



## Judicial Council of California · Administrative Office of the Courts

455 Golden Gate Avenue · San Francisco, California 94102-3688

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# REPORT TO THE JUDICIAL COUNCIL

For business meeting on February 26, 2013

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Title	Agenda Item Type
Court Facilities: Membership in Calaveras Public Power Agency for Low-Cost Utility Rates for New San Andreas Courthouse	Action Required
Rules, Forms, Standards, or Statutes Affected	Effective Date
None	February 26, 2013
Recommended by	Date of Report
Administrative Office of the Courts Burt Hirschfeld, Assistant Director Office of Real Estate and Facilities Management	February 4, 2013
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### Executive Summary

The Administrative Office of the Courts (AOC) recommends seeking agency membership in the Calaveras Public Power Agency (CPPA), a joint powers agency (JPA) that provides electricity to public facilities in the County of Calaveras. To take advantage of the lower electricity rates of the CPPA, the AOC would have to become a member agency of the CPPA, which provides electricity to various local facilities in Calaveras County, including the county jail, the county government center, schools, hospitals, fire stations, and water and wastewater treatment plants. With the AOC as a member of the CPPA, the new San Andreas Courthouse in Calaveras County (New Courthouse) would be able to enjoy the benefits of electricity rates lower than PG&E rates. In addition, construction costs of the New Courthouse project would be reduced by approximately \$115,000, related to equipment no longer required.

## Recommendation

The AOC recommends that the Judicial Council approve the resolution included as Attachment A to (1) authorize the AOC's membership in the CPPA as a Tier 2 Member; (2) authorize the Administrative Director of the Courts to execute the CPPA Amended Joint Powers Agreement (JPA Agreement), attached as Exhibit B to the resolution; and (3) authorize the Administrative Director of the Courts to execute the Agreement Between the Calaveras Public Power Agency and the Administrative Office of the Courts Regarding Tier 1 Member Treatment (Tier 1 Member Treatment Agreement), attached as Exhibit D to the resolution.

## Previous Council Action

The council has had no previous action on this item.

## Rationale for Recommendation

### Joint powers agencies

The CPPA is a joint powers agency that provides low-cost electricity to public facilities in the County of Calaveras. The AOC may properly become a member of the CPPA for the following reasons:

1. **Statutory authority of JPAs.** The CPPA was formed under the Joint Exercise of Powers Act,<sup>1</sup> which allows for the establishment of JPAs. A JPA is a separate government organization created by its member agencies but legally independent from them. JPAs are often used as financing mechanisms, as multijurisdictional transportation agencies, and as a means for public agencies to take advantage of insurance pooling and purchasing discounts. They can include all levels of government and some nongovernmental agencies.

A copy of a guide to joint powers agencies—*Governments Working Together: A Citizen's Guide to Joint Powers Agreements*, produced by the California State Legislature Senate Local Government Committee—is included as Attachment B. According to the guide, there were between 718 and 1,800 JPAs in the State of California as of 2005 (see page 27).

2. **CPPA establishment.** The CPPA was established in 1982. There are currently 32 member agencies of the CPPA, including the County of Calaveras, Calaveras County Water District, Calaveras Unified School District, Calaveras Public Utility District, Calaveras Council of Governments, Calaveras County Office of Education, Mark Twain Union Elementary School District, Mark Twain Health Care District, and City of Angels Camp (collectively, Member Agencies). The CPPA currently provides electricity to various local public facilities, including the county jail, the county government center, schools, hospitals, fire stations, and water and wastewater treatment plants. The New Courthouse will be located in the county government center.

<sup>1</sup> Gov. Code, § 6500 et seq.

3. **AOC eligibility.** The Joint Exercise of Powers Act permits two or more public agencies to create a JPA and to exercise jointly any powers common to them. Under the act, Government Code section 6500 contains a list of public agencies that may enter into joint powers agreements.<sup>2</sup> Although no judicial branch entities are listed specifically by name in this list of public agencies, the language of that section makes clear that the list is not exhaustive. The AOC is eligible for membership because:
- a. For purposes of the act, the AOC falls within the act’s definition of a “public agency.” The California Attorney General has issued an opinion interpreting the definition of “public agency” for purposes of Government Code section 6500 to include “governmental entities.”<sup>3</sup> The AOC is a governmental entity that is the staff agency to the Judicial Council, established by article VI, section 6 of the California Constitution. Although an opinion of the Attorney General is not binding legal authority, it represents persuasive authority that the AOC falls within the act’s definition of a “public agency.”
  - b. With respect to whether the AOC has powers in common with the Member Agencies regarding the activities of the CPPA, the Member Agencies formed the CPPA for the “purposes of acquiring electrical capacity and energy (hereinafter collectively called ‘power’) for its member agencies’ use.” The AOC is situated similarly to Member Agencies such as the Calaveras Unified School District and the Calaveras County Water District in that while both of those entities may not be authorized to buy and sell electricity to third parties as a public utility, those entities may contract for the transmission and distribution of power to their own respective places of use. Similarly, the AOC is responsible for providing power to trial court facilities.<sup>4</sup>

Although either the Judicial Council or the AOC could legally become the actual member of the CPPA, AOC membership makes sense because (1) the AOC is responsible for the day-to-day operations of the trial court facilities, and (2) the purpose of joining the CPPA is to provide electrical service to a trial court facility. However, because the JPA Agreement requires the adoption of a resolution by a governing body as a prerequisite to joining the CPPA, the Judicial Council would have to adopt a resolution, as the AOC’s governing body, authorizing the AOC to become a member of the CPPA.

Because the AOC’s jurisdiction extends beyond the boundaries of Calaveras County, the AOC will be considered a “nonlocal member,” or a Tier 2 member. However, the CPPA is

<sup>2</sup> Government Code section 6500 states that “‘public agency’ includes, but is not limited to, the federal government or any federal department or agency, this state, another state or any state department or agency, a county, county board of education, county superintendent of schools, city, public corporation, public district, regional transportation commission of this state or another state, a federally recognized Indian tribe, or any joint powers authority formed . . . by any of these agencies.”

<sup>3</sup> See 81 Ops.Cal.Atty.Gen. 213, 215 (1998).

<sup>4</sup> See Gov. Code, § 70392.

willing to enter into the Tier 1 Member Treatment Agreement that contractually extends the benefits of Tier 1 membership to the AOC because the County, a local public entity, will be paying some of the electrical costs for the New Courthouse under section 6.2 of the Transfer Agreement<sup>5</sup> for the Legal Building, dated May 31, 2007, between the County and the AOC.

As a prerequisite to the AOC's becoming a member of the CPPA, the Judicial Council must adopt a resolution authorizing the AOC to become a member of the CPPA and accepting the terms and conditions of the JPA Agreement. As part of the membership process, the AOC will submit a membership application to the CPPA. A copy of the JPA Agreement, the CPPA Rules and Regulations, and the Tier 1 Member Treatment Agreement are included with the resolution (Attachment A) as Exhibits B, C, and D, respectively.

### **Risks associated with joining the CPPA**

1. ***Debts, Liabilities, and Obligations.*** Government Code section 6508.1 provides that “the debts, liabilities, and obligations of [a joint powers] agency shall be debts, liabilities, and obligations of the parties to the agreement, unless the agreement specifies otherwise.” In this situation, the JPA Agreement provides that “[n]one of the debts, liabilities or obligations of CPPA shall be the debts, liabilities or obligations of any of the members of CPPA unless assumed in a particular case by resolution of the governing body of the member to be charged.” Accordingly, neither the AOC nor the Judicial Council will be responsible for the debts, liabilities, or obligations of the CPPA unless the Judicial Council later were to adopt a resolution in which the Judicial Council agrees to take on such debt, liability, or obligation of the JPA with respect to a particular case.
2. ***Service Availability.*** The JPA Agreement provides that in the event that the amount of power available from the CPPA is insufficient to meet all of its members' needs, local members will have a preference over nonlocal members. However, the Tier 1 Member Treatment Agreement contractually obligates the CPPA to treat the AOC similarly to the local members of the CPPA with respect to availability of power. The CPPA has informed the AOC that CPPA has a federal power entitlement of 54 million kilowatt-hours (kWh) and is currently using 30 million kWh to serve the load of its current Member Agencies. The CPPA obtains its electricity through the federal government. The CPPA's power comes from the Central Valley Project, which is a multipurpose federal reclamation project consisting of dams and several hydroelectric power plants and transmission lines in northern and central California. Statutes authorizing construction of the Trinity River and New Melones Dam projects require that 25 percent of the power from these projects go to the “first preference” of certain customers in the counties where these projects are located. Public entities such as the CPPA are beneficiaries of this stated purpose. The CPPA contracts with PG&E for the distribution of electricity through PG&E's distribution system. The CPPA believes that it has substantial power reserves for

<sup>5</sup> Under this agreement, the County of Calaveras transferred responsibility to the Judicial Council for the court facility commonly known as the Legal Building, located at 891 Mountain Ranch Road, San Andreas, California.

load growth. In addition, the CPPA has stated that if there were ever shortages, the CPPA would purchase additional power from the market.

3. **Rates.** Currently, the CPPA charges the same rates to both local members and nonlocal members (Tier 2 Members). However, the JPA Agreement authorizes the CPPA to adopt a two-tiered rate structure that could impose higher rates for nonlocal members. To protect the AOC against a possible two-tiered rate structure, the Tier 1 Member Treatment Agreement contractually obligates the CPPA to charge the AOC the same rates that it charges the local members of the CPPA, notwithstanding any two-tiered rate structure that the CPPA may adopt in the future.
4. **Special Assessments.** The JPA Agreement authorizes the CPPA to make special assessments on its members for the operations of the CPPA. The CPPA has informed the AOC that it has made no special assessments throughout the history of the CPPA and expects none in the near future. The CPPA has further stated that the purpose of special assessments in the future, if any, would be for large capital expense items required for infrastructure, but because the CPPA owns no actual facilities and instead contracts with PG&E for access to PG&E's distribution system, the CPPA does not currently anticipate any future special assessments.
5. **Withdrawal from the JPA.** If the member agency has not yet received power from the CPPA, the notice requirement for withdrawing from the CPPA is 90 days. The CPPA has informed the AOC that it may be unable to provide power to the AOC because it must obtain approval from PG&E before providing power to any new member. To address this PG&E approval requirement, the Tier 1 Member Treatment Agreement provides that the CPPA shall confirm in writing by June 1, 2013, that the CPPA can provide electrical service to the New Courthouse and that in the event that the CPPA is unable to confirm by that date that it can provide electrical service to the New Courthouse, the AOC may terminate the Tier 1 Member Treatment Agreement and withdraw from the CPPA upon 30 days' written notice, notwithstanding anything in the JPA Agreement to the contrary. In that case, any membership fees that the AOC provided to the CPPA would be returned to the AOC. If the member agency has received power from the CPPA, the notice requirement for withdrawing from the CPPA is 180 days. No risks, complications, or consequences are expected during the 180-day period between giving notice of withdrawal and the effective date of the withdrawal because the AOC would have completed negotiations with a new electricity provider before withdrawing from the CPPA.

### **Benefits of joining the CPPA**

Obtaining electricity from the CPPA reduces costs in two ways:

1. **One-time cost savings from design and construction.** Electricity rates from the CPPA do not include a time-of-use (TOU) component, whereas PG&E electric rates do include TOU

charges. The TOU charges effectively increase electricity rates during the summer. To offset this cost, if the AOC uses PG&E as the electrical provider, the New Courthouse project would include a Thermal Energy Storage (TES) system, which shifts air-conditioning load during the summer to nighttime, when electricity is cheaper. The TES system is expected to cost \$115,000; therefore, the savings to the project by joining the CPPA—and not using PG&E—would be \$115,000.

2. ***Ongoing costs savings from lower rates.*** The CPPA’s electric rates yield an estimated \$22,380 in yearly cost savings based on projected electricity consumption and current PG&E electricity rates, including benefits from TOU rates.

