a future focus to include the commercial sector.

Chair Showalter opened Public Comment.

Bruce Karney, Mountain View resident, shared his appreciation of the proposed roadmap and goal. He shared his desire for other cities to adopt the same goal, for SVCE to publish thoughts on what may be different in 2045 than they are currently, and SVCE's thoughts on propane for households who either do not want to give up gas or those who do not have reliable electricity.

Chair Showalter closed Public Comment.

MOTION: Vice Chair Martinez Beltran moved and Director Mekechuk seconded the motion to approve the Proposed 2027-2045 Decarbonization Roadmap Recommendations, which include new goal, targets, principles, priorities and outcomes.



The motion carried unanimously.

4) Recommend the Silicon Valley Energy Board of Director Approve Amendments to Energy Risk Management Policy (Action)

CEO Padilla introduced the item; Scott Wigglesworth, Director of Risk Management and Analytics, presented proposed amendments to the Board-adopted Energy Risk Management Policy, which included the following:

- Modify the language in the policy to remove inference that derivative financial products are inherently speculative;
- Increase the max Net Open Position Tolerance Bands to 110% for all year due to the need to comply with RPS long-term contracts and acknowledgement of PCIA as a financial hedge;
- Non-substantive revisions relating to solicitation, load risk, product list, Congestion Revenue Rights (CRRs), auction vs. allocation, adjusted footnote, and no financial holding.

Director Mekechuk noted the Finance and Administration Committee also received the proposed amendments at a previous meeting and supported staff's recommendation.

Staff responded to questions and comments from committee members regarding the list of approved transactions on storage capacity.

Chair Showalter opened Public Comment.

No speakers.

Chair Showalter closed Public Comment.

MOTION: Director Tyson moved and Director Meadows seconded the motion to recommend that the Silicon Valley Clean Energy (SVCE) Board of Directors approve the proposed amendments to the Board-adopted Energy Risk Management Policy.

The motion carried unanimously.

5) 2026 Silicon Valley Clean Energy Update on Demand Flexibility, Lunar, and Next Steps (Discussion)

Joseph Lande, Energy Services Manager, and Alisha Pegan, Demand Flexibility Manager, provided a presentation on Demand Flexibility which highlighted:

- Key takeaways;
- A recap of demand flexibility intentions and projects;
- Timeline of events from 2019-2025;
- A review of Distributed Energy Resource Management System (DERMS) Costs Savings Analysis;
- North Star program and target;
- Program evaluation results; and
- Staff's recommendation to pause DERMS program development, but keep the contract, and amplify findings and advocate for solutions in existing Regulatory Proceedings.

Staff responded to committee member questions on duration of data used, if modeling commercial and industrial load would change the cost value, clarification on results of the analysis, if there may be a value that is being missed, generation benefits, if different types of households were included in the data used for analysis, and the rates used for analysis.

Chair Showalter opened Public Comment.



Bruce Karney commented on sharing materials from an environmental advocate on battery systems in homes, if news that OhmConnect going out of business is an indicator that flexing without automation isn't viable, and the cost for running the DERMS program.

Chair Showalter closed Public Comment.

Committee/Staff Remarks

Director Klein shared the City of Sunnyvale's official EV Shuttle System kick-off would occur September 1, 2026.

Director Mekechuk thanked SVCE staff for attending Monte Sereno's picnic, provided advanced thanks to Director of Government and Legislative Affairs Bena Chang for attending the City of Monte Sereno's council meeting on Tuesday, September 1, 2026, and commented on Waymo coming to Los Gatos and Monte Sereno in the near future.

CEO Padilla shared a status on SVCE's new building.

Adjournment

Chair Showalter adjourned the meeting at 12:20 p.m.

