



MARIN COUNTY | NAPA COUNTY | UNINCORPORATED CONTRA COSTA COUNTY | UNINCORPORATED SOLANO COUNTY
BENICIA | CONCORD | DANVILLE | EL CERRITO | LAFAYETTE | MARTINEZ | MORAGA | OAKLEY | PINOLE
PITTSBURG | RICHMOND | SAN PABLO | SAN RAMON | WALNUT CREEK

Board of Directors Meeting
Thursday, July 16, 2020
7:00 P.M.

The Board of Directors Meeting will be conducted pursuant to the provisions of the Governor's [Executive Order](#) N-29-20 (March 17, 2020) which suspends certain requirements of the Ralph M. Brown Act. Board of Director Members will be teleconferencing into the Board of Directors Meeting.

Members of the public who wish to observe the meeting may do so telephonically via the following teleconference call-in number and meeting ID:

Dial: 1-669-900-9128
Meeting ID – 844 2743 8998
Meeting Password: 962532

For Viewing Access Join Zoom Meeting:
<https://us02web.zoom.us/j/84427438998?pwd=Y1p0ck9tVEpRRIVzOUF6WkJVUmhsZz09>

Agenda Page 1 of 2

1. Roll Call/Quorum
2. Board Announcements (Discussion)
3. Public Open Time (Discussion)
4. Report from Chief Executive Officer (Discussion)
5. Consent Calendar (Discussion/Action)
 - C.1 Approval of 5.21.20 Meeting Minutes
 - C.2 Approved Contracts for Energy Update
 - C.3 Response to Marin County Civil Grand Jury Report



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 it by using the contact information below. If you require accommodation (example: ASL Interpreter, reader, note taker) to participate in any MCE program, service or activity, you may request an accommodation by calling (925) 378-6732 (voice) or 711 for the California Relay Service or by e-mail at djackson@mceCleanEnergy.org not less than **four work days** in advance of the event.

6. Transfer of Fiscal Year 2019-20 Funds to the Operating Reserve Fund (Discussion/Action)
7. Inaugural MCE Climate Action Leadership Award and Nomination (Discussion/Action)
8. Customer Programs Update (Discussion)
9. Board Matters & Staff Matters (Discussion)
10. Adjourn

DISABLED ACCOMMODATION: If you are a person with a disability which requires an accommodation, or an alternative format, please contact the Clerk of the Board at (925) 378-6732 as soon as possible to ensure arrangements for accommodation.

DRAFT

MCE BOARD MEETING MINUTES
Thursday, May 21, 2020
7:00 P.M.

The Board of Directors' Meeting was conducted pursuant to the provisions of the Governor's [Executive Order](#) N-29-20 (March 17, 2020) which suspends certain requirements of the Ralph M. Brown Act. Board Members, staff and members of the public were able to participate in the Board Meeting via teleconference.

Present: Mike Anderson, City of Lafayette
Denise Athas, City of Novato
Edi Birsan, City of Concord
Tom Butt, City of Richmond
Barbara Coler, Town of Fairfax
Ford Greene, Town of San Anselmo
Kevin Haroff, City of Larkspur
Sue Higgins, City of Oakley
C. William Kircher, Town of Ross
David Kunhardt, Town of Corte Madera
Greg Lyman, City of El Cerrito
Bob McCaskill, City of Belvedere
Andrew McCullough, City of San Rafael
Elizabeth Pabon-Alvarado, City of San Pablo
Elizabeth Patterson, City of Benicia
Scott Perkins, City of San Ramon
Kate Sears, County of Marin
Renata Sos, Town of Moraga
John Vasquez, County of Solano
Brad Wagenknecht, County of Napa
Justin Wedel, City of Walnut Creek
Ray Withy, City of Sausalito and City of Mill Valley

Absent: Lisa Blackwell, Town of Danville
John Gioia, Contra Costa County
Vincent Salimi, City of Pinole
Shanelle Scales-Preston, City of Pittsburg
Rob Schroder, City of Martinez
Jon Welner, Town of Tiburon

**Staff
& Others:** Darlene Jackson, Board Clerk
Alice Havenar-Daughton, Director of Customer Programs
Vicken Kasarjian, Chief Operating Officer
Justin Marquez, Community Equity Specialist
Enyo Senyo-Mensah, Administrative Services Associate
Heather Shepard, Director of Public Affairs
Shalini Swaroop, General Counsel
Jamie Tuckey, Director of Strategic Initiatives
Dawn Weisz, Chief Executive Officer

DRAFT

1. Roll Call/Quorum:

Director Kate Sears called the meeting to order at 7:02 p.m. with quorum established by roll call.

2. Board Announcements (Discussion)

There were none.

3. Public Open Time (Discussion)

Chair Sears opened the public comment period and there were no comments.

4. Report from Chief Executive Officer (Discussion)

CEO Dawn Weisz, reported the following:

- Enrollment in the County of Solano is now complete.
- Introduction of the following new Board Members that were sworn in during the 5.18.20 orientation: David Kunhardt – Town of Corte Madera, Mayor Eli Beckman, Alternate – Town of Corte Madera and, C. William Kircher – Town of Ross. The new Board members were welcomed by the Board.
- MCE is looking forward to welcoming our newest Board additions from Vallejo and Pleasant Hill, probably by next month's Board meeting.
- MCE is celebrating its 10-year Anniversary this month and there have been a number of activities to commemorate the milestone including a press release, an article about MCE's launch and purpose and social media posts. In addition, staff are using Zoom backgrounds for the anniversary, and commemorative pins have been mailed to board members and staff.
- Reminder to unmute, use your name when you speak, and mute when you are done speaking. You are encouraged to use the "raise hand" feature if you are able. If not, the Chair will pause for input regularly during the meeting.
- MCE COVID-19 responses:
 - Continuing remote work for all staff.
 - All community meetings have been transitioned to remote access.
 - Load impacts: Residential higher, commercial lower, 5-8% load reduction overall.
- MCE is offering free charging at our San Rafael office parking lot during the shelter-in-place.

