

**MARIN ENERGY AUTHORITY
THURSDAY, DECEMBER 3, 2009
7:30 P.M.**

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

Roll Call

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

Absent: None

Staff: Dawn Weisz, MEA Interim Executive Director
Jamie Tuckey, MEA Project Coordinator
Greg Stepanicich, General Counsel
Beth Rasmussen, MEA Project Manager
Jessica Woods, Recording Secretary

1. Public Open Time

Local Power representative discussed the case regarding their submission substantiating their bid in response to having been excluded from the phase one list. He then clarified that Local Power wants to serve MEA, they support CCA and support what MEA is doing and appreciates the urgency and the path taken. They in no way wish to stop or discourage the course taken; they just wanted to be given full consideration.

Ed Mainland, Co-Chair, Sierra Club Energy & Climate Committee, believed that MEA would not lose and would instead benefit a great deal by qualifying the Local Power proposal. This particular proposal will protect MEA from the criticism with regard to the Shell Energy North America contract in addition to several other advantages. He then urged the Board to do whatever it needs to carefully consider and re-qualify Local Power's bid.

Juliette Anthony, representing California Renewable Energy, was very impressed with Local Power's presentation and urged the Board to consider Local Power. She also spoke to Macquarie-Cook Power and they would like to be considered as well. She believed to keep pushing Shell Energy North America is a major error.

2. Interim Director's Report

Interim Director Weisz reported on the following items:

- MEA meeting dates (October – December 2009)
- Third party peer review commissioned by the Marin City and Town Managers of the draft power supply contract for MEA as well as responses
 - Three primary risks associated with mitigation strategies and/or decision points as follows:
 - Basic Risk from Point of Supply to Point of Delivery
 - Uncertainty in Customer Loads
 - Uncertainty in PG&E Exit Fees
- New submittal from Local Power and reasons for not choosing to go forward with the proposed program now.
 - The need for upfront bond issuance; and
 - The issue of having CEQA review for any new projects that are not up and running.

General Counsel Stepanicich noted that the RFP has specific deadlines and timeline for decisions of this Board. The submittal was received after the decisions were made. At this point in time to take additional information the entire process must be reopened to keep that process fair, so it would not be appropriate to take additional information from a bidder at this time. In terms of CEQA, any new facilities constructed with MEA would require CEQA.

Vice-Chair Marshall believed it to be unfortunate that Local Power did not respond with a full requirements bid on July 20th and agreed that considering their proposal now would be inappropriate.

Women Energy Matters (WEM) representative believed there was a discussion during the contract before the RFP whether bidders could be married or combined. Since they have a strong local renewables and energy efficiency bid that came in from Local Power, she desired an effort to combine that with some full requirements bidders. She urged the Board to have some discussion on combining those bids.

- Developing Data Management Services for MEA

Items C-4 and C-5 were pulled from the Consent Calendar for further discussion.

3. Consent Calendar:

- C-1. **Approval of Minutes from Regular Meeting on 11-05-09**
- C-2. **Second Addendum to Contract Agreement with Navigant Consulting, Inc.**
- C-3. **Second Addendum to Contract Agreement with Milbank, Tweed, Hadley, & McCloy**

The Board had a few corrections to the minutes, which were noted by staff.

Chair McGlashan asked for a motion.

M/s, Tremaine/Thornton (passed 9-0-0) to approve the Consent Calendar as amended.

C-4. Resolution approving changes to JPA Agreement

General Counsel Stepanicich discussed the changes to the JPA Agreement and explained that there is a mechanism to insulate members from being drawn into a financial obligation.

Chair McGlashan asked for a motion.

M/s, Connolly/Marshall (passed 9-0-0) to approve the Resolution approving changes to the JPA Agreement as outlined by staff.

C-5. Resolution approving changes to Operating Rules and Regulations

General Counsel Stepanicich discussed the changes to the Operating Rules and Regulations.

Director Leone suggested that references in the resolution referring to “*final PPA*” be revised to state “*proposed PPA or final draft PPA.*” General Counsel Stepanicich agreed to make the necessary modification during the Implementation Plan item.

Chair McGlashan asked for a motion.

M/s, Collins/Thornton (passed 9-0-0) to approve the Resolution approving changes to the Operating Rules and Regulations.

4. Consideration of MEA CCA Implementation Plan

Interim Director Weisz summarized the staff report and recommended that the Board approve the MEA Implementation Plan and direct staff to submit to the California Public Utility Commission (CPUC) for approval.