ATTEST:

Andrea Pizano, Board Secretary



Staff Report – Item 2

Item 2: Receive CEO Update

From: Monica Padilla, CEO

Prepared by: Andrea Pizano, Sr. Executive Assistant and Board Clerk

Date: 10/23/2026

This item will be addressed in the form of an oral report to the Executive Committee from Monica Padilla, Chief Executive Officer.



Staff Report – Item 3

Item 3: New Data Center Load Rate Principles and Policy

From: Monica Padilla, CEO

Prepared by: Peyton Parks, Energy Services Manager
Justin Zagunis, Director of Customer Success

Date: 10/23/2026

Staff will present information on a new rate proposal specific to large data center customers and will seek feedback from the Executive Committee for additional analysis/direction.

ATTACHMENT

The presentation for this item has been posted to Silicon Valley Clean Energy's website.



Staff Report – Item 4

Item 4: Staffing and Operations Presentation

From: Monica Padilla, CEO

Prepared by: Nik Zanotto, Director of Operations
 Scott Wigglesworth, Director of Risk Management and Analytics
 Chelsea Rawls, Senior Manager of Human Resources

Date: 10/23/2026

Staff will present information on a 2026 staffing assessment of Silicon Valley Clean Energy (SVCE) and will seek feedback from the Executive Committee on additional analysis/direction.

ATTACHMENT

The presentation for this item has been posted to SVCE's website.



Staff Report – Item 5

Item 5: Competitive Community Grants Awardees Update and Request to Increase Competitive Community Grants Program by \$25,750

From: Monica Padilla, CEO

Prepared by: Zoe Elizabeth, Director of Decarbonization, Policy, and Community Strategies
 Jessica Cornejo, Decarbonization and Community Strategies Lead
 Alison Maas, Decarbonization Programs and Policy Fellow

Date: 10/23/2026

RECOMMENDATION

Staff requests that the Silicon Valley Clean Energy (SVCE) Executive Committee receive an informational update on the Competitive Community Grants awardees and support an increase of \$25,750 for the Competitive Community Grants Program.

BACKGROUND

In 2024, the SVCE Board of Directors ("Board") approved \$10 million in community grants ([SVCE Board of Directors Meeting, March 13, 2024, Item 5](#)) to support building and transportation electrification, energy resilience, and community engagement projects. The program is divided into three areas: 1) Noncompetitive Member Agency Grants (\$3 million), 2) Competitive Member Agency Grants (\$3.5 million), and 3) Competitive Community Grants (\$3.5 million) for Community Organizations. Each member agency was awarded a noncompetitive allocation that can be used for a variety of projects that support building or transportation electrification, energy resilience, or community engagement on these topics. Both the Noncompetitive and Competitive Member Agency Grants launched on October 30, 2024.

At the March 2025 Board meeting ([SVCE Board of Directors Meeting, March 12, 2025, Item 1e](#)), the Board delegated the authority to the Chief Executive Officer (CEO) to select grant recipients for the Competitive Member Agency Grants and Competitive Community Grants and to provide and administer such funding consistent with the grant program funding allocation.

The Competitive Community Grants will provide funding for schools (\$2 million) and community organizations such as nonprofits, faith-based institutions, and community-based organizations (\$1.2 million) to support projects that address building and transportation electrification and energy resilience. SVCE dedicated funds for community organizations in this grant cycle to build partnerships at a local level that will strengthen and sustain long-term decarbonization goals.

ANALYSIS & DISCUSSION

In May 2025, SVCE staff surveyed schools and community organizations to assess their interest in and experience with electrification projects. Results showed that many respondents were only "somewhat familiar" with decarbonization, with community-based organizations generally needing implementation support and schools more often identifying capital funding as their primary need. In response to these survey results, combined with lessons learned from previous grant cycles, staff developed the Community Grants with separate funding pools for schools and community organizations, built-in technical assistance, and expanded the outreach and application timeline to better support participation.

