



Executive Committee Meeting
Wednesday, October 1, 2025
3:00 pm

In Person:

Altamont Conference Room
Ava Community Energy
1999 Harrison Street, Suite 2300
Oakland, CA 94612

Or from the following locations:

Hayward City Hall, Conference Room 4A, 777 B St, Hayward, CA 94541
City Council Office, Pleasanton City Hall, 123 Main St., Pleasanton, CA 94566
Stockton City Hall, 425 N El Dorado St., Stockton CA 95202

Via Zoom:

<https://avaenergy-org.zoom.us/j/88267670367>

Or join by phone:

Dial (for higher quality, dial a number based on your current location):
US: +1 669 900 6833 or +1 253 215 8782 or +1 346 248 7799 or +1 301 715 8592
or +1 312 626 6799 or 877 853 5257 (Toll Free) or 888 475 4499 (Toll Free)
Webinar ID: 882 676 70367

Meetings are accessible to people with disabilities. Individuals who need special assistance or a disability-related modification or accommodation to participate in this meeting, or who have a disability and wish to request an alternative format for the meeting materials, should contact the Clerk of the Board at least 2 working days before the meeting at (510) 906-0491 or cob@avaenergy.org.

If you have anything that you wish to be distributed to the Executive Committee, please email it to the clerk by 5:00 pm the day prior to the meeting.

1. Welcome & Roll Call

2. Public Comment

This item is reserved for persons wishing to address the Executive Committee on any Ava Community Energy-related matters that are not otherwise on this meeting agenda. Public comments on matters listed on the agenda shall be heard at the time the matter is called. As with all public comment, members of the public who wish to address the Committee are customarily limited to three minutes per speaker and must complete an electronic [speaker](#)

[slip](#). *The Executive Committee Chair may increase or decrease the time allotted to each speaker.*

3. Approval of Minutes from September 3, 2025

4. Administrative Procurement Policy (Informational Item)

Various updates to Ava's non-energy Procurement Policy for improved efficiency.

5. CAC Guide Updates (Informational Item)

Add Unincorporated County and make administrative updates to CAC Guide.

6. Committee Member and Staff Announcements including requests to place items on future Executive Committee Agendas

7. Adjourn

The next Executive Committee meeting will be held on Wednesday, November 5, 2025 at 3pm at:

Altamont Conference Room
Ava Community Energy
1999 Harrison Street, Suite 2300
Oakland, CA 94612

Board Meeting Access Instructions

If you need help finding or accessing the building, please call our Ava representative who is stationed in the building lobby: 510-393-0492.

Directions

Directions via BART

If you are taking BART: the 19th Street station is the closest stop to our office and is about a 5 minute walk away. Use the 20th St / Thomas L. Berkeley Way station exit.

Directions via Bike

Bike riders wanting to park their bike inside the parking garage can enter through the main building lobby. Bike parking is available on the parking garage first level right in front of the garage elevators.

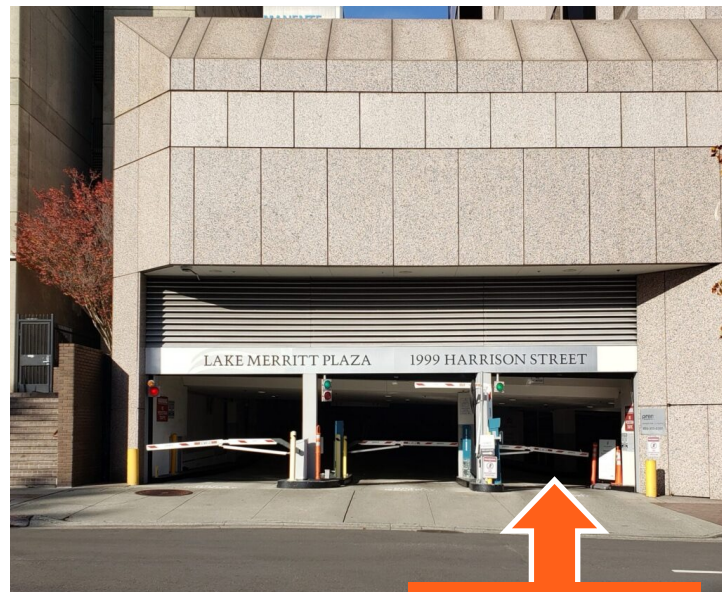
Directions to Parking Garage via Car

The entrance to the building's attached garage is located on Harrison Street. If you're driving northbound on Harrison Street, as soon as you cross 19th St. the garage entrance is 3/4 down on your left-hand side. If you're heading east on Thomas L Berkeley Way/20th St. Continue East then make a right turn on Harrison Street, and the garage entrance is a quarter block up on your right-hand side.

When you arrive, enter via the gate labeled "Public Parkers". There are four floors of the parking garage, and you will need to take the elevator in the parking garage to the first floor. The parking attendant or an Ava representative will provide access into the building lobby.

The parking garage entry gate will be open until 8pm for CAC and BOD meetings. Attendees can exit the parking garage until 11pm.

Note that the garage's parking fee is \$30 per use. Street parking is widely available near the building and free after 6pm.



Public Parkers entrance

Check-in at Security Desk

When you arrive at our building, please check in with the security desk in the lobby to get access to the elevators. If you have questions or need assistance, an Ava representative will be stationed and identifiable in the lobby. They can be reached at: 510-393-0492.



Draft Minutes

Executive Committee Meeting Wednesday, September 3, 2025 3:00 pm

In Person:

Large Conference Room
Rotunda Building
300 Frank H. Ogawa Plaza
Oakland CA 94612

Or from the following locations:

Hayward City Hall, Conference Room 4A, 777 B St, Hayward, CA 94541
City Council Office, Pleasanton City Hall, 123 Main St., Pleasanton, CA 94566
Stockton City Hall, 425 N El Dorado St., Stockton CA 95202

Via Zoom:

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If you have anything that you wish to be distributed to the Executive Committee, please email it to the clerk by 5:00 pm the day prior to the meeting.

1. (1:40) Welcome & Roll Call

Present: Members: Marquez (Alameda County), Roche (Hayward), Fugazi (Stockton), Balch (Pleasanton), Vice-Chair Gonzalez (San Leandro) and Chair Andersen (Piedmont)

2. (3:07) Election of Chair and Vice-Chair

Member Balch nominated Vice-Chair Gonzalez to be Chair. Member Marquez seconded the motion, which was approved 5/0/0/0/0 (yes, no, abstain, recuse, not present).

Yes: Members: Marquez, Roche, Fugazi, Balch, Vice-Chair Gonzalez and Chair Andersen

No: none

Abstain: none

Recuse: none

Not Present: none

Member Marquez nominated Member Roche to be Vice-Chair. Chair Andersen seconded the motion, which was approved 5/0/0/0/0 (yes, no, abstain, recuse, not present).

Yes: Members: Marquez, Roche, Fugazi, Balch, Vice-Chair Gonzalez and Chair Andersen

No: none

Abstain: none

Recuse: none

Not Present: none

The gavel was passed from Member Andersen to Chair Gonzalez.

3. (6:02) Public Comment

This item is reserved for persons wishing to address the Executive Committee on any Ava Community Energy-related matters that are not otherwise on this meeting agenda. Public comments on matters listed on the agenda shall be heard at the time the matter is called. As with all public comment, members of the public who wish to address the Committee are customarily limited to three minutes per speaker and must complete an electronic [speaker slip](#). The Executive Committee Chair may increase or decrease the time allotted to each speaker.

No public comments were received.

4. (6:49) Approval of Minutes from July 2, 2025

Vice-Chair Roche motioned to approve the minutes. Member Andersen seconded the motion, which was approved 5/0/0/0/0 (yes, no, abstain, recuse, not present)

Yes: Members: Marquez, Fugazi, Balch, Andersen, Vice-Chair Roche and Chair Gonzalez

No: none

Abstain: none

Recuse: none

Not Present: none

5. (7:53) Customer Programs Strategic Roadmap (Informational Item)

Provide an overview of the process for developing a strategic roadmap for the next phase of customer programs within Ava's territory

Chief Customer Officer Annie Henderson introduced this item and addressed questions from Board members.

