



MARIN ENERGY AUTHORITY  
THURSDAY, JULY 1, 2010  
7:00 pm

MARIN COUNTY EMPLOYEE RETIREMENT ASSOCIATION  
BOARD ROOM  
1 McInnis Parkway, San Rafael, California

DAWN WEISZ  
Interim Director

Page 1 of 1

1. **Public Open Time (Discussion)**
2. **Interim Director's Report (Discussion)**
3. **Consent Calendar (Discussion/Action)**
  - C-1. **Approval of Minutes from Regular Meeting on 6-3-10**
  - C-2. **Approval of Fourth Addendum to Professional Services Agreement with Navigant Consulting**
  - C-3. **Addition of Low Income CARE Rate Option for Rate Schedule RES-6**
  - C-4. **Letter Agreements Regarding \$950,000 Credit Agreement and \$500,000 Revolving Credit Agreement**
  - C-5. **Approval of Second Addendum to Agreement with Maher Accountancy**
4. **Approval of Lease Agreement with Seagate Properties for MEA Office Space (Discussion/Action)**
5. **Communications Update and Recommendations for Actions from Executive Committee (Discussion/Action)**
6. **Transfer of Program Coordinator to LGS Contract for Management and Administrative Services (Discussion/Action)**
7. **Board Member & Staff Matters (Discussion)**
8. **Adjourn**

TOM CROMWELL  
City of Belvedere

LEW TREMAINE  
Town of Fairfax

CHARLES MCGLASHAN  
County of Marin

SHAWN MARSHALL  
City of Mill Valley

BARBARA THORNTON  
Town of San Anselmo

DAMON CONNOLLY  
City of San Rafael

JONATHAN LEONE  
City of Sausalito

RICHARD COLLINS  
Town of Tiburon

california  
AB 32



Late agenda material can be inspected in the Marin County Sheriff's lobby, located at 3501 Civic Center Drive #329, San Rafael, CA 94903. The meeting facilities are in accessible locations. If you are a person with a disability and require this document in an alternate format (example: Braille, Large Print, Audiotape, CD-ROM), you may request an alternate format by using the contact information below. If you require accommodation (example: ASL Interpreter, reader, note taker) to participate in any MEA program, service or activity, you may request an accommodation by calling (415) 507-2813 (voice) or 711 for the California Relay Service or by e-mail at [disabilityaccess@co.marin.ca.us](mailto:disabilityaccess@co.marin.ca.us) not less than **four work days** in advance of the event.

**MARIN ENERGY AUTHORITY**

**Regular Board Meeting**

**THURSDAY, June 3, 2010**

**7:00 p.m.**

**MARIN COUNTY EMPLOYMEE RETIREMENT ASSOCIATION,  
BOARD ROOM**

**1 McInnis Parkway, San Rafael, California**

**Roll Call 7:10PM**

**Present:** Charles McGlashan, County of Marin, Chair  
Shawn Marshall, City of Mill Valley, Vice-Chair  
Damon Connolly, City of San Rafael  
Jeff Slavitz, Town of Tiburon  
Tom Cromwell, City of Belvedere  
Jonathan Leone, City of Sausalito  
Lew Tremaine, Town of Fairfax  
Barbara Thornton, Town of San Anselmo

**Staff/Consulting Team:**

Dawn Weisz, MEA Interim Executive Director  
Elizabeth Rasmussen, MEA Project Manager  
Jordis Weaver, MEA Administrative Assistant  
Greg Stepanicich, General Counsel  
John Dalessi, Navigant Consulting  
Kirby Dusel, Navigant Consulting

**Absent:** Jamie Tuckey, MEA Project Coordinator

MEA Board Chair Charles McGlashan encouraged MEA community supporters to take home their certificates from MEA.

### **1. Public Open Time**

- Public commented that new pricing seems to be in place for some renewable energy sources, encouraging MEA to follow up.
- Public commented that MEA Board should give customers the right to opt out now no matter if they are Phase I or II.
- Public commented PG&E gets most of its energy from the Gulf and that MEA should make Marin County residents aware of that.
- Barbara George: reported that ABC reported on Facebook problems and Prop 16 ballot initiative.

### **2. Interim Director's Report**

Dawn Weisz asked Elizabeth Rasmussen to give her report on current CPUC filings.

1. CPUC filing #1: SF's petition to modify
2. CPUC filing #2: Flattening of PG&E generation charge, intention to shift tier effect to transmission, this was held today at the CPUC and will be part of the GRC
3. PG&E claimed that its first amendment right has been violated – MEA submitted comments.

Dawn Weisz reported most current opt-out numbers are 16.6%. The Deep Green customer enrollment is currently 7%. The Deep Green program has reached capacity and MEA is putting interested Phase II customers on a waitlist to be served starting in late fall or early summer. Furthermore, Dawn Weisz reported that the CPUC sent a letter to Phase I customers on May 26, clarifying which opt-outs are invalid. Dawn Weisz reported that MEA is considering leasing space at the San Rafael Corporate Center. The MEA Board voiced a suggestion to make sure that Seagate Properties (Owner of SR Corporate Center) will be an MEA customer.

*General Counsel Greg Stepanicich pulled Item C-3 from the Consent Calendar for further discussion.*

### **3. Consent Calendar:**

**C-1. Approval of Minutes from Regular Meeting on 5-6-10**

**C-2. Approval of Fourth Addendum to Agreement with Milbank, Tweed, Hadley & McCloy**

Chair McGlashan asked for a motion.

M/s, Tremaine/Marshall, Director Leone abstained from approving the minutes (passed 7-0-1) to approve the Consent Calendar as amended.