Agenda Item: 5**Agenda Date: 10/23/2026**

The Competitive Community Grants launched in Spring 2026 and accepted applications during Summer 2026. The program generated strong interest from both schools and community organizations, receiving a total of 15 applications. Due to the high quality and competitiveness of the applicant pool, 8 proposals were shortlisted and evaluated by a panel consisting of external subject matter experts and SVCE staff. Projects were scored based on their long-term community benefits, the significance of SVCE grant funding to the organization's ability to complete the project, project feasibility, and the strength of the proposed community outreach and education efforts.

Based on the panel evaluation, staff selected the four projects that received the highest scores per funding pool category. Selected projects reflect a diverse range of transportation electrification, building decarbonization, energy resilience, and workforce development benefits across the SVCE service territory. Summary of projects below:

- Sunnyvale Community Services (\$525,750) will purchase two refrigerated electric delivery vans and install charging infrastructure to support food delivery services for homebound clients. Vans will be wrapped with SVCE signage and a QR code to a website with electrification education materials.
- The Electrical Training Alliance of Silicon Valley (\$700,000) will install solar and add battery storage at its training facility to provide hands-on training in clean-energy technologies for apprentices and journeymen.
- Morgan Hill Unified School District (\$1,000,000) will add battery storage to existing solar and replace HVAC equipment at Live Oak High School to create a resilient, all-electric learning environment. They will partner with Climate Action Pathways for Schools (CAPS) to implement an apprenticeship program where students learn from installed clean-energy technologies.
- Mountain View Los Altos Union High School District (\$1,000,000) will implement a vehicle-to-grid (V2G) technology, battery storage, and community resilience project that provides backup power to two campus gyms designated as Red Cross emergency response sites during outages and emergencies.

Due to the strength of the two highest-scoring community organization applications (Sunnyvale Community Services and Electrical Training Alliance of Silicon Valley), staff would like to fund both projects rather than proceeding with a single award. However, the combined minimum funding for the two projects exceeds the approved program allocation by \$25,750. Therefore, staff intends to request that the Board of Directors allocate an additional \$25,750 from unspent funds remaining from the 2022 Decarbonization Demonstration Grant in order to fully support both projects and maximize the impact of funding. Staff plans to include this request on consent at the November 2026 Board meeting.

STRATEGIC PLAN

The grant programs are in direct support of SVCE's overall mission and support SVCE's Strategic Plan Goal 7, "Support all SVCE communities to decarbonize through local investments that reduce barriers and demonstrate sensible, scalable, and equitable solutions."

ALTERNATIVE

N/A

FISCAL IMPACT

There will be no fiscal impact.



Staff Report – Item 6

Item 6: Consider Review of SVCE's Operating Rules and Regulations

From: Monica Padilla, CEO

Prepared by: Andrea Pizano, Sr. Executive Assistant and Board Clerk
Michael Callahan, General Counsel

Date: 10/23/2026

RECOMMENDATION

Consider whether to take one of the following actions:

1. Recommend formation of an Ad Hoc Committee to conduct a comprehensive review of the Operating Rules and Regulations (ORR) and propose amendments for Board consideration;
2. Direct staff to review the ORR and return with any recommended amendments for Executive Committee and Board consideration; or
3. Recommend not undertaking a review of the ORR at this time

BACKGROUND

The ORRs serve as a primary governing document for Silicon Valley Clean Energy's Board and Committee operations. The Joint Powers Agreement (JPA) authorizes the Board of Directors to adopt rules, regulations, policies, bylaws, and procedures governing the operation of the Authority. Section 2.5.11 of the JPA grants the Board authority to adopt and amend the ORR.

The ORR address a variety of organizational and governance matters, including:

- Board officer appointments and duties;
- Board and committee structure, composition, and responsibilities;
- Meeting procedures and governance practices;
- Director reimbursement and Board expectations;
- Establishment and operation of committees; and
- Procedures for amendment of the ORR.