Chair Gonzalez opened the public comment period and there were two public comments from members of the public **Jim Lutz (25:19)** and **Ann Harvey (29:01)**.

6. (53:00) Slice of Day RA (Informational Item)

Overview of the Resource Adequacy rules in the current “Slice of Day” rule construct

Shannon Rivers, Senior Manager - Power Resources introduced this item and addressed questions from Board members.

Chair Gonzalez opened the public comment period and there were no comments.

7. (1:22:39) Committee Member and Staff Announcements including requests to place items on future Executive Committee Agendas

No additional items requested.

8. Adjourned at 4:24pm.

The next Executive Committee meeting will be held on Wednesday, October 1, 2025 at 3pm.



Staff Report Item 4

| | |
|-----------------|--|
| To: | Ava Community Energy Authority |
| From: | John Perkins, Legal Director |
| Subject: | Updating Ava's Procurement Policy for non-energy purchases |
| Date: | October 22, 2025 |

Summary/Recommendation

This Staff Report proposes amending the current Administrative Procurement Policy as reflected in the version included with this Staff Report in order to:

- add clarity,
- reduce administrative burden,
- match dollar thresholds to Ava's level of organizational maturity and Ava's peers in the industry,
- allow for more nimble updates,
- and reduce non-essential legal spend.

Financial Impact

Reduction in monthly outside counsel spend, approximately \$2,000 per month.

Analysis and Context

The updated Administrative Procurement Policy is designed to reduce ambiguity and related administrative overhead, to respond to Ava's needs as a maturing agency, and to allow for greater agility by permitting limited updates while maintaining transparency and appropriate oversight.

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1. Background

Ava's Administrative Procurement Policy was originally developed when Ava (then EBCE) was nascent, and the policy largely reflects the content of the procurement policies of pre-existing CCAs. This was an efficient and effective strategy at the time, however the policy has not grown and evolved with Ava and has become a frequent source of confusion and expense, impairing Ava's ability to make purchases without considerable administrative overhead and legal cost. Though the policy has undergone slight updates over time, it has not been tailored to Ava's needs nor has it reflected Ava's growth and maturity.

1.1. The Procurement Policy and Contract Operations

The creation of Ava's Legal team and the adoption of digital contract management tools and related processes has added consistent oversight to Ava's transactions. Most of the updates proposed in the new Procurement Policy can be dynamically captured in the contract management system, virtually eliminating compliance breaches.

2. At A Glance: Current vs. Proposed

| | Current | Proposed | In short |
|---|---|---|---|
| 1 | Lacks express steps for how to comply with the policy. | Applies a 3-step process to ensure Staff compliance with the policy. | Eliminates the ambiguity, and associated internal investigation of complying with the policy. |
| 2 | Discusses two (2) main categories of purchases, “Non-Professional Goods and Services” and “Professional Services,” plus various purchase transactions with ambiguous criteria and requirements. | Details nine (9) categories that reflect Ava’s purchase types and clearly indicate the requirements for each. | The current policy consistently raises questions from Staff for clarification regarding what they must do to comply with the policy. The proposed categories are more clear and specific, and are matched to clear and specific steps for Staff to comply with the policy. |
| 3 | Requires contracts in excess of \$100,000 to obtain Board approval. | Contracts in excess of \$250,000 require Board approval. | The current threshold creates significant expense in terms of staff time and external legal review without providing commensurate value, and the new threshold brings us closer to the CCA industry average (matching SJCE, SCP, SVCE, PCE, & MCE) while still being conservative for Ava’s size. |
| 4 | Requires any change to the Procurement Policy to obtain Board approval. | Changes to dollar value thresholds require Board approval, but other changes may be made at the approval of the CEO and General Counsel provided that the Board is promptly notified. | Currently any change requires Board approval (and an accompanying Resolution and Staff Report with legal review). The proposed version reduces the time and expense of non-monetary changes but keeps the Board notified of such changes. |
| 5 | Requires transactions in excess of \$5,000 to obtain approval as to form by the General Counsel. | Transactions in excess of \$35,000 require approval as to form by an authorized Ava attorney. | Ava’s legal team processes all transactions (except for designated low-risk, low-dollar purchases), consistently applying legal review. \$35,000 is the |

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| | | | threshold after which Ava leverages its contract template designed for larger transactions. |
| 6 | Establishes the following spending authority by job level: | Proposes spending authority by job level: | Summary of determination: |
| | Level 11 (Director): \$5,000 | Level 11 (Director): \$10,000 | Under the Federal Acquisition Regulations, “Micro-purchase threshold means \$10,000” (though this can be subject to legislative carve-outs) ¹ and this threshold is leveraged by California government agencies. ² The Director threshold has been matched to such micro-purchases. |
| | Level 12 (Senior Director) or Level 13 (Vice President): \$15,000 | Level 12 (Senior Director): \$35,000 | Purchases of up to \$35,000 are usually smaller, less complex transactions executed using Ava’s Purchase Rider. |
| | Level 14 (Senior Vice President or Chief Officer): \$25,000 | Level 13 (Vice President): \$100,000 | Distinguishes the VP spend threshold from the Senior Director threshold; reflects inflation; maps to the threshold for RFPs. |
| | General Counsel: \$50,000 | Level 14 (Senior Vice President or Chief Officer) or General Counsel: \$150,000 | This matches the threshold set by fellow CCAs SCP and MCE. |
| | CEO: \$100,000 | CEO: \$250,000 | Permits the CEO to approve all agreements below the threshold for Board approval. |
| 7 | Includes content and requirements of specific laws and regulations. | Removes redundant content and directs Staff to contact Ava’s Legal team when transaction criteria implicate legislative or regulatory | Requirements of specific laws and regulations have been removed from the policy because they fell out of sync with evolving laws. |

¹ See 48 C.F.R. § 2.101.

² See e.g. CA ADC AIR Reg. XI, RULE 1101.

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| | | requirements. | The process of identifying such requirements has been moved to the legal review process. |
| 8 | Ties contracts to budgets such that it limits contract terms to one year. | Permits contract terms to be up to seven years, requiring that the first year be budgeted and that the remainder of the term be included in the budget for the applicable year. | Limiting the term of a contract limits Ava's financial negotiating power and creates avoidable overhead in the form of annual renewals. |

3. Detailed Discussion

The current Administrative Procurement Policy presents challenges to Ava Staff including the following:

- Ambiguous requirements that create material administrative overhead as Staff attempts to comply with unclear direction. Staff's diligence in seeking to comply with requirements has caused and continues to cause material expenditure of effort.
- Dollar thresholds for approvals that are no longer current prompt Staff to develop Staff Reports and proposed resolutions for quotidian transactions, costing legal review dollars as well as Staff time.
- Undue burden and delay from impractical solicitation requirements for categories of transaction that either (1) do not warrant that level of administrative burden or (2) by their nature, complexity, and/or importance warrant a more customized approach.

3.1. Three-step compliance process

Ava's current Administrative Procurement policy introduces concepts including (i) categories of contracts, (ii) legal and regulatory obligations, (iii) approval thresholds, (iv) exceptions to policy rules, and (v) requirements for Requests for Proposal and Requests for Quotes, but does not explain the reasoning behind these concepts nor instruct Staff how to comply with the policy. To address this, the proposed policy presents a three-step process instructing staff to (1) collect documentation, where the specific documents are set forth in the policy; (2) identify the transaction type from a list of transaction types set forth in the policy; and (3) complete the transaction requirements for the applicable transaction type, all of which are clearly spelled out in the policy. This will facilitate Staff's compliance with the policy and reduce recurring questions on the topic.

Additionally, the current policy does not detail how to address changes to an existing contract that cause it to exceed a threshold. The proposed policy sets forth a calculation to identify when a change warrants further review and when it may proceed without additional steps.

3.2. Tailored Categories

The transaction types in the proposed draft were developed in coordination with Ava's functional leads and other key personnel to reflect the purchases in which Ava engages. The current categories of "Professional Services" and "Goods and Non-Professional Services" lack clear definitions that Staff can consistently apply to categorize transactions. Furthermore and more problematically, the current policy does not provide clear direction about specialized transactions, such as public works engagements.