The combined savings over a 10-year period is approximately \$338,800. However, because the County Facilities Payment (i.e., the annual payment that the County provides the AOC in perpetuity as part of the transfer process) is set with a baseline of the first year’s cost of electricity use in the New Courthouse, the AOC will not realize all of these savings from reduced costs because a portion of the initial cost savings up to the baseline will inure to the County. Nevertheless, given that the AOC will be responsible for any increases in electricity costs over those of the baseline year, the AOC will still realize annual cost savings because the CPPA’s annual electricity rate increases have historically been less than those of PG&E.

A utility rate comparison worksheet is included as Attachment C.

### **Comments, Alternatives Considered, and Policy Implications**

Alternatives include having PG&E provide electricity to the New Courthouse. However, the cost implications are significant, and therefore this alternative is not recommended. PG&E could contest AOC membership in the CPPA because the CPPA uses PG&E’s distribution systems;<sup>6</sup> however, this likelihood is low because all other public buildings in Calaveras County use CPPA electricity, including the new county jail, adjacent to the New Courthouse. A timely decision on whether to join the CPPA is necessary so that if PG&E does object to the AOC’s membership in the CPPA, as discussed above, sufficient time will remain to install the TES system related to receiving power from PG&E rather than the CPPA.

### **Implementation Requirements, Costs, and Operational Impacts**

To become a member of the CPPA, the Judicial Council must complete three steps:

1. ***Adopt a resolution and submit a membership application.*** The Judicial Council must adopt a resolution authorizing the AOC to become a member of the CPPA and authorize the Administrative Director of the Courts to execute the CPPA Amended Joint Powers

<sup>6</sup> To obtain electricity, the CPPA has entered into a Contract for Full Requirements Electric Service with the Department of Energy, Western Area Power Administration, through December 31, 2024. Under a contract with PG&E, the CPPA uses PG&E’s distribution system to transmit the purchased electricity to its member agencies.

Agreement. In addition, the AOC will submit a membership application to the CPPA, which is attached to the resolution as Exhibit E.

2. **Pay fees.** The Judicial Council will be required to pay a one-time membership fee of \$0.005 per kWh of projected electricity use for the New Courthouse. Based on an estimate from the AOC's engineers, the New Courthouse will likely use 400,000 kWh per year, which equates to a one-time membership fee of \$2,000. The JPA Agreement provides that CPPA may charge new members a proportionate share for reserve funds. However, the CPPA has notified the AOC that because of the CPPA's current reserve fund balance, the CPPA will *not* be charging the AOC a proportionate share for reserve funds; consequently, the Tier 1 Member Treatment Agreement confirms that the CPPA will not be charging the AOC a proportionate share for reserve funds as part of the AOC's becoming a member of the CPPA. According to the CPPA, the CPPA's final budget for fiscal year 2012–2013 is \$1.9 million, and the CPPA has reserves in excess of \$3 million and no debt.
3. **Appoint a representative to the CPPA.** The Judicial Council would need to delegate to the Administrative Director of the Courts, or his designee, the authority to (a) appoint an AOC representative to the CPPA for purposes relating to communications and voting for members of the CPPA's board of directors and any other applicable purpose relating to relations between the CPPA and the AOC; and (b) appoint, if necessary, an AOC representative to serve on the board of directors of the CPPA.

### **Attachments**

1. Attachment A: Resolution and associated exhibits
2. Attachment B: *Governments Working Together: A Citizen's Guide to Joint Powers Agreements*
3. Attachment C: Electric Rate Comparison Sheet





**RESOLUTION OF THE JUDICIAL COUNCIL OF  
CALIFORNIA APPROVING MEMBERSHIP OF  
THE ADMINISTRATIVE OFFICE OF THE COURTS IN THE  
CALAVERAS PUBLIC POWER AGENCY (CPPA)**

WHEREAS, on May 31, 2007, pursuant to The Trial Court Facilities Act of 2002, the County of Calaveras (County) and the Judicial Council of California through the Administrative Office of the Courts entered into a transfer agreement (Transfer Agreement) in which the County transferred responsibility to the Judicial Council of California for the court facility commonly known as the Legal Building (Legal Building Courthouse) that is located at 891 Mountain Ranch Road, San Andreas, California.

WHEREAS, pursuant to Government Code section 70374, the State of California, acting by and through the Judicial Council of California (Judicial Council), has acquired real property (Real Property) for a new court facility to be located in San Andreas, County of Calaveras (New San Andreas Courthouse). A legal description of the Real Property is attached hereto as Exhibit "A."

WHEREAS, the Judicial Council, through the Administrative Office of the Courts (AOC), is constructing the New San Andreas Courthouse upon the Real Property, and upon completion of the New San Andreas Courthouse, the court operations located at the Legal Building Courthouse will be relocated to the New San Andreas Courthouse.

WHEREAS, pursuant to Government Code section 70392, the AOC has the responsibilities and authority, in addition to other responsibilities and authority granted by law or delegated by the Judicial Council, to provide the ongoing oversight, management, operation, and maintenance of facilities used by the trial courts.

WHEREAS, the Calaveras Public Power Agency (CPPA) is a joint powers agency that was formed pursuant to Government Code section 6500 et seq., and which provides electrical energy to its member agencies at attractive rates.

WHEREAS, the CPPA is governed by (i) the Calaveras Public Power Agency Amended Joint Powers Agreement (CPPA JPA) attached hereto as Exhibit "B"; and (ii) the Rules and Regulations for Calaveras Public Power Agency Members (Rules and Regulations) attached hereto as Exhibit "C."

WHEREAS, pursuant to the CPPA JPA, the CPPA categorizes its members into two groups: 1) Tier 1 members, which generally consist of public entities whose jurisdiction is

wholly located within the County of Calaveras (Tier 1 Members), and 2) Tier 2 members, which generally consist of non-local governmental entities (Tier 2 Members). The CPPA provides certain benefits to the Tier 1 Members as set forth in the CPPA JPA and the Rules and Regulations that are not normally available to Tier 2 members.

WHEREAS, the CPPA is willing to (i) admit the AOC as a Tier 2 Member of the CPPA; and (ii) provide electrical energy to the New San Andreas Courthouse pursuant to: (a) the CPPA JPA; (b) the Rules and Regulations; and (c) an Agreement between the AOC and the CPPA Regarding Tier 1 Member Treatment substantially in the form attached hereto as Exhibit "D" (Tier 1 Member Treatment Agreement).

WHEREAS, the CPPA is willing to enter into the Tier 1 Member Treatment Agreement, which extends some benefits of Tier 1 Members to the AOC because the County, a local public entity, will be paying all or most of the electrical costs for the New San Andreas Courthouse pursuant to Section 6.2 of the Transfer Agreement.

WHEREAS, the AOC desires to become a Tier 2 Member of the CCPA and obtain electrical energy from the CPPA for the New San Andreas Courthouse pursuant to (i) the CPPA JPA; and (ii) the Rules and Regulations; and (iii) the Tier 1 Member Treatment Agreement substantially in the form attached hereto as Exhibit "D."

**NOW, THEREFORE**, be it resolved that:

**Section 1.** Authorization of Tier 1 Member Treatment Agreement. The Judicial Council authorizes the Administrative Director of the Courts, or his designee, to execute the Tier 1 Member Treatment Agreement in substantially the form attached to this Resolution as Exhibit "D."

**Section 2.** Authorization of CPPA JPA and Membership in CPPA. The Judicial Council authorizes the AOC's membership in the CPPA as a Tier 2 Member, and authorizes the Administrative Director of the Courts, or his designee, to execute the CPPA JPA and complete and submit to the CPPA the membership application, which is attached to this Resolution as Exhibit "E."

**Section 3.** Payment of Membership Dues. Pursuant to section IV. A of the CPPA JPA, the Judicial Council authorizes the payment by the AOC of membership dues to the CPPA in an amount not to exceed \$2,000 (Membership Dues).

**Section 4.** No Payment of Reserve Funds. The Judicial Council's authorizations in Sections 1 through 3 above are conditioned upon the CPPA's previous representation that neither the AOC nor the Judicial Council will be required to pay any reserve funds under Section IV. C of the CPPA Agreement at the time of the AOC becoming a member of the CPPA. If the CPPA requests any reserve funds to be

paid in conjunction with the AOC becoming a member of the CPPA, the Judicial Council's authorizations in Section 1 through 3 above are rescinded effective as of the date of this resolution and any Membership Dues paid by the AOC shall be returned to the AOC. This section is not intended to impact Article VIII of the Rules and Regulations, which shall remain enforceable with respect to the AOC as a member of the CPPA.

**Section 5.** Confirmation of Service. The Judicial Council's authorizations in Sections 2 and 3 above are conditioned upon the CPPA confirming in writing by June 1, 2013, that the CPPA has obtained all approvals from third parties (e.g., Department of Energy, Western Area Power Administration, California Independent System Operator, and the Pacific Gas and Electric Company) that are necessary in order for the CPPA to provide service to the AOC for the New San Andreas Courthouse (Confirmation of Service). In the event that the CPPA is unable to provide the Confirmation of Service by June 1, 2013, unless the AOC provides notice to the contrary by June 10, 2013, the Judicial Council's authorization in Sections 2 and 3 above are rescinded effective as of the date of this resolution and any Membership Dues paid by the AOC shall be returned to the AOC.

**Section 6.** Additional Condition. The Judicial Council's authorizations in Sections 2 and 3 above are conditioned upon the CPPA executing the Tier 1 Member Treatment Agreement within ten (10) days after the CPPA approves the AOC's membership in the CPPA. In the event that the CPPA fails to execute the Tier 1 Member Treatment Agreement within ten (10) days after it approves the AOC's membership in the CPPA, unless the AOC provides notice to the contrary within fifteen (15) days of the expiration of that time period, the Judicial Council's authorizations in Sections 2 and 3 above are rescinded effective as of the date of this resolution and any Membership Dues paid by the AOC shall be returned to the AOC.

**Section 7.** Voting and Appointment to the Board of CPPA. The Judicial Council delegates to the Administrative Director of the Courts, or his designee, the authority to (i) appoint an AOC representative to the CPPA for purposes relating to communications and voting for members of the CPPA's Board of Directors pursuant to section III.A of the CPPA JPA, and any other applicable purpose relating to relations between the CPPA and the AOC; (ii) appoint, if necessary, an AOC representative to serve on the Board of Directors of the CPPA; and (iii) execute any necessary documents relating to the AOC's membership in the CPPA.

**IN WITNESS WHEREOF**, this resolution was approved and adopted by the Judicial Council of California this \_\_\_\_\_ of \_\_\_\_\_, 2013.

AYES: \_\_\_\_\_

NAYS: \_\_\_\_\_

ABSENT: \_\_\_\_\_

**Chair, Judicial Council of California**

\_\_\_\_\_  
Tani G. Cantil-Sakauye  
Chief Justice of California

**Secretary, Judicial Council of California**

\_\_\_\_\_  
Hon. Steven Jahr  
Administrative Director of the Courts

Exhibit "A"

Legal Description of the Real Property

**EXHIBIT 'A'**

#8402.001

**LEGAL DESCRIPTION  
FOR A  
GRANT DEED**

A portion Parcel 1 and 2 as shown on a Parcel Map recorded in Book 10 of Parcel Maps, at Page 61, Calaveras County Records, situated in the southeast quarter of Section 17 and the southwest quarter of Section 16, Township 4 North, Range 12 East, Mount Diablo Base and Meridian, in the County of Calaveras, State of California, described as follows:

COMMENCING at a point which is the southwest corner of said Parcel 2; thence along the south boundary line of said Parcel 2, North 88° 31' 07" East, a distance of 408.69 feet to the TRUE POINT OF BEGINNING; thence leaving said south boundary line and proceeding through said Parcel 2, North 00° 00' 00" East, a distance of 600.16 feet to a point of intersection with the north boundary line of said Parcel 2, said point also being on the south boundary line of Parcel 1 of said Parcel Map; thence continuing into said Parcel 1, along the following courses:

North 00° 00' 00" East, a distance of 123.96 feet;

North 90° 00' 00" East, a distance of 400.00 feet;

South 00° 00' 00" East, a distance of 121.12 feet to a point of intersection with the south boundary line of said Parcel 1, said point also being the north line of said Parcel 2; thence through said Parcel 2, along the following courses:

South 00° 00' 00" East, a distance of 245.88 feet;

South 25° 00' 00" East, a distance of 100.00 feet;

South 00° 00' 00" East, a distance of 265.00 feet to a point of intersection with the south boundary line of said Parcel 2; thence along said south boundary line, North 87° 24' 16" West, a distance of 139.98 feet; thence continuing,

South 88° 31' 07" West, a distance of 302.53 feet to the TRUE POINT OF BEGINNING.