### **4. Net Energy Metering Tariff Cash-Out Policy (Discussion/Action)**

Kirby Dusel, Navigant Consulting, gave report on Net-Metering Policies:

1. Monthly settlement with rollover (NEM customers don't lose their accumulated credits at the end of the year, monthly instead of annual true-up)
2. Net generator credit \$4/month for negative usage to offset PG&E "nuisance charges"
3. No new application (just send MEA and PG&E copy of current PG&E application to enroll)
4. Annual cash out (for accounts with more than \$100 credits, MEA will send a check each April)

M/s, Connolly/Thornton, (passed 8-0-0) to approve agenda item 4.

Dawn Weisz commented that a Solar Education Workshop has been planned for late June/early July.

### **5. Communications Update (Discussion)**

Rufus Jeffris, BMWL, explained that the MEA/MCE websites will be migrated to Sustainable Hosting. He mentioned that there will be a Communications Workshop on June 22 and that members of the public will have a chance to comment and share ideas regarding MEA's marketing efforts and strategies.

MEA Board member commented that there should be a weekly communications update by MEA staff and that meeting materials should be distributed to the full Board to keep Directors in the loop.

Kiki La Porta reported on community outreach activities completed and anticipated by Austin Maley and Jordis Weaver. Please refer to distributed list. She explained that MEA chose to work with Sustainable Hosting because their operations are completely powered by wind energy. Rufus Jeffris, Kiki La Porta, and Jordis Weaver have developed an opt-out page, which is live on the MCE website. Kiki encouraged MEA to purchase email addresses for all Marin County residents. The 3<sup>rd</sup> opt-out notice for Phase 1 A will go out on June 4, 2010; it refers to the newly developed MEA opt-out process as well. Kiki and Austin Maley are working on creating and purchasing fun and inexpensive materials to give out at community events.

Member of the public commented that the Sonoma Solar Fair is scheduled for June 19, 2010 and that the Sunrise Center will be there tabling. The hours will be from 11AM – 5PM.

Barbara George commented that MEA needs to create a general brochure that sells MEA's great product and supports advocates efforts.

Kiki La Porta explained that the Marin County Fair is coming up and that it would be great if the MEA Board could step in and help staffing the MEA table. It will be held July 1 – 5 from 11am to 9pm.

*Vice Chair Shawn Marshall is acting Chair.*

### **6. Letter Agreement To Revolving Credit Agreement (Discussion/Action)**

Elizabeth Rasmussen explained how the Letter Agreement to the Revolving Credit Agreement will need to be amended.

- Consolidating to the 20<sup>th</sup> of each month.

M/s, Tremaine/Connolly, (passed 8-0-0) to approve agenda item 6.

#### **7. PG&E June Rate Adjustment (Discussion/Action)**

PG&E adjusted their rates for Tier 4 and 5 effective as of June 1, 2010. Dawn Weisz explained that MEA's average rate is still unchanged compared to PG&E's average rate. Rate adjustment increases rates for Tier 1, 2, and 3. It also increases the low-income rate by approximately 6%. The incentive to conserve energy has been compressed for Tier 4 and 5 customers. The incentive to install solar has also been compressed by this rate adjustment. The adjustment decreases rates for Tier 4 & 5.

Director Tremaine made a motion for MEA to not increase the care rate as well as the Tier 1 rate. Director Leone cautioned to not rush to a decision. Dawn Weisz explained that because MEA is now an operational independent business the MEA Board may want to evaluate this issue further without making any hasty statements or decisions at tonight's board meeting. Director Tramline's motion was not followed by a second motion from any MEA Board member. The MEA Board came to the consensus that a rate-setting ad hoc committee will be created with the sole purpose to evaluate and create MEA's response to the PG&E rate adjustment.

#### **8. Contract with Douglass & Liddell for Legal Regulatory Services (Discussion/Action)**

Director Tremaine commented that hiring Douglass & Liddell was one of the smartest moves MEA has made so far.

M/s, Thornton/Tremaine, (passed 8-0-0) to approve agenda item 8.

*Let the record show that Interim Director Dawn Weisz left the room for Agenda item 9.*

#### **9. Transfer of Interim Director to LGS contract for Management and Administrative Services (Discussion/Action)**

MEA Legal Council, Greg Stepanicich explained that the contract had been reviewed by the MEA Ad Hoc Staffing Committee and that he recommends approval of the contract and the hiring of Dawn Weisz as MEA's Interim Director.

M/s, Tremaine/Thornton, (passed 8-0-0) to approve agenda item 9.

*Let the record show that Dawn Weisz entered the room again after the approval of Agenda item 9.*

#### **10. Board Member & Staff Matters (Discussion)**

Director Leone apologized to the MEA Board personally about Sausalito's City Council vote to opt out of MEA. He explained that he is involved in putting the issue back on the City Council agenda for July 7<sup>th</sup>, 2010.

Director McGlashan reported that Board members had a meeting with delegates of the City of Oak Park, Illinois. MEA is an inspiration for many communities in the United States of America.

Dawn Weisz reported that there is planning on the way for a Mid-Year Planning workshop in August 2010.

## **11. Adjourn**

The meeting was adjourned at 10:32pm.



July 1, 2010

TO: Marin Energy Authority Board

FROM: Elizabeth Rasmussen, Project Manager

RE: Approval of Fourth Addendum to Professional Services Agreement with Navigant Consulting (Agenda item #C-2)

ATTACHMENTS: Draft Fourth Addendum to Professional Services Agreement with Navigant Consulting

Dear Board Members:

---

**SUMMARY:**

On January 1, 2009, the Marin Energy Authority and Navigant Consulting, Inc. (Navigant) entered into an agreement for providing assistance with Phase IV of Community Choice Aggregation implementation.

Section 4, Section 5, Exhibit A, and Exhibit B to the agreement obligated Navigant Consulting to be compensated in an amount not to exceed \$435,000 for a scope of work including Tasks 1-6 for RFP development, marketing, response evaluation, and supplier shortlist identification, updating a CCA analysis based on the RFP results, finalizing the implementation plan and submitting to the CPUC, as-needed technical support during the development of Program Agreement 1, and Marin Clean Energy Program Operational Support.

