

MEMORANDUM OF UNDERSTANDING

among Participating Entities in the

LOCAL GOVERNMENT SUSTAINABLE ENERGY COALITION

This Memorandum of Understanding ('MOU') describes the Local Government Sustainable Energy Coalition ('LGSEC' or 'Coalition'), its mission and guiding principles, its proposed activities, structure and governance, and the types, terms and conditions of membership by local public entities. Throughout this MOU, the term 'local' public entity or 'local' government encompasses regional entities and governments.

1. Description and Purpose

The Local Government Sustainable Energy Coalition is an association of California public entities formed to share information and resources to strengthen and leverage their communities' commitment to a sustainable energy future. That commitment is to manage today's energy uses and resources in ways that do not compromise the environment's capacity or the community's ability to meet the needs of future generations. Core strategies are to moderate energy demand, increase energy efficiency and renewable energy production, and improve energy security and reliability, while enhancing environmental values and community well-being.

2. Mission and Principles

LGSEC's mission is to:

- leverage California local government resources to advocate in public forums for policies and programs that support local sustainability initiatives;
- empower local public entities to speak with a credible and cohesive voice on energy matters affecting their communities and constituencies;
- provide a central resource to help California local governments stay informed of energy policy, regulatory and market developments affecting their interests;
- expand California local government competence to shape those developments; and
- share energy experience and expertise that can benefit other communities;

LGSEC's pursuit of this mission will be guided by the *Principles for Community Energy Sustainability*, attached to this MOU as Appendix A and incorporated by this reference.

3. Proposed Activities and Benefits

As its funding and capabilities permit, and subject to direction from its Governing Board, the Coalition intends to:

- A. Develop a web-based system accessible to participating entities that will monitor, analyze and report on important energy policy, regulatory, and market developments likely to impact their activities and constituents.
- B. Identify opportunities to articulate and advance Coalition interests through correspondence and discussions with responsible public agencies (at all levels) and officials, and organize presentations, meetings and other gatherings for that purpose.
- C. Establish Coalition priorities and represent Coalition interests in administrative proceedings before California state agencies such as the Public Utilities Commission ('CPUC'), Energy Commission ('CEC'), Air Resources Board, and others that address energy and related environmental issues that affect member entities and their constituents. Examples include:

- CPUC post-2005 Energy Efficiency proceedings
- California Solar Initiative proceedings
- CPUC Water Action Plan & CEC Water & Energy RD&D
- CPUC & CEC Distributed Resource proceedings
- AB32, greenhouse gas reduction and utility procurement proceedings
- Green building initiative

Regular dues levels established in the Bylaws are expected to cover monitoring and occasional filing of comments in proceedings like these, but not sustained intervention on specific issues, which may need to be funded through additional contributions by groups of members interested in those issues.

- D. Provide member entities and their representatives, and other local government related entities such as the League of California Cities and the California State Association of Counties with technical and policy expertise on selected legislative proposals affecting local and regional energy interests. The LGSEC itself will not attempt to influence legislation within the meaning of IRC Section 501(c)(3).
- E. Enhance local government capabilities to integrate energy efficiency initiatives with demand response and the development of clean, efficient local energy supply options from renewable, recyclable and waste resources.
- F. Undertake other activities that honor its Principles, advance its Mission, and strengthen the voices of member entities, as determined from time to time by its Governing Board.

4. Structure and Governance

For ease of formation and administration and to maintain flexibility, the Coalition is structured as an unincorporated association of local public entities whose membership benefits and responsibilities are governed by the terms of this MOU, including the Principles set forth in Appendix A and the Bylaws contained in Appendix B, both of which are incorporated by reference.

Among other things, the Bylaws provide for two types of membership for local public entities, two corresponding sets of benefits, and annual dues that vary depending on the type of membership and the population represented. The Bylaws also define the roles, responsibilities and composition of a Governing Board and an Executive Committee to guide and direct the Coalition's activities, and provide for withdrawal from and termination of participation in the Coalition.

5. Fiscal Responsibility

To ensure effective financial oversight and accountability, the Bylaws establish as the association's fiscal sponsor the Local Government Commission ('LGC'), a respected nonprofit, nonpartisan, membership organization composed of California local elected officials, staff and others, and experienced in providing inspiration, technical assistance, and networking to community leaders working to create resource-efficient communities.

As described more fully in the Fiscal Sponsorship Agreement attached as Appendix C and incorporated by this reference, the LGC's principal role, subject to direction by the Coalition's Governing Board, will be to establish, maintain and account for a restricted fund to receive and disperse cash and other property contributed to support the Coalition, a role it has played successfully for other associations and nonprofit entities.

6. Withdrawal and Termination

This MOU will continue until terminated by majority vote of the Governing Board, but members may withdraw from the Coalition on 30 days' notice to other members, subject to conditions set forth in the Bylaws.

7. Amendments

This MOU may be amended by a majority vote of the Governing Board.

8. Severability

If a portion, term, condition or provision of this MOU is determined by a court to be illegal or in conflict with a law of the State of California, or is otherwise rendered unenforceable or ineffectual, the validity of the remaining portions, terms, conditions and provisions is not affected.

9. Counterparts

This MOU may be executed in counterparts, each of which is an original and all of which constitute one and the same instrument.

10. Effective Date

This MOU becomes effective when any two local public entities eligible for membership have (1) duly executed it, and (2) delivered their first annual membership dues to the Fiscal Sponsor.

11. Member Commitment

As the duly authorized representative of the local public entity whose name appears below, I acknowledge by my signature that responsible officials of such entity have read and understand this MOU, including Appendices A through C, and agree on behalf of the entity to support the Coalition’s Mission and Principles, to accept the terms and conditions of the Bylaws and Fiscal Sponsorship Agreement, and to diligently exercise the responsibilities and obligations of membership, in return for the benefits described above.

Local Public Entity: _____
By: _____
Printed Name: _____
Title or Position: _____
Dated: _____
Attest: _____
Title or Position: _____

Approved as to Legal Form

By _____
Printed Name: _____
Title or Position: _____