Containing 300,989 square feet or 6.91 acres, more or less.

*See Exhibit "A-1", plat to accompany description, attached hereto and made a part hereof.*

Basis of Bearings for this description is the south boundary line of a Record of Survey recorded in Book 10 of Records of Survey, at Page 48, in said County. Said line is taken to bear North 88° 31' 07" East.

February 4, 2009

END OF DESCRIPTION

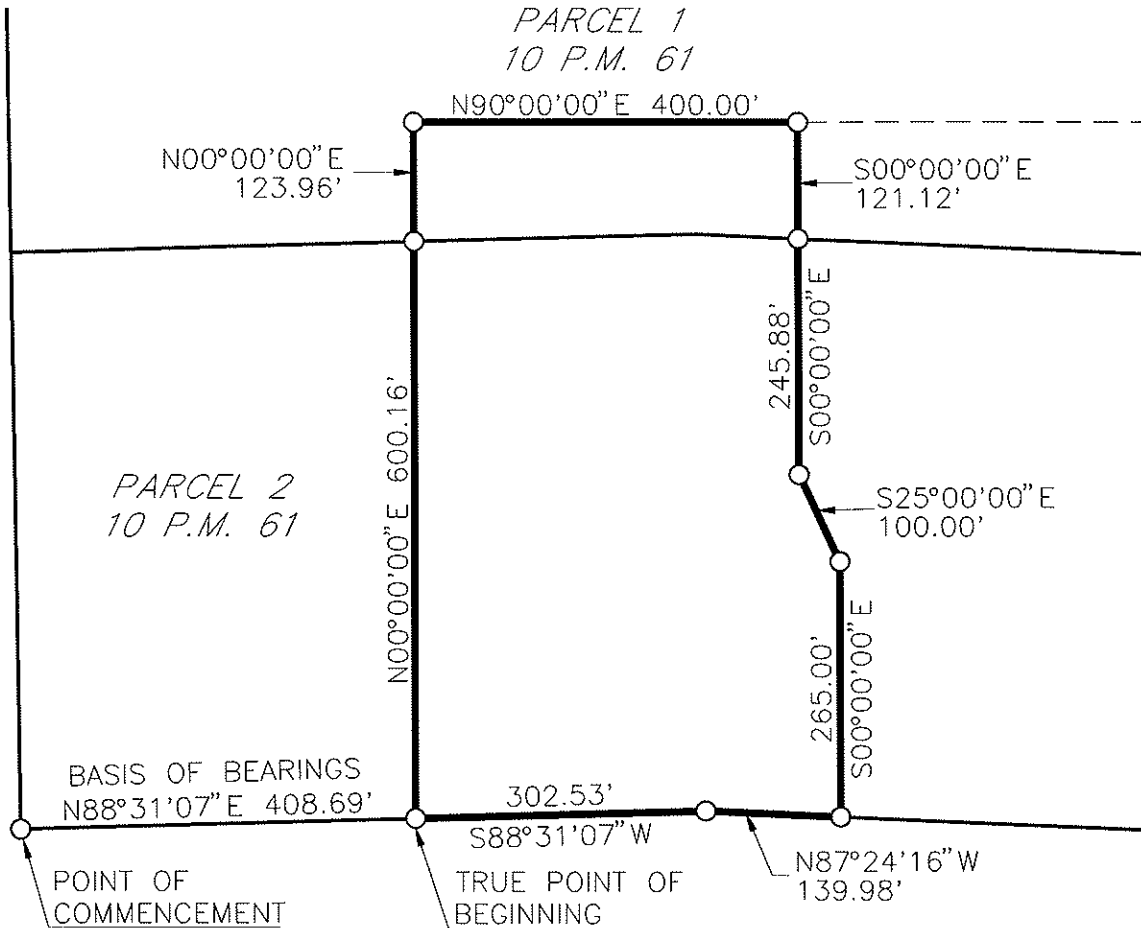
PREPARED BY WOOD RODGERS, INC.  
SACRAMENTO, CALIFORNIA



**EXHIBIT A-1**

PLAT TO ACCOMPANY  
DESCRIPTION

CALAVERAS COUNTY  
GRANT DEED  
PORTION OF PARCEL 1&2 - 10 P.M. 61  
CALAVERAS COUNTY STATE OF CALIFORNIA



2/4/09



SEE DESCRIPTION FOR  
COURSE INFORMATION

SCALE: 1"=200'

**WOOD RODGERS**  
ENGINEERING • MAPPING • PLANNING • SURVEYING

3301 C St., Bldg. 100-B Tel 916.341.7760  
Sacramento, CA 95816 Fax 916.341.7767

Exhibit "B"

JPA AGREEMENT



CALAVERAS PUBLIC POWER AGENCY  
*Amended*  
JOINT POWERS AGREEMENT

This agreement made and entered into by and between the public agencies within Calaveras County, California, who become signatories hereto, witnesseth:

Whereas, Public Law 87-874, enacted in 1962 by the U.S. Congress provided that 25 percent of the power generation produced at the New Melones Dam be offered for sale to preference customers located within Calaveras and Tuolumne Counties; and

Whereas, the Calaveras Public Power Agency (CPPA) was formed in 1982 to make use of the New Melones entitlement; and

Whereas, Title I, Division 7, Chapter 5 of the Government Code of the State of California authorizes the joint exercise by agreement of two or more public agencies of any power common to them; and

Whereas, the parties hereto desire to exercise powers common to them to, among other things, purchase and provide electrical services for their own use and for the benefit of other end-use electric customers within the County; and

Whereas, the State of California has enacted Assembly Bill 1890, Assembly Bill 117 and subsequent bills restructuring the electric industry in the State to provide for additional providers of electrical service including such programs as Community Choice Aggregation and Direct Access.

Now, therefore, in consideration of the mutual terms, covenants and conditions herein agreed, the parties hereto agree as follows:

1. PURPOSE OF AGREEMENT

It is the purpose of this agreement to establish a separate agency to be known as the CALAVERAS PUBLIC POWER AGENCY (CPPA) for the purposes of (1) acquiring electrical capacity and energy (hereinafter collectively called "power") for its member agencies' use and for other end-use electric customers within the County, (2) obtaining services for the delivery of such power to end-use electric customers, (3) conducting studies relating to the acquisition, use, and efficient use of power supplies, and (4) exercising all other powers necessary and incidental to accomplishing the purposes set forth herein.

II. POWERS OF AGENCY

A. Power of Members Separately

CPPA shall have the power to do all things necessary, beneficial and convenient to the exercise of its powers for such purposes that each of the members could do separately, and all

other acts authorized by the Joint Exercise of Powers Act and any other laws of the State of California or of the United States of America.

B. Restrictions on Powers

To comply with the provisions of Section 6509 of the California Government Code, the manner of exercising any power is subject only to the restrictions upon the manner of exercising such powers as are imposed upon the City of Angels Camp on the exercise of similar powers.

C. Contracted Liability

CPPA is a public entity separate from its members, and its members are not liable for the debts, liabilities or obligations of CPPA except to the extent that they may contract with CPPA to be liable therefore.

D. General Powers

CPPA shall have the power, in its own name, to make and enter into contracts; to employ agents and employees; to acquire, hold and dispose of property; and to incur debts, liabilities or obligations necessary for the accomplishment of the purposes of this agreement. CPPA shall have all powers common to member agencies, including powers set forth elsewhere in this agreement. Without limiting the generality of the foregoing, CPPA shall have the power (a) to establish and operate a program for the acquisition and delivery of power under the terms of that certain "Agreement Relating to Service to Calaveras Public Power Agency and Tuolumne Public Power Agency Under Western-PG&E Wholesale Distribution Tariff Service Agreement," or any successor or replacement agreement (Appendix B) and (b) establish and operate a program(s) for the acquisition and delivery of power (i) as a public agency under Public Utilities Code Section 218.3(b) pursuant to California's Direct Access program and (ii) for a Community Choice Aggregator under Public Utilities Code Section 331.1 pursuant to California's Community Choice Aggregation program. At the discretion of the Board of Directors, CPPA may jointly or separately operate the above-described programs, in whole or part.

### III. ORGANIZATION OF AGENCY

There is hereby established pursuant to Government Code Sections 6500 et seq. the Calaveras Public Power Agency, which is comprised of the agencies signatory hereto.

A. Board of Directors. CPPA shall be governed by a seven member Board of Directors.

The Board shall consist of one representative from each of the following agencies: County of Calaveras, Calaveras County Water District, Calaveras Unified School District, Calaveras Public Utility District, and City of Angels. The governing body of each of the aforementioned entities shall appoint its representative to serve on the Board of Directors and such representative shall serve at the pleasure of his/her governing body. If any of the aforementioned agencies withdraw from membership of CPPA, the vacant director position shall be nominated and elected to a four-year term by a majority of the remaining CPPA member agencies.

The remaining two directors shall be nominated and elected by a majority of the remaining CPPA member agencies. These two members shall serve four-year terms. One term shall begin in July of 2004 and the other term shall begin in January of 2005. No CPPA member agency may have more than one representative on the CPPA Board of Directors at one time. This requirement shall also apply to any joint powers agency that is a member of CPPA and itself is comprised of other members of CPPA.

All Directors shall serve without compensation. The member agency may be compensated for the Director's mileage to CPPA meetings based upon the U.S. Internal Revenue Services' mileage allowances.

B. Officers. The Board shall elect a Chair and a Vice Chair. The chairperson shall preside at meetings of the Board and, in his/her absence, the Vice Chair shall preside. The Chair and Vice Chair shall serve at the pleasure of the Board of Directors.

C. Board Meetings. The Board of Directors shall fix the time and place for its meetings and shall hold at least one annual meeting. Special meetings may be called from time to time by the Chair or, in his/her absence, the Vice Chair, by delivering a written notice of the meeting personally or by mail to each director at least forty-eight (48) hours before the time of the special meeting. The call and notice shall specify the time and place of the meeting and the business to be transacted. Business other than as specified in the notice may be considered at the special meeting only upon consent of a majority of the directors present.

No business may be transacted without a quorum of the members of the Board being present. A quorum shall consist of four or more members and at least four affirmative votes *shall* be required to transact business.

D. Board of Directors - Powers and Duties. The Board of Directors is empowered to exercise all of the powers of CPPA in the manner provided in this agreement and under law, including, but not limited to, negotiating and entering into contracts for the purchase, transmission, and distribution of power (including short term and long term power service agreements with its member agencies and other end-use customers); adopting electric rate schedules; preparing an annual budget for CPPA and distributing a copy of it to each member agency; reviewing charges for power at least annually; making and adopting rules and regulations for the operation of CPPA and performing any other matters necessary for or incidental to accomplishing the purposes of this agreement.

E. Treasurer. The Treasurer of the County of Calaveras shall serve as the treasurer of CPPA and shall be the depository and have custody of all of the money from CPPA from whatever source and shall serve on his/her official bond. The Treasurer shall be responsible for strict accounting responsibilities as outlined under Sections 6505 and 6505.5 of the Government Code.

F. Controller. The Auditor/Controller of the County of Calaveras shall serve as the controller of CPPA and shall draw warrants to pay demands against CPPA as authorized by the Board of Directors. The Auditor/Controller shall serve on his/her official bond.