The attached addendum amends the agreement with Navigant Consulting, such that:

1. An additional \$210,000 is added to the agreement, so that the maximum sum of the contract does not exceed \$645,000.
2. The time of the agreement is extended to terminate on September 30, 2010.
3. An additional Task 6.6 is included in the agreement to provide technical consulting and advisory services to the Marin Energy Authority related to contract management under the Shell Energy North America Confirmation. Such services will include invoice analysis, operational coordination, compliance, volume adjustments and related confirmation adjustments

The estimated costs (approx. \$60k per month) associated with the Fourth Addendum are consistent with the budgetary figures the Board adopted in the budget for Fiscal Year 2010-11.

**Recommendation:** Approve and execute the Fourth Addendum by and between the Marin Energy Authority and Navigant Consulting, Inc.



**FOURTH ADDENDUM TO AGREEMENT  
BY AND BETWEEN THE  
MARIN ENERGY AUTHORITY AND NAVIGANT CONSULTING, INC**

---

This FOURTH ADDENDUM is made and entered into on July 1, 2010, by and between the MARIN ENERGY AUTHORITY, (hereinafter referred to as "MEA") and NAVIGANT CONSULTING, INC (hereinafter referred to as "Contractor").

RECITALS

WHEREAS, the MEA and the Contractor entered into an agreement for assistance with Phase IV of CCA implementation dated January 1, 2009 ("Agreement"); and

WHEREAS, Section 4, Section 5, Exhibit A, and Exhibit B to the agreement obligated Contractor to be compensated in an amount of \$435,000 for a scope of services including Tasks 1-6; and

WHEREAS, the parties desire to amend the agreement to increase the contract amount by \$210,000, to add an additional Task 6.6, and to extend the time of agreement to September 30, 2010 for a total contract amount not to exceed \$645,000.

NOW, THEREFORE, the parties agree to modify Section 4, Section 5, Exhibit A 6, and Exhibit B as set forth below.

AGREEMENT

1. Except as otherwise provided herein all terms and conditions of the agreement shall remain in full force and effect.
2. Section 4, Section 5, Exhibit A 6, and Exhibit B are hereby amended to read as follows:

**Section 4. Maximum Cost to MEA:**

In no event will the cost to the MEA for the services to be provided herein exceed the maximum sum of \$645,000 including direct non-salary expenses.

**Section 5. Time of Agreement:**

This Agreement shall commence on **January 1, 2009**, and shall terminate on **September 30, 2010**. Certificate(s) of Insurance must be current on day Contract commences and if scheduled to lapse prior to termination date, must be automatically updated before final payment may be made to Contractor. The final invoice must be submitted within 30 days of completion of the stated scope of services.

**Exhibit A, Scope of Services:**

3. Exhibit A Task 6 is hereby amended by adding the following immediately after Task 6.5.

## Task 6.6 – Contract Management Support

A key component of operations during the initial year will be contract management of the power supply agreement with SENA as well as operational coordination with SENA in its role as MEA's scheduling coordinator. NCI will monitor SENA's performance of its obligations pursuant to the contract (master power purchase agreement, confirmation and scheduling coordinator services appendix) and raise any potential non-compliance or service issues to the attention of MEA management. NCI will attempt to resolve any identified non-compliance issues with SENA at an operational level before referring the dispute to MEA for additional action.

NCI will evaluate whether volume adjustments set forth in the Phase 1 confirmation are warranted, based on actual customer participation and market conditions following the opt-out period. NCI will analyze and recommend whether additional confirmations may be appropriate to support program expansion, including expansion of the deep green offer to customers in advance of their scheduled cutover of service as part of Phase 2. To the extent additional confirmations are warranted, NCI will assist MEA in structuring and negotiating the terms with SENA or an alternative energy supplier.

In support of MEA's financial management responsibilities, NCI will review and validate the monthly SENA invoices relative to the pricing provisions of the power supply agreement, including determination of volumes and prices that would be applicable outside of the fixed price bandwidth. NCI will confirm the energy purchase quantities set forth in the monthly invoice from SENA, using customer usage data provided by MEA's data management contractor (Sempra Energy Solutions) and identify any discrepancies that may warrant a disputed invoice.

### Exhibit B, Fees and Payment Schedule:

#### MCE Implementation Support Recommended Tasks/Activities

<b>ACTIVITY</b>	<b>TENTATIVE COMPLETION DATE</b>	<b>BUDGET</b>
Task 1 – Request for Bid Administration and Analysis	February 2009 – April 2009	\$70,000
Task 2 – Update CCA Analysis for RFB Results	August - October 2009	\$12,000
Task 3 – Finalization of Implementation Plan and Submittal to CPUC	February 2010	\$3,000
Task 4 – Program Agreement Development Support	December, 2009 – February, 2010	\$15,000
Task 5 – As-Needed Technical Support	April 30, 2010	\$120,000
Task 6 – Marin Clean Energy Program Operational Support	September 30, 2010	\$425,000
<b>Total</b>		<b>\$645,000</b>

IN WITNESS WHEREOF, the parties hereto have executed this Fourth Addendum on the day first written above.

CONTRACTOR:

MARIN ENERGY AUTHORITY:

By: \_\_\_\_\_

By: \_\_\_\_\_



July 1, 2010

TO: Marin Energy Authority Board

FROM: John Dalessi, Staff Consultant

RE: Addition of Low Income CARE Rate Option for Rate Schedule RES-6 (Agenda item #C-3)

ATTACHMENTS: RES-6 Rate Schedule

Dear Board Members:

---

**SUMMARY:**

MEA has a variety of rate schedules and optional rates corresponding to those offered by PG&E. Based on customer data available at the time the rate schedules were adopted by your Board, there were no customers in the MEA service territory known to take service under PG&E's optional rate EL-6, which is a residential time-of-use rate available to low income customers who qualify for the CARE program. It has come to staff's attention that a customer enrolled during May is currently taking service on EL-6. Staff has created an equivalent rate so that this customer can be billed appropriately.