By working with Staff to develop categories of transactions, we were able to map appropriate requirements to each category. The proposed policy establishes the following categories based on conversations with Ava's leadership:

1. Micro-purchases.
2. Mission-critical products and services.
3. Exigent or emergency transactions.
4. Routine administrative transactions.
5. Sole source transactions.
6. Cooperative purchasing (purchases from another government agency or leveraging a substantially similar contract already entered into by such an agency).
7. Regulated transactions (public works engagements or transactions paid for using grant funds).
8. Professional services.
9. General products and services.
10. Combination transactions, where the transaction implicates more than one of the above categories.

Each transaction type is subject to one or more of the following transaction requirements:

- A. Universal purchase requirements, applicable to all purchases.
- B. Contracting requirements, applicable to most purchases.
- C. Solicitation requirements, based on spend thresholds.
- D. Compliance requirements, for regulated transactions.
- E. Board approval, based on spend threshold.

3.3. Updated Board Approval Threshold

The current procurement policy requires any expenditure greater than \$100,000 to be conditioned on Board approval, and this threshold has been the same since Ava's inception. Though this threshold was warranted at Ava's creation, it now (1) is out of sync with the industry; (2) creates material overhead for Staff; (3) creates overhead for the Board, (4) causes Ava to incur avoidable legal expenses; and (5) does not reflect inflation or Ava's expansion.

Each time Ava Staff brings a proposed transaction to the Board of Directors, a Staff member must develop a Staff Report in support of the transaction, and create a Resolution for the Board to execute if the Board opts to approve the transaction. These documents are often also

accompanied by learning aids such as slides. This consumes the time of the Staff member, as well as the Clerk in developing materials for the Board. Additionally, each Staff Report and Resolution must undergo legal review by outside counsel, costing hundreds of dollars per hour.

Since June of 2024, 59 contracts over \$100,000 have been approved by the Board. For each, approval was granted via the consent agenda. Twenty-five of those transactions were for an amount under \$250,000 and those transactions were for purchases that did not reasonably warrant Board attention, such as purchasing design services for marketing initiatives or engaging SaaS providers for IT infrastructure.

This supports the decision by Ava's peers to have higher approval thresholds. Ava's threshold is currently \$100,000, or .011% of its annual budget. Marin Clean Energy (MCE), Peninsula Clean Energy (PCE), Silicon Valley Clean Energy (SVCE), San José Clean Energy (SJCE), and Sonoma Clean Power (SCP) all have Board approval thresholds of \$250,000, and of that group MCE's threshold is the lowest percentage of budget, at 0.032%. In contrast, by increasing its threshold to \$250,000, Ava's percentage of budget would still be only 0.029%, the most conservative of its peers.

In addition to the points above, Staff identifies the following additional support for this threshold change:

1. This update makes one material change one time, rather than a series of changes, in order to (1) make up for multiple years without increases; (2) account for Ava's expanded geographic scope; and (3) minimize overhead and disruption in operations by setting one threshold that Ava can apply for a meaningful period of time rather than a series of incremental updates that would create more overhead and delay the adoption of a more industry standard threshold.
2. This update frees the Board from being obligated to approve less critical contracts, but still allows Staff to bring lower dollar value contracts to the Board at Staff's discretion.
3. Ava will continue to disclose on a monthly basis all of the agreements entered into in the previous month, and all such agreements continue to be available to the public upon request under the Public Records Act.
4. All agreements undergo appropriate management approval based on dollar value, and all large dollar value contracts require legal approval as to form.
5. All contracts over \$10,000 undergo legal review and approval.
6. Internal controls still apply, so increasing the Board threshold does not equate to diminished oversight but rather a more efficient delegation of authority within an already controlled environment. Even with a higher threshold, all expenditures are still:
 - a. Governed by Board-approved budgets.
 - b. Subject to procurement policies and competitive bidding requirements.
 - c. Reviewed by internal finance and legal teams.
 - d. Reported to the Board through regular reporting.
 - e. Subject to multiple layers of management approval.

3.4. Policy Updates

To date, any change to the Administrative Procurement Policy, no matter how small, has required the approval of the Board. In addition to absorbing Board time, it has required time on the part of Staff, the Clerk, and outside counsel to develop, review, and include Board documents for the update. To conserve all of these resources, the proposed policy allows for updates that can be included with the approval of both the CEO and General Counsel provided that (1) those updates do not change dollar-value thresholds and (2) the updates are promptly reported to the Board.

3.5. Approval as to Form

To date, any expenditure by Ava in excess of \$5,000 has required a signature by Ava's General Counsel confirming that the GC "approves as to form," or determines that the contract is sufficient and enforceable. The proposed policy increases that threshold to \$35,000 because (1) almost all transactions are managed by Ava's legal team and (2) \$35,000 is the threshold at which Ava applies its more rigorous contract template intended for larger purchases. This will remove the administrative step of the General Counsel signing smaller contracts but retains legal review and approval because Ava's Legal team has established a consistent contracting process.

3.6. Spending Authority by Job Level

Ava's spend authority levels have only been updated once, and then quite modestly, since the current procurement policy was launched.

- Director level: currently this is set at \$5,000 which is half the value of a micro-purchase as discussed above. The proposed threshold is \$10,000 which would provide signatory authority only for micro-purchases.
- Senior Director level: currently Senior Directors and VPs share the same threshold of \$15,000. The proposed threshold is \$35,000, which permits Senior Directors to provide signatory authority for what Ava has identified as small purchases which can be executed with Ava's Purchase Rider template.
- Vice President level: currently, VPs share the \$15,000 threshold with Senior Directors. The proposed threshold allows VPs to approve purchases under the threshold at which transactions require an RFP.
- Senior Vice President / Chief Officer / General Counsel level: currently, SVPs and Chief Officers have a threshold of \$25,000 and the General Counsel has a threshold of \$50,000. The proposed threshold is \$150,000 which matches the thresholds of Sonoma Clean Power (SCP) and Marin Clean Energy (MCE).
- CEO level: As detailed in Section 3.3, the proposed threshold for the CEO becomes \$250,000 so the CEO can serve as the approval authority for any agreement that would not need Board approval.

3.7. Compliance with Legal Authority

The current policy sets forth specific requirements of select laws and regulations, however that content has not been maintained and is not current with the state of the law today. To maintain compliance but avoid asynchronization, the proposed policy removes the specifics and instead identifies common criteria that indicate additional legal requirements and instruct the relationship manager to contact Ava's Legal team. Additionally, (1) all agreements over \$10,000 must undergo legal review, and (2) Ava's templates have legal compliance built in by default.

3.8. Availability of Longer Contract Terms

The Procurement Policy has functionally limited the term of agreements executed by Ava to no more than 1 year, which decreases Ava's buying power and ability to negotiate for better pricing since we refrain from committing for a longer period of time. This also creates additional overhead for Ava Staff because each contract must be renewed annually.

The proposed policy allows contracts to extend to as much as seven (7) years, and allows for purchase commitments that are shorter than the term of the contract – for instance, Ava can sign a 7-year master agreement but execute an order form for a 3-year purchase. The proposed policy requires that budget is available for the initial/current year of the agreement, and requires that the relationship manager secure budget approval for future years.

Committee Recommendation

[tbd pending ExComm.]

Attachments

- A. Draft Administrative Procurement Policy version 2.0
- B. Procurement Policy Board Slides



Administrative Procurement Policy

Policy Number 2.0 (DRAFT)

October 22, 2025

I. Background and Purpose

II. Policy Compliance Steps for Ava Staff: 3 Steps

Required Documentation

Transaction Types

Power procurement

Power procurement transaction requirements

Combination

Combination transaction requirements

Micro-purchase

Micro-purchases transaction requirements

Mission-critical products and services

Mission-critical products and services transaction requirements

Exigent or emergency

Exigent or emergency transaction requirements

Routine administrative

Routine administrative transaction requirements

Sole source

Sole source transaction requirements

Cooperative purchasing

Cooperative purchasing transaction requirements

Regulated

Regulated transaction requirements

Professional services

Professional services transaction requirements

General products and services

General products and services transaction requirements

III. Transaction Requirements

Universal requirements

Multiple Transactions with a Counterparty

Contracting requirements

Solicitation requirements

Compliance requirements

Board Approval

IV. Formal RFP/RFQ Procedures



V. Contracting Operations

Signing Authority for Expenditures

Signing Authority for incremental additional purchases or amendments

Signing Authority for non-purchase contracts

Signing Authority delegation

VI. Implementation of Policy Updates

VII. Definitions and Topics

I. Background and Purpose

It is in the interest of Ava Community Energy ("Ava") to establish procurement practices for high quality materials, finished goods, and services that balance the following:

- facilitating efficient business operations;
- providing fair compensation and local workforce opportunities; and
- maximizing value for cost.

whenever possible within a framework of high quality, competitive service offerings.