#### IV. MEMBERSHIP

A. Members - Qualifications. Any purchaser and user of power which (1) is considered a public agency pursuant to Section 6500 of the Government Code of the State of California may be a member of the CPPA. All members whose jurisdiction is wholly located within the County of Calaveras shall be henceforth recognized as Tier 1 members. All public entities listed in Exhibit A are deemed Tier 1 members. All other members that operate for the public benefit within Calaveras County but may have other locations outside the County shall be recognized as Tier 2 members (for example, State and Federal agencies). Each member agency shall have one vote when electing representatives of the Board of Directors and making amendments to this agreement provided, however, that members representing the State of California and the United States government collectively shall only have one vote for the State and one vote for the U.S. government. In the event that there are multiple member agencies representing the State and /or the U.S. government, the agency that had the highest dollar volume of energy purchases from CPPA in the prior fiscal year shall be entitled to cast the vote for the applicable group of member agencies.

In the event that the amount of power available from CPPA is not sufficient to meet all of its members needs, local members shall have preference for power over non-local members.

To become a member of CPPA, the governing body of each such agency shall adopt a resolution authorizing membership in CPPA and approving this agreement and pay "membership dues" as adopted by the CPPA Board of Directors.

B. Effective Date. This agreement shall become effective upon the approval of two-thirds of all of the members agencies, and shall be signed by an authorized officer of each agency which has adopted a resolution as described above.

C. Members Joining After Effective Date. If the governing body of any public agency desires to become a member of CPPA after the effective date of this Agreement, it may do so by adopting a resolution authorizing membership and approving this agreement and by paying to CPPA a proportional share of reserve funds as the CPPA Board of Directors may require. Upon approval by the CPPA Board of Directors, the public agency shall become a member.

The Board of Directors, in its sole discretion, may refuse to allow new Tier 2 members to join this joint powers agreement.

D. Withdrawal From CPPA. Any agency wishing to withdraw from membership to CPPA prior to receiving power may do so by delivering to the Chair of the Board of Directors a 90-day written notice of intention to withdraw. Any agency wishing to withdraw from membership to CPPA after receiving power may do so by delivering to the Chair of the Board of Directors a 180 day written notice of intention to withdraw. Any agency submitting a notice to withdraw from membership to CPPA after receiving power and then wishing to withdraw such notice shall submit a letter to the CPPA Board of Directors at least 90 days in advance of the pending withdrawal. Such withdrawals by and as to any party shall not terminate this agreement

as to the remaining members. Prior to withdrawal, the member agency seeking withdrawal shall pay all charges due to CPPA.

E. Members Responsibility. All members shall abide by all applicable laws, rules and regulations of the State of California and the Federal government with regard to power received through CPPA.

F. Priority. In the event that the amount of power available from the New Melones entitlement is not sufficient to meet all of its customers' needs, the following priority is established for such power (or for rate preferences reflecting such power): (1) Tier 1 members, (2) Tier 2 members, (3) other end-use customers. If power needs to be withdrawn from customers it will first be withdrawn from the last customers served with power.

## V. AMENDMENTS TO AGREEMENT

This agreement may be amended by a two-thirds vote of all of the member agencies hereto.

## VI. CHARGES AND ASSESSMENTS

A. Power. The Board of Directors shall establish charges for power used by member agencies and any end-use customers served under Direct Access or Community Choice Aggregation programs operated by CPPA. Without limiting the generality of the foregoing and the discretion accorded governing boards under California law to establish charges for power on such basis as the governing board shall reasonably determine (1) said charges shall include the cost of power, transmission and distribution, overhead, administrative expenses, meter fees, application fees, ~~and~~ other fees and expenses, and an amount calculated to establish a reasonable working reserve for operations and capital improvements and (2) the Board of Directors may establish different charges for Tier 1 and Tier 2 members.

B. General. The Board of Directors may make such special assessments of its members as it deems necessary for the operations of CPPA.

C. Billings. The CPPA shall bill each member agency for power used based upon the charges established by the Board of Directors. The Board shall promulgate rules and regulations for prompt payment of bills and may assess a penalty and may terminate service for nonpayment.

D. Advances. Upon request of the Board of Directors, any member may make advance payments to CPPA for any of the purposes set forth herein.

E. Accountability For Funds. CPPA shall be strictly accountable for all CPPA funds and shall make a written annual report to all members of all receipts and disbursements in accordance with sound accounting practices and the requirements of the Joint Exercise of Powers Act.

## VII. RESOLUTION OF DISPUTES

A. Impasse. If the parties to this agreement are unable to reach agreement with respect to a matter herein specified to be approved, established, determined, or resolved by agreement of the parties, a party may call for submission of such matter or dispute to arbitration in the manner herein set forth, which call shall be binding upon the other parties to the dispute. The Board of Directors shall continue to do all things and make all expenditures necessary in carrying out all duties and responsibilities provided for in this Agreement pending the final decision of the arbitrator.

B. Arbitration Notice Requirement. Any party aggrieved has the right to request arbitration upon 30 days notice after declaration of impasse, at which time all interested parties shall then proceed to arbitration selection. Arbitration briefs shall be prepared if requested by the arbitrator selected and in the manner so requested.

C. Selection of Arbitrator. Within ten days following the submission of request for arbitration, the Parties shall meet for the purpose of selecting one arbitrator. In the event the parties shall fail to select such arbitrator as herein provided, then they shall request the American Arbitration Association (or a similar organization if the American Arbitration Association should not at that time exist) to provide a list of arbitrators, the number of which shall be one more than there are sides to the dispute. The arbitrator selected above, if any, and all arbitrators on such list shall be available to serve and shall be skilled and experienced in the field which gives rise to the dispute and no person shall be eligible for appointment as an arbitrator who is an officer, employee or shareholder of any of the parties to the dispute or is otherwise interested in the matter to be arbitrated. Within thirty days after the date of receipt of such list, the parties shall take turns striking names from said list. The last name remaining on said list shall be the selected arbitrator. Within ten days after such selection, the parties shall submit to such arbitrator the written notices prepared pursuant to Section B. hereof.

D. Governed Arbitration. Except as otherwise provided in this section VII, the arbitration shall be governed by the rules of the American Arbitration Association (or a similar organization if the American Arbitration Association should not at that time exist) from time to time in force, except that, if such rules and practices as herein modified shall conflict with the laws of the State of California then in force, such laws shall govern. Arbitration (and the Arbitrator) shall be governed under the laws of the State of California. This submission and agreement to arbitrate shall be specifically enforceable. The findings, decision and award of the arbitrator upon any question submitted to it hereunder shall be final and binding upon the parties to the extent and in the manner provided by the laws of the State of California.

E. The Right to Arbitrate. Included in the issues which may be submitted to arbitration pursuant to this section is the issue of whether the right to arbitrate a particular dispute is permitted under this agreement.

F. Arbitrator's Request For Additional Information. The arbitrator shall hear evidence submitted by the parties and may call for additional information. Such additional information

shall be furnished by the party or parties having such information. The arbitrator shall have no authority to call for additional information or determine issues not included in the submittal statement.

G. Arbitrator's Award. The award of the arbitrator shall contain findings with respect to the issues involved in the dispute, including the merits of the respective positions of the parties, the materiality of any default and the remedy or relief which shall be required to resolve the dispute. The arbitrator may not grant any remedy or relief which is inconsistent with this agreement. The arbitrator shall also specify the time within which the party shall comply with the arbitrator's award. In no event shall the award of the arbitrator contain findings on issues not contained in, or grant a remedy beyond that sought.

H. Arbitrator's Award Regarding Default. If the arbitrator determines that a default exists, the award of the arbitrator shall contain findings relative to the period within which the defaulting party must remedy the default (or commence remedial action), and the remedies which may be exercised by the non-defaulting parties in the event the default is not remedied within such period.

I. Arbitration Fees and Expenses. The fees and expenses of the arbitrator shall be shared equally among the parties involved in the arbitration, unless the decision of the arbitrator shall specify some other apportionment of such fees and expenses. All other expenses and costs of the arbitration shall be borne by the party incurring the same.

## VIII. GENERAL PROVISIONS

A. Assumption of Debts. None of the debts, liabilities or obligations of CPPA shall be the debts, liabilities or obligations of any of the members of CPPA unless assumed in a particular case by resolution of the governing body of the member to be charged.

B. Dissolution - Property. Any property acquired by the CPPA shall remain the property of the CPPA until dissolution of the CPPA as a legal entity. Upon such dissolution said property, whether real or personal, shall be divided among and distributed to all of the parties who at any time during the existence of CPPA were parties to this agreement in proportion to the nonreimbursable contributions made by each such party to the CPPA during its legal existence.

C. Dissolution - Surplus Money. Any surplus money on hand upon dissolution of CPPA shall be returned to participating public agencies in proportion to the contributions made by each thereof.

D. Insurance. The Board of Directors of CPPA shall procure public liability and other insurance to protect the CPPA and each of the parties hereto, charging the cost thereof to the operating costs of the CPPA. The Board shall take no other formal action until insurance has been procured.

E. Immunities. All of the privileges and immunities from liabilities, exemptions from laws, ordinances and rules, all pension, relief, disability, worker's compensation, and other

benefits which apply to the activity of officers', agents or employees of any such public agency when performing their respective functions within the territorial limits of their respective public agencies, shall apply to them in the same degree and extent while engaged in the performance of any of their functions or duties extraterritorially under the provisions of Article 1 of Chapter 5, Division 7 of Title 1 of the Government Code of the State of California and as provided by law.

F. Severability. It is hereby declared to be the intention of the signatories to this agreement that the paragraphs, sentences, clauses and phrases of this agreement are severable, and if any phrase, clause, sentence, paragraph or article of this agreement shall be declared unconstitutional or invalid for any reason by the valid judgment or decree of a Court of competent jurisdiction, such unconstitutionality or invalidity shall not affect any of the remaining paragraphs, clauses, phrases, sentences and articles of this agreement.

Effective Date:



## **Exhibit A**

### **Tier 1 Member Agencies**

39th District Agricultural Association  
Altaville-Melones Fire Protection District  
Bret Harte Union High School District  
Calaveras Council of Governments  
Calaveras County Office of Education  
Calaveras County Water District  
Calaveras Public Utility District  
Calaveras Unified School District  
Central Calaveras Fire and Rescue Protection District  
City of Angels  
County of Calaveras  
Ebbetts Pass Fire Protection District  
Ebbetts Pass Veterans Memorial District  
Foothill Fire Protection District  
Jenny Lind Fire Protection District  
Jenny Lind Veterans Memorial District  
Mark Twain Health Care District  
Mark Twain Union Elementary School District  
Mokelumne Hill Fire Protection District  
Mokelumne Hill Sanitary District  
Mokelumne Hill Veterans Memorial District  
Murphys Fire Protection District  
Murphys Sanitary District  
San Andreas Fire Protection District  
San Andreas Recreation & Parks District  
San Andreas Sanitary District  
Union Public Utility District  
Utica Power Authority  
Vallecito Union School District  
Valley Springs Public Utility District  
Wallace Community Services District  
West Point Fire Protection District

Exhibit "C"

Rules and Regulations

**RULES & REGULATIONS**  
**FOR**  
**CALAVERAS PUBLIC POWER AGENCY**  
**MEMBERS**

January 2013

Calaveras Public Power Agency (CPPA)

Mailing Address:

Government Center, San Andreas, CA 95249

(209) 293-7211

Email: [dda@volcano.net](mailto:dda@volcano.net)

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X.METER READING

APPLICATION FORMS ENCLOSED

## **I. INTRODUCTION**

These Rules and Regulations have been prepared so CPPA and its member agencies comply with the provisions of the CPPA Joint-Powers-Agreement and so CPPA can comply with contractual requirements that are contained within (1) the Western Area Power Administration (Western) Electric Service Contract and related agreements, and (2) Agreement Relating to Service To Calaveras Public Power Agency under Western-Pacific Gas and Electric (PGandE) Company Wholesale Distribution Tariff Service Agreement.