**Recommendation**

Adopt rate schedule RES-6-L as attached, applicable to customers that take service under PG&E's EL-6.

**MARIN ENERGY AUTHORITY  
MARIN CLEAN ENERGY  
2010 ELECTRIC RATES**

<b>PG&amp;E EQUIVALENT SCHEDULE</b>	<b>MCE RATE SCHEDULE</b>	<b>UNIT/PERIOD</b>	<b>RATE</b>
EL-6 (CARE)	<b>RES-6-L</b>		
	ENERGY CHARGE (\$/KWH)		
		Summer Peak	
		TIER 1	0.18882
		TIER 2	0.20129
		TIER 3	0.20129
		TIER 4	0.20129
		TIER 5	0.20129
		Summer Part Peak	
		TIER 1	0.08239
		TIER 2	0.09576
		TIER 3	0.09576
		TIER 4	0.09576
		TIER 5	0.09576
		Summer Off-Peak	
		TIER 1	0.04070
		TIER 2	0.05317
		TIER 3	0.05317
		TIER 4	0.05317
		TIER 5	0.05317
		Winter Partial Peak	0.05188
		TIER 1	0.06435
		TIER 2	0.06435
		TIER 3	0.06435
		TIER 4	0.06435
		TIER 5	0.06435
		Winter Off-Peak	
		TIER 1	0.04355
		TIER 2	0.05602
		TIER 3	0.05602
		TIER 4	0.05602
		TIER 5	0.05602
	ENERGY CREDIT (\$/KWH)		(0.01576)



July 1, 2010

TO: Marin Energy Authority Board

FROM: Beth Rasmussen, Project Manager

RE: Approval of Letter Agreements Amending Credit Agreement and Revolving Credit Agreement (Discussion/Action)  
(Agenda item C-4)

ATTACHMENTS: Draft Letter Agreements to Credit Agreement and Revolving Credit Agreement

Dear Board Members:

---

**SUMMARY:**

On March 4, 2010, your Board approved two draft credit agreements negotiated between MEA and River City Bank: (1) a Credit Agreement for the amount of \$950,000, and (2) a Revolving Credit Agreement for the amount of \$500,000.

On April 21, 2010, your Board approved amendments modifying the Credit Agreement and Revolving Credit Agreement to reflect MEA's change of fiscal year. On June 4, 2010, your Board approved a letter agreement modifying the security terms of the Revolving Credit Agreement.

The attached letter agreements to the Credit Agreement and the Revolving Credit Agreement reflect an agreement among River City Bank and MEA to change the payment dates of the loans. For ease of administration of the Security Agreement (executed by MEA on March 17, 2010), the parties (MEA, Shell Energy North America (SENA) and River City Bank) would like the cash allocation waterfall to be run on a single day. The invoice for energy supply from SENA is scheduled for payment on the 25<sup>th</sup> of each month, and MEA and River City Bank would like to conform loan payment dates to the 25<sup>th</sup> as well.

**Recommendation:** Approve draft letter agreements to Credit Agreement and Revolving Credit Agreements and authorize Interim Director Dawn Weisz and Director Charles McGlashan to execute the letter agreements to the Credit Agreement and the Revolving Credit Agreement.

Marin Energy Authority  
3501 Civic Center Drive, Room 308  
San Rafael, California 94903

July \_\_, 2010

River City Bank  
2485 Natomas Park Drive, Suite 400  
Sacramento, CA 95833

**Re: CREDIT AGREEMENT**

This letter agreement (“Letter”) is by and between Marin Energy Authority (“Borrower”) and River City Bank (“Lender”), and is provided in connection with that certain Credit Agreement dated March 16, 2010, as amended by that First Amendment to the Credit Agreement, dated April 23, 2010 (as amended, the “Agreement”). Any capitalized terms used herein but not otherwise defined shall have the meanings ascribed to such terms in the Agreement.

Borrower and Lender agree to amend the Agreement as follows:

1. In the second line of Section 3.1(b), the word “first” shall be replaced by the word “twenty fifth”.
2. Schedule 2.3 of the Agreement shall be deleted and replaced with the attached Schedule 2.3.

This Letter shall constitute a written amendment of the Agreement in accordance with Section 9.3 of the Agreement. Except as amended by this Letter and the Amendment, the Agreement shall remain in full force and effect and in accordance with its terms and conditions, as same may have been amended heretofore.

This Letter may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all of which shall together constitute one and the same instrument.

THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF CALIFORNIA (EXCLUDING ANY CONFLICT-OF-LAW OR CHOICE-OF-LAW RULES WHICH MIGHT LEAD TO THE APPLICATION OF THE INTERNAL LAWS OF ANOTHER JURISDICTION).

IN WITNESS THEREOF, each of the parties hereto has caused this Letter to be executed on its behalf by its duly authorized officer(s), all as of the day and year first above written.

**RIVER CITY BANK**

**MARIN ENERGY AUTHORITY**

**BY:** \_\_\_\_\_

**BY:** \_\_\_\_\_

**NAME:** \_\_\_\_\_

**NAME:** \_\_\_\_\_

**TITLE:** \_\_\_\_\_

**TITLE:** \_\_\_\_\_

**BY:** \_\_\_\_\_

**NAME:** \_\_\_\_\_

**TITLE:** \_\_\_\_\_

### SCHEDULE 2.3

#### PRINCIPAL PAYMENT SCHEDULE

<b>DATE</b>	<b>PRINCIPAL PAYMENT</b>
September 25, 2010	\$92,882
October 25, 2010	\$93,346
November 25, 2010	\$93,814
December 25, 2010	\$94,282
January 25, 2011	\$94,754
February 25, 2011	\$95,227
March 25, 2011	\$95,704
April 25, 2011	\$96,182
May 25, 2011	\$96,663
June 25, 2011	\$97,146
<b>TOTAL</b>	<b>\$950,000</b>

