

## VALLEY CLEAN ENERGY ALLIANCE

### Staff Report – Item 14

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To: Board of Directors

From: Inder Khalsa, General Counsel

Subject: Amended Employment Agreement for Executive Officer between Valley Clean Energy Alliance and Mitch Sears

Date: September 14, 2023

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#### RECOMMENDATIONS

Approve Resolution approving the First Amendment to the Employment Agreement with Executive Officer Mitch Sears.

#### BACKGROUND AND ANALYSIS

On March 11, 2022, VCE entered into an Employment Agreement with Mitch Sears, appointing him as Executive Officer of VCE.

The proposed resolution approves the First Amendment to the Employment Agreement, which increases the Executive Officer's base salary to \$262,500 per year effective July 1, 2023.

Other aspects of the Employment Agreement remain unchanged, with the key benefits as follows:

- **Benefits:** The Executive Officer ("EO") shall be entitled to participate in any group insurance plan or retirement program established by the Board for VCE employees to the extent he is eligible. In addition, the EO shall receive 120 hours Paid Time Off upon employment and shall accrue 200 hours annually.
- **Expenses:** Reimbursement of out-of-pocket expenses in connection with VCE business and Board-approved continuing education, attendance at conferences, etc.
- **Severance:** If VCE terminates the Executive Officer without cause, the EO would be entitled to three month's salary as a severance payment.

The Board Subcommittee reviewed salaries and benefits for other CCA program CEOs and executive officers and determined that the proposed salary and benefits are generally at or below market average compensation of other CCA CEOs or executive officers.

#### CONCLUSION

Assuming the Board approves the resolution approving the First Amendment with Mitch Sears, Mitch Sears' salary increase would increase retroactively to July 1, 2023.

**Attachments**

1. Resolution Increasing Mitch Sears's salary as Executive Officer and approving Amended Employment Agreement for Executive Officer
2. Amended Employment Agreement for Executive Officer

**VALLEY CLEAN ENERGY ALLIANCE**

**RESOLUTION NO. 2023-\_\_\_**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE VALLEY CLEAN ENERGY ALLIANCE  
APPROVING THE FIRST AMENDMENT TO THE EMPLOYMENT AGREEMENT WITH MITCH SEARS**

**WHEREAS**, Valley Clean Energy Alliance (“VCE”) was formed as a community choice aggregation agency (“CCA”) on November 16, 2016, under the Joint Exercise of Power Act, California Government Code sections 6500 et seq., among the County of Yolo, and the Cities of Davis and Woodland, to reduce greenhouse gas emissions, provide electricity, carry out programs to reduce energy consumption, develop local jobs in renewable energy, and promote energy security and rate stability in all of the member jurisdictions;

**WHEREAS**, the City of Winters, located in Yolo County, was added as a member of VCE and a party to the VCE in December of 2019;

**WHEREAS**, Mitch Sears has served VCE as Executive Officer since March 11, 2022, and continues to serve VCE in this employment position.

**NOW, THEREFORE**, the Board of Directors of the Valley Clean Energy Alliance resolves as follows:

**Section 1.** The Board of Directors hereby approves the First Amendment to the Employment Agreement for Executive Officer, attached hereto and incorporated herein, with any minor clerical changes requested by the Board or Mr. Sears and approved by General Counsel.

**Section 2.** This Resolution shall take effect immediately upon its adoption.

**PASSED, APPROVED AND ADOPTED**, at a special meeting of the Valley Clean Energy Alliance, held on the \_\_ day of \_\_\_\_\_ 2023, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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Tom Stallard, VCE Chair

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Alisa M. Lembke, VCE Board Secretary

Attachments:

1. Employment Agreement for Executive Officer

**FIRST AMENDMENT**

**EMPLOYMENT AGREEMENT FOR EXECUTIVE OFFICER**

THIS FIRST AMENDMENT TO EMPLOYMENT AGREEMENT (“Agreement”) is entered into by and between the Valley Clean Energy Alliance, a Joint Powers Agency also known as “Valley Clean Energy” (“VCE”) and Mitch Sears, an individual (“EMPLOYEE”). VCE and EMPLOYEE are sometimes collectively referred to herein as the “Parties.” For identification purposes, this Agreement is dated September 14, 2023.

**RECITALS**

This Employment Agreement is entered into on the basis of the following facts, understandings and intentions of the Parties:

- A. VCE and EMPLOYEE entered into the Agreement, dated March 11, 2022, providing for employment of EMPLOYEE as Executive Officer.
- B. In the Agreement, VCE and EMPLOYEE agreed to EMPLOYEE’s salary.
- C. VCE and EMPLOYEE desire to amend the Agreement to increase EMPLOYEE’s salary as follows:

**AGREEMENT**

- 1. Section 5 of the Agreement is amended to read as follows:

Salary. Effective July 1, 2023, VCE shall pay EMPLOYEE an annual salary of \$262,500, prorated and paid on VCE’s normal paydays, subject to legally permissible or required deductions. EMPLOYEE’s salary is compensation for all hours worked and for all services under this Agreement. EMPLOYEE shall be exempt from overtime pay provisions of California law (if any) and federal law. EMPLOYEE’s salary may be adjusted annually to reflect cost of living increases and merit increases tied to EMPLOYEE’S annual performance evaluation.

- 6. All other provisions of the Agreement shall remain in effect.

IN WITNESS WHEREOF, the Parties have executed this Agreement.

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Tom Stallard, Chair  
Valley Clean Energy Alliance

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Mitch Sears

DATE: \_\_\_\_\_, 2023

DATE: \_\_\_\_\_, 2023

APPROVED AS TO FORM:

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Inder Khalsa, General Counsel

ATTEST:

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Alisa Lembke, VCE Board Clerk