The ORR were originally adopted by the Board of Directors in June 2016 following formation of the Authority. Since that time, the Board has periodically amended the ORR to address operational needs, governance practices, and organizational growth.

Most recently, in May 2025, the SVCE Board approved the formation of an Ad Hoc Committee to review SVCE's ORR to propose amendments for adoption by the Board of Directors. Membership included Board Chair George Tyson, Board Vice Chair Larry Klein, and Director Pat Showalter. The scope of the Committee included the following:

- Review SVCE's current ORR;
- Research neighboring CCA bylaws, best practices and operations;
- Identify potential amendments to the ORR;
- Combine with staff-recommended changes and jointly prepare a draft with staff;
- Present a recommendation to the Executive Committee and final to the Board for approval

Agenda Item: 6**Agenda Date: 10/23/2026**

On October 8, 2025, the Board adopted revisions to the ORR based on the Committee's recommendations. Key amendments adopted in 2025 included:

- Creation of an annual Ad Hoc Nominating Committee process for Board leadership and Executive Committee appointments;
- Procedures for randomized voting when elections for Board leadership or committee positions are contested;
- Addition of Board best-practice provisions;
- Establishment of minimum Board service requirements for Chair, Vice Chair, and Executive Committee membership;
- Clarification of committee attendance requirements and removal procedures;
- Inclusion of Finance and Administration Committee and Audit Committee responsibilities; and
- Adoption of Rosenberg's Rules of Order as the Authority's parliamentary procedure.

ANALYSIS & DISCUSSION

The ORR are intended to evolve with the Authority's governance needs and organizational maturity. As SVCE approaches ten years of operation, the Executive Committee may wish to consider whether another formal review of the ORR would be beneficial to identify potential updates, clarify provisions, or incorporate lessons learned from recent Board operations.

Historically, significant ORR reviews have been conducted through an Ad Hoc Committee of Board members working collaboratively with staff. Alternatively, staff can conduct an administrative and legal review of the ORR and present any recommended amendments directly to the Executive Committee for consideration before bringing recommendations to the Board.

If the Committee and Board agree to revise the ORR, Article VII of the ORR establishes the amendment process. Amendments require:

1. Proposal of the amendment at a regular meeting of the Board;
2. Final consideration at a subsequent (second) regular Board meeting;
3. Written notice to each Board member at least ten days prior to the meeting at which final action will be taken; and
4. Approval by a majority vote of the full membership of the Board.

This process is intended to ensure transparency and provide Board members sufficient opportunity to review proposed changes before adoption.

STRATEGIC PLAN

Reviewing and amending SVCE's Operating Rules and Regulations supports Goal 9 of SVCE's Strategic Plan to, "Implement industry best practices to enable data-driven decision making across the organization; enhance systems, standards and procedures to streamline business processes and improve operational effectiveness and reliability (aka SVCE 3.0)."

ALTERNATIVES

The Executive Committee may decide not to recommend a review of the ORR at this time.

FISCAL IMPACT

There is no direct fiscal impact associated with receiving this report and providing direction regarding a potential review of the ORR.

ATTACHMENT

1. Current Operating Rules and Regulations

SILICON VALLEY CLEAN ENERGY AUTHORITY

OPERATING RULES AND REGULATIONS

ARTICLE I

FORMATION

The Silicon Valley Clean Energy Authority (the “Authority”) was established on March 31, 2016 pursuant to the execution of the Silicon Valley Clean Energy Authority Joint Powers Agreement (the “Agreement”) by the County of Santa Clara, the Cities of Campbell, Cupertino, Gilroy, Los Altos, Monte Sereno, Morgan Hill, Mountain View, Saratoga and Sunnyvale and the Towns of Los Altos Hills and Los Gatos. The City of Milpitas joined the Agreement on November 27, 2017. The members of the Authority are referred to as Party or Parties in these Operating Rules and Regulations. As defined by the Agreement, these Operating Rules and Regulations consist of rules, regulations, policies, bylaws and procedures governing the operation of the Authority.