Marin Energy Authority  
3501 Civic Center Drive, Room 308  
San Rafael, California 94903

July \_\_, 2010

River City Bank  
2485 Natomas Park Drive, Suite 400  
Sacramento, CA 95833

**Re: REVOLVING CREDIT AGREEMENT**

This letter agreement (“Letter”) is by and between Marin Energy Authority (“Borrower”) and River City Bank (“Lender”), and is provided in connection with that certain Revolving Credit Agreement dated March 16, 2010, as amended by that First Amendment to the Revolving Credit Agreement, dated April 23, 2010, and as further amended by that letter agreement, dated June [\_\_], 2010 (as amended and further amended, the “Agreement”). Any capitalized terms used herein but not otherwise defined shall have the meanings ascribed to such terms in the Agreement.

Borrower and Lender agree to amend the Agreement as follows:

1. In the second line of Section 3.1(b), the word “twentieth” shall be replaced by the word “twenty fifth”.
2. Schedule 2.3 of the Agreement shall be deleted and replaced with the attached Schedule 2.3.

This Letter shall constitute a written amendment of the Agreement in accordance with Section 9.3 of the Agreement. Except as amended by this Letter and the Amendment, the Agreement shall remain in full force and effect and in accordance with its terms and conditions, as same may have been amended heretofore.

This Letter may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all of which shall together constitute one and the same instrument.

THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF CALIFORNIA (EXCLUDING ANY CONFLICT-OF-LAW OR CHOICE-OF-LAW RULES WHICH MIGHT LEAD TO THE APPLICATION OF THE INTERNAL LAWS OF ANOTHER JURISDICTION).

IN WITNESS THEREOF, each of the parties hereto has caused this Letter to be executed on its behalf by its duly authorized officer(s), all as of the day and year first above written.

**RIVER CITY BANK**

**MARIN ENERGY AUTHORITY**

**BY:** \_\_\_\_\_

**BY:** \_\_\_\_\_

**NAME:** \_\_\_\_\_

**NAME:** \_\_\_\_\_

**TITLE:** \_\_\_\_\_

**TITLE:** \_\_\_\_\_

**BY:** \_\_\_\_\_

**NAME:** \_\_\_\_\_

**TITLE:** \_\_\_\_\_

### SCHEDULE 2.3

#### PRINCIPAL PAYMENT SCHEDULE

<b>DATE</b>	<b>PRINCIPAL PAYMENT</b>
September 25, 2010	\$49,024
October 25, 2010	\$49,238
November 25, 2010	\$49,453
December 25, 2010	\$49,670
January 25, 2011	\$49,887
February 25, 2011	\$50,105
March 25, 2011	\$50,325
April 25, 2011	\$50,545
May 25, 2011	\$50,766
June 25, 2011	\$50,987
<b>TOTAL</b>	<b>\$500,000</b>



July 1, 2010

TO: Marin Energy Authority Board

FROM: Dawn Weisz, Interim Director

RE: Approval of Lease Agreement with Seagate Properties (Agenda item #4)

ATTACHMENTS: Draft Lease Agreement Proposal from Cassidy/Turley BT Commercial

Dear Board Members:

---

**SUMMARY:**

Since its formation in December 2008, MEA has been housed at the Marin County Civic Center as part of the Community Development Agency (CDA) offices. In March 2010 MEA began the process of financial, technical and physical separation from the County of Marin. MEA's finances separated from the County of Marin in March of 2010. MEA's staff began to separate from CDA in April, and all staff are expected to be separated from CDA by July 1. MEA's website and email support separated from the County servers in June.

MEA has been considering a range of office spaces in Marin that would allow for the physical separation from CDA that is underway. The following key parameters have factored into evaluating potential office space:

- Cost of the space fitting within the Board approved budget for lease expenses
- Availability of on-site meeting space for daily small-group meetings regular meetings of the Executive Committee and Technical Committee and potentially, the regular monthly Board meetings
- ADA accessibility for meetings and for internal offices
- A location that is close to primary transportation corridors
- A professional working environment
- Ability to expand by two or three times within 12 to 18 months

There have been a limited number of spaces that meet each of the parameters set forth above. In evaluating the options currently on the market the San Rafael Corporate Center has emerged as the most ideal location for MEA.

The San Rafael Corporate Center is currently leasing office space to the Transportation Authority of Marin (a Joint Powers Authority), Marin Transit and SMART, as well as a range of other local businesses. The Center provides shared meeting space which

would accommodate all of MEA's meeting needs. It is close to the San Rafael Transit Hub and is fully ADA accessible.

Several suites have been viewed and evaluated for flexibility and cost. Two suites (320 and 190 in building 781) have been identified that would meet the needs of MEA initially and fit within MEA's budget requirements.

A draft proposal between MEA and Seagate Properties was reviewed by the Executive Committee as a regular Committee meeting on June 23<sup>rd</sup>. The Committee discussion helped inform the creation of the draft Lease Agreement Proposal which has been attached here for review and consideration by your Board.

**Recommendation:** Authorize Staff to finalize and execute Lease Agreement with Seagate Properties for MEA office space in accordance with allocated budget.

June 24, 2010

**Mr. Trevor Buck**  
**Cassidy Turley / BT Commercial**  
**781 Lincoln Ave #100**  
**San Rafael, CA 94901**

**RE: COUNTER PROPOSAL #3 – Marin Energy Authority**  
**781 LINCOLN AVENUE, SAN RAFAEL CA**

Dear Trevor:

Please see the changes and agreements to your counter proposal below in Red. If we are in agreement on the following terms, please prepare a lease for review. Thank you.