II. Policy Compliance Steps for Ava Staff: 3 Steps

Staff shall follow the steps below to comply with this policy:

1. Collect [required documentation](#) (page 2).
2. Match the transaction to its [transaction type\(s\)](#) (page 3).
3. Complete the [transaction requirements](#) for the transaction type (page 8).

NOTE: Any manager may apply additional requirements at their discretion provided those requirements are communicated to the Relationship Manager and the Legal team in a timely manner.

The 3 steps in this section represent the full scope of responsibility for Staff serving as Relationship Managers coordinating transactions. Other requirements such as assigning a signatory and collecting approvals are the responsibility of the Legal team.

Required Documentation

Staff shall collect the following information prior to entering into a procurement transaction:

- Taxpayer identity documentation.
 - W-9 for a US-based vendor.
 - W-8BEN for an international vendor.
- The full name and email address of the principal vendor contact.



- The full address of the vendor's place of business (either headquarters or the regional office most relevant to the transaction).

Transaction Types

Review each transaction type below to determine which types apply to your purchase.

Ava categorizes transactions into the types below in order to apply an appropriate balance of safeguards and latitude to each purchase type. Ava recognizes the following types of transactions:

1. [Power procurement](#)
2. [Combination](#)
3. [Micro-purchase](#)
4. [Mission-critical products and services](#)
5. [Exigent or emergency](#)
6. [Routine administrative](#)
7. [Sole source](#)
8. [Cooperative Purchasing](#)
9. [Regulated](#)
10. [Professional services](#)
11. [General products and services](#)

Power procurement

Power procurement transactions are those that transact for power resources, such as energy, renewable energy credits (RECs), or resource availability (RA). Power procurement transactions are not governed by this policy.

Power procurement transaction requirements

Power procurement transactions may only be executed under the management of Ava's Power Resources team and in accordance with Ava's [Energy Risk Management Policy](#).

Combination

A combination transaction is a transaction that spans more than one of the categories below.

Combination transaction requirements

For a purchase that meets the criteria for more than one type of transaction, the Relationship Manager must meet the requirements for both transaction types.

For instance, a transaction for a [micro-purchase](#) that uses federal funds (making it a [regulated](#) transaction) must meet both [Universal requirements \(page 9\)](#) and [Compliance requirements \(page 10\)](#).



Micro-purchase

A transaction qualifies as a micro-purchase if it meets all of the following criteria:

| | |
|-----------------|---|
| Price: | The total price (or not-to-exceed price) does not exceed \$10,000. |
| Subject matter: | The purchase is exclusively for one or both of the following: <ul style="list-style-type: none"> • Physical goods. • Services that <i>exclude</i> construction or installation services, or related services such as mechanical designs or building plans. |
| Governance: | The transaction does <u>not</u> involve any of the following: <ul style="list-style-type: none"> • A written agreement. • A purchase document (e.g. order form) <i>containing legal terms</i>. • A purchase document with a link or other reference <i>to legal terms</i>. |
| Non-recurring: | The transaction may not commit Ava to a series of purchases, though Ava may reserve the right to make subsequent purchases in accordance with this policy. |

Micro-purchases transaction requirements

Staff shall complete the following:

- [Universal requirements \(page 9\)](#)

NOTE: if a purchasing document requires a signature, Staff shall submit the document to Ava's Legal team to route for signature. Ava's Legal team shall maintain a process for all documents that require signature.

Mission-critical products and services

Transactions for products and services that are, for all practical purposes, essential to Ava's day-to-day operations qualify as purchases of mission-critical products and services.

Ava categorizes these transactions separately because they regularly raise considerations that require individualized attention and do not fit effectively into a one-size-fits-all strategy for purchasing. Mission-critical products and services can include essential technology infrastructure, commercial real estate procurement, billing/payment services, and customer service.

Ava evaluates whether a transaction qualifies as mission critical on a case-by-case basis. To confirm whether a transaction is mission critical, Staff shall seek approval from either:

- The CEO; or
- Both the Functional Lead of your department and either the Legal Director or the General Counsel.



Considerations for whether a transaction is mission critical include the following:

- The extent to which Ava's essential operations are dependent upon the product or service.
- The difficulty level of finding and transitioning to an alternative supplier that meets Ava's requirements.
- The degree of financial and/or reputational harm Ava would face in the event of an outage or other material instance of unavailability.

To request that a product or service be considered mission critical, take the following steps:

1. Draft a request to management to label the product/service as mission critical, setting forth in detail:
 - a. Why the product/service is essential to core operations, compliance, or safety;
 - b. Why the product/service has no practicable substitutes or work-arounds; and
 - c. What severe financial, reputational, or legal harm Ava would face from the failure/unavailability of the product/service.
2. Review the proposal with your Functional Lead.
3. Deliver the proposal to the CEO and/or General Counsel for approval.

Mission-critical products and services transaction requirements

Staff shall complete the following:

- [Universal requirements \(page 9\)](#)
- [Contracting requirements \(page 10\)](#)
- [Board Approval \(over \\$250,000\) \(page 10\)](#)

Exigent or emergency

Exigent transactions are those that (1) a reasonable person would find must be executed without delay where (2) no intentional action or inaction by Ava Staff materially contributed to the urgency, for instance:

- Hiring a plumber to fix a leak.
- Abating a pest infestation or addressing a health hazard.
- Remediating compromised access to a facility.
- Finding a replacement for a vendor that became unavailable due to a reasonably unforeseeable circumstance.

Any Ava personnel of Job Level 11 (such as Director) or higher, or the General Counsel, may designate a transaction as an exigent transaction.

Emergency transactions are those that are directly related to or in response to extraordinary circumstances, such as:

- An unexpected occurrence requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services, including the provision of energy or power to Ava customers.



- An immediate need to prepare for national or local defense.
- A breakdown in infrastructure or an essential service which requires the immediate purchase of supplies or contractual services to protect public health, safety, or property.
- The declaration of an emergency or disaster by a valid public authority.

Only Ava's CEO or General Counsel may designate a transaction as an emergency transaction.

Exigent or emergency transaction requirements

Staff shall complete the following:

- [Universal requirements \(page 9\)](#)
- [Contracting requirements \(page 10\)](#)

Routine administrative

Routine administrative transactions must meet all of the following criteria:

| | |
|---------------------------------|--|
| Price (or not-to-exceed price): | Not in excess of \$35,000. |
| Subject matter: | <p>Routine administrative transactions are limited to the following areas of goods and services:</p> <ol style="list-style-type: none"> 1. Food services, including restaurants and catering. 2. Team-building and employee-appreciation events. 3. Travel, including flights and hotel accommodations. 4. Office supplies, representing consumable items regularly used in an office environment. |

Transactions for restaurants and other food-service providers, such as caterers, as well as hospitality providers such as hotels are highly regulated in the United States and most other jurisdictions. Additionally, spend on such services tends to be intermittent and of a low dollar spend compared to other materials and services. Team building services tend to be unique or limited in terms of options, and of a low spend compared to other services. For these reasons, this policy grants Ava Staff broad leeway in transactions of this type.

Routine administrative transaction requirements

Staff shall complete the following:

- [Universal requirements \(page 9\)](#)
- [Contracting requirements \(page 10\)](#)



Sole source

A sole-source transaction is one where the goods or services are only available from one source either because the brand or trade name article, goods, or product or proprietary service is the only one which will properly meet the needs of Ava or the item or service is unique and available only from a sole source. It is authorized when the goods or services contemplated are only able to be performed by a sole provider, such as the holder of an exclusive patent or franchise, for the purchase of unique or innovative goods or services including but not limited to computer software and technology, or for purchases of goods or services when there is a demonstrated need for compatibility with an existing item or service used by Ava.