DRAFT

- MCE will be receiving the 2020 Acterra Business Environmental Award next Thursday for our work on MCE Solar One. We are sharing this award with the City of Richmond and RichmondBUILD.
- MCE's 2020 Open Season Request for Offers produced 85 offers from 32 unique counterparties. Short-listed bids were presented to the Ad Hoc Contracts Committee on May 13th, and potential agreements for power supply will ultimately be making their way to the Technical Committee in late summer.

5. Consent Calendar (Discussion/Action)

- C.1 Approval of 3.19.20 Meeting Minutes
- C.2 Approved Contracts Update
- C.3 Voting Shares
- C.4 Authorization to Enter Into Prepayment Transaction Contract

Chair Sears opened the public comment period and there were no comments.

Action: It was M/S/C (Lyman/Haroff) to **approve Consent Calendar items: C.1-C.4. The motion was subject to updated language for item C.3 reflecting approval of both Exhibits C and D.** Motion carried by unanimous roll call vote. (Absent: Directors Blackwell, Gioia, Salimi, Scales-Preston, Schroder, and Welner).

6. Charles F. McGlashan Advocacy Awards 2019 (Discussion/Action)

Justin Marquez, Community Equity Specialist presented this item and addressed questions from the Board.

Chair Sears opened the public comment period. There were comments from award recipients Rose Jackson, National Council for Jewish Women and Bradley Waite, Sustainable Ross.

Action: No action required. Item was previously approved by Executive Committee.

7. Addition of Board Members to Committees (Discussion/Action)

CEO Dawn Weisz, presented this item and addressed questions from Board members.

Chair Sears opened the public comment period and there were no comments.

Action: It was M/S/C (Coler/Patterson) to **add Director David Kunhardt to the Technical Committee.** The motion carried by unanimous roll call vote. (Absent: Directors Blackwell, Gioia, Salimi, Scales-Preston, Schroder, and Welner).

DRAFT

8. Resiliency Program Update (Discussion)

Director of Customer Programs, Alice Havenar-Daughton, Director of Strategic Initiatives, Jamie Tuckey and General Counsel, Shalini Swaroop jointly presented this item and addressed questions from the Board.

Chair Sears opened the public comment period. There were comments from member of the public, Aleta Dupree.

Action: No action required

9. Public Affairs Update (Discussion)

Director of Public Affairs, Heather Shepard introduced this item and addressed questions from Board members.

Chair Sears opened the public comment period. There were comments from member of the public, Aleta Dupree.

Action: No action required

10. Board Matters & Staff Matters (Discussion)

There were no announcements.

11. Adjournment

Chair Kate Sears adjourned the meeting at 8:32 p.m. to the next scheduled Board Meeting on June 18, 2020.

Kate Sears, Chair

Attest:

Dawn Weisz, Secretary



July 16, 2020

TO: MCE Board of Directors
FROM: Bill Pascoe, Power Procurement Manager
RE: Approved Contracts for Energy Update (Agenda Item #05 - C.2)

Dear Board Members:

SUMMARY: This report summarizes contracts for energy procurement entered into by the Chief Executive Officer and if applicable, the Chair of the Technical Committee since the last regular Board meeting in May. This summary is provided to your Board for information purposes only, and no action is needed.

Review of Procurement Authorities

In March 2018, your Board adopted Resolution 2018-03 which included the following provisions:

The CEO and Technical Committee Chair, jointly, are hereby authorized, after consultation with the appropriate Committee of the Board of Directors, to approve and execute contracts for Energy Procurement for terms of less than or equal to five years. The CEO shall timely report to the Board of Directors all such executed contracts.

The CEO is authorized to approve and execute contracts for Energy Procurement for terms of less than or equal to 12 months, which the CEO shall timely report to the Board of Directors.

The Chief Executive Officer is required to report all such contracts and agreements to the MCE Board of Directors on a regular basis.

<i>Item Number</i>	<i>Month of Execution</i>	<i>Purpose</i>	<i>Average Annual Contract Amount</i>	<i>Contract Term</i>
1	April, 2020	Purchase of Carbon Free Energy	\$337,500	Under 1 Year
2	April, 2020	Sale of Resource Adequacy	\$825,000	Under 1 Year
3	April, 2020	Sale of Resource Adequacy	\$14,000	Under 1 Year
4	May, 2020	Sale of Resource Adequacy	\$65,000	Under 1 Year
5	May, 2020	Sale of Resource Adequacy	\$101,250	Under 1 Year
6	May, 2020	Sale of Resource Adequacy	\$96,000	Under 1 Year
7	May, 2020	Sale of Resource Adequacy	\$291,250	Under 1 Year
8	May, 2020	Purchase of Renewable Energy	\$1,450,000	Under 1 Year
9	May, 2020	Sale of Resource Adequacy	\$122,500	Under 1 Year
10	May, 2020	Sale of Resource Adequacy	\$20,250	Under 1 Year
11	May, 2020	Purchase of Renewable Energy	\$775,000	Under 1 Year
12	May, 2020	Purchase of Renewable Energy	\$630,000	Under 1 Year
13	May, 2020	Sale of Resource Adequacy	\$480,000	Under 1 Year
14	May, 2020	Purchase of Carbon Free Energy	\$414,000	Under 1 Year
15	May, 2020	Purchase of Carbon Free Energy	\$63,000	Under 1 Year
16	May, 2020	Purchase of Renewable Energy	\$1,262,976	1-5 Years
17	June, 2020	Sale of Resource Adequacy	\$71,198	Under 1 Year
18	June, 2020	Sale of Resource Adequacy	\$24,000	Under 1 Year
19	June, 2020	Purchase of Carbon Free Energy	\$0	Under 1 Year
20	June, 2020	Sale of Resource Adequacy	\$330,000	Under 1 Year
21	June, 2020	Purchase of Renewable Energy	\$1,566,000	Under 1 Year