## **II. CPPA Representatives**

Each Tier 1 member agency shall appoint a representative to CPPA. Tier 2 member agencies shall have one representative representing the State, U.S. government, or other Tier 2 organization. The agency that had the highest dollar volume of energy purchases from CPPA in the prior fiscal year shall be the representative for that particular group of agencies. The representative will receive correspondence from CPPA such as meeting agendas, meeting minutes, rate information, demand-side management programs and other information. It is the responsibility of the representative to report this information to its member agency staff and/or Board of Directors as applicable.

Each member agency shall provide CPPA the name, mailing address, telephone, fax, and email address of its representative. The member agency shall advise CPPA of any changes made to its representative and contact information.

## **III. ELIGIBLE ELECTRICAL ACCOUNTS**

New electrical accounts served by CPPA shall be accounts that comply with the following criteria:

1. The electrical load is located wholly within Calaveras County.
2. The electrical load is wholly owned, operated and maintained by a local public preference agency.
3. There is regular or seasonal use of power.
4. The electrical account has a connected load of 5 kilowatts or greater or uses 20,000 kWh or more per year.

## **IV. ADDING NEW ELECTRICAL ACCOUNTS**

(See enclosed Application Form)

A completed application form must be submitted to CPPA at least 4 months prior to transferring an existing PGandE account to CPPA power service.

A completed application form must be submitted to CPPA at least 12 months prior to adding new accounts that involve electrical construction.

CPPA will respond in writing within 30 days of receipt of the application.

## **V. MODIFYING OR DELETING EXISTING ELECTRICAL ACCOUNTS**

(See enclosed Application Form)

A completed application form must be submitted to CPPA at least one month prior to termination of an electrical account.

A completed application form must be submitted to CPPA at least 12 months prior to a desired modification (for example service upgrade) of an electrical account and adding additional load.

CPPA will respond in writing within 30 days of receipt of the application.

## **VI. ELECTRIC CONSTRUCTION**

The establishment of electric service to a member agency's point of delivery may involve engineering studies and electrical construction. The costs associated with the studies and construction will be charged to CPPA, however, the member agency will be responsible for paying these costs.

CPPA will request from PG&E (or a third party as applicable) a cost estimate for electrical improvements.

## **VII. BILLING PROCEDURES**

CPPA will bill member agencies once a month for power used. Payment from member agencies to CPPA should be made promptly so CPPA will be able to meet its financial obligations to Western, the California Independent System Operator (ISO) and PGandE. Payment must be made 45 days from the billing date on the bill to avoid a penalty. The payment must be addressed to and received by the County Treasurer's Office by the due date on the bill. Post-marks will not be accepted as the date of payment.

### **PENALTY**

If an unpaid balance occurs after the 45-day payment period, the unpaid balance will be subjected to a 5 percent penalty compounded monthly and reflected in the next billing. The penalty must be paid by the due date shown on the bill.

### **BILLING DISPUTE**

If a billing is questioned, the member agency shall immediately contact CPPA's General Manager in attempt to resolve the billing dispute. If the billing dispute cannot be resolved by this means, then the member agency shall make payment to CPPA as billed

but under protest. The dispute shall then be resolved by the CPPA Board of Directors or as provided for in Section VII of the CPPA Joint-Powers-Agreement.

#### FAILURE TO PAY

The failure of a member agency to adhere to the billing procedures or failure to make payment may result in that member being expelled from CPPA.

### **VIII. RESERVE AND GRANT FUNDS**

Initial membership dues were submitted by each member agency to be used for formation expenses. There was a surplus of dues after CPPA's formation. This surplus plus fiscal year-end surpluses were authorized by CPPA Board action to be used for a reserve fund.

#### MEMBERSHIP DUES

New members joining CPPA shall pay a one-time membership dues in the amount of \$0.005 per kWh of its estimated annual energy use.

#### RESERVE FUND

Contractual commitments with Western and PGandE require CPPA to make payment within 30 days of the first of the month. However, payments from member agencies to CPPA are due 45 days from the billing. Therefore, an operating reserve fund has been established in order for CPPA to maintain a positive cash flow. CPPA also has a reserve fund for rate stabilization to minimize potential rate increases associated with power, transmission and distribution costs.

These rate stabilization funds are only for the benefit of Tier 1 members.

#### ENERGY CONSERVATION LOAN FUND

A requirement of CPPA's Power Service Contract with Western is to have an on-going energy conservation program. As part of CPPA's program, low-interest loans and grants are available to member agencies to undertake energy conservation activities.

### **IX. MAINTENANCE OF EQUIPMENT AND DISRUPTION OF POWER SERVICE**

PG&E is responsible for maintaining distribution points of delivery. Contact your local PGandE office if there is a problem with malfunctioning equipment or a disruption of power service.

## **X. METER READING**

PG&E provides meter reading services to CPPA via its SmartMeter network system. Meters that cannot be read remotely are either read by CPPA or with the assistance of the member agency.

Member agencies are responsible for maintaining reasonable access to its electrical meters. This would include safe access by motor vehicle, workable doors and locks, and access to meter locations free of vegetation, snow when reasonably possible, storage items, etc. Member agencies are also responsible for advising CPPA in advance of lock changes and providing CPPA new keys.



**Mailing Address:**  
**Government Center**  
**San Andreas, CA 95249-9709**

**Phone: (209) 293-7211**

**Email: dda@volcano.net**

**APPLICATION FOR CPPA ELECTRICAL SERVICE**

ACCOUNT DESCRIPTION \_\_\_\_\_

ACCOUNT LOCATION \_\_\_\_\_

**If an Existing PG&E Account:**

PG&E ACCOUNT NUMBER \_\_\_\_\_

PG&E METER NUMBER \_\_\_\_\_

ANNUAL KILOWATT HOUR (kWh) Usage \_\_\_\_\_

MONTHLY PEAK DEMAND (kW) \_\_\_\_\_

**If a New Account:**

DATE SERVICE DESIRED \_\_\_\_\_

PROJECTED Annual Kilowatt Hours (kWh) USAGE \_\_\_\_\_

MONTHLY PEAK DEMAND (kW) \_\_\_\_\_

VOLTAGE REQUIREMENTS \_\_\_\_\_

**Other Information:**

NAME OF MEMBER AGENCY \_\_\_\_\_

CONTACT PERSON & PHONE \_\_\_\_\_

DATE \_\_\_\_\_

The minimum requirement for new accounts is 20,000 kWh or more per year or 5 kW of connected load.

At least 4 months advance written notice must be given to CPPA prior to date of desired service for existing accounts and 12 months for new accounts involving electric construction.

**Mailing Address:**  
**Government Center**  
**San Andreas, CA 95249-9709**

**Phone: (209) 293-7211**

**Email: dda@volcano.net**

**APPLICATION TO MODIFY CPPA ELECTRICAL SERVICE**

METER NUMBER \_\_\_\_\_

LOCATION NUMBER \_\_\_\_\_

**Type of Modification (check one):**

\_\_\_\_ 1. Terminate Electrical Service

\_\_\_\_ 2. Upgrade Service and/or adding additional load, describe

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_ 3. Other, specify \_\_\_\_\_

\_\_\_\_\_

DATE MODIFICATION DESIRED \_\_\_\_\_

**Other Information:**

NAME OF MEMBER AGENCY \_\_\_\_\_

CONTACT PERSON & PHONE \_\_\_\_\_

DATE \_\_\_\_\_

At least one month advance written notice must be given to CPPA to terminate a service. Four months advance written notice must be given to CPPA prior to date of service modification and 12 months for modifications involving electric construction.

Exhibit "D"

**AGREEMENT BETWEEN THE CALAVERAS PUBLIC POWER AGENCY AND THE  
ADMINISTRATIVE OFFICE OF THE COURTS REGARDING TIER 1 MEMBER  
TREATMENT**

This **AGREEMENT** ("Agreement"), dated \_\_\_\_\_, \_\_\_\_ is entered into by and between the **Calaveras Public Power Agency**, a California joints powers agency ("CPPA"), and **the Administrative Office of the Courts** ("AOC"), hereinafter sometimes singularly referred to as a "Party" or collectively referred to as the "Parties."

**RECITALS**

- A. The CPPA is governed by (i) the CPPA Amended Joint Powers Agreement ("CPPA JPA"); and (ii) the CPPA Rules and Regulations ("Rules and Regulations").
- B. Pursuant to the CPPA JPA, the CPPA categorizes its members into two groups: 1) Tier 1 members which generally consist of public entities whose jurisdiction is wholly located within the County of Calaveras ("Tier 1 Members"), and 2) Tier 2 members which generally consist of governmental entities that have a presence and conduct operations both within and outside the County of Calaveras ("Tier 2 Members"). The CPPA JPA and the Rules and Regulations ("CPPA Documents") provide certain benefits and protections to the Tier 1 Members that are not normally available to Tier 2 members.
- C. The AOC is constructing the New San Andreas Courthouse ("Courthouse") which will be located in the County of Calaveras.
- D. The AOC is willing to join the CPPA for the purpose of receiving electricity for the Courthouse, but only if the AOC is treated similarly to the Tier 1 Members. CPPA desires to provide electricity to the AOC for the Courthouse consistent with the terms and conditions of this Agreement.
- E. The CPPA is willing to admit the AOC as a Tier 2 Member of the CPPA and to treat the AOC as a Tier 1 Member because the County of Calaveras, a local public entity, will be paying all or most of the electrical costs for the Courthouse pursuant to Section 6.2 of the Transfer Agreement for the Legal Building, dated May 31, 2007, between the County of Calaveras and the AOC.

**AGREEMENT**

The Parties agree as follows:

#### **ARTICLE 1 – General Treatment as Tier 1 Member**

Notwithstanding that the AOC will be admitted as a Tier 2 Member of the CPPA, the CPPA agrees to treat the AOC as a Tier 1 Member of the CPPA and provide the AOC with the same benefits and protections that a Tier 1 Member receives from the CPPA notwithstanding anything in the CPPA Documents to the contrary.

#### **ARTICLE 2 – Specific Treatment as Tier 1 Member**

**2.1 Priority.** Notwithstanding the CPPA Documents, including without limitation Section IV. F. of the CPPA JPA, the CPPA agrees to treat the AOC similarly to Tier 1 Members with respect to Section IV. F. of the CPPA JPA in the event that there is not sufficient power to meet all of the CPPA’s customers’ needs.

**2.2 Rates.** Notwithstanding the CPPA Documents, including section A. of Article VI of the CPPA JPA (including any future amendments thereto), the CPPA agrees that the AOC will be charged the same rates and charges for electrical service as the CPPA charges Tier 1 Members of the CPPA.

**2.3 Reserve Funds.** Notwithstanding the CPPA Documents, including without limitation Section VIII of the CPPA Rules, the AOC shall not be obligated to contribute any amounts to reserve funds, including without limitation the reserve fund for rate stabilization and the operating reserve fund, unless (i) such contribution is on an equitable basis with the Tier 1 Members of the CPPA and (ii) the AOC shall have an interest in, and enjoy the benefits of that fund, in proportion to its contribution to that fund.

**2.4 Special Assessments and Advances.** Notwithstanding the CPPA Documents, including without limitation Section VI. B. of the CPPA JPA, the CPPA agrees that any special assessments or advances from the AOC that are either made or requested shall be on an equitable basis with the Tier 1 Members of the CPPA.

**2.5 Confirmation of Service.** The CPPA shall confirm in writing by June 1, 2013 that the CPPA can provide electrical service to the Courthouse (“Confirmation Date”). In the event that the CPPA is unable to confirm by the Confirmation Date that it can provide electrical service to the Courthouse, the AOC may terminate this Agreement and withdraw from the CPPA upon thirty (30) days written notice notwithstanding anything in the CPPA Documents to the contrary. Any membership fees that the AOC provided to the CPPA shall be returned within ninety (90) days of the CPPA’s receipt of the AOC’s written withdrawal notice.

#### **ARTICLE 3 – Term**

This Agreement is effective as of the date that the AOC becomes a member of the CPPA and shall continue for as long as the AOC is a member of the CPPA.

**ARTICLE 4 – General Provisions**

**4.1 Survival.** Provisions of this Agreement that, by their express terms or by necessary implication, survive the expiration or termination of this Agreement shall be continuing obligations until fully performed, waived, terminated or otherwise discharged.