Only the CEO, CCO, General Counsel, or functional lead of the relevant department may designate a purchase as sole-source.

Sole source transaction requirements

Staff shall complete the following:

- [Universal requirements \(page 9\)](#)
- [Contracting requirements \(page 10\)](#)
- [Board Approval \(over \\$250,000\) \(page 10\)](#)

Cooperative purchasing

Cooperative purchasing transactions as those where either (1) Ava is purchasing from another government agency; or (2) Ava is adopting an agreement all or largely identical to one negotiated by another government agency where that agreement has undergone that agency's procurement process and such process is not in conflict with California law.

Cooperative purchasing transaction requirements

Staff shall complete the following:

- [Universal requirements \(page 9\)](#)
- [Contracting requirements \(page 10\)](#)
- [Board Approval \(over \\$250,000\) \(page 10\)](#)

Regulated

Regulated transactions are those that are subject to additional requirements due to applicable law, regulation, or other valid governing authority. A transaction is regulated for the purposes of this policy if it meets either of the following criteria:

- The transaction is for installation, construction, or construction-related services for an amount in excess of \$1,000.
- Ava will pay for the transaction in whole or in part with any amount of federal funds (e.g. funds received from a federal grant).



Regulated transaction requirements

Staff shall complete the following:

- [Universal requirements \(page 9\)](#)
- [Contracting requirements \(page 10\)](#)
- [Solicitation requirements \(page 10\)](#)
- [Compliance requirements \(page 10\)](#)
- [Board Approval \(over \\$250,000\) \(page 10\)](#)

Professional services

Professional services are those that require a government license or certification, such as legal services, licensed contractor services (for a dollar value less than or equal to \$1,000 after which threshold the transaction is [Regulated](#), as set forth above), audit services, and engineering services. Providers of these services possess a high degree of specialized skill or expertise, not always adaptable to competitive bidding.

Professional services transaction requirements

Staff shall complete the following:

- [Universal requirements \(page 9\)](#)
- [Contracting requirements \(page 10\)](#)
- [Board Approval \(over \\$250,000\) \(page 10\)](#)

General products and services

A transaction that does not meet the criteria, in whole or in part, of any of the categories above is a transaction for general products and services, for instance the procurement of cleaning services or the purchase of office furniture. The majority of Ava's purchase transactions qualify under this category.

General products and services transaction requirements

Staff shall complete the following:

- [Universal requirements \(page 9\)](#)
- [Contracting requirements \(page 10\)](#)
- [Solicitation requirements \(page 10\)](#)
- [Board Approval \(over \\$250,000\) \(page 10\)](#)

III. Transaction Requirements

The requirements below apply based on the transaction type, as detailed above.



Universal requirements

Staff shall:

- Confirm whether Ava will use federal funds to pay for the purchase in whole or in part. (**NOTE:** if such funds will be used, the transaction qualifies as [Regulated](#).)
- Undertake reasonable due diligence to procure satisfactory goods or services at an appropriate price under the circumstances.
- Confirm that the purchase represents an appropriately complete scope (see [Multiple Transactions with a Counterparty](#), below) and open a ticket with Ava's Legal team if you have any questions:
 - Confirm that no transaction has been divided into multiple purchases to avoid approval thresholds.
 - Confirm that no transaction has been segmented to avoid regulatory requirements.
- Confirm compliance with Ava's [Conflicts of Interest Code](#).
- Confirm that Ava has budgeted for the first fiscal year (or remainder of the fiscal year, if applicable) of the transaction.
- Confirm that the term of the agreement does not exceed seven (7) years.

Multiple Transactions with a Counterparty

When analyzing whether multiple transactions with the same counterparty should be collectively subject to a procurement threshold or evaluated individually, Staff must consider the substance and timing of the transactions, their relationship to one another, and whether they reflect a single underlying procurement need.

Only the **Functional Lead** of the relevant group, the **CEO**, the **CCO**, or the **General Counsel** has the authority to determine whether multiple purchases with the same counterparty qualify as distinct transactions or one transaction. If you are unsure whether multiple transactions must be aggregated for the purpose of complying with this Policy, escalate to your Functional Lead.

If the transactions are closely related in purpose, scope, or timing—such as purchases of similar goods or services made within a short period—they may constitute a deliberate or de facto division of a larger procurement and should be aggregated to determine whether the applicable threshold is met.

If the transactions serve distinct purposes, arise from separate and independently justified needs, and occur over a more extended timeframe, it may be appropriate to evaluate them individually. The goal is to prevent circumvention of procurement requirements while allowing legitimate, unrelated transactions to proceed without undue aggregation.



Contracting requirements

The Relationship Manager must engage Ava's Legal team to execute a governing agreement. It is the responsibility of Ava's Legal team to execute the agreement in accordance with Ava's [Contracting Operations](#).

Solicitation requirements

| For transactions with (1) a committed spend , whether in one year or across multiple years, in excess of the amount below, or (2) a diligently estimated anticipated spend during the initial term of the agreement in excess of the amount below: | The Relationship manager must: |
|---|---|
| \$100,000 | <ul style="list-style-type: none"> • Conduct an RFQ if the purchase is exclusively for goods (including software products provided the transaction does not also include implementation or consulting services.) • Conduct an RFP if the purchase materially includes services. |
| \$50,000 | Solicit three (3) written quotes. |
| \$10,000 | Solicit three (3) written or verbal quotes. |

Compliance requirements

The Relationship Manager must meet and confer with Ava's Legal team to alert the team to the proposed transaction and develop a compliance plan.

Board Approval

- An individual transaction for a committed spend of \$250,000 or more in one fiscal year requires the approval of the Board of Directors in the form of a signed resolution or such other form as the Board may authorize from time to time.
- Where: (1) a transaction changes, amends, or otherwise alters a previous transaction; and (2) that previous transaction did not meet the threshold for Board approval; and (3) the new transaction in combination with the previous transaction exceeds \$250,000; and (4) the dollar value of the new transaction alone is less than or equal to fifteen percent (15%) of the previous transaction, then no additional Board approval is required - but any addition in excess of fifteen percent (15%) requires Board approval.



- Other transactions do not require Board approval.

IV. Formal RFP/RFQ Procedures

Except for categories of purchases exempt from RFP/RFQ procedures or as otherwise specifically directed in writing by the CEO, agreements for the purchase of [General products and services](#) for a total amount that exceeds \$100,000 per fiscal year shall be procured as follows:

- Formal RFP/RFQ Invitations. Invitations to participate in the Request for Proposal/Request for Qualifications (RFP/RFQ) process shall include a general description of the supplies or services sought by Ava, and shall specify the time, place and date for opening responses.
- Evaluation. Proposals received through a competitive solicitation shall be subject to evaluation by relevant Ava Staff and such additional personnel as the CEO may direct at their discretion. Such evaluation shall take into consideration factors that Ava Staff determines are material to the prospective transaction as well as (a) whether the applicant maintains a principal place of business within Ava's service territory; (b) whether and to what extent the applicant employs union labor; (c) whether the applicant is a Disabled Veteran Business Enterprise registered with the California Department of General Services; and (d) whether the applicant maintains a principal place of business in a Disadvantaged Community (DAC) as identified by the California Environmental Protection Agency's (CalEPA) CalEnviroScreen Tool. To the extent a project is materially related to energy offtake, Ava Staff shall take into consideration the priorities of the [Ava Community Energy Workforce and Environmental Justice Project Selection Criteria](#) or such successor criteria as it may develop.