ARTICLE II

PURPOSES

The Authority is formed to provide clean energy for our communities at a fair price. This includes study, promote, develop, conduct, operate, procure energy resources and related products and services and manage energy and energy-related climate change programs for all residents and businesses within its jurisdiction, and to exercise all other powers necessary and incidental to accomplishing this purpose. These programs include but are not limited to the establishment of a Community Choice Aggregation Program known as Silicon Valley Clean Energy in accordance with the terms of the Agreement.

ARTICLE III

NOMINATING COMMITTEE

In December, the Vice Chair may designate three Directors to serve on an Ad-hoc Nominating Committee (“Nominating Committee”) to gather interest in serving as the Board Chair and Vice Chair or on the Executive Committee (“Officers”). Directors seeking to be selected for the positions of Chair, Vice Chair, and Executive Committee will submit their names to the Nominating Committee, along with any supporting documents they choose. The Nominating Committee shall consider qualifications such as meeting attendance, engagement, leadership, city size, geography, professional background and present a recommendation for appointments to the Executive Committee to the Board for consideration. The Nominating Committee shall consider it a best practice to recommend the Board Vice Chair to serve as the Chair of the Executive Committee. Final Nomination Committee recommendation for Chair, Vice Chair and Executive Committee shall be provided to the Board Clerk for consideration at the following January Board meeting. Additionally, nominations for Chair, Vice Chair, and Committees will also be permitted from the floor during the meetings in which those appointments are agendized.

ARTICLE IV

BOARD OF DIRECTORS

Section 1. Appointment of Chair and Vice-Chair. The Board shall appoint from among themselves by majority vote a Chair and Vice-Chair. The Chair and Vice-Chair shall be appointed for one-year terms expiring at the annual meeting held in January of each year. In the event of a contested election for the Chair or Vice-Chair, Directors will vote in a randomized order, with randomization performed for each new vote. Minimum Board service shall be two years for Chair, and one year for Vice Chair. As provided by the Agreement, there are no limits on the number of terms that a Board member may serve as Chair or Vice-Chair.

Section 2. Appointment of Secretary and Treasurer. The Secretary and Treasurer shall be appointed by the Board for one-year terms expiring at the annual meeting held in January of each year.

Section 3. Extension of Term of Office. If for any reason, the appointment of a Board Officer is not made in January of any year, such Officer shall continue to serve in his or her position until an appointment is made at a meeting of the Board.

Section 4. Removal of Officers. An Officer of the Board shall be subject to removal as an Officer of the Board or a Committee thereof at any time for any reason by a majority vote of the entire Board or the Committee respectively.

Section 5. Removal of Board Members for Cause. A Director may be removed by the Board or a Committee thereof for cause. Cause shall be defined for the purposes of this section as follows:

- a. For removal from the Board, unexcused absences from three consecutive Board meetings. Board members shall make every effort to notify the Chair and/or Board Clerk no later than 24 hours prior to any regular meeting of their absence. The failure to give such notice shall be deemed an unexcused absence unless the failure to give timely notice was due to emergency circumstances.
- b. For removal from a Committee, absences from three meetings of that Committee in a 12-month period regardless of whether they are excused or consecutive.
- c. For removal from any governing body of the Agency, 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 Authority.
- d. For removal from any governing body of the Agency, failure to comply with SVCE's Code of Ethics Policy.

Written notice shall be provided to the Director proposed for removal and the governing body that appointed such Director at least thirty days prior to the meeting at which the proposed

removal will be considered by the Board. 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. The Director proposed for removal shall be given an opportunity to be heard at the removal hearing and to submit any supporting oral or written evidence. A Director shall not be removed for cause from the Board unless two-thirds of all Directors on the Board (excluding the Director subject to removal) vote in favor of the removal. A simple majority of members of a Committee may remove another member of their Committee for cause (excluding the Director subject to removal).