Contract Approval Process: Energy procurement is governed by MCE's Energy Risk Management Policy as well as Board Resolutions 2018-03, 2018-04, and 2018-08. The Energy Risk Management Policy (Policy) has been developed to help ensure that MCE achieves its mission and adheres to its procurement policies established by the MCE Board of Directors (Board), power supply and related contract commitments, good utility practice, and all applicable laws and regulations. The Board Resolutions direct the CEO to sign energy contracts up to and including 12 months in length.

The evaluation of every new energy contract is based upon how to best fill MCE's open position. Factors such as volume, notional value, type of product, price, term, collateral threshold and posting, and payment are all considered before execution of the agreement.

After evaluation and prior to finalizing any energy contract for execution, an approval matrix is implemented whereby the draft contract is routed to key support staff and consultants for review, input, and approval. Typically, contracts are routed for commercial, technical, legal and financial approval, and are then typically routed through the Chief Operating Officer for approval prior to execution. The table below is an example of MCE staff and consultants who may be assigned to review and consider approval prior to the execution of a new energy contract or agreement.

<i>Review Owner</i>	<i>Review Category</i>
Lindsay Saxby (MCE Manager of Power Resources)	Procurement / Commercial
John Dalessi/Brian Goldstein (Pacific Energy Advisors)	Technical Review
Steve Hall (Hall Energy Law)	Legal
Garth Salisbury (MCE Director of Finance)	Credit/Financial
Vicken Kasarjian (MCE, Chief Operating Officer)	Executive

Fiscal Impacts: Expenses and revenue associated with these Contracts and Agreements that are expected to occur during FY 2020/21 are within the FY 2020/21 Operating Fund Budget. Expenses and revenue associated with future years will be incorporated into budget planning as appropriate.

Recommendation: Information only. No action required.



July 16, 2020

TO: MCE Board of Directors

FROM: Shalini Swaroop, General Counsel

RE: Response to Marin County Civil Grand Jury Report (Agenda Item #05 – C.3)

ATTACHMENTS: A. Marin County Civil Grand Jury Report: Follow-Up Report on Web Transparency of Agency Compensation Practices
B. Letter from Grand Jury to MCE RE: Grand Jury Report
C. Draft Response to Grand Jury Report

Dear Board Members:

Summary:

In April 2020, MCE received a report from the Marin County Civil Grand Jury titled: Follow-Up Report on Web Transparency of Agency Compensation Practices. The Report, included as Attachment A, relates to the legal compensation disclosure requirements of Marin’s cities, towns, and major agencies. The Grand Jury has requested that MCE respond to six recommendations (R1-R6) in the Grand Jury Report. The Grand Jury request is included as Attachment B. In this response, MCE must adhere to Penal Code Section 933(c),¹ and comply with Brown Act noticing.

The MCE Legal Team has prepared a legal and appropriate response to the request. It is included for your review as Attachment C. MCE must respond by stating whether each of the recommendations has been implemented, has not been implemented, requires further analysis by MCE, or will not be implemented because it is not warranted.

¹ Penal Code Section 933(c) provides that agencies have 90 days from the date of the final report to submit a response regarding the findings and recommendations to the presiding judge listed in the report. As such, MCE must respond by July 27, 2020. Additionally, Penal Code Section 933.05 dictates what format is an acceptable response for MCE to submit and MCE's response meets these requirements.

In short, the proposed response is as follows:

- Recommendations 1-2: MCE's website includes a conspicuous link to the *publicpay.ca.gov* website showing compensation of employees. These recommendations have been implemented.
- Recommendation 3: The existing *publicpay.ca.gov* link on MCE's website provides a direct link to current compensation data. This recommendation has been implemented.
- Recommendations 4-6: Because MCE's Board Members are not compensated, Recommendations 4-6, which require a description of policies regarding compensation paid to elected officials, will not be implemented because they are not warranted.

Fiscal Impacts:

No fiscal impact.

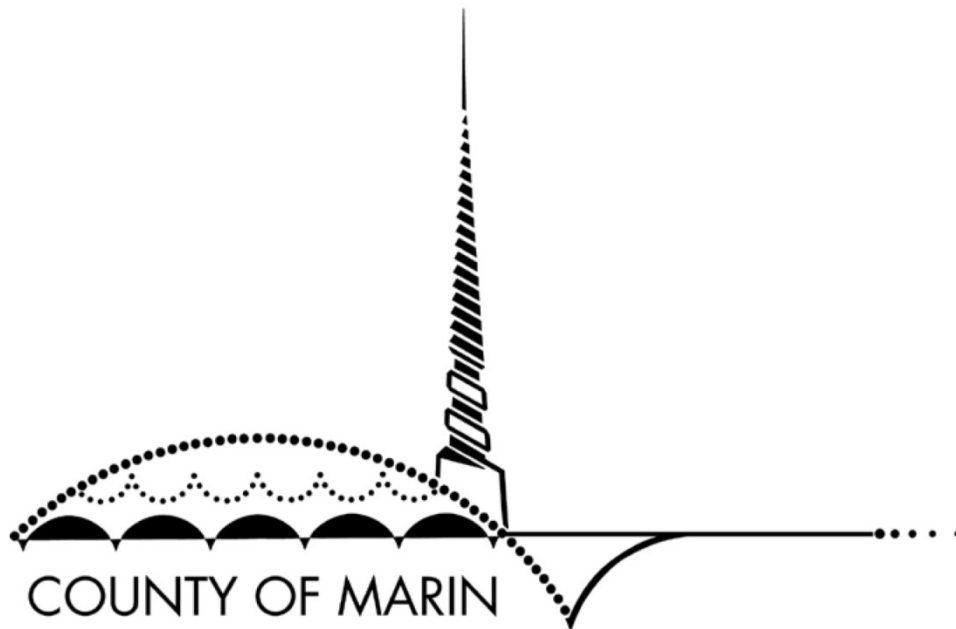
Recommendation:

