

**MARIN ENERGY AUTHORITY
THURSDAY, JANUARY 7, 2010
7:00 P.M.**

**MARIN COUNTY EMPLOYMEE 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 - None

2. Interim Director's Report

Interim Director Weisz reported on the following items:

- Meetings with member agencies between October and January
- Contract Related Items:
 - Deposit Account Control Agreement
 - Intercreditor Agreement
 - PG&E Service Agreement
 - Power Purchase Agreement
 - Pricing refresh/additional modeling
- Schedule Coordinator Services Agreement
- Data Management Services Agreement
- Resolution on the Ballot Initiative headed to Board of Supervisors on Tuesday for approval
- CPUC Resolution E-4250, which has been initiated by the Commission's Energy Division. Supplemental packet included for Board's review.
- Letter from PG&E regarding rates and staff's response

Project Coordinator Tuckey updated the Board on communication strategies for their consideration.

General Counsel Stepanicich reiterated that the Board recently amended the JPA agreement to assure that no member can be made responsible for financial contributions. Staff further added that mechanisms are in place that guarantees that a local agency would not be forced into making financial contributions.

Chair McGlashan excused himself from the MEA meeting at 7:26 p.m.

3. Consent Calendar:

C-1. Approval of Minutes from Regular Meeting on 12-03-09

Vice Chair Marshall asked for a motion.

M/s. Tremaine/Connolly, (passed 8-0-1) to approve the Consent Calendar as submitted. Chair McGlashan absent.

Chair McGlashan reconvened his position as Chair of MEA at 7:31 p.m.

4. Presentation on Local Renewable Projects

Project Coordinator Tuckey introduced Glen Casanova & Ken Palmerton from Power Choice, Aaron Brown from Pacific Biogas Energy, Tom Harvey from SunRun, and Mark Trotter from Sol Orchard to the Board. The guest speakers provided the Board with PowerPoint presentations on local renewable projects that the Board may want to further explore.

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

Chair McGlashan, on behalf of the entire Board, thanked all presenters for offering great food for thought.

5. Approval of Resolution No. 2010-01 Authorizing a Discount on the Deep Green Product for Entities Providing Security for the Implementation Financing of the Marin Clean Energy Program

Interim Director Weisz summarized the staff report and recommended that the Board approve Resolution No. 2010-01, authorizing the discount to the Deep Green product for entities providing security for the implementation financing of the MCE program subject to final legal approval; and direct staff to negotiate final guaranty and intercreditor agreements.

General Counsel Stepanicich explained the concept of offering preferential rate to a party that provided financing assistance.

The Board desired to know what it would cost the Agency to provide this discount in order to understand the best approach before approval of a resolution. Interim Director Weisz indicated that staff must determine the best mechanism to share that information with Directors without compromising any current and future business operations. Staff then noted that the implementation loan would be guaranteed, and the amount would be roughly \$1.68 million. Staff further agreed to modify the sixth “Whereas Clause” to state, “*explore offering its guarantors...*”

Chair McGlashan declared the hearing open to receive public testimony.

A member of the public desired the definition of “*guarantor*” and believed Marin Water District should not be exempted.

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.

The Board found it difficult to make an informed decision at this point with the information provided. Conceptually, the Board felt it is extraordinarily creative, but desired this matter to come back with a full presentation on who is being targeted. Also, the Board wanted to keep their options open and not preclude any other entities. The Board indicated that staff must know the combined offering of return between the guarantor and the combined funding source underneath. Interim Director Weisz agreed to bring such information to the next Technical Committee meeting.

The Board clarified with staff that they are not asking any cities to guarantee a loan. Interim Director Weisz responded in the affirmative. Chair McGlashan recommended expanding this discussion with larger entities as well.

Chair McGlashan asked for a motion.

M/s, Tremaine/Thornton, (passed 9-0-0) to direct staff to explore this opportunity and develop a full proposal to come back to the Board that can be presented to varying entities.

6. Final Response to Civil Grand Jury Report on Marin Clean Energy and “Summary Issues” Report

Interim Director Weisz summarized the staff report and recommended that the Board approve the final response to the Civil Grand Jury Report on MCE. Staff further noted that the Grand Jury Report and rebuttal are available on the MEA website under the “*key documents*” page for those interested.

The Board discussed the Grand Jury Report and noted a few revisions, which staff agreed to modify.

Chair McGlashan declared the hearing open to receive public testimony.

Members of the public pointed out that there is risk, even though it is limited in regard to F14 of the Grand Jury report. Also, F14 should be modified to state, “*partially disagree.*” The Board and staff agreed to modify.

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

Chair McGlashan asked for a motion.

M/s, Tremaine/Cromwell, (passed 9-0-0) to approve final response to the Civil Grand Jury Report on MCE as amended by the Board.

The Board then discussed the “*Summary Issues*” Report and noted a few revisions and directed staff to modify the document. The Board also directed staff to add a paragraph about taxpayer or customer risk. Interim Director Weisz agreed to make the necessary modifications.

7. MEA Sponsor Funds

Project Coordinator Tuckey summarized the staff report and recommended that the Board authorize MEA to budget an estimated amount of \$5,000 of sponsor funds in the 2009-10 Fiscal Year; and authorize budget of \$5,000 in Fund 31050, Revenue GL 4719642 Misc. Revenue – Other and Expense GL 5211500 Misc Services. Should contributions exceed \$5,000 in the 2009-10 Fiscal Year, staff will return to the Board to request additional budget authority.

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/Thornton, (passed 9-0-0) to authorize MEA to budget an estimated amount of \$5,000 of sponsor funds in the 2009-10 Fiscal Year; and authorize budget of \$5,000 in Fund 31050.

8. Board Member & Staff Matters

Director Leone desired a future agenda item on negotiating tactics and how the Board or member agencies would participate.

Chair McGlashan asked staff to come back in regard to the two tier voting, based on membership next Tuesday. Also, he appreciated staff and all those who participated in this process for doing such heroic work.

9. Adjourn

By order of the Chair, the meeting adjourned at 10:27 p.m.

ATTEST:

Charles McGlashan, Chair

Dawn Weisz, Interim Director