

**MARIN ENERGY AUTHORITY
THURSDAY, OCTOBER 1, 2009
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
Ken Wachtel, City of Mill Valley, Alternate, 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: Shawn Marshall, City of Mill Valley, Vice-Chair
Tom Cromwell, City of Belvedere

Staff: Dawn Weisz, MEA Interim Executive Director
Greg Stepanicich, General Counsel
John Dalessi, Technical Consultant
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:

- Renewable Energy Sources document from Chair McGlashan
- Attorney General's Energy White Paper
- Joint Exercise of Powers agreement
- Letter submitted to House of Representatives regarding Tax Exempt Private Activity Bonds
- Potential AB811 Program organization and operation

Chair McGlashan discussed the future organization and operation of an AB811 program in Marin, including benefits of having it run by MEA. Director Thornton agreed and believed that any AB811 program operation should be regulated by the Brown Act to ensure an appropriate level of public participation. Energy efficiency is critical to the Board's mission and AB811 is the best way to achieve that fast and effectively. Director Tremaine believed the Board should indicate the desire to have jurisdiction over this potential program. Staff then noted that there are four outstanding grants that would fund

an AB811 program operated by MEA if awarded. Staff further announced that a letter of support for DOE 36 was received from Senator Barbara Boxer.

3. Consent Calendar: Approval of Minutes from Regular Meeting on 8-20-09 & 9-3-09

Chair McGlashan asked for a motion.

M/s, Tremaine/Connolly (passed 5-0-3-2) to approve the minutes from 8-20-09 as amended. Leone/Connolly/Wachtel abstained. Cromwell/Marshall absent.

M/s, Tremaine/Connolly (passed 7-0-1-2) to approve the minutes of 9-3-09 as amended. Wachtel abstained. Cromwell/Marshall absent.

4. Review Presentation for City & Town Council Meetings

Interim Director Weisz summarized the staff report and recommended that the Board discuss the presentation and provide direction to staff on areas where additional information is needed.

The Board reviewed the presentation slide by slide and recommended several modifications to be included by staff before bringing to any of the city or town council meetings.

Chair McGlashan declared the hearing open for public comment, at which point four Marin residents gave comments and suggestions to improve the presentation.

There being no further public testimony on this item, the Chair closed the public portion and moved on to the next agenda item.

5. Report from Ad Hoc Contract Committee on Contract Negotiations and Draft Contract

Interim Director Weisz summarized the staff report and recommended that the Board approve the release of the draft Power Purchase Agreement (PPA) contract, also known as Program Agreement 1, to allow for input from member agencies, the public and key stakeholders.

The Board discussed the plan for providing opt-out notices for MEA customers as well as the plan for phasing in customers. Interim Director Weisz agreed to take this item up with the Ad Hoc Contract Committee.

Interim Director Weisz suggested that the Board select a bidder to be in first position, to allow the team to dedicate more resources to focus on one contract.

Interim Director Weisz announced that Shell Energy North America has been the most respondent in moving towards developing a draft contract, and also has the best qualification among the other ‘full requirements’ respondents.

Staff has also made progress with the other companies and would like to keep them engaged at some level, but all parties desired one of the three to be placed in the first position in order to be clear about where resources must be allocated.

Director Connolly requested that staff develop a grid comparing the qualifications of each of the ‘full requirements’ bidders.

Chair McGlashan declared the hearing open to receive public testimony.

Marin resident asked the Board and staff to provide an explanation as to why Shell Energy North America is the most financially viable of the three. Interim Director Weisz indicated that prices would reflect the market trend and that energy prices would not vary hugely between the three full requirements bidders.

Marin resident expressed concern for how the staff would evaluate the risk of executing the contract.

Director Thornton recommended that staff include a cover sheet to be included with the release of the draft contract, clarifying that the terms of the contract are in relation to a real-time discussion and are subject to change, and suggested stating, “*draft, preliminary or work in progress.*” Interim Director Weisz responded in the affirmative.

6. Legal Contract with Milbank, Tweed, Hadley & McCloy LLP

Interim Director Weisz summarized the staff report and recommended that the Board authorize the Director to execute an agreement with legal firm Milbank, Tweed, Hadley, & McCloy LLP.

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 7-0-2) to authorize the Director to execute an agreement with Milbank, Tweed, Hadley, and McCloy LLP up to \$20,000. Cromwell/Marshall absent.

7. Two Adjustments for Remaining Budget

Interim Director Weisz summarized the staff report and recommended that the Board approve shifting funds from the ‘executive director search’ and ‘insurance’ line items in

the budget to cover current needs for technical and legal support.

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 discussion and action.

Chair McGlashan recommended that the Board also approve receiving an additional \$40,000 loan from the Board of Supervisors to provide more flexibility with the budget as deemed necessary by the Interim Director. The Board agreed.

Chair McGlashan asked for a motion.

M/s, Thornton/Tremaine, (passed 7-0-2) to approve shifting of 'executive director search' and 'insurance' line items in the budget to cover current needs for technical and legal support and approve receiving an additional \$40,000 loan from the Board of Supervisors. Cromwell/Marshall absent.

8. Board Member & Staff Matters

None.

9. Adjourn

By order of the Chair, the meeting adjourned at 10:44 p.m.

ATTEST:

Charles McGlashan, Chair

Dawn Weisz, Interim Director