Approve the Draft Response to Marin County Civil Grand Jury Report to be sent to Honorable Judge Andrew Sweet and Foreperson Lucy.

2019–2020 MARIN COUNTY CIVIL GRAND JURY

Follow-Up Report on Web Transparency of Agency Compensation Practices

April 28, 2020



A Note about the Coronavirus Pandemic

The 2019–2020 Marin County Civil Grand Jury is issuing its reports during the unprecedented conditions of the COVID-19 pandemic. We are well aware that Marin County is in crisis and that critical public health concerns, operational difficulties, and financial challenges throughout the county have a greater claim to government attention right now than the important issues raised by this Grand Jury.

We are confident that, in due course, Marin will come through this crisis as strong as ever.



Follow-Up Report on Web Transparency of Agency Compensation Practices

Summary

Many Marin public agencies fail to make the compensation for their elected officials and employees fully transparent on their public websites, despite state legal requirements and past Grand Jury recommendations that they do so. The 2019–2020 Grand Jury examined the current status of 34 Marin public agency websites to determine if they are meeting transparency standards with respect to compensation disclosures.

California law requires most public agencies to report the annual compensation of their “elected officials, officers, and employees” to the state controller’s office, which posts this information on its Government Compensation in California website at *publicpay.ca.gov* (Public Pay).¹ Each local agency with a website also is legally required to post “in a conspicuous location . . . information on the annual compensation of its elected officials, officers and employees.”²

All of Marin’s cities, towns, and major agencies have websites, so each of them is required to post annual compensation data, and the public should be able to easily find this information.

Over and above these basic legal requirements, the public has an interest in understanding compensation policies with regard to elected officials, including information about wages, health and retirement benefits, and reimbursement policies. There is a wide variance in compensation policies and the total amounts and benefits paid to elected officials. The public should be able to access this information easily and quickly rather than having to dig through meeting minutes or policy manuals that may or may not be easy to find on a website.

The 34 agency websites audited included those of the County of Marin, Marin’s 11 cities and towns, 10 sanitary districts, 9 fire districts, and 3 water districts. The Grand Jury wanted to know if the legal disclosure requirements were met and if detailed information about compensation and benefits for elected officials was readily available.

This investigation revealed that a great majority of audited agency websites failed to comply fully with legal compensation disclosure requirements. Compensation information was often difficult to find and outdated. Information on actual compensation paid to elected officials was also missing, difficult to find, or insufficient. In many cases, it was difficult to find information about compensation policies for elected officials. In contrast, the Marin Municipal Water

¹ California Government Code § 53892, accessed March 30, 2020, https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=GOV§ionNum=53892.

² California Government Code § 53908, accessed March 30, 2020, http://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=GOV§ionNum=53908.

District³ (MMWD) and the North Marin Water District⁴ each annually post a detailed report on the compensation of their elected officials.

This Grand Jury report makes specific recommendations for every agency to follow to ensure compliance with legal requirements and to go beyond compliance to achieve higher standards of public transparency.

Background

The transparency of public agencies and their compensation policies has been an ongoing topic of state and local concern. In recent years, the state legislature amended the California Government Code to require the posting of annual compensation data on agency websites.⁵ Local agencies are now required to report their compensation data to the state controller's office, which posts the data on the Public Pay site.⁶

Since 2014, the Marin County Civil Grand Jury has published four reports on web transparency:

- A 2013–2014 Grand Jury report, *What Are Special Districts and Why Do They Matter?*, recommended that the county post a complete list of all of Marin's special districts on its website to enable residents to understand the extent of local government.⁷ The county did not fulfill this recommended action.
- In March 2016, the 2015–2016 Grand Jury followed up with its *Web Transparency Report Card*, reiterating, among other things, that the master list of special districts should be completed.⁸ It also recommended that all agencies should update their websites “to include the annual compensation of . . . elected officials, officers and employees.”⁹ These recommended actions were not completed.
- The 2016–2017 Grand Jury issued its *Web Transparency Report Card Update*, which noted a marked improvement in the quality of agency websites. This report card also noted additional room for improvement for many agencies.¹⁰

³ Marin Municipal Water District, *Annual Report on Board Compensation*, August 7, 2018, <http://marinwater.org/DocumentCenter/View/3602/Board-Compensation-Annual-Report?bidId=>.

⁴ North Marin Water District, 2018 Compensation Report, accessed March 30, 2020, <https://www.nmwd.com/pdfs/NMWDCompensationReportCY2018.pdf>.

⁵ California Government Code § 53908

⁶ Government Compensation in California, accessed March 30, 2020, <https://publicpay.ca.gov>.