**BUILDING:**

781 Lincoln Avenue, Suite 320, San Rafael, CA *Agreed*

**TENANT:**

Marin Energy Authority *Agreed*  
<http://www.marinenergyauthority.org/>

**OWNERSHIP/LANDLORD:**

San Rafael Corporate Center to be defined in the lease agreement. *Agreed*

**PREMISES:**

Suite 320, 781 Lincoln Avenue, consisting of approximately 2,188 rentable square feet.  
(See attached space plan.) *Agreed*

**LEASE TERM:**

The initial lease term will be thirty sixty (60) months from the lease commencement date. *Agreed*

**USE:**

General office and administrative use. *Agreed*

**COMMENCEMENT:**

August 1, 2010 *Agreed*

**BASE RENTAL:**

The following rents are on a full service basis: The rent shall increase per the table below. *Agreed*

PERIOD	MONTHLY FULL SERVICE BASE RENT
Months 1-12	\$5,000.00
Months 13-24	<del>\$7,500.00</del> \$5,500.00
Months 25-36	<del>\$8,250.00</del> \$6,200.00
Months 37-48	<del>\$8,800.00</del> \$6,800.00
Months 49-60	<del>\$9,250.00</del> \$7,400.00

The rental rate is quoted on a full-service basis, including taxes and insurance, common area maintenance fees, utilities and five day per week janitorial service. Tenant will be required to pay increases of Operating Expenses, if any, over a base year of 2010. *Agreed*

**TENANT IMPROVEMENTS:**

Landlord shall complete the following tenant improvements prior to occupancy subject to a mutually agreed upon space plan.

The improvements shall include

- Provide new carpet in Tenant's choice of Building Standard colors. *Agreed*
- ~~Remove door in southwest corner office. (see attached plan)~~
- ~~Install new door and glass sidelight (see attached plan)~~
- ~~Patch and/or replace carpet in southwest office.~~
- ~~Repair ceiling if necessary~~

**SECURITY DEPOSIT:**

Tenant shall deposit with Landlord upon lease execution a security deposit equal to the first months' base rent. *Agreed*

**SUBLETTING & ASSIGNMENT:**

Per the lease agreement. *Agreed*

**UTILITY OPTIONS:**

Landlord will not opt out of the Marin Energy Authority's energy program when enrolled so long as the rates for electricity generation are comparable to PG&E rates for electricity generation. This will enable the tenant to choose to receive electricity generation from MEA.

**ADA & HANDICAP ACCESS:**

As of the Lease Commencement Date Landlord shall be responsible for the cost of any changes required to the Building to ensure compliance with the Americans with Disabilities Act (ADA). *Agreed*

**BROKERS:**

Cassidy Turley BT Commercial represents the Tenant and the Landlord in this potential transaction. Brian Foster of Cassidy Turley BT Commercial as the Procuring Agent shall be paid a fee by Landlord equal to 4.5% of the total leasehold value upon lease execution.

*Agreed*

**NON-BINDING:**

This Lease Proposal shall not be binding upon the parties and statements of intent or understandings in this Lease Proposal do not constitute an offer, acceptance or legally binding agreement and neither party may claim any legal rights against the other by reason of any actions taken in reliance upon this non-binding lease proposal, including, without limitation, any partial performance of the transactions contemplated herein. A binding agreement shall not exist between the parties until such time as a lease has been executed by and delivered to both parties.

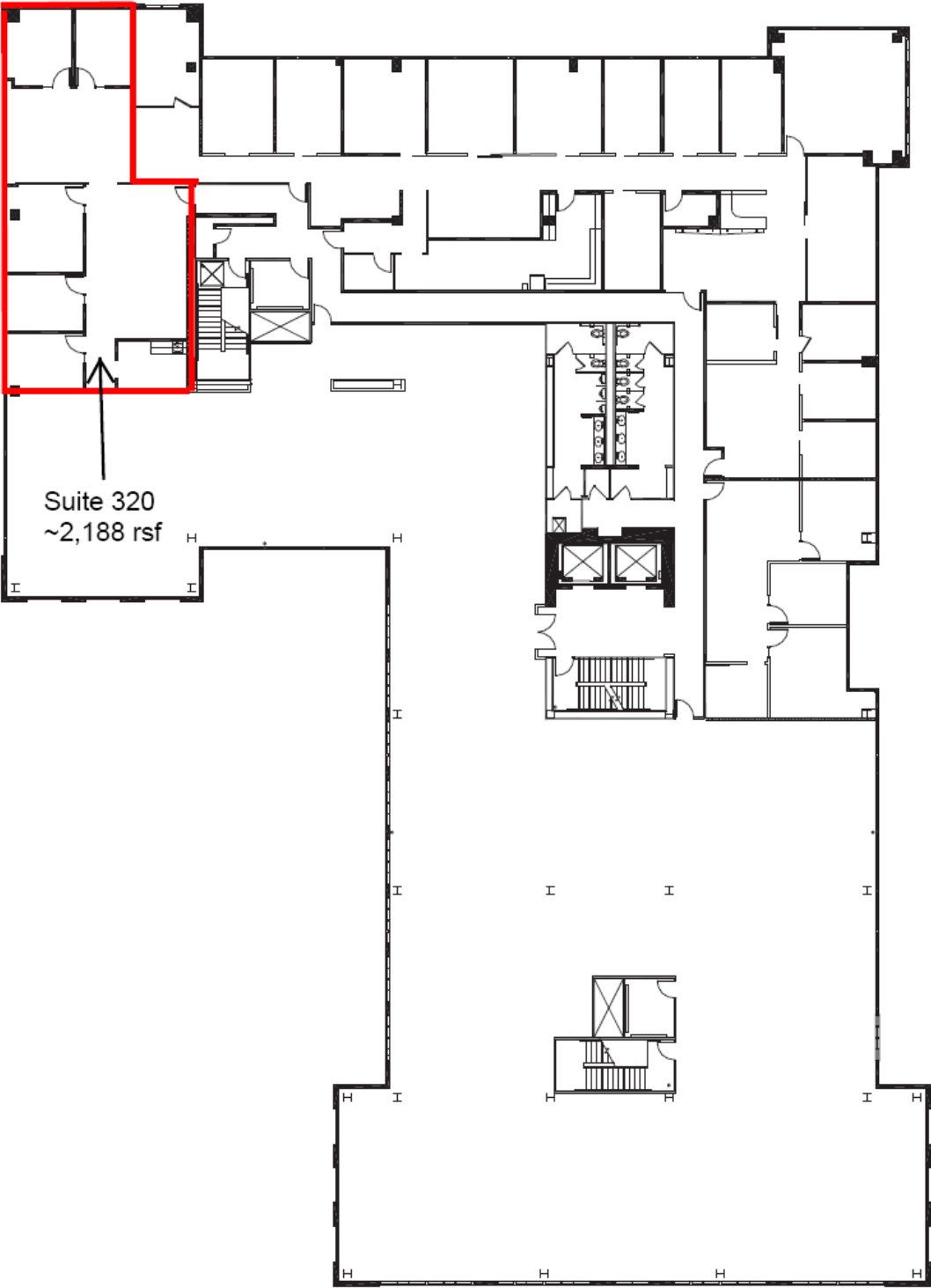
If you have any questions, please contact me anytime.