V. Contracting Operations

- Except as otherwise noted here, any transaction for an amount in excess of \$35,000 shall require approval as to form, as evidenced by a contract signature or equivalent indicator, by an authorized Ava attorney. The General Counsel shall always qualify as an authorized attorney, and may designate other attorneys at their discretion.
 - Where such a signature or indicator is not practicable (for instance, in an electronic form contract), Ava may execute the agreement without approval as to form upon approval by Level 14 (SVP) personnel or above.
 - For transactions governed by standard form agreements where negotiation is generally unavailable in the market (e.g. credit card agreements, software license agreements, utilities agreements), Ava may execute the agreement without approval as to form upon approval by the CEO or CCO.
 - Any agreement executed on an Ava template with no changes to legal terms and no additional legal terms, as verified by Ava's legal team, does not require a signature for approval as to form.
- Ava shall report on all new contracts, regardless of scope or contract value, at each Board meeting, except non-disclosure agreements, personnel contracts, and Power Purchase Agreements.
- Ava's legal team shall not execute, extend, or renew any agreement for a term in excess



- of seven (7) years without the approval of the General Counsel.
- Ava's Legal team is responsible for maintaining compliance with applicable law and regulation, including but not limited to the Uniform Public Construction Cost Accounting Act and the California Labor Code.
- Ava's Legal team shall provide continuing instruction to Relationship Managers regarding best practices for statements of work and other purchasing documents to develop clear, functional, and minimally ambiguous purchase requirements.
- Ava's Legal team shall maintain and refine procedures for tracking compliance with this Policy, such as capturing necessary approvals. Such processes shall be available to Staff, and the Legal team shall provide periodic training sessions to all of Staff.

Signing Authority for Expenditures

| Dollar threshold | Required signatory |
|--|--|
| Less than or equal to \$10,000 | Job Level 11 (Director) or above. |
| Greater than \$10,000 and less than or equal to \$35,000 | Job Level 12 (Senior Director) or above. |
| Greater than \$35,000 and less than or equal to \$100,000 | Job Level 13 (Vice President) or above, or the General Counsel. |
| Greater than \$100,000 and less than or equal to \$150,000 | Job Level 14 (Senior Vice President or Chief Officer) or above, or the General Counsel. |
| Greater than \$150,000 and less than or equal to \$250,000 | CEO or their delegate. |
| Greater than \$250,000 | CEO or their delegate or the General Counsel following the approval of the Board of Directors. |

Signing Authority for incremental additional purchases or amendments

Where: (1) a transaction changes, amends, or otherwise alters a previous transaction; and (2) the new transaction in combination with the previous transaction exceeds the signing authority of the original signatory; and (3) the dollar value of the new transaction is less than or equal to fifteen percent (15%) of the previous transaction, the original signatory may sign - but any addition in excess of fifteen percent (15%) requires the next level of signature authority.

Signing Authority for non-purchase contracts

The following signing authorities shall apply, after review and approval of the agreements by the General Counsel or their designee, except where in conflict with the Joint Powers Agreement, state, or federal law:



- Non-Disclosure Agreements – Job Level 11 (Director) and above.
- Banking and Treasury Administration – CEO; CFO; or Treasurer.
- All other agreements - Job Level 13 (Vice President) and above.

Signing Authority delegation

Any manager at Ava may delegate their signing authority to a direct report, a peer, or the General Counsel by providing notice via email to legal@avaenergy.org or by completing a legal ticket with this information and by providing an expiration date not later than thirty (30) days following the date of delegation.

VI. Implementation of Policy Updates

Ava Staff may update this policy upon the approval of the CEO and General Counsel, with the exception of changes to dollar-value thresholds. Any such updates shall be reported to the Board within forty-five (45) days.

Any changes to dollar value thresholds herein require the approval of the Board of Directors.

VII. Definitions and Topics

1. Functional Lead - at Ava, a Functional Lead is a department head responsible for a dedicated function.
2. PO - See "Purchase Order," below.
3. Purchase Order - A purchase order (PO) is a formal document issued by a buyer to a vendor to authorize a purchase. It originates from the buyer's procurement system and specifies items, quantities, and prices. POs serve as a binding agreement and help track and control spending within approved budgets. A PO is always issued by the buyer to formally request goods or services from a seller. In response, the seller may issue an invoice, sales order, or order confirmation. As of the publication of this policy, Ava only leverages purchase orders in the rare event that they are required by a vendor. For the most part, a purchase order is not a contract, does not supersede a contract, and may not be used in place of a contract.
4. Relationship Manager - at Ava, the Relationship Manager is the member of Staff principally responsible for managing the business engagement related to a contract with a vendor.
5. Request for Proposal - A Request for Proposals (RFP) is a formal solicitation issued by a buyer to seek competitive proposals for goods or services. It outlines needs and evaluation criteria. Vendors respond with detailed proposals, enabling the buyer to assess qualifications and select the best-value offer.
6. Request for Quotation - A Request for Quotation (RFQ) is a procurement document issued by a buyer to solicit price quotes for specific goods or simple services. Originating



from the buyer's purchasing department, RFQs are used when specifications are clear and selection is based primarily on price rather than qualitative factors.

7. RFP - see "Request for Proposal," above.
8. RFQ - see "Request for Quote," above.

Proposed Updates to Ava's Administrative Procurement Policy



Orientation

Ava Staff is bringing this topic and related materials to ExComm in advance of presenting to the full Board.

We welcome all question and suggestions in advance of the October Board meeting.

Overview

1. Purchases for commodities other than energy are governed by Ava's Administrative Procurement Policy (the "Policy").
2. The Policy was developed in 2018 for the then-nascent EBCE, but has not been materially updated as EBCE matured over the subsequent years into a more sophisticated Ava.
3. The Policy has not grown as Ava has grown and as prices have risen, and over time this has resulted in material administrative burden and thousands of dollars of avoidable costs monthly.
4. This proposed update to the Policy is drafted to boost efficiency by:
 - a. Providing clear instruction to remove ambiguity and facilitate compliant transactions;
 - b. Updating dollar-value thresholds to match industry standards;
 - c. Reducing administrative burden; and
 - d. Eliminating unnecessary costs.

Important Changes

- Over the last 18 months, Ava has built out its Legal team by onboarding contract management personnel and adopting a sophisticated Contract Management System.
- This has operationalized Ava's contracting process, ensuring proper review and execution of agreements and therefore materially reducing the degree of risk in Ava's contracting process.
- John Perkins, Ava's Legal Director and Deputy General Counsel, is responsible for implementing, enforcing, and refining Ava's contracting process to maximize efficiency and protect the organization from legal-related risks.
- All contracts are reviewed, tracked, and managed by Ava's legal team.
- Approvals and authorized signatories are built in to Ava's contract management system.
- Ava's Legal team coordinates communication between Staff, vendors, and outside counsel.
- No Ava Staff member negotiates or signs any agreement in a vacuum.

8 Material Updates

The draft Policy reflects 8 major updates, discussed in detail subsequently:

1. Express “how-to” steps
2. Tailored categories of purchases with appropriate process steps
3. Industry-standard Board approval threshold
4. Added flexibility for non-dollar revisions
5. Updated approval-as-to-form threshold
6. Updated approval thresholds
7. Updated legal compliance process
8. Increase to the permitted length of contract terms

1. Express “how-to” steps

3-Step Process to clarify how to comply with the Policy:

1. Collect required documentation
2. Identify the transaction type
3. Complete the requirements for the transaction type

- The required information is set out with specificity.
- The process for determining the transaction type is set forth in detail.
- The requirements to complete each type of transaction are listed.
- Ava’s Legal team is trained on each step and available to assist Staff.
- The requirements will be built into Ava’s contract management system.

2. Tailored purchase categories with customized steps

Transaction types, based on Ava's practices:

1. Micro-purchase
2. Mission-critical products and services
3. Exigent or emergency purchases
4. Routine administrative purchases
5. Sole source transactions
6. Cooperative purchasing
7. Regulated transactions
8. Professional Services
9. General Products and Services
10. Combination of the above

Contracting requirements:

- Universal requirements that apply commercial due diligence to all purchases.
- Contract requirements, setting forth the governing agreement (if needed).
- Solicitation requirements, governing bidding.
- Compliance requirements, addressing obligations imposed by law or regulation.
- Board approval criteria.

3. Industry-standard Board approval threshold

Updates the dollar value of commercial agreements that require Board approval to \$250,000 - a value typical in the sector.

- Aligns with fellow CCAs:
 - SJCE
 - SCP
 - SVCE
 - PCE
 - MCE
- Reduces legal costs.
- Directs only high-priority agreements to the Board.
- Saves many hours of Staff time.

4. Added flexibility for non-dollar revisions

Permits non-monetary changes to the Policy upon the approval of both the CEO and General Counsel, and requires the Board to be notified of such changes.

- Allows Ava to make non-monetary refinements without undergoing the Board approval process.
- Keeps the Board notified of changes.