**4.2 Entire Agreement and Conflicts.** This Agreement, as may be revised from time to time, along with the CPPA Documents, as may be revised from time to time, contains all representations and the entire understanding between the Parties with respect to providing electricity to the Courthouse. No other representations are intended or shall be implied. This Agreement shall prevail over any conflicts between the CPPA Documents and this Agreement.

**Calaveras Public Power Agency**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**Administrative Office of the Courts**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Exhibit "E"

Membership Application

**Mailing Address:**  
**Government Center**  
**San Andreas, CA 95249-9709**

**Phone: (209) 293-7211**  
**Fax: (209) 755-5700**  
**Email: dda@volcano.net**

## **Membership Application**

### **Instructions:**

1. Please complete all parts of the application.
2. Make your check for membership dues payable to the Calaveras Public Power Agency.
3. Adopt and sign the enclosed Resolution.
4. Return the completed application, dues payment and signed Resolution to CPPA.

### **General Information:**

Date:

Agency Name:

Agency Phone:

Contact Person:

Contact Person Phone:  
(If different than Agency Phone)

### **Member Agency Representative**

Name of person you appoint to serve as your CPPA representative:

Representative's mailing address:

**Electrical Account Information**

Eligible accounts for CPPA power service must use at least 20,000 kWh per year or have a connected load of 5 kW or greater.

<b>Account Information</b>	<b>Location 1</b>	<b>Location 2</b>	<b>Location 3</b>
Account Description			
Service Address			
PG&E Meter Number			
PG&E Account Number			
Annual kWh Use			
Connected Load kW			
Delivery Voltage			

**Membership Dues Calculation**

Total the number of annual kWhs from the electrical account information section for all accounts and enter the number below:

Total kWhs \_\_\_\_\_ times \$.005 = One Time Dues of \$ \_\_\_\_\_

**Certification**

I hereby certify the information in this application is true and correct.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title



Attachment B

*Governments Working Together:  
A Citizen's Guide to Joint Powers Agreements*



California State Legislature  
Senate Local Government Committee

# **Governments Working Together**

*A Citizen's Guide to  
Joint Powers Agreements*

August 2007

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Dear Reader:

For more than 85 years, state law has allowed public agencies to work together by signing joint powers agreements (JPAs). Some JPAs are cooperative arrangements among existing agencies, while others create new, separate institutions called joint powers agencies. These unique forms of government affect our daily lives, though many people are unaware of their importance --- or even of their existence.

*Governments Working Together* will help you understand what JPAs do. Becoming familiar with the JPAs in your community can also provide valuable insight into how your governments work --- and provide great examples of what your local governments do for you.

The Committee appreciates the patient perseverance of Colin Grinnell who compiled the original research and wrote the early drafts of this citizen's guide which Trish Cypher augmented with additional research and writing.

Respectfully,

GLORIA NEGRETE McLEOD  
Chair



## Senate Local Government Committee

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**Governments Working Together**  
*A Citizen's Guide to Joint Powers Agreements*

**By Trish Cypher and Colin Grinnell**

August 2007

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## Introduction

“Joint powers” is a term used to describe government agencies that have agreed to combine their powers and resources to work on their common problems. Joint powers agreements (JPAs) offer another way for governments to deliver services, but sometimes the public does not understand JPAs.

This citizen’s guide explains JPAs, outlines their advantages and disadvantages, and describes how public officials use this special government arrangement to deliver better services and facilities. In addition to deciphering the world of JPAs, this guide provides a better understanding of how JPAs fit into local and state government operations.





## What Is a JPA?

Joint powers are exercised when the public officials of two or more agencies agree to create another legal entity or establish a joint approach to work on a common problem, fund a project, or act as a representative body for a specific activity.

Agencies that can exercise joint powers include federal agencies, state departments, counties, cities, special districts, school districts, redevelopment agencies, and even other joint powers organizations. A California agency can even share joint powers with an agency in another state.

Examples of areas where JPAs are used commonly include: groundwater management, road construction, habitat conservation, airport expansion, redevelopment projects, stadium construction, mental health facilities construction, educational programs, employee benefits services, insurance coverage, and regional transportation projects.

Even the JPA acronym can mean different things --- joint powers agreement, joint powers agency, and joint powers authority --- which may create confusion if people do not use the terms carefully. These descriptions show how widely public officials use JPAs.

A **joint powers agreement (JPA)** is a formal, legal agreement between two or more public agencies that share a common power and want to jointly implement programs, build facilities, or deliver services. Officials from those public agencies formally approve a cooperative arrangement.

**JPA is an acronym used for three different terms:**

- **Joint powers agreement.**
- **Joint powers agency.**
- **Joint powers authority.**

Think about the use of joint powers as a confederation of governments that works together and shares resources for mutual support or common actions. The government agencies that participate in joint powers agreements are called member agencies.

With a joint powers agreement, a member agency agrees to be responsible for delivering a service on behalf of the other member agencies. For example, the City of San José signed a joint powers agreement with Santa Clara County to jointly administer redevelopment funds. San José's city manager administers the agreement's terms. In another example, the City of Palo Alto has a joint powers agreement to provide cable television service to area residents, and a Palo Alto city employee administers the agreement.

**A joint powers agreement is so flexible that it can apply to almost any situation that benefits from public agencies' cooperation.**

Each joint powers agreement is unique, as there is no set formula for how governments should use their joint powers. One agency will administer the terms of the agreement, which may be a short-term, long-term, or perpetual-service agreement. If a joint powers agreement requires substantial staff time from one member agency,

but not the others, the managing agency may hire extra staff to work on the joint powers project.

The alternative way to exercise joint powers is to create a new organization that is completely separate from the member agencies. This organization is known as a joint powers agency or joint powers authority.

A **joint powers agency** or **joint powers authority (JPA)** is a new, separate government organization created by the member agencies, but is legally independent from them. Like a joint powers agreement (in which one agency administers the terms of the agreement), a joint powers agency shares powers common to the member agencies, and those powers are outlined in the joint powers agreement.

If an agreement's terms are complex or if one member agency cannot act on behalf of all members, forming a new government agency is the answer. This new agency typically has officials from the member agencies on its governing board. For example, three local governments formed the Belvedere-Tiburon Library Agency in July 1995 as the legal governing body of a new independent community library. Its seven-member board has three trustees appointed by the City of Belvedere, three by the Town of Tiburon, and one by the Reed Union School District. This library JPA has the same responsibilities as any public agency, including personnel, budgeting, operations, and maintenance.

Sometimes public officials establish JPAs specifically to arrange capital financing by selling bonds. These bonds create the capital needed to finance construction of public facilities. Public officials sometimes call this type of JPA a joint powers authority or a public financing authority (PFA).



**A joint powers authority (JPA) can also be called a public financing authority (PFA).**

Public financing authorities include agencies formed to fund capital projects, such as the Berkeley Joint Powers Financing Authority, which resulted from an agreement

between the City of Berkeley and the Berkeley Redevelopment Agency. Bonds issued by this JPA provided the capital to build public facilities and the costs will be paid back over time by the Authority and from the revenue generated by the projects.

### **Why Form a JPA?**

Why would a public agency enter into a joint powers agreement or form a joint powers agency? JPAs exist for many reasons, whether it's to expand a regional wastewater treatment plant, provide public safety planning, set up an emergency dispatch center, or finance a new county jail. By sharing resources and combining services, the member agencies --- and their taxpayers --- save time and money.

The Marin County Hazardous and Solid Waste Management Authority is an example of a cost-saving JPA. It provides garbage and recycling collection and household hazardous-waste disposal service to residents of 12 cities and towns and the unincorporated areas of Marin County. In fact, many solid waste JPAs (known as regional waste management authorities) show the efficiency of joint powers arrangements.

**Officials create JPAs to:**

- **Cut costs.**
- **Be more efficient.**
- **Reduce (or eliminate) overlapping services.**
- **Share resources.**

All levels of government use JPAs to tackle common problems. The North Coast Emergency Medical Services JPA provides emergency medical services to the residents of Del Norte, Humboldt, and Lake counties. These counties pooled their resources and purchased equipment that the member agencies now share.

Federal and state agencies also join JPAs. The Santa Monica Mountains Conservancy (a state agency formed in 1979 to acquire open space in the Santa Monica Mountains) and the cities of Brea, Diamond Bar, La Habra Heights, and Whittier are members of the JPA called the Wildlife Corridor Conservation Authority.

When public officials create a joint powers agency, the new organization may not necessarily include “joint powers” or “JPA” in its name. Yet, if a public organization relies on a joint powers agreement, the organization is a JPA, regardless of its title. JPAs are not special districts, redevelopment agencies, or nonprofit corporations, although these agencies can enter into joint powers agreements.

**Among the terms found in JPAs’ official names are: agency · alliance · association · authority · board · bureau · center · coalition · commission · committee · consortium · cooperative · council · district · facility · fund · group · institute · JPA · league · network · organization · partnership · patrol · plan · pool · program · project · region · service · services · source · study · system · trust · zone.**

## The History of California's JPAs

The concept of allowing public agencies to share powers started in the 1920s, when tuberculosis was a serious public health threat in the Bay Area. San Francisco officials lacked adequate facilities to treat tuberculosis patients and the city's damp, chilly weather was not favorable to their recovery. Just across the Bay, Alameda County had a more favorable climate and a tuberculosis sanitarium, but Alameda's facility did not have enough room for San Francisco's patients. This predicament created an opportunity for San Francisco and Alameda to work together on a solution, but the counties lacked the legal means.

In 1921, Senator M.B. Johnson (R-San Mateo) authored Senate Bill 18, which allowed any two cities or counties to enter into agreements and provide funds to exercise a power common to each. After the bill passed, Alameda County and the City and County of San Francisco drafted an agreement to share their resources and expand Alameda's tuberculosis facility. Although this arrangement was controversial, a 1923 California Supreme Court ruling upheld the new joint powers law.

Nearly 20 years later, the Legislature authorized special districts to form JPAs. SB 584 (DeLap, 1941) allowed irrigation districts to construct bridges and water projects in the Central Valley with funding from their respective counties. A few years after that, the Legislature allowed the federal government and state agencies to enter into JPAs with California counties, cities, and special districts (SB 468, Salsman, 1943). Then, in 1947, the Legislature paved the way for the creation of a separate government agency --- a joint powers agency --- to operate independently of its member agencies (AB 1573, Allen & Evans, 1947).

In 1949, the Legislature renumbered and combined these earlier laws into a unified statute (SB 768, Cunningham, 1949), which also gave JPAs the ability to incur debt and sell bonds to construct



public-use buildings, such as exhibition centers, sports coliseums, and associated parking facilities. In 2000, the Legislature formally named the law the Joint Exercise of Powers Act (SB 1350, Senate Local Government Committee, 2000).

After California's voters passed Proposition 13 in 1978, local governments saw property tax revenues shrink at the same time their population growth boosted demands for facilities and services. Counties, cities, and special districts had trouble financing courtrooms, city halls, jails, and other public facilities. The Legislature responded by passing the Marks-Roos Local Bond Pooling Act (SB 17, Marks, 1985), which allowed local agencies to form JPAs that can sell one large bond and then loan the money to local agencies. This practice, known as bond pooling, saves money on interest rates and finance charges.

## Statutory Authority of JPAs

Governments get their authority to work together from a state law called the Joint Exercise of Powers Act.<sup>1</sup> JPAs can exercise only those powers that are common to their member agencies. For example, three fire protection districts and an adjacent city can form a JPA to run a fire department because each member agency has the power to run a fire department. However, this same JPA can't maintain the local parks because fire districts lack that statutory authority.

Joint powers agency's meetings are open to the public and subject to the Ralph M. Brown Act. Further, JPAs must follow the Public Records Act, the Political Reform Act, and other public interest laws that ensure political transparency.

JPAs are different from other forms of government because they are the only type of government formed by mutual agreement. Unlike

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<sup>1</sup> Government Code §6500, et seq. To see a copy of the Joint Exercise of Powers Act, visit a county law library or go to: [www.leginfo.ca.gov](http://www.leginfo.ca.gov).



other governments, JPAs are not formed by signatures on petitions, and they're not approved by a vote of the people. Public agencies create JPAs voluntarily.