Respectfully,



Brian Foster

781 Lincoln Avenue, Suite 320



## Real Property Disclosures

NAI BT Commercial (“**Broker**”) provides this Notice in reference to a proposed transaction by and between The **San Rafael Corporate Center** (“**Lessor**”) and **Marin Energy Authority** (“**Lessee**”) regarding real property identified as: **781 Lincoln Avenue, San Rafael CA.** (the “**Property**”). This Notice applies to any transaction involving any type of real property, whether improved or unimproved. As used herein, “seller” includes, where applicable, a seller, landlord, lessor, or sublessor, and “buyer” includes, where applicable, a buyer, tenant, lessee, or subtenant.

## Hazardous Materials and Underground Storage Tanks

Comprehensive federal and state laws and regulations (“Laws”) control the use, storage, handling, removal and disposal of hazardous substances (“Hazardous Materials”). The term “Hazardous Materials” includes, but is not limited to, products containing petroleum, paint, solvents, lead, cyanide, DDT, inks, acids, pesticides, ammonium, asbestos, heavy metals, PCBs and a wide variety of other products. Hazardous Materials may be present at the Property due to current or prior use, or the use of adjacent properties. Some Laws impose liability upon owners, tenants, and users for clean-up costs and damages, regardless of such party’s lack of fault or involvement in the presence of such Hazardous Materials. Other Laws establish certain duties of disclosure which may apply to this transaction. For instance, a seller who has reason to believe that Hazardous Materials are present is required to disclose such knowledge to a buyer; the seller of any Property which contains any residential unit must disclose whether lead-based paint is present; and a seller or landlord must disclose reports and other information regarding the presence of asbestos in the Property to a buyer or tenant, and to contractors, employees, and others who may occupy the Property. A party who fails to make required disclosures may face substantial liability.

The Laws regulating Hazardous Materials are extensive and complex, and it is not practical to list all such Laws in this Notice; nor is Broker qualified to advise you regarding your rights, obligations or liability that may arise in connection with Hazardous Materials. Broker recommends that you consult with your advisors with respect to these issues, and investigate prior and surrounding uses which may have caused Hazardous Materials to be present at the Property.

## Americans with Disabilities Act (ADA)

The Americans with Disabilities Act (42 USC §12101 et seq.) requires, among other things, that owners of “public accommodations” remove barriers to access by disabled persons, and provide auxiliary aids and services for hearing, vision or speech impaired persons. Any change of use or alterations of the Premises may trigger such requirements, even if existing use is in compliance with the ADA. Broker recommends that you consult with your advisors regarding the ADA and related Laws, to determine whether and how the ADA might affect you.

## Broker Disclaimer

Broker has made no independent investigation regarding the present or future use or zoning of the Property; ADA-related issues, matters relating to Hazardous Materials, or the compliance of the Property with the Occupational Safety and Health Act or any other federal, state, county or municipal Law. Broker has not investigated, and is not qualified to provide any opinion about the structural, mechanical, or soils conditions of the Property. Broker has not independently verified the size, measurements, or boundaries of the Property, and any representation thereof is made solely based upon information provided to Broker, which Broker deems reliable but does not warrant to be accurate. You should consult your advisors on these matters. Buyer agrees to make its own investigation and determination regarding all matters affecting the value, condition, utility, size, compliance with Laws, and all aspects of the Property’s suitability for Buyer’s intended use.

## Broker Representation

Broker has a wide variety of clients, and may represent another buyer interested in the same property as Buyer, or may represent sellers with property similar to Seller’s which may be competing with Seller’s. Broker may on occasion represent both the buyer and the seller in a transaction. Broker will not disclose the confidential information of one client to another client.

## Dual Agency

**NOTE:** If this box is checked, Broker is acting in this transaction as a Dual Agent. A real estate agent, either acting directly or through one or more associate licensees, can legally be agent of both the Seller and the Buyer in a transaction, but only with the knowledge and consent of both the Seller and the Buyer. In a dual agency situation, the agent has the following affirmative obligations to both the Seller and the Buyer.

(a) A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either Seller or the Buyer.

(b) Diligent exercise of reasonable skill and care in performance of the agent's duties.

(c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of the parties.

A dual agent is not obligated to reveal to either party any confidential information obtained from the other party which does not involve the affirmative duties set forth above. In representing both Seller and Buyer, the agent may not, without the express permission of the respective party, disclose to the other party that the Seller will accept a price less than the listing price or that the Buyer will pay a price greater than the price offered. The above duties of the agent in a real estate transaction do not relieve a Seller or a Buyer from the responsibility to protect their own interests. You should carefully read all agreements to assure that they adequately express your understanding of the transaction.