Navigant Consultant Dusel presented a powerpoint presentation on the MEA CCA Implementation Plan that included the following information:

- CCA Implementation Plan Overview
- CCA Statement of Intent Overview
- Comparison of Implementation Plan & Business Plan
- Procedural Overview & Timeline

Navigant Consultant Dusel noted that the document will be provided to PG&E and they will 90-day opportunity to provide comment. Additional comments may be incorporated in an amended plan, but MEA is not under any obligation to incorporate PG&E’s comments.

In response to a question raised by Director Collins, Navigant Consultant Dusel confirmed that the CPUC will be certifying the Implementation Plan. Navigant Consultant Dalessi stated that the Board will not be able to serve customers until the

Implementation Plan is certified. Chair McGlashan clarified that this Board will be able to approve the contract on February 4th without having the Implementation Plan certified.

Chair McGlashan declared the hearing open to receive public testimony.

Novato resident indicated that there is conflict between the business plan and implementation plan and asked which takes precedence. Interim Director Weisz confirmed that the Implementation Plan takes precedence.

Women's Energy Matters representative provided additional suggested language to consider including in the Implementation Plan in a written document and also explained the suggestions verbally.

Director Tremaine supported the additions and General Counsel Stepanicich and Interim Director Weisz agreed that they would be incorporated assuming there were no negative legal implications in the new language.

Marin resident expressed opposition to Shell Energy North America but believed that the Implementation Plan would be certified by the CPUC in a timely manner.

There being no further public testimony on this item, the Chair closed the hearing and brought the matter back to the Board for discussion and action.

Navigant Consultant Dusel provided the Board with a second PowerPoint presentation regarding MEA Comparative Organizational Analysis that included the following information:

- Organization of Publicly Owned Utilities
- Organizational Overview:
 - SMUD
 - Modesto Irrigation District
 - Turlock Irrigation District
 - Roseville Electric
 - Alameda Municipal Power
 - Northern California Power Agency (NCPA)
- MEA – Recommended Organization Structure
- Comparison of Senior Management Structures
- MEA – Initial Responsibilities
- Senior Management – Oversight Responsibilities

In response to a question raised by Director Collins, Navigant Consultant Dusel informed the Board that Turlock's utility, with 99,000 total accounts, would be most comparable in size to Marin Clean Energy.

Chair McGlashan asked for a motion.

M/s, Connolly/Tremaine, (passed 9-0-0) to approve the MEA Implementation Plan as amended and direct staff to submit to CPUC for approval as amended, including adding most, if not all, language submitted by Barbara George from WEM.

5. Resolution to Oppose the 2/3 Vote Constitutional Amendment

Interim Director Weisz summarized the staff report and recommended that the Board approve Resolution 2009-11 opposing the proposed California Constitutional Amendment ballot initiative entitled “*new two-thirds vote requirement for local public electricity providers.*”

Chair McGlashan declared the hearing open to receive public testimony, and seeing no one wishing to speak, the Chair closed the hearing and brought the matter back to the Board for action.

Chair McGlashan asked for a motion.

M/s, Tremaine/Marshall, (passed 9-0-0) to approve Resolution 2009-11 opposing the proposed California Constitutional Amendment ballot initiative entitled “*new two-thirds vote requirement for local public electricity providers.*”

6. Budget for MCE Implementation Period

Interim Director Weisz summarized the staff report and recommended that the Board approve the budget for the MCE Implementation Period as recommended by the MEA Executive Committee. Staff further noted that the total budget is \$1,685,581.

Chair McGlashan declared the hearing open to receive public testimony, and seeing no one wishing to speak, the Chair closed the hearing and brought the matter back to the Board for action.

Chair McGlashan asked for a motion.

M/s, Thornton/Tremaine, (passed 9-0-0) to approve the budget for the MCE Implementation Period as recommended by the MEA Executive Committee.

7. Board Member & Staff Matters

General Counsel Stepanicich suggested adding an urgency item in order to consider providing more flexibility as to when MEA member jurisdictions can inform the MEA Board of withdrawal from MEA. This matter came up after the agenda was publicly noticed and is in regard to a question from the City of Sausalito regarding withdrawal. There is urgency to take action before the next meeting in January in order to allow cities the ability to properly schedule their meetings.

M/s, Leone/Thornton, (9-0-0) to add an urgency item to consider this matter.

General Counsel Stepanicich requested that the Board take formal action on the flexibility in the noticing period.

M/s, Leone/Marshall, (9-0-0) to allow a 21-day notification period instead of the 30-day notification period to withdraw, which will accommodate later meetings occurring as late as January 12, 2010.

8. Adjourn

By order of the Chair, the meeting adjourned at 9:22 p.m.

ATTEST:

Charles McGlashan, Chair

Dawn Weisz, Interim Director