The formation of a JPA begins when public officials negotiate a formal agreement that spells out the member agencies' intentions, the powers that they will share, and other mutually acceptable conditions that define the intergovernmental arrangement. Each member agency's governing body then approves the joint powers agreement.

For example, if the City of Davis and Yolo County wanted to run a combined library program, the Davis City Council and the Yolo County Board of Supervisors would approve the JPA. A joint powers agreement is, in effect, a mutually negotiated document that governs and guides the resulting arrangement. Each JPA is unique, reflecting a mutually acceptable agreement among public agencies that have joined together for a common purpose.

If a joint powers agreement creates a new joint powers agency, the JPA must file a Notice of a Joint Powers Agreement with the Secretary of State.<sup>2</sup> According to the Secretary of State's office, approximately 1,800 JPAs have formed a new agency or authority. State officials report receiving about 50 of these notices each year. Until public officials file those documents, a JPA cannot incur any debts, liabilities, or obligations, or exercise any of its powers.

An agreement that creates a new joint powers agency describes the size, structure, and membership of the JPA's governing board and documents the JPA's powers and functions. As a legally separate public agency, the JPA can sue or be sued, hire staff, obtain financing to build public facilities, and manage property. Joint powers agreements usually protect their member agencies from a JPA's debts or other liabilities.

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<sup>2</sup> The public can review JPA documents at the Secretary of State's special filing unit in Sacramento.

As a separate agency, a JPA must appoint a treasurer and an auditor. The treasurer may be someone from a member agency, the county treasurer where the JPA operates, or a certified public accountant who performs the job. The JPA's auditor must arrange for an annual audit; many public agencies audit their own JPAs. The JPA must file the completed audit with the county auditor who makes copies available to the public.

JPAs differ from other local governments in another important way. Before counties, cities, and special districts can issue revenue bonds, they need majority-voter approval. If its voters approve, then the local government sells the revenue bonds to private investors and uses the resulting capital to build a public facility, like a parking garage. As the principal and interest on the bonds become due, local officials repay the private investors with the revenues that they collect from, for instance, the new parking garage. That's why this type of public debt is known as a revenue bond.

However, a JPA can issue revenue bonds without holding an election. State law allows a JPA to issue revenue bonds without voter approval, provided that each of the JPA's member agencies adopts a separate local ordinance. A city, for example, needs majority-voter approval to finance the expansion of its sewer plant with revenue bonds. But if the city and a sanitary district created a JPA, the JPA could issue the revenue bonds without voter approval if the city council and the district's board of directors adopted authorizing ordinances. While local voters can force referendum elections on these local ordinances, that rarely happens.

Special legislation allows some nongovernmental organizations to participate in joint powers agreements, even though they aren't public agencies. For instance, to help nonprofit hospitals keep pace with changes in the health care industry, the Legislature has allowed them to enter joint powers agreements to provide health care services in Contra Costa, Kings, San Diego, and Tulare counties. Another special bill allowed mutual water companies to

enter joint powers agreements with public water agencies. And specific tribal governments have special statutory authority to enter joint powers agreements.

## Types of JPAs

JPAs perform many functions, although many (but not all) perform only one service.

### JPAs offer:

- **Public services.**
- **Financial services.**
- **Insurance pooling and purchasing discounts.**
- **Planning services.**
- **Regulatory enforcement.**

There are no official categories for the types of JPAs, but their services fall into five broad groups: public services, financial services, insurance pooling and purchasing discounts, planning services, and regulatory enforcement.

### ▪ **General Services**

Agencies create JPAs to deliver more cost-effective services, eliminate duplicative efforts, and consolidate services into a single agency. Counties, cities, and special districts form JPAs to provide services such as fire and police protection and the removal of abandoned vehicles. Local agencies also use JPAs to fulfill mandates from the federal and state government, including solid waste management, special education, regional transportation planning, and hazardous waste monitoring. Other public services provided by JPAs vary from animal control and data storage to flood control and soil conservation.

The Stanislaus Drug Enforcement Agency is a JPA that handles drug trafficking by tapping into the expertise and resources of the



Ceres, Modesto, Newman, Patterson, Riverbank, Turlock, and Waterford police departments and the county sheriff. Before the formation of this JPA, Stanislaus County law enforcement agencies battled drug trafficking separately, resulting in disjointed solutions to common problems. The drug dealing in Stanislaus County, especially the methamphetamine trade, continued to escalate. Consolidating the talent, resources, and equipment of each member agency allowed this JPA to tackle the region's drug problem more effectively. Furthermore, this JPA has been secured federal and state grants to aid its mission.

Humboldt and Del Norte counties and several cities within those counties formed the Hazardous Materials Response Authority to provide a hazardous materials team to oversee a large heavily forested region. Before creating this JPA, each county and city had struggled to operate its own hazardous materials program. The JPA allows local officials to deliver better services --- and to deliver them more efficiently.

- **Financial Services**

JPAs use the Revenue Bond Act of 1941 and the Marks-Roos Local Bond Pooling Act of 1985 to generate public capital. Public officials use JPAs to finance the construction of public works, including schools, city halls, bridges, and flood control projects. Some JPAs finance the purchase of special equipment, such as buses.

Financial JPAs with two member agencies, such as a city and its redevelopment agency, are often called public financing authorities (PFAs) or sometimes captive JPAs. These authorities sell Marks-Roos bonds to finance public improvements, like a new jail, local golf course, or parking lot. The California Debt and Investment Advisory Commission estimates that more than half of all JPAs formed since 1985 issue Marks-Roos Act bonds for public improvements.

The Association of Bay Area Governments is a 107-member JPA that offers its member agencies financing, such as bond-pooling programs that finance affordable housing, public works, and construction expenses. It is also one of the few JPAs with more than 100 member agencies.

Another large PFA is "CHF," formerly known as the Rural Home Mortgage Financing Authority, a JPA consisting of most of California's 58 counties. It consolidates federal, state, and local funding to provide grants and other financing needed by first-time home buyers.

- **Insurance Pooling and Purchasing Discounts**

JPAs offering insurance-pooling and reduced-price purchasing options usually involve agencies, such as school districts, that want to buy insurance or supplies and equipment for their member agencies. When private insurance companies raised their rates in the 1970s, many schools withdrew from the commercial insurance market and created joint powers agencies to obtain self-insurance by pooling their funds. These JPAs continue to offer school districts and other public agencies a cost-effective alternative to commercial insurance. In this arrangement, each member agency provides money to the JPA, which controls the funds in a collective account. The deposited funds earn interest, which finances the JPA's operations and pays the member agencies' claims. There are more than 50 self-insurance joint powers authorities.

School districts form JPAs to purchase lower-cost medical and dental benefits for teachers and district employees. The School Insurance Authority, a JPA formed in 1976, includes approximately 50 school districts, which together provide insurance coverage to schools throughout the state. Another example is the North Bay Schools Insurance Authority, which is comprised of 12 school districts in Napa, Solano, and Yolo counties and provides self-insurance coverage for property liability and workers' compensation claims. At times, this Authority is even able to

return money to its member agencies because of “good-risk” performance.

The Schools Excess Liability Fund is a JPA made up of other JPAs and therefore can be called a super JPA. This super JPA allows insured school districts to pool the insurance assets of their JPAs to handle claims over \$1 million, a practice that provides additional insurance coverage above the usual self-insurance policy maximum. The California State Association of Counties operates the Excess Insurance Authority, which provides similar insurance coverage for counties.

**Joint powers agencies that join other JPAs are called super JPAs.**

These super JPAs often secure lower rates and better services because their large size allows for volume discounts and increased competition among vendors.

Some JPAs use their enhanced purchasing power to buy equipment and supplies from private vendors. In Mendocino County, for example, several school districts formed a JPA to buy portable classrooms.

#### ▪ Planning Services

Counties and cities also form JPAs for planning purposes and to address topics of regional importance. JPAs created for planning reasons typically work on regional problems that go beyond county and city limits. The JPAs usually bring together experts from several agencies to develop regional or subregional strategies. These JPAs rely on funding from their member agencies and in return provide services to their members.

More commonly known as Councils of Government (COGs), these regional planning agencies jointly exercise the planning powers of counties and cities. COGs serve most metropolitan regions. The Southern California Association of Governments (SCAG) covers six counties, 187 cities, and more than 18 million people. The



Association of Bay Area Governments (ABAG) is the joint planning body for the nine-county San Francisco Bay region. Even rural governments form COGs. The Tri-County Area Planning Council works on planning issues for Colusa, Glenn, and Tehama counties. State law relies on COGs to prepare regional housing needs assessments that direct the housing strategies found in county and city general plans. Many COGs also serve as metropolitan planning organizations for federal transportation plans.

- **Regulatory Enforcement**

Regulatory joint powers agreements, the least common type, enforce regulations through an independent agency or as an arrangement with other enforcing agencies. These JPAs ensure that member agencies adhere to federal and state laws and procedures by conducting educational seminars, formulating enforcement procedures, and maintaining an oversight role. The State Parole Board, for example, entered into a JPA with Stanislaus County to assist county sheriffs in monitoring parolees and reporting and apprehending violators.

Regulatory JPAs also enforce air pollution regulations. The Yolo-Solano Air Quality Management District resulted from a 1971 joint powers agreement to serve as the air-quality regulator for these two counties. Its governing board consists of Solano and Yolo county supervisors and the mayors and city council members from the cities within the two counties. This JPA satisfies the legal requirement placed on all counties to have an air quality regulatory authority, and has the same powers to grant air quality variances, monitor air quality, and enforce standards and regulations as its state-sponsored equivalent, the Air Pollution Control District.

## The Funding of JPAs

As with any government agency, a joint powers agency needs money to operate. Among JPAs there are two popular funding methods: (1) create a revenue stream, and (2) raise capital by issuing bonds. Although JPAs do not need voter approval before issuing bonds, each member agency must pass an ordinance. Those ordinances face a 30-day period in which voters can object by signing referendum petitions that trigger an election. If there is no referendum petition or if the petition fails to qualify, the JPA can sell the bonds and use the proceeds to build improvements or buy equipment.

The City of El Cajon and San Diego County formed a JPA in 1973 to build a new city hall, county services building, and performing arts center. Their El Cajon Civic Center Authority issued \$6.5 million in revenue bonds to finance the projects, which helped boost downtown economic development.

JPAs that provide financing and sell bonds for multiple agencies pay for their operations by collecting fees from their member agencies for the JPA's bond services. Bond transactions are complicated and require skilled financial professionals to ensure that the bond sales meet legal and market requirements. Large JPAs providing financial assistance hire financial experts and sell their services to local agencies that want to issue bonds.

According to the California Debt and Investment Advisory Commission, JPAs have issued 1,238 bonds for securing more than \$44.5 billion in debt since 1985.

JPAs also sell bonds to refinance their member agencies' debts. These JPAs will sell a bond and use the proceeds to pay off a member agency's high-interest debt so it can assume a lower-interest debt.



#### **Marks-Roos Act bonds:**

- **Do not require voter approval or a referendum before a JPA can issue the bonds.**
- **Can be issued at a public sale or privately, which provides more flexibility in finding a buyer who is best suited for the bond.**
- **Can be sold as one large bond with the proceeds loaned to its member agencies, which reduces extra loan fees and other charges.**

In the 1990s, legislators became worried when a few small cities used the Marks-Roos Act to issue bonds that exceeded their capital needs. As a result, the Legislature stopped the practice of allowing so-called “roving JPAs” to issue bonds to pay for developments outside their member agencies’ jurisdictions (SB 147, Kopp, 1998).

### **JPAs and Special Districts: What Are the Differences?**

Although sometimes confused with each other, a JPA is not a special district, even though they may provide similar services. A special district is a separate local government with its own governing body that delivers public services to a particular area. Special districts rely on state laws for their legal authority and elected or appointed boards of directors for their governance. A comparison of JPAs and special districts appears on the next page.