Following any removal of a Director from the Board, their Alternate, may serve in their place until the governing body of the subject Director appoints a replacement. Following any removal of a Committee member, the Chair will work with the Board Clerk to agendize the appointment of a replacement Committee member by the Board of Directors at a regular or special meeting.

Section 6. Reimbursement of Expenses. Directors may be reimbursed for travel and meeting expenses in the same manner as Authority staff. The Chief Executive Officer (“CEO”) shall be responsible for authorizing all Director reimbursements.

Section 7. Board of Directors Best Practices. The following best practices are provided to support the efficient and effective operation of the Board of Directors and the Authority:

- a. Directors and Alternates treat Authority staff, fellow Directors, and the public with respect and courtesy.
- b. Director and Alternate requests for information or support from the staff are directed to and managed by the CEO.
- c. The CEO will inform the Board Chair of any concerns with a Director’s or Alternate’s actions or requests.
- d. Directors and Alternates are well-prepared for meetings, taking care to review materials and develop a working understanding of the proposals ahead of the meeting. The CEO will be available to support Directors and Alternates with their preparation.
- e. Directors and Alternates communicate as early as possible, ideally two weeks prior to the meeting, regarding attendance at Board meetings. This includes arranging for and supporting the preparation of their Alternates to participate as substitutes and communicating any expected absences or necessary alternative meeting locations (e.g. remote participation) to the Board Clerk.
- f. In appointing Directors and Alternates, member communities are encouraged to appoint their representatives to serve for consecutive years. This will help the Board of Directors retain expertise related to the highly technical nature of the Authority’s work.

ARTICLE V

COMMITTEES

Section 1. Establishment of Committees. The Executive Committee and all other Committees of the Board shall be selected as provided by Sections 4.6 and 4.7 of the Agreement. Each duly established Committee may establish any Standing or Ad Hoc Committees determined to be appropriate or necessary. The duties and authority of all Committees shall be subject to the approval and direction of the Board. The term of office for each Committee established by the Board shall be one year. Directors serving as Committee Chairs are expected to attend a high percentage of planned meetings in person.

The Executive Committee members shall be appointed at the annual meeting in January in accordance with Section 2 with all other standing Committee members appointed in February. In the event of a contested election for Committee appointments, Directors will vote in a randomized order, with randomization performed for each new vote. There are no limits on the number of terms that a Director may serve on a Committee. If for any reason, the appointment of standing Committee members is not made at either the January or February meeting of the Board in any year as provided above, such Committee members shall continue to serve in their positions until an appointment is made at a meeting of the Board. An alternate Director may not attend a Committee meeting on behalf of an absent regular Director. Except for the Executive Committee, alternate Directors may be appointed by the Board to Committees. However, for each Committee, not more than one Committee member shall represent a particular member agency.

Section 2. Executive Committee. There shall be an Executive Committee consisting of up to six Board members. The Board Chair and Vice Chair shall be offered membership on the Executive Committee. Minimum Board service prior to serving on the Executive Committee shall be one year, except when there are fewer than five qualified and willing Directors. The duties of the Executive Committee shall be to review and provide advice to the Chief Executive Officer and the entire Board on policy, operational and organizational matters and perform such other responsibilities, tasks or activities as delegated to it by the Board.

Section 3. Finance and Administration Committee. The Board of Directors appoints the Finance and Administration Committee to primarily provide financial oversight for SVCE and recommend to the Board the approval of budgets, financial plans, reserve policies and certain financial, accounting, internal controls and accountability, administrative and information technology related policies and plans, monitoring adherence to the budget, and present financial reports to the Board of Director. Specific task areas will include budgeting and financial planning, financial reporting and the creation and monitoring of internal controls and accounting policies and investments.