⁷ Marin County Civil Grand Jury, *What Are Special Districts and Why Do They Matter?*, May 20, 2014, https://www.marincounty.org/-/media/files/departments/gj/reports-responses/2013/spd_master_list_report.pdf.

⁸ Marin County Civil Grand Jury, *2015–2016 Web Transparency Report Card: Bringing Marin County's Local Governments to Light*, March 10, 2016, https://www.marincounty.org/-/media/files/departments/gj/reports-responses/2015/responses/webtransparencypcard/2015_16-web-transparency-report-card.pdf.

⁹ Marin County Civil Grand Jury, *2015–2016 Web Transparency Report Card: Bringing Marin County's Local Governments to Light*, p. 10.

¹⁰ Marin County Civil Grand Jury, *2016–2017 Web Transparency Report Card Update*, June 8, 2017, <https://www.marincounty.org/-/media/files/departments/gj/reports-responses/2017/web-transparency-update.pdf>.

- In a report entitled *Special Districts Transparency Update*, the 2018–2019 Grand Jury noted that the special districts list recommended by the 2013–2014 Grand Jury still had not been created.¹¹ The report reiterated this recommendation and suggested that the special district list include “complete compensation components and amounts (including salary, insurance, stipends, in kind goods, conference fees and other benefits, and reimbursements).”¹²

The Grand Jury has focused on these issues for more than six years, without satisfactory resolution. Perhaps with this follow-up report, agencies will come to understand the vital importance of public transparency and will be more forthcoming with this information and finally improve their websites. Public transparency regarding compensation of elected officials is essential because the public needs accurate information about its government agencies. Transparency helps to maintain trust in the government and gives information to the public that helps guide decisions on matters of self-governance. It makes responsive democracy work.

Approach

The Grand Jury reviewed the work of prior juries as published in the four previous reports and audited the websites of 34 of Marin’s public agencies, including the County of Marin, Marin’s 11 cities and towns, 10 sanitary districts, 9 fire districts, and 3 water districts (this report uses the term “agency” to refer to these diverse jurisdictions). Jurors reviewed these websites to determine if they met the legal requirements by providing easy access to accurate, current compensation data for public employees. Jurors also checked the board or council pages of these websites to determine if they included detail about annual compensation for elected officials.

The audit was conducted by having at least one juror review each agency’s website and compile a list of any deficiencies. This work was then reviewed by at least two other jurors. Those three jurors then reached a consensus for each agency. These agency website reviews were valid as of February 20, 2020.

Discussion

The Public Should Know the Compensation of Its Elected Officials

The taxpaying public has a right to know the compensation of its elected officials. Compensation may include the following:

- Monthly wages or a fixed stipend per meeting attended
- Additional compensation for sitting on affiliated boards, subcommittees, or commissions, or for attending extra meetings on behalf of their agency

¹¹ Marin County Civil Grand Jury, *Special Districts Transparency Update*, June 13, 2019, <https://www.marincounty.org/-/media/files/departments/gj/reports-responses/2018-19/special-districts-transparency-update.pdf>.

¹² Marin County Civil Grand Jury, *Special Districts Transparency Update*, p. 5.

- Healthcare benefits
- Retirement benefits
- Reimbursement for travel, attending conferences, or industry events
- Reimbursement for cell phones, computers, or tablets (or free use of such equipment)

The public should be informed that there is a wide variance in compensation policies. Some agencies have adopted a policy not to compensate their elected officials. In addition, total compensation and benefits paid to elected officials for similar agencies varies. The high and low ranges for compensation at various types of agencies are summarized in Table 1. In some cases, elected officials waive their right to some or all compensation.

County Supervisors

Unlike elected officials in most cities, towns, and other agencies, Marin County supervisors are full-time employees and receive full-time salaries and benefits. Total 2018 annual compensation for members of the Marin County Board of Supervisors ranged from \$173,000 to \$186,000, plus benefits.

City and Town Council Members

For town and city councilmembers, total annual compensation for 2018 ranged from zero in Belvedere, Ross, and Tiburon to about \$17,000 in San Rafael. Annual compensation was typically in the \$3,000 to \$5,000 range, and councilmembers in some municipalities, including San Rafael, elected to waive compensation.

Fire District Board Members

Total 2018 compensation for individual board members in Marin's nine audited fire districts ranged from zero to \$2,800. Board members in the Bolinas, Sleepy Hollow, Southern Marin, and Stinson Beach Fire Protection Districts do not receive compensation. In the Novato Fire Protection District, 2018 compensation for one board member was about \$2,800. The Central Marin Fire Authority was formed in 2018 and, as of February 1, 2020, had not yet filed its first compensation data with the state controller, but the agency is included in this report so that it will fulfill the requirement that it post its compensation data.

Sanitation District Board Members

In Marin's 10 sanitation districts, 2018 total annual board member compensation ranged from zero in the Tiburon and Central Marin Sanitation Districts to as high as \$19,000 in the Las Gallinas Valley Sanitary District. Typically, annual board member compensation in Marin's sanitation districts ranges from \$1,000 to \$4,000.

Table 1. Ranges of Elected Officials Annual Compensation in 2018

Agency Type	Low*	High
Cities/Towns	\$0	\$17,000
Fire Districts	0	2,800
Sanitation Districts	0	19,000
Water Districts	1,600	39,000

* Low does not reflect those who waive compensation in agencies that pay their elected officials.

Water District Board Members

The 2018 annual board member compensation in Marin’s three water districts ranged from \$1,600 in the Stinson Beach Water District to \$9,000 in the North Marin Water District to \$39,000 in the Marin Municipal Water District.