## Natural Hazards (Sale Only)

Various state Laws require the seller and its broker to disclose the existence of certain Natural Hazards to a buyer, including whether the Property is located in an Earthquake Fault Zone, a Seismic Hazard Zone, a Special Flood Hazard Area, Area of Potential Flooding, a Fire Hazard Severity Zone, or a Wildland Fire Area. If Broker represents the Seller, Broker shall provide Buyer with a report prepared by an independent third party regarding such Natural Hazards during the due diligence period under the purchase contract.

In addition, some lenders require as a condition of obtaining financing on a property located in certain flood zones that flood insurance be carried. The National Flood Insurance Program provides such insurance at a reasonable cost. Cities or counties participating in the National Flood Insurance Program may have adopted building or zoning restrictions, or other measures affecting the Property, as part of their participation in the program. Broker has not made any independent investigation of these matters and recommends that you consult with the local governmental authorities and your advisors regarding the requirement for, availability, and cost of such insurance.

## Taxes – Sale Only

Any real estate transaction may have federal, state and local tax consequences. Internal Revenue Code §1446 (FIRPTA) requires a buyer to withhold and pay to the IRS 10% of the gross sales price within 10 days after closing, unless the buyer can establish that the seller is a “non-foreign person.” The amount of tax required to be withheld may, depending on the structure of the transaction, exceed the seller’s net proceeds, for which the buyer may be liable. The title company will require that seller deliver a “Non-Foreign Seller Affidavit” prior to closing, or in the alternative will withhold such proceeds and may require the buyer to pay any additional sums necessary to satisfy this requirement. In addition, California Revenue & Taxation Code §18662 requires a buyer to withhold and pay to the California Franchise Tax Board 3-1/3% of the gross sales price, subject to certain exceptions.

Broker is not qualified to provide tax or accounting advice, and has made no independent investigation as to the possible tax withholding liabilities in this transaction. Broker recommends that you consult with your advisors regarding these issues.

## Commercial Property Owner’s Guide to Earthquake Safety – Sale Only

California Government Code §§8875.6 and 8893 et seq. require that the Seller (or its agent) of a precast concrete or reinforced or unreinforced masonry building with wood frame floors or roof which was built before January 1, 1975 must deliver to the Buyer a copy of “The Commercial Property Owner’s Guide to Earthquake Safety” published by the California

Seismic Safety Commission. Buyer acknowledges that Seller and/or Broker has disclosed whether such requirement applies to this Property, and if so, that Broker has delivered to Buyer a copy of that Guide.

## **Water Heater Bracing Disclosure and Certification – Sale Only**

Seller hereby certifies that all water heaters in or on the Property are braced, anchored or strapped to resist falling or horizontal displacement due to earthquake motions as required by state and applicable local codes.

**A real estate broker is qualified to advise on real estate matters, but is not authorized to give legal or tax advice. No representation or recommendation is made by NAI BT Commercial or its agents or employees as to the legal sufficiency, legal effect or investment or tax consequences of this document, the purchase and sale agreement, or any transaction relating thereto since these are matters which should be discussed with your consultants and advisors.**



July 1, 2010

TO: Marin Energy Authority Board

FROM: Dawn Weisz, Interim Director

RE: Transfer of Project Coordinator to LGS Contract for Management and Administrative Services (Agenda item 6)

Dear Board Members:

---

**SUMMARY:**

At its April 1, 2010 meeting, the Board approved entering into a contract with the Local Government Services Authority (LGS) to administer staffing that will be required by the Marin Energy Authority. Under the contract, LGS will provide the staffing requested by the MEA to fill positions to be established by the Board. These staff members will be employees of LGS rather than the MEA. LGS pays the salary and benefits for its employees that will be providing services to the MEA. Section 5.1 of the contract states that both the MEA and LGS shall at all times treat all persons working for LGS as employees of LGS and not as employees of the MEA. Since LGS is an independent contractor of the MEA, the MEA does not have the right to terminate any staff member provided by LGS or to direct the services provided by LGS. Section 1.2 of the contract, however, provides that if any time during the term of the contract, the MEA, in its sole discretion, desires the reassignment of any persons provided under the contract, LGS shall consider reassigning such person.

So far, three positions have been transferred to the LGS contract which are the Interim Program Manager position held by Beth Rasmussen, the Administrative Assistant position held by Jordis Weaver and the Interim Director position held by Dawn Weisz. The County of Marin also desires to transfer the Project Coordinator position to the MEA concurrently with the end of its fiscal year.

At this time, the Board is being requested to approve transferring the Project Coordinator position held by Jamie Tuckey to the LGS contract. Under this arrangement, Ms. Tuckey will become an employee of LGS. LGS will be responsible for paying all compensation and benefits to Ms. Tuckey subject to reimbursement by the MEA. In addition, under the contract with LGS, the MEA will pay to LGS an administrative fee of \$5.28 per hour for the hours worked by Ms. Tuckey.

The duties of the Project Coordinator will not be changed by the proposed transfer. The costs of employing the Project Coordinator position held by Jamie Tuckey through LGS

are: the cost of salary and benefits paid to the LGS employee provided to the MEA plus the LGS administrative fee of \$5.28 per hour for the hours that the employee works.

The total monthly cost to the MEA will be \$7,898. This amount includes a salary of \$4,571 per month, plus benefits of \$2,535 per month, plus the LGS administrative fee of approximately \$792 which is premised on 40 hours of work per week. Benefits will consist of dental and vision insurance, long-term and short-term disability insurance, life insurance, a contribution to a medical insurance plan, and the employer contribution to PERS. The PERS retirement benefit is 2% at 55. The benefits provided by LGS are comparable but not identical to the benefits provided by the County of Marin to its employees.

**Recommendation:** Approve the transfer of the Project Coordinator position to the LGS Contract.