5. Updated approval-as-to-form threshold

- Currently, an attorney representing Ava must sign contracts over \$5,000 to indicate approval as to form.
- The proposed draft removes this administrative requirement for contracts of \$35,000 or less.
- \$35,000 is the threshold at which Ava applies its more rigorous contract template intended for larger purchases.
- Removes the administrative step of the General Counsel or Legal Director signing smaller contracts, but retains legal review and approval because Ava's Legal team has established a consistent contracting process.

6. Updated approval thresholds

| Current Threshold | Proposed Threshold | Context |
|---|---|---|
| Level 11 (Director): \$5,000 | Level 11 (Director): \$10,000 | Under the Federal Acquisition Regulations, “Micro-purchase threshold means \$10,000” (though this can be subject to legislative carve-outs) and this threshold is leveraged by California government agencies. The Director threshold has been matched to such micro-purchases. |
| Level 12 (Senior Director) or Level 13 (Vice President): \$15,000 | Level 12 (Senior Director): \$35,000 | Purchases of up to \$35,000 are usually smaller, less complex transactions executed using Ava’s Purchase Rider. |
| Level 14 (Senior Vice President or Chief Officer): \$25,000 | Level 13 (Vice President): \$100,000 | Distinguishes the VP spend threshold from the Senior Director threshold; reflects inflation; maps to the threshold for RFPs. |
| General Counsel: \$50,000 | Level 14 (Senior Vice President or Chief Officer) or General Counsel: \$150,000 | This matches the threshold set by fellow CCAs SCP and MCE. |
| CEO: \$100,000 | CEO: \$250,000 | Permits the CEO to approve all agreements below the threshold for Board approval. |

7. Updated legal compliance process

- The current Policy restates select provisions of California law, and has fallen out of sync with legislative updates.
- The proposed Policy maintains compliance with applicable laws but does not restate the law itself.
- All agreements over \$10,000 must undergo legal review.
- Ava's templates have legal compliance built in by default.

8. Increase to the permitted length of contract terms

Subject to senior management approvals, allows for contracts of a duration of up to 7 years per generally accepted commercial contracting practice.

- Take advantage of more favorable pricing.
- Enter into master agreements that can govern for long spans but leverage Order Forms to execute transactions of any duration (up to 7 years).
- Prevent legal terms from falling out of sync with evolving best practices.
- Reduce overhead with counterparties with whom Ava desires to enter into long-term transactions.



Staff Report Item 5

| | |
|-----------------|--|
| To: | Ava Community Energy Authority |
| From: | Cait Cady, Sr. Coordinator, Public Engagement |
| Subject: | Seeking feedback on Community Advisory Committee (CAC) Guide Updates |
| Date: | October 1, 2025 |

Summary/Recommendation

Receive staff report and provide feedback on proposed updates to the Community Advisory Committee Guide as outlined below and in Attachment A. The purpose of these updates is to include unincorporated San Joaquin County into the CAC seat allocation methodology and further maximize operational efficiency ahead of the CAC's next appointment cycle.

Financial Impact

This proposal includes adding another seat to the CAC, which would result in a modest financial impact due to an additional stipend and possible parking reimbursements. Current stipends are \$128.00 per meeting, which amounts to approximately \$1,408 per year per member, if members attend eleven meetings (i.e., one meeting per month, less the August recess). CAC Members are also reimbursed for their parking to attend meetings, which amounts to \$30 per meeting, per Member. With the inclusion of a new Member, the approximate maximum annual budget would come out to \$25,000.

Analysis and Context

Section 4.9 of the Joint Powers Agreement called for the Board of Directors to establish a Community Advisory Committee. On November 20, 2019, the Board of Directors approved the first Community Advisory Committee Guide and appointment process, which outlined membership qualifications and the process to appointment new Members.

On October 21, 2020, the Board of Directors approved updates to the CAC Guide and appointment process. These updates were made to provide proper representation and engagement of the CAC, particularly given the inclusion of Ava’s new communities in the cities of Newark, Pleasanton, and Tracy. The updates included the following structural changes: the addition of three seats (increasing the CAC to twelve active seats, corresponding with the concept of “voting shares” in Sec. 4.12.2 of Ava’s [JPA Agreement](#)); configuring the apportionment of CAC seats to Ava Service Area Regions; appointing one Alternate for each Ava Service Area Region, for a total of five; and engaging the Alameda County Mayors’ Conference to appoint two At-large Members.

On December 20, 2023, the Board of Directors approved additional updates to the Guide to incorporate Stockton and Lathrop and make several administrative updates. These updates included: setting a limit of two terms for At-Large members, assigning the Board of Directors the authority to appoint At-large members, providing that vacancies are to be filled on a semi-annual basis, establishing staggered terms, and instituting a six-month residency ‘grace period’ when Members move outside of the service area.

Under the CAC’s current structure, 10 of the 12 seats are distributed regionally across Ava’s service area in Alameda and San Joaquin counties. There are five regions (North, East, South, and central Alameda County, as well as San Joaquin County). There are five Alternates with an Alternate representing each of the five regions. Additionally, the Committee includes two (2) At-Large Members, bringing the CAC to a total of 12 seats and 5 Alternates. Each region is allocated its number of seats according to its approximate, cumulative electricity load. As previously noted, this corresponds to the JPA’s allocation of Voting Shares votes among the Board of Directors (per [JPA Sec. 4.12.2 and Exhibit C](#)).

Recommendation 1: Update CAC Regional Seat Allocations

With the addition of unincorporated San Joaquin, the San Joaquin County planning region’s combined JPA Vote Share increases to 29.5%, the largest of any planning region. To avoid removing seats from other regions and ensure an equitable distribution of seats across Ava’s service area, staff’s recommendation is to add a seat to the Committee and allocate it to the San Joaquin County region. This would bring the total number of CAC seats up to 13.

Approval of the proposal will be followed by a CAC Member application period, in which Ava staff will work with Board Members to solicit potential applicants, facilitate nominations by regional Board Members, to fill this proposed new seat for San Joaquin County, as well as any other vacancies.

Table 1: Proposed CAC seat allocations with the addition of Unincorporated San Joaquin County

| Region | JPA Vote Share | CAC Seat Allocation | Alternate Seat Allocation |
|---|----------------|---------------------|---------------------------|
| North Albany, Berkeley, Oakland, Emeryville, and Piedmont | 25.6% | 3 | 1 |

| | | | |
|--|-------|---|---|
| East Dublin, Livermore, and Pleasanton | 11.1% | 1 | 1 |
| South Fremont, Union City and Newark | 17.6% | 2 | 1 |
| Central Hayward, San Leandro, and Alameda County Unincorporated | 16.3% | 2 | 1 |
| San Joaquin County Tracy, Stockton, Lathrop, and San Joaquin County Unincorporated | 29.5% | 3 | 1 |
| At-Large | | 2 | |

Recommendation 2: Administrative Updates to CAC Guide

To further optimize efficiency and better reflect current operating procedures on the Committee, staff recommend the edits in the redlined CAC Guide attached (Attachment A).

Substantive updates include:

- **Add flexibility to recruitment windows:** The current Guide requires filling vacancies on a semi-annual basis. This requirement appears to be both unnecessary and overly prescriptive. Facilitating CAC application and appointment processes require a great deal of staff and Board Member capacity. Updating this to occur on an annual basis, but with the option to facilitate additional recruitment as needed, gives staff and the Board more flexibility.
- **Remove language establishing staggered terms:** The current Guide mentions the establishment of staggered terms, which was a reform the Board approved in 2023. However, the staggered terms have proven difficult to implement on an equitable basis, complicated to maintain if/when CAC members resign, and unnecessary to maintain consistency on the Committee. Therefore, staff recommend eliminating this language and keeping member terms consistent with one another.

Attachments

- A. CAC Guide with proposed updates and redlines
- B. Presentation



Community Advisory Committee Guide

Purpose

Advise the Board of Directors on all subjects related to the operations of the CCA program as set forth in the work plan adopted on October 18, 2019

Authority

Established by the Board of Directors. See JPA section 4.9

Agency

Ava Community Energy (Ava)

Qualifications

Ava service area resident or shall have owned ~~or and~~ actively operated a business in Ava service area for a period of at least 5 years prior to appointment and shall do so for the entire period of appointment. Applicants will be considered with an interest in maintaining diversity of representation by geography, population, work experience and community.

