

**MARIN ENERGY AUTHORITY**  
**THURSDAY, JUNE 4, 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  
Damon Connolly, City of San Rafael (*arrived @ 8:03pm*)  
Barbara Morrison, City of Belvedere, Alternate  
Jonathan Leone, City of Sausalito  
Lew Tremaine, Town of Fairfax  
Barbara Thornton, Town of San Anselmo

**Absent:** Shawn Marshall, City of Mill Valley, Vice-Chair  
Richard Collins, Town of Tiburon  
Tom Cromwell, City of Belvedere  
Christopher Martin, Town of Ross

**Staff:** Dawn Weisz, MEA Interim Executive Director  
Jamie Tuckey, MEA Planning Aide  
Jessica Woods, Recording Secretary

**1. Public Open Time**

Women Energy Matters (WEM) representative appreciated the Board sending a letter on SB 695 and thanked the Board for making this an issue because they must protect CCAs.

Marin resident established a business in San Rafael for green building consulting and believed multiple buildings are ready to become energy efficient.

**2. Interim Director's Report**

- Urgency Item – SB 695 Opposition Letter

M/s, McGlashan/Tremaine, (passed 5-0-5), to discuss the Urgency Item. Motion carried unanimously. Marshall/Collins/Connolly/Cromwell/Martin absent.

Interim Director Weisz prepared a letter of opposition respectfully requesting that the Assembly Utilities Committee amend SB 695 to exclude CCA programs and recommended that the Board approve.

Chair McGlashan thanked Barbara George from WEM for bringing this matter to the Board's attention and greatly appreciated the nonprofit organizations keeping their eye out.

Chair McGlashan declared the hearing open to receive public testimony.

WEM representative corrected the second page of the opposition letter in regard to the fourth paragraph, which should state, “*non-residential customer*” and read as follows: “*SB 695 does not allow any service by an aggregator to a non-residential customer until the suspension is lifted.*” Even though initial access is applied to both residential and non-residential, this particular bill specifies non-residential. Non-residential customers are served by direct access. She also suggested addressing this letter to the Senators who carried the bill initially. She then thanked the Sierra Club for their help on this matter.

Chair McGlashan directed staff to send the letter to Senators Kehoe, Leno and Wright.

There being no further public testimony on this item, 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 5-0-5) to approve the SB 695 letter of opposition as amended. Motion carried unanimously. Marshall/Collins/Connolly/Cromwell/Martin absent.

Interim Director Weisz discussed the AB811 program and how to offer it to non-member jurisdictions within Marin County. General Counsel Stepanicich is developing a memo for the Board to first be reviewed at the Technical Committee to prepare a “*joint exercise of powers agreement.*” It is an arrangement setup for Marin Map several years ago where overarching organizations can offer programs to other jurisdictions. Staff is looking into that matter and looking at structuring to offer services more broadly. Staff will have more to report at the next Board meeting.

Richard Schorske, Climate Action Director, MCEP, provided a powerpoint presentation on Marin Green BERST Program for the Board’s consideration that included the following:

- MCEP Background
- What is Marin Green BERST?
- Who is Marin Green BERST?
- Why Marin Green BERST?
- Green BERST Planning Goals

Mr. Schorske noted that they address policies and programmatic issues; program design and financing must get integrated as soon as possible so there is mutual communication. The financing aspect of the design is complimentary to the programmatic side. They hope to meet in a few weeks to figure out how to serve non-MEA cities. He explained that this is a new model to rationalize marketing of energy efficiency and distributing renewables, specifically solar, to make sure what gets done is the most economically and ecologically

efficient. In terms of green building, they must develop proposals, debate and see how MEA will integrate.

Mr. Schorske recommended that the Board review Sonoma County's business plan at: [www.sonomacountyenergyindependenceprogram.com](http://www.sonomacountyenergyindependenceprogram.com)

Planning Aid Jamie Tuckey reported on the bidders conference held on May 27<sup>th</sup> where Interim Director Weisz gave a brief overview presentation of MEA and MCE program. That was followed by a more technical overview presentation of MEA's RFP from Navigant Consulting. There were over 40 participants representing 25 to 30 different entities. Attendees were invited to ask questions and provide comments. Minutes of the meeting were posted on the MEA website that included all the questions and answers and lists all attendees. Staff continues to circulate to City and Town Council's to provide updates on the progress and activities being undertaken by the Board.