The Finance and Administration Committee shall consist of no fewer than three members and no greater than six members, appointed annually by the Board of Directors. Eligible Members shall be Board members, Alternate Board members, and Member Agency Staff. Committee Membership shall prohibit the appointment of Alternate Finance and Administration Committee Members. No more than one eligible Committee Member shall represent their respective

Member Agency. The Finance and Administration Committee shall designate a chairperson. It is a best practice for new Directors to serve on the Finance and Administration Committee.

The Finance and Administration Committee shall meet no fewer than three times per year. The Finance and Administration Committee will be a Brown-Acted meeting.

Section 4. Audit Committee. The Board of Directors appoints the Audit Committee to, among other things, select an independent auditor, oversee and review the accounting and financial reporting process and the audit of the Agency's financial statements by the independent auditor, recommend the results of the audit for approval by the Board of Directors, review the annual report for consistency with the audited financial statements, and monitor compliance with SVCE's Conflict of Interest Code. Each member shall be free of any relationship that, in the opinion of the Board of Directors, would interfere with his or her individual exercise of independent judgement.

The Audit Committee shall consist of no fewer than three members and no greater than six members, appointed annually by the Board of Directors. Eligible Members shall be Board members, Alternate Board members, and Member Agency Staff. Committee Membership shall prohibit the appointment of Alternate Audit Committee Members. No more than one eligible Audit Committee Member shall represent their respective Member Agency. The Audit Committee shall designate the chairperson.

The Audit Committee shall meet as often as it determines necessary or appropriate to fulfill its responsibilities, but no fewer than twice annually – once to review the audit plan and once to review the audited financials, and related documents, and to review the audit engagement, special investigations, financial irregularities and internal control failures. The Audit Committee will be a Brown-Acted meeting.

The Audit Committee is not responsible for planning or conducting audits. The independent auditor is responsible for planning and conducting audits. Neither is the Audit Committee responsible for preparing and presenting SVCE's financial statements in accordance with generally accepted accounting principles; maintaining effective internal control over financial reporting; nor ensuring SVCE is in compliance with applicable laws, regulations, and other requirements. These are responsibilities of the Authority, and the independent auditor and the Audit Committee have independent and complementary oversight responsibilities for determining that the related objectives of management's responsibilities, as described, are achieved.

ARTICLE VI

MEETINGS

Section 1. Regular Meetings. The regular meetings of the Board of Directors of Authority shall be fixed by resolution or ordinance of the Board. In the event that the regular meeting location is

not available for a regular or adjourned regular meeting, the Chair of the Board may designate an alternative meeting place within the jurisdiction of the Authority after consultation with the CEO and Board Clerk on available meeting locations.

Section 2. Special Meetings. Special meetings of the Board may be called at any time and may be held in any location within the jurisdiction of the Authority as provided by the notice for the special meeting.

Section 3. Annual Meeting. The Board shall hold an annual meeting in January of each year at which time it will appoint Board Officers and Executive Committee members.

Section 4. Open Meeting Requirements. The meetings of the Board, the Executive Committee and all other committees established by the Board shall be governed by the provisions of the Ralph M. Brown Act (Government Code Section 54950 et seq.). The Authority will follow Rosenberg's Rules of Order for parliamentary procedure.

Section 5. Chair and Vice Chair Vacancies. At any meeting of the Board or a committee where the Chair and Vice Chair are not present, the previous Chair of that body will serve as Interim Chair. If that person is not present, the longest serving member of that body will serve as Interim Chair. If it is a new committee, members will draw lots to determine who will serve as Interim Chair.

ARTICLE VII

AMENDMENTS

These Operating Rules and Regulations may be amended by a majority vote of the full membership of the Board but only after such amendment has been proposed at a regular meeting and acted upon at the next or later regular meeting of the Board for final adoption. The proposed amendment shall not be finally acted upon unless each member of the Board has received written notice of the amendment at least 10 days prior to the date of the meeting at which final action on the amendment is to be taken. The notice shall include the full text of the proposed amendment.