If a sitting Member moves out of the service area, they will have 6 months to reestablish residency before no longer meeting eligibility requirements.

Staff Person

~~Adrian Bankhead (abankhead@avaenergy.org) and Cait Cady (ccady@avaenergy.org) The Clerk of the Board and Ava's Public Engagement team (contact: cob@avaenergy.org).~~

Composition

The Advisory Committee consists of 1 ~~10 planning are regional~~ seats and two (2) at-large seats for a total of 1 ~~32~~ seats. The 1 ~~01~~ seats each represent the following areas:

| <u>Region</u> | JPA Vote Share | CAC Seat Allocation | Alternate Seat Allocation |
|---|-------------------------------|----------------------------|----------------------------------|
| North Albany, Berkeley, Oakland, Emeryville, and Piedmont | 27.7 <u>25.6</u> % | 3 | 1 |
| East Dublin, Livermore, and Pleasanton | 12.8 <u>11.1</u> % | 1 | 1 |
| South | 20.4 <u>17.6</u> % | 2 | 1 |

| | | | |
|---|-------------------------------|-----------------------|---|
| Fremont, Union City and Newark | | | |
| Central Hayward, San Leandro, and Alameda County Unincorporated | 18.5% <u>16.3%</u> | 2 | 1 |
| San Joaquin County Tracy, Stockton, and Lathrop, <u>and San Joaquin County Unincorporated</u> | 20.9% <u>29.5%</u> | 3 <u>2</u> | 1 |
| At-Large | | 1 | |
| At-Large | | 1 | |

Application Process

Any person residing or owning and actively operating a business in the Ava service area interested in serving on the Advisory Committee should complete the Advisory Committee application during the specified application period. Ava will announce the start of the application window via meeting announcements, Ava email distribution list, and the Community Advisory Committee

site: <https://avaenergy.org/governance/>. The application period will be for at least 30 days from the first announcement of the vacancy.

Applicants will receive an automated email response to their application submission with the appointment target date. Ava staff will review applications for completeness and qualifications. Once the applications have been reviewed, applicants will be notified via email if they will or will not advance.

The Executive Committee and/or an ad hoc committee of the Board will recommend the appointment of members to the full Board for approval. ~~Once selected applicants have completed the interview process, interviewees will be notified of their appointment status.~~

If a selected applicant declines the appointment invitation, another candidate may be selected from the same pool of interviewees. Applications will be retained for 30 days after appointments are made. In the event a vacancy is created during these 30 days, Ava may use the same pool of applicants.

No applications will be retained for future application periods. Applicants not selected may resubmit an application when the next application period opens.

Appointment

The Committee is appointed by the Board of Directors based on the qualifications outlined above.

Term

Appointments shall be for two (2)-year terms. ~~With the exception of the initial committee which~~

~~had three (3) members serving a shorter term to stagger the term end dates.~~ Members in regionally allocated seats may serve up to four (4) full terms or any combination thereof for a total of eight (8) years, or at the pleasure of the Board, from the date of appointment. No appointee shall serve more than a total of eight (8) years, ~~with the exception of those assigned an extra year to establish staggered terms.~~ At-large Members may serve up to two (2) consecutive terms and a region cannot be represented in an at-large seat for more than two (2) consecutive terms.

Chair and Vice-Chair

The Committee shall elect a new Chair and Vice-Chair annually ~~at the June meeting.~~ Members may serve as Chair or Vice-Chair for one (1) year and for no more than two (2) consecutive years.

Ex Officio Board Member

The Committee Chair will serve as a non-voting member of the Board of Directors as described in section 4.2.2 of the Joint Powers Authority Agreement. The Ex Officio Board member may not serve on the Executive Committee or participate in Closed Session Meetings of the Board.

Stipends

Committee members are eligible to receive a \$~~123.55-128.00~~ stipend per meeting with a maximum of four meetings per month.

For Committee members to be eligible for stipends, the Committee must have a quorum and members must arrive no later than 30 minutes after the meeting start time. Please see Board of Directors' Resolution R-2018-17 for additional information.

Attendance

Members are expected to attend up to two (2) meetings per month. Members must inform the Clerk of the Board of a planned absence.

Absences may not be communicated through the Chair, although the member should include the Chair in any attendance communications with the Clerk. Members are also expected to coordinate directly with the Alternate for their region when they cannot attend a meeting. Members with excessive absences may potentially be dismissed from the committee. The decision to dismiss a member will be made by the Board of Directors.

Vacancies

Vacant Regional and At-Large seats on the Committee will be filled on an annual basis, or more frequently when ~~Vacancies will be filled on a semi-annual basis, from the time the vacancy occurs, unless required necessary~~ to achieve quorum. ~~When there is a vacancy on the committee during~~ During an semi-annual recruitment window application period, Ava will announce the vacancy and the start of the application window period via meeting announcements, Ava email distribution list, and the Community Advisory Committee site: avaenergy.org/governance/. If the seat vacated is a regular seat, an alternate may be appointed immediately following the vacancy announcement to fill the seat and complete the remaining term.

Removal from Committee

A member of the Community Advisory Committee may be removed by the Board of Directors for any reason by majority vote. See JPA section 4.9.

Community Advisory Committee Guide Updates

Executive Committee | October 1, 2025

Ava Community
Energy



Community Advisory Committee (CAC): Background

- Established in Section 4.9 of Ava's Joint Powers Agreement
- Function: To advise the Board of Directors on subjects related to Ava operations and act as a liaison between the Board and community stakeholders
- Structure: 10 regionally allocated seats, 2 at-large seats, and 5 Alternates (one Alternate for each region)
- Current vacancies: 1 Regional Member (San Joaquin County) and 3 Alternates
- The CAC meets every month on the Monday before Board meetings



Recommendation: Add a Committee seat to the San Joaquin County region and approve administrative updates to the CAC Guide.

CAC Guide Overview

- 2019 ● Board of Directors approves first CAC Guide, which outlined membership qualifications and process for appointing Members
- 2020 ● The Board of Directors approved first round of updates in order to include the new communities of **Newark, Pleasanton, and Tracy**. Structural changes included: adding three new seats, configuring the allocation of seats to service area regions, appointing Alternates for each region, and requiring engagement with the Alameda County Mayors' Conference to appoint At-Large Members
- 2023 ● The Board of Directors approved additional updates to the Guide to include the new communities of **Stockton and Lathrop**. The following administrative changes were also included: setting a limit of two terms for At-Large members; assigning the Board of Directors the authority to appoint At-Large members; providing that vacancies are to be filled on a semi-annual basis; establishing staggered terms; and establishing a residency 'grace period'.
- 2024 ● **Unincorporated San Joaquin County** joined JPA

CAC Seat Allocations

Attachment Staff Report Item 5B

| Regions | *Current* CAC JPA Vote Share | *Current* CAC Seat Allocation | New JPA Vote Share | Proposed New CAC Seat Allocation | Alternate Seat Allocation |
|--|------------------------------------|-------------------------------------|-----------------------|---|---------------------------------|
| North Albany, Berkeley, Oakland, Emeryville, Piedmont | 27.7% | 3 | 25.6% | 3 | 1 |
| East Dublin, Livermore, Pleasanton | 12.8% | 1 | 11.1% | 1 | 1 |
| South Fremont, Union City, Newark | 20.1% | 2 | 17.6% | 2 | 1 |
| Central Hayward, San Leandro, Unincorporated Alameda County | 18.5% | 2 | 16.3% | 2 | 1 |
| San Joaquin County Tracy, Stockton, Lathrop, Unincorporated San Joaquin County | 20.9% | 2 | 29.5% | 3 | 1 |
| All | | 2 | | 2 | |
| | 100% | 12 | 100% | 13 | 5 |

Recommendations

Recommendation 1

Update CAC Regional seat allocations to include unincorporated San Joaquin County, which results in allocating an additional Committee seat to the San Joaquin County region.

Recommendation 2

Administrative updates to the CAC guide, as stated in the redlined CAC Guide, including:

- Add flexibility to application periods (e.g., up to two times annually)
- Remove language establishing staggered terms



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