Legal Requirements Regarding Compensation Disclosures

There are two sections in the California Government Code requiring compensation disclosures. Section 53892 requires that most public agencies (school districts are excluded) report annually to the state controller the total compensation of all “elected officials, officers and employees.”¹³ The state controller publishes this information for all agencies on the Public Pay website.

Section 53908 requires that if an agency has a website “it shall post, in a conspicuous location on its Internet Web site, information on the annual compensation of its elected officials, officers, and employees that is submitted to the controller.” An agency could comply with this provision by posting a complete table on its website that includes all of the data actually filed with the state controller, and by updating that table each year. Section 53908 also allows an agency to comply with the transparency requirement by posting, “in a conspicuous location on its Internet Web site, a link to” the Public Pay site.¹⁴

The Grand Jury also notes that Section 53908 mentions *twice* that the Public Pay link must be “conspicuous,” a term that is not defined in the code. For purposes of its investigation, the Grand Jury decided that a link could be deemed conspicuous if it satisfies *both* of the following criteria:

- The link is located on a page that is within three clicks of the website’s home page (where a hover causing a menu to be revealed is equivalent to a click).
- The link can be found within five minutes of starting a search, whether by browsing menus or using a search box on the website.

This is a commonsense approach that, if anything, is generous to agencies, since internet users are unlikely to invest as much as five minutes in such a search.

The Grand Jury also determined that a Public Pay link that does not go directly to the agency’s page on the Public Pay site for the most recently available year should not be considered compliant with the intent of the transparency requirements set forth in the law.

During its investigation, the Grand Jury discovered that some agencies were not reporting board member compensation to the state controller’s office because they had been advised by the state controller’s office that this was not required unless a W-2 form for the compensation was issued. Some elected officials are paid fees for which W-2 forms are not issued. State officials have now confirmed that the elected officials’ compensation must be reported regardless of how they are paid.

¹³ California Government Code § 53892.

¹⁴ California Government Code § 53908.

Public Transparency of Compensation for Elected Officials

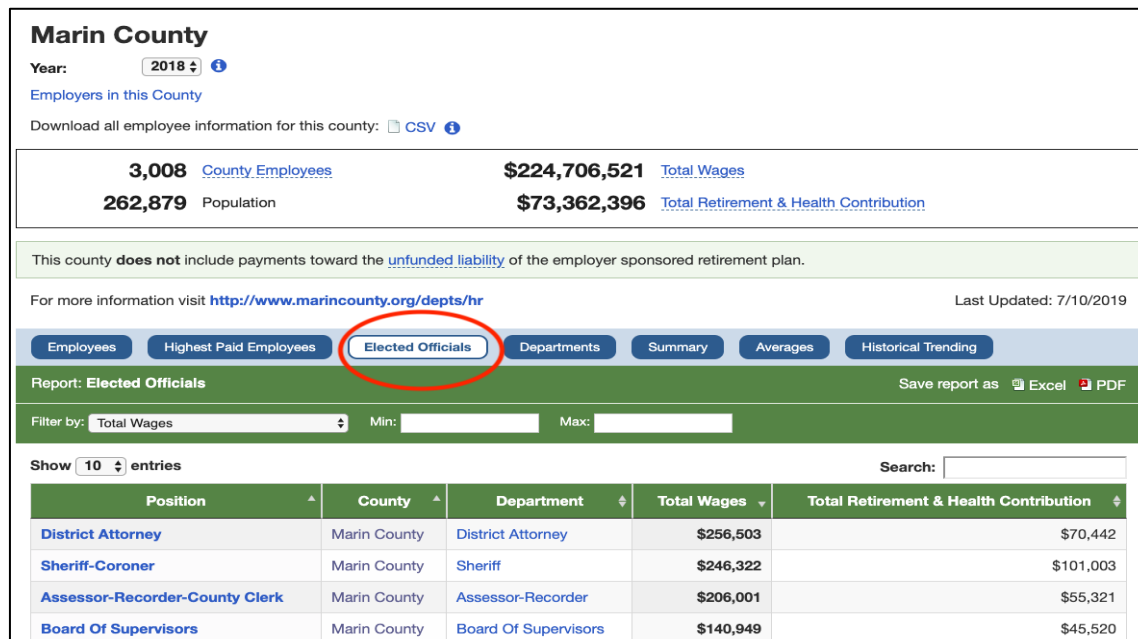
Beyond the basic legal requirements in California state law, public transparency goals would be better served by stronger disclosure of compensation policies and detailed compensation paid to elected officials. While total compensation paid to elected officials can be found by clicking an “Elected Officials” button on the agency’s page on the Public Pay site, as shown in Figure 1, most users would not necessarily see this link and might need to scroll through multiple pages of employees before finding the elected officials.

To make locating the information easier, a link can be included directly from the agency’s website to the elected officials data on the Public Pay site. This can be done by simply adding *&rpt=5* to the end of a regular Public Pay URL link.

The data on the Public Pay site for elected officials is limited to total wages and total retirement and health contributions. The site does not break out elements such as per-meeting stipends, reimbursements or payments for serving as an agency liaison to other advisory committees, councils, and forums. For better transparency on their websites, local agencies should disclose all elements of compensation for their elected officials and establish this higher standard as best practice for all of Marin County.

Both MMWD and the North Marin Water District have excellent practices with regard to transparency on compensation of their elected officials. The MMWD website’s board page provides a quick link to an annual compensation report detailing board compensation policies

Figure 1. Public Pay Elected Officials Page Example



Source: Government Compensation in California, accessed March 30, 2020, <https://publicpay.ca.gov/Reports/Counties/County.aspx?entityid=21&year=2018&rpt=5>

and annual amounts paid to each member for regular board meetings, board committees, other special board meetings, and liaison assignments to advisory committees, councils, and forums. It also details total annual payments for conferences, training, and memberships, as well as medical and dental benefits and other benefits, including iPad data plans. North Marin Water District discloses several annual board compensation elements by a direct link to the financial report it files with the state controller's office, but it is not as detailed as the MMWD report.