Chair McGlashan declared the hearing open to receive public testimony.

Fairfax resident suggested that when Marin launches their program to make sure energy efficiency is part of the program from the start.

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

### **3. Consent Calendar: Approval of Minutes from Regular MEA Meeting on 5-7-09**

M/s, Leone/Thornton, (passed 5-0-5) to approve the minutes from the regular MEA meeting on May 7, 2009. Motion carried unanimously.  
Marshall/Collins/Connolly/Cromwell/Martin absent.

*Director Connolly joined the MEA meeting at 8:03pm.*

### **4. AB11 Program: legal options**

Interim Director Weisz discussed Assembly Bill 811, which allows for public financing of energy efficiency, renewable energy and water conservation installations on private homes and businesses. Resources may be available from the Marin Community Foundation to fund the start-up of this program in Marin. A letter of interest for start-up funding has been submitted to the Marin Community Foundation and is attached for the Board's review. Tonight, the Board will hear a discussion of legal issues to consider in developing such a program.

Trisha Ortiz, attorney, representing Richards Watson & Gershon, provided a powerpoint presentation on local government financing for energy efficiency and renewable energy improvements for the Board's consideration that included the following:

- Local Government Financing Goals

- AB 811: Overview
- AB 811: Nuts & Bolts
- Special Tax Financing: Overview
- Special Tax Financing: SB279 Nuts & Bolts
- AB 811 v SB 279
- Issues: Legal
- Issues: Financial

In response to comments by the Board, Ms. Ortiz explained that General Fund cash was used in Palm Desert. They sold bonds to the redevelopment agency as investments to pay back the General Fund. Sonoma County is entering into contracts, and when funded, once per month they will issue a bond to pay for all the improvements. That bond is purchased by the County Treasurer as an investment that it will hold, which is secured by contractual assessment. Both programs allow flexibility in the terms of those loans. 20 years is the maximum. The financing authority issues the bonds and the financing authority then provides the bond proceeds to the County, and they have a loan agreement between the County and financing authority. The loan is repaid from assessment revenues from property owners.

Interim Director Weisz explained that they are designing a program for MEA that has renewable source of funding. The banks would provide a loan issue of \$20 million in the first round, which would be used incrementally over six months to one year for projects in Marin County. Once that \$20 million is used up, then a bond would be issued to repay the loan. They could renew about 15 times before they hit market saturation and this could be done through bond mechanisms. Larger financial institutions would be issuing bonds on behalf of the banks. MEA would not be liable for paying back the loans. The payback is tied to the property taxes. They would have an operating agreement with the County Assessor's Office. Ms. Ortiz noted that the two entities able to participate in AB811 program are cities and counties. Since MEA is an authority made up of both cities and counties, MEA has the power to implement the program as a city and county would. She explained that the program would levy the taxes on a property-by-property basis. She further noted that it would be a line item as seen with special assessment.

In terms of being eligible for tax-exempt bonds, Interim Director Weisz believed it is a possibility. The larger banks would be looking at bringing in bond counsel to look at how bonds would be rated.

Interim Director Weisz discussed solar vs. energy efficiency and learned from Palm Desert that there is a lot of interest in solar and some in energy efficiency, but solar used up a big chunk of money. They decided in their next round to have a certain cap allocated for just energy efficiency projects. In Marin, they could require that certain energy efficiency retrofits occur before installing solar; at a minimum, require an energy audit. It would be a benefit to interface with BERST efforts since they will have the time to focus on certain issues and make sure it is tailored in the right way for Marin. Staff noted that this is typically a wash to the customer. It is a fixed amount for 20 years and energy is

reduced enough that the overall cost is reduced, so it is overall an energy savings for the customer.

Chair McGlashan believed working as partners with Green BERST is fabulous. There could be a valuable role that MEA could offer as a partner to that effort by getting the financing organized.

Interim Director Weisz stated that in Palm Desert any amount under \$50,000 could occur without approval; at \$50,000 directors approval is needed; at \$100,000 Board approval is needed and MEA may want to follow a similar approach. A piece of the program written into the draft implementation plan is a carve out of about 5% for administration cost and an additional 5% would be carved out for low income projects not able to access this program. This would be administered as a revolving loan fund. There has been some discussion about the types of energy retrofits and they are looking at deep energy retrofits and third party verification on a certain percentage of projects. Also, they are looking at forming a partnership with “*Green Box*” that has great software interface.