Most special districts provide only a single service to a specifically defined area, unlike counties and cities that provide services throughout their boundaries. Cities and counties must provide a variety of services, many mandated by federal and state governments, whereas special districts deliver only the services the public wants and is willing to pay for. Fire protection districts,

cemetery districts, and mosquito abatement districts exist because taxpayers are willing to pay for these public services.<sup>3</sup>

As the following table shows, JPAs differ from special districts in four important ways. The **legal authority** for all JPAs comes from just one state law, the Joint Exercise of Powers Act. Each type of special district has its own principal act. Fire districts operate under the Fire Protection District Law, for example, while the cemetery districts rely on the Public Cemetery District Law. The **formation** of a JPA is relatively uncomplicated, requiring only the signing of a joint powers agreement by the member agencies. In contrast, there are complicated procedures to form a new special district, usually including the approval of the Local Agency Formation Commission (LAFCO) and voter approval.<sup>4</sup> A JPA's **governance** structure depends on what the member agencies agreed to, while state law spells out the election or appointment requirements to select special districts' governing boards. JPAs provide only the **services** that are common to their member agencies, while special districts can deliver any of the services that state law permits.

Comparing Joint Powers Agencies and Special Districts		
	JPAs	Districts
Legal authority:	Joint Exercise of Powers Act	Separate principal acts
Formation:	Joint exercise of powers agreements	LAFCO and voter approval
Governance:	Determined by the JPA's member agencies	Governing board (elected/appointed)
Services:	Any common powers	Only what state law allows

<sup>3</sup> For more information on special districts, see *What's So Special About Special Districts? A Citizen's Guide to Special Districts in California*, available online at [www.sen.ca.gov/locgov](http://www.sen.ca.gov/locgov) under "Publications."

<sup>4</sup> For more information on LAFCOs, see *It's Time To Draw The Line: A Citizen's Guide to LAFCOs*, available online at [www.sen.ca.gov/locgov](http://www.sen.ca.gov/locgov) under "Publications."

## Advantages and Disadvantages of JPAs

JPAs have both advantages and disadvantages:

### *Advantages*

- **JPAs are flexible and easy to form.** The Joint Exercise of Powers Act allows any government agency to participate in a JPA. The Act permits the member agencies to negotiate their levels of commitment and structure their own governing boards.
- **JPAs may be more efficient than separate governments.** JPAs allow local agencies to join forces and tackle issues together. The personnel, expertise, equipment, and property of each agency can be consolidated, promoting economy and efficiency.
- **JPAs finance public works.** JPAs can finance improvements such as parks, city halls, courthouses, and schools. JPAs can jointly purchase equipment, finance insurance pools, refinance member agencies' debts, and provide working capital by selling bonds.
- **JPAs cooperate on regional solutions.** JPAs serve as public forums for regional problems, providing residents with the opportunity to focus on regional issues. When the problems of affordable housing, transportation, energy, and drug trafficking cross local boundaries, JPAs can offer the wider view.
- **Joint powers help communities find grants.** Local agencies form JPAs to pursue grants to fund better services, start new programs, or purchase equipment. Participation in a JPA helps local authorities show the grant givers that they are willing to cooperate on regional problems --- as opposed to competing with each other for grant funds for separate projects.



### *Disadvantages*

- **JPAs require mutual trust to form.** Getting separate public agencies to cooperate can be hard because each organization has its own powers, purposes, and politics. Sometimes it takes a long time to build the trust that's needed before public officials are ready to sign a joint powers agreement that puts the common good ahead of individual needs.
- **JPAs can be hard to keep together.** Because a joint powers agreement is merely a voluntary relationship among the member agencies, local problems may threaten to split up the JPA. Changes in local public support, new political leaders, or financial pressures may cause a member agency to reconsider participating in the JPA. If a member agency pulls out, the departure may harm the JPA's long-term bonds or purchasing programs.
- **JPAs can be hard to dissolve.** To avoid the financial problems that can result if member agencies pull out of JPAs, some joint powers agreements include specific protocols that make it difficult to dissolve the agreements. To keep petty problems from splintering a long-term JPA, a dissident government may have to give the other member agencies months or years of warning before dropping out.
- **JPAs can be hard to understand.** Some people see JPAs as an additional and unnecessary layer of government, even when that may not be the case. Local residents may ask why they must call the JPA instead of a local office for answers to their questions. When agencies combine forces or create a separate agency to provide a service, the visibility and accountability of the JPA may not be readily apparent.

## Current and Emerging Trends

The popularity of JPAs will continue to increase, because JPAs are one of the successful ways to promote intergovernmental cooperation — and cooperation among governments can save money for state and local agencies and their constituents. JPAs will continue to offer bond pooling services to their member agencies, promote joint purchasing and insurance programs, and serve as regional planning agencies in metropolitan areas. In rural areas, JPAs are likely to remain popular because these confederations don't require the member agencies to surrender their local identities. In addition, the successful use of JPAs to promote home ownership will remain attractive among rural counties.

The purposes for which governments form joint powers agreements also will continue to expand. Ever since it started with a single tuberculosis sanitarium 85 years ago, the joint powers movement has spread beyond public works projects to include public services and funding programs. Urban and suburban communities formed COGs in the 1960s to plan for transportation, housing, and open space throughout politically fragmented regions. Rural county officials adapted the joint powers concept to develop a JPA that finances first-time home purchases. More innovations likely will emerge as public officials think of new ways they can join forces to serve their constituents' needs.

Because they are politically attractive, JPAs will discover that nongovernmental entities want to join their efforts. Just as nonprofit hospitals and mutual water companies won legislative permission to join JPAs, other nongovernmental organizations may sponsor their own special bills. For example, California Indian tribal governments, especially those with gaming revenues, are increasingly interested in working with counties and cities on topics that cross their jurisdictional boundaries. Legislators may see more requests to allow tribal governments to join JPAs that operate as COGs.

And because they are easy to form, JPAs must protect their member agencies' fiscal integrity. The controversy surrounding how some JPAs used the Marks-Roos Act in the 1990s reminds public officials to guard against the potential misuse of the Joint Exercise of Powers Act. Bond pooling is a cost-effective way to generate public capital, but JPAs should not abuse the public trust.

## Frequently Asked Questions

1. **Can any government agency join a JPA?** Yes. Federal and state agencies, counties, cities, special districts, school districts, redevelopment agencies, and even other JPAs can be members of one --- or several --- JPAs. California Indian tribal governments can join JPAs if they get legislative permission.
2. **Who runs a JPA?** Most JPAs' governing boards have five or seven members, but state law does not require a specific number. Each joint powers agreement outlines its own rules about how its board will be set up, keeping in mind that each member agency will want to be sure that its interests are represented.
3. **How can I find out who runs a JPA?** State law requires every public agency --- including a joint powers agency --- to file basic information with the Secretary of State and the county clerk of the counties where it keeps offices. The Secretary of State and the county clerks keep official rosters of public agencies. Because they are separate government agencies, joint powers agencies may be listed in local telephone directories or online.
4. **Who pays for JPAs?** The member agencies that created the joint powers agency or authority pay for the organization's operation. Their joint powers agreement usually spells out how much each member agency contributes, based on such factors as its projected use of services.
5. **What is a JPA's lifespan?** There is no fixed timeframe. Member agencies can dissolve a JPA when it no longer serves their interests or a predetermined termination date may be part of the joint powers agreement.



6. **How many JPAs are there?** That's actually a tough question to answer. The Secretary of State keeps data on joint powers agencies that are separate organizations. Approximately 1,800 JPA notices are on file with the Secretary of State. The State Controller, however, received annual financial reports from 718 JPAs in 2004-05. The big gap between these numbers remains puzzling.
7. **What happens when a JPA dissolves?** A joint powers agreement outlines the terms for ending the agreement. For JPAs that issue bonds, there would be provisions on how bonds would be repaid, regardless of whether the JPA is still operating. The assets that a JPA acquires during its operation would be divided among the member agencies, following the agreement's terms.
8. **Are JPA meetings open to the public?** Yes, of course. Like other local agencies, JPAs must follow the Ralph M. Brown Act, the California Public Records Act, the Political Reform Act, and other public interest laws. They must print agendas and permit the public to participate in their meetings.
9. **Can JPAs levy additional taxes or assessments?** The Joint Exercise of Powers Act does not allow a JPA to levy new taxes or assessments. However, a JPA's member agencies could levy their own taxes or benefit assessments and contribute the revenues to the JPA's operation. But the member agencies must still comply with the California Constitution and state law when levying taxes or assessments.
10. **Where can I find more information about JPAs?** Start by contacting the JPA directly. Also, you can contact your own county supervisor or city councilmember and ask about the joint powers agreements in your community. For financial information on a JPA, refer to the State Controller's annual publication, *Special Districts Annual Report*, which is available online at [www.sco.ca.gov](http://www.sco.ca.gov), or call your county's auditor-



controller. The California Debt and Investment Advisory Commission has information about JPAs' bond issues. Details about JPAs that offer insurance-pooling services are available from the California Association of Joint Powers Authorities.

11. **Who oversees JPAs?** The public agencies that set up JPAs have a continuing responsibility to monitor their creations. Although no state agency directly controls JPAs, several collect reports and data on JPAs, including the Secretary of State's office, the State Controller's office, and the California Debt and Investment Commission. County civil grand juries function as civil watchdogs and may examine the records of JPAs operating in the county, while county auditors keep tabs on the financial reports of JPAs.

## Resources and Web Sites Related to JPAs

- California Association of Joint Powers Authorities (CAJPA)  
530 Bercut Drive, Suite G  
Sacramento, CA 95814  
(916) 369-6142  
[www.cajpa.org](http://www.cajpa.org)
  
- California Debt & Investment Advisory Commission (CDIAC)  
State Treasurer's Office  
915 Capitol Mall, Room 400  
Sacramento, CA 95814  
(916) 653-3269  
[www.treasurer.ca.gov/cdiac](http://www.treasurer.ca.gov/cdiac)
  
- The California Grand Jurors' Association (CGJA)  
[www.cgja.org](http://www.cgja.org)
  
- California Special Districts Association (CSDA)  
1112 I Street, Suite 200  
Sacramento, CA 95814  
(916) 441-7887  
[www.csda.net](http://www.csda.net)
  
- California State Association of Counties (CSAC)  
1100 K Street, Suite 101  
Sacramento, CA 95814  
(916) 327-7500  
[www.csac.counties.org](http://www.csac.counties.org)
  
- League of California Cities  
1400 K Street  
Sacramento, CA 95814  
(916) 658-8200  
[www.cacities.org](http://www.cacities.org)

- State Controller's Office  
Division of Accounting & Reporting  
Local Government Reporting Section  
3301 C Street, Suite 500  
Sacramento, CA 95816  
(916) 445-5153  
[www.sco.ca.gov](http://www.sco.ca.gov)

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1020 N Street, Room B-53  
Sacramento, CA 95814  
(916) 651-1538**

Electric Rate Comparison Sheet

**Electric Rate Comparison Worksheet  
Calaveras - New San Andreas Courthouse**

<u>Utility Provider</u>	<u>Annual Estimated Electric Cost</u>	(1)
Calaveras Public Power Agency (CPPA)	\$24,800	
PG&E without TES system	\$63,540	
PG&E with TES system	\$47,189	

<u>Rate Comparison</u>	<u>Annual Estimated Savings</u>
CPPA versus PG&E without TES system	\$38,740
CPPA versus PG&E with TES system	\$22,380

<u>Equipment Cost</u>	<u>Estimated One-Time Capital Costs</u>
Calaveras Public Power Agency (CPPA)	none
PG&E without TES system	none
PG&E with TES system	\$115,000

<u>CPPA versus PG&amp;E with TES System Comparison</u>	<u>Ten-Year Projected Savings</u>
Estimated savings due to difference in electricity costs	\$223,800
Estimated savings due to one-time capital costs	\$115,000
<b>Total Savings Over Ten Years</b>	<b>\$338,800</b>

(1) Based on 44,600 square feet for new courthouse.