Results of the Website Audit

The Grand Jury audit found that many website compensation links were missing or broken. In other cases, links were not easy to find. Policies and compensation for elected officials were not always posted. Thirty of the 34 audited agency websites failed to comply fully with legal disclosure requirements.

Missing or Inconspicuous Links

Fifteen of 34 of the audited agency websites failed to post a compensation report or a "conspicuous" link to their data on the Public Pay site. These agencies are shown in Table 2. The worst example of this was the County of Marin's website, where four jurors were each unable to locate a compensation link after searching for at least 15 minutes.

In the investigation, the Grand Jury observed that several agencies post a link to the Transparent California website rather than to the Public Pay website.¹⁵ Transparent California is not included in Government Code Section 53908, so this does not comply with the legal requirements.

The Grand Jury recommends that all the noncompliant agencies identified in Table 2 remedy these deficiencies by placing a Public Pay link on the web page listed in the table. Generally, the audit revealed that the best location for a Public Pay link is either the finance or human resources section of the agency's website.

Link Does Not Go Directly to the Agency's Most Recent Data

Many agencies include a Public Pay link on their website that is deficient because it connects the user to an outdated page or to the state's Public Pay home page rather than directly to the local agency data on the Public Pay site. The Grand Jury believes this is largely due to a technical oversight.

Appendix A contains the recommended Public Pay link for each audited agency, as well as links for 22 additional agencies that were not audited. A key feature of these links is that they include the ID number of the agency, but exclude any parameter specifying a year (an example of this parameter is *&year=2016*). By *excluding* the specific year parameter, the link will automatically lead a user to the most recent available data for that agency, and it will not become outdated over time. This will save the agency the work of updating the link on an annual basis while reducing the chance of errors in future postings.

¹⁵ Transparent California, accessed March 30, 2020, <https://transparentcalifornia.com>.

Table 2. Agency Websites with Missing or Inconspicuous Links to Compensation Data

Agency	Recommended Conspicuous Location for Link
City of Mill Valley	http://www.cityofmillvalley.org/gov/departments/finance/default.htm
City of Sausalito	https://www.sausalito.gov/departments/administration/finance/financial-documents
Town of Tiburon	http://townoftiburon.org/154/Administration-Finance
County of Marin	https://www.marincounty.org/depts/df
Bolinas Fire Protection District*	https://www.bolinasfire.org/board-members
Central Marin Fire Authority**	https://centralmarinfire.org/admin/finance
Kentfield Fire Protection District	https://www.kentfieldfire.org/administration/finance-a-budget
Sleepy Hollow Fire Protection District	https://shfpd.org/about-us/finances
Southern Marin Fire Protection District	https://www.southernmarinfire.org/admin
Stinson Beach Fire Protection District*	https://www.stinsonbeachfireprotectiondistrict.org/financials-budgets
Almonte Sanitary District	https://www.almontesd.org/governance.php
Central Marin Sanitation Agency	https://www.cmsa.us/finance/
Las Gallinas Valley Sanitation District	http://www.lgvsd.org/about-us/board-of-directors/
Ross Valley Sanitary District (Sanitary District No. 1)	https://www.rvsd.org/31/Open-Government
Stinson Beach Water District	http://stinson-beach-cwd.dst.ca.us/index.html

* Existing link goes to Transparent California rather than Public Pay

** Formed in 2018 and not required to report for that year

Agency Websites Should Have a Link Directly to Elected Officials Data

Although it is simple to link directly to a page on the Public Pay website showing actual compensation paid to elected officials, none of the audited agencies currently do so. All Marin public agency websites should have a direct link from their board or council page to their “Elected Officials” page on the Public Pay site. All Marin agencies should adopt this higher standard of transparency.

A link to the “Elected Officials” page on the Public Pay site can be added simply by adding a new parameter to the end of the normal Public Pay link as is shown for all agencies in Appendix A. For instance, the City of San Rafael could include such a link by adding *&rpt=5* to

the end of its Public Pay link, resulting in the following:

<https://publicpay.ca.gov/Reports/Cities/City.aspx?entityid=256&rpt=5>.

Agencies Should Post Compensation Policies and Annual Compensation Details

The Grand Jury audit revealed that compensation policies for many agencies either were not posted or were scattered in a wide variety of hard-to-find locations. Eighteen of the 34 agencies did not post such information on the board or council pages of their websites. As described previously, public transparency is promoted by posting detailed information about the compensation policies for elected officials. All agencies should post this information on their board or council web pages. As an example, MMWD posts detailed information about the annual compensation of its elected officials. All Marin agencies should adopt this higher standard of transparency.

Conclusion

To make informed decisions on matters of self-governance, the public needs to understand the workings of their public agencies, including the compensation of elected officials. Public transparency helps to maintain trust in the government. It makes responsive democracy work.

By following the recommendations in this report, Marin's public agency websites can come into compliance with state legal requirements. Following these recommendations will reduce the chance of errors and minimize the time needed to keep websites current. These changes also will improve public access to important information while increasing the transparency that is essential to good government in a democratic society.