Chair McGlashan declared the hearing open to receive public testimony.

Sustainable Novato representative heard a rumor that lien superiority might be challenged in court, which is a concern. Ms. Ortiz noted that Sonoma is bringing a validation action in court. They filed a complaint discussing all potential legal issues. There is an opportunity for any party to contest the action. The court rules whether the program is valid or not.

WEM representative explained that the feed-in tariff idea was introduced in 2002 under the CPUC energy efficiency proceedings. The idea was to payoff the product with the amount being saved, so there is no upfront cost. She suggested taking the energy efficiency piece with public goods charge or add revenue bonds for an additional energy efficiency piece. In terms of demand forecast, the demand is not going down. Even in the recession and great depression the amount of energy stays pretty level, so this is a good business and very beneficial for this County.

Fairfax resident stated that energy efficiencies is a well-developed enterprise and computer modeling is getting more and more accurate. Professional raters provide how much will be saved and work out a package in which that plan makes sense and banks loan money. If there is a way to make it happen why spend more money to waste energy when one could put it into improving their property and reducing greenhouse gases.

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

Chair McGlashan noted that they are in fundraising mode for this program. They must raise some capital for the administrative details. Interim Director Weisz noted that they are looking for around \$200,000 in initial start-up to cover legal fees, web development, staff and administrative setup. At this time all legal input has been pro bono. The packet

includes a proposal submitted to the Marin Community Foundation (MCF) that provides a breakdown of what is included in the budget. A letter was submitted to the MCF and staff is looking at other opportunities as well. Staff welcomed any and all ideas in regard to revenue sources. Staff further hoped to find start-up money in the next 60 to 90 days.

Chair McGlashan had two conversations with Tom Peters and is not very confident in regard to funding. It is not moving quickly and he along with Vice Chair Marshall agreed to carry the fundraising burden. He is reaching out to other foundations and welcomed any ideas on others. He contacted several technical attorneys who donated their time on explaining how to structure a tax-exempt loan scenario for wealthy investors, so he continues to look for wealthy individuals interested in granting or lending the agency money.

Director Tremaine suggested asking MCF for a loan. Chair McGlashan left that voice mail, so that is a backup opportunity. It is not a “for sure” methodology. It would be subject to all the other financial cost benefit and it must come back to this Board for approval.

## **5. PEIR Grant Submittal**

Interim Director Weisz summarized the staff report and recommended that the Board approve resolution authorizing submittal of grant to PIER. Staff attached the Letter of Support for PIER Grant Submittal for the Board’s review as well. The projects include:

- Smart Customer Project
- Optimizing Pumped Storage
- Solar and Energy Efficiency District (SEED) Project
- Net Zero Energy Through Local Government Building Codes.

Interim Director Weisz explained that soft match would come from volunteers. Staff hopes if funded, volunteers could be paid, but some would like to remain in the volunteer capacity. The Board thanked all the volunteers.

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/Connolly, (passed 6-0-5), to adopt Resolution of the Marin Energy Authority authorizing the submittal of a grant proposal for the PIER Program of the California Energy Commission. Marshall/Collins/Cromwell/Martin absent.

## **6. Budget update and approval**

Planning Aid Tuckey summarized the staff report and recommended that the Board approve the proposed budget.

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 Board for action.

Chair McGlashan asked for a motion.

M/s, Thornton/Tremaine, (passed 6-0-5) to approve the MEA proposed budget for FY 2009-2010. Motion carried unanimously. Marshall/Collins/Cromwell/Martin absent.

**7. Chair proposes to cancel July Board meeting and/or reschedule Special Meeting of the Board**

The Board agreed to reschedule the July meeting to July 23<sup>rd</sup> and meet on August 20<sup>th</sup> or tentatively schedule the meeting for August 27<sup>th</sup>.

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 Board for action.

Chair McGlashan asked for a motion.

M/s, Tremaine/Leone, (passed 6-0-5) to approve new MEA meeting dates of July 23<sup>rd</sup> and August 20<sup>th</sup>. Motion carried unanimously. Marshall/Collins/Cromwell/Martin absent.

**8. Board Member & Staff Matters - None**

**9. Adjournment**

By order of the Chair, the meeting adjourned at 9:02pm.

**ATTEST:**

\_\_\_\_\_  
**Charles McGlashan, Chair**

\_\_\_\_\_  
**Dawn Weisz, Interim Director**