Findings

- F1. Many Marin public agencies fail to include on their websites either a link to the *publicpay.ca.gov* site showing compensation for their elected officials, officers, and employees, or a table showing such data. The Grand Jury determined that these agencies fail to comply with the requirements of Government Code Section 53908.
- F2. Any link to compensation data on an agency's website that takes more than five minutes or three clicks from the home page to locate, does not reasonably satisfy the intent of the Government Code that the information be easily located and "conspicuous" on the agency's website.
- F3. Any link to *publicpay.ca.gov* on an agency's website that fails to go directly to the agency's current compensation data on that website does not satisfy the intent of the Government Code that information be easily located.
- F4. Regarding compensation policies for elected officials, many public agencies do not provide the public with easy access to information regarding salary, meeting fees or stipends (including compensation for serving as liaison to other advisory committees, councils and forums), reimbursements, health and retirement benefits, and other benefits such as equipment.

- F5. Regarding detailed disclosure of total compensation paid, most public agencies do not break out all components of compensation paid to their elected officials, including salary, meeting fees or stipends (including compensation for serving as liaison to other advisory committees, councils and forums), reimbursements, health and retirement benefits, and other benefits such as equipment.
- F6. By comparison to other public agencies, Marin Municipal Water District annually publishes an exemplary report on its website of total compensation paid to its elected officials for salary, meeting fees or stipends (including compensation for serving as liaison to other advisory committees), councils and forums, reimbursements, health and retirement benefits, and other benefits such as equipment.

Recommendations

- R1. To comply with the intent of Government Code Section 53908, no later than 90 days after the date of this report, agencies should include on their websites a link to the *publicpay.ca.gov* site showing compensation of their elected officials, officers, and employees using the formatted URL examples that are shown in Appendix A.
- R2. No later than 90 days after the date of this report, agencies should modify the location of their existing *publicpay.ca.gov* links to satisfy the requirement of Government Code Section 53908 that their link be “conspicuous.” Conspicuous locations for agencies are suggested in Table 2.
- R3. No later than 90 days after the date of this report, agencies should modify their existing *publicpay.ca.gov* links so that they provide a direct link to their current compensation data on the state site. To eliminate the need for annual updates, the URL used for the link should exclude any parameter specifying a year. Formatted URL examples are shown on Appendix A.
- R4. No later than 90 days after the date of this report, in addition to any other compensation links, agencies should include a link on their board or council web pages that leads directly to their “Elected Officials” page on the *publicpay.ca.gov* site, conforming to the format suggested on Appendix A.
- R5. No later than 120 days after the date of this report, agencies should include on their board or council web pages a comprehensive description of their policies regarding all compensation paid to elected officials specifying, at a minimum, salary, meeting fees or stipends (including compensation for serving as liaison to other advisory committees, councils and forums), reimbursements, health and retirement benefits, and other benefits such as equipment.
- R6. No later than 120 days after the date of this report, agencies should adopt a practice to compile and publish each year an annual report detailing the compensation actually paid to their elected officials for the previous calendar year. Compensation disclosures should include, at a minimum, salary, meeting fees or stipends (including compensation for serving as liaison to other advisory committees, councils and forums), reimbursements, health and retirement benefits, and other benefits such as equipment. A link to this report should be posted on the agency’s board or council web page.

R7. No later than 90 days after the date of this report, agencies not audited in this report should review their websites for compliance with the legal requirements and higher public transparency standards recommended in Recommendations R1–R6 of this report and ensure that their websites include links to the *publicpay.ca.gov* site as shown in Appendix A.

Request for Responses

According to the California Penal Code, agencies required to respond to Grand Jury reports generally have no more than 90 days to issue a response. It is not within the Grand Jury’s power to waive or extend these deadlines, and to the Grand Jury’s knowledge, the Judicial Council of California has not done so. But we recognize that the deadlines may be burdensome given current conditions caused by the COVID-19 pandemic.

Whether the deadlines are extended or not, it is our expectation that Marin's public agencies will eventually be able to return to normal operations and will respond to this report. In the meantime, however, public health and safety issues are of paramount importance and other matters might need to wait.

Pursuant to Penal Code Section 933.05, the Grand Jury requests responses from the following governing bodies:

Respondent	F1	F2	F3	F4	F5	R1	R2	R3	R4	R5	R6	R7
Audited Agencies												
County of Marin		X	X	X	X		X	X	X	X	X	
City of Belvedere			X		X			X	X		X	
City of Larkspur			X	X	X			X	X	X	X	
City of Mill Valley	X	X	X		X	X	X	X	X		X	
City of Novato			X		X			X	X		X	
City of San Rafael			X		X			X	X		X	
City of Sausalito		X			X		X		X		X	
Town of Corte Madera			X	X	X			X	X	X	X	
Town of Fairfax			X		X			X	X		X	
Town of Ross			X		X			X	X		X	
Town of San Anselmo			X		X			X	X		X	

Follow-Up Report on Web Transparency of Agency Compensation Practices

Respondent	F1	F2	F3	F4	F5	R1	R2	R3	R4	R5	R6	R7
Town of Tiburon		X	X		X		X	X	X		X	
Bolinas Fire Protection District	X	X	X	X		X		X	X	X		
Central Marin Fire Authority	X	X				X						
Kentfield Fire Protection District		X	X		X		X	X	X		X	
Novato Fire Protection District			X	X	X			X	X	X	X	
Ross Valley Fire Department				X	X				X	X	X	
Sleepy Hollow Fire Protection District	X	X	X	X	X	X	X	X	X	X	X	
Southern Marin Fire Protection District		X			X		X		X		X	
Stinson Beach Fire Protection District	X	X	X			X		X	X			
Tiburon Fire Protection District			X	X	X			X	X	X	X	
Almonte Sanitary District	X	X	X	X	X	X	X	X	X	X	X	
Alto Sanitary District			X		X			X	X		X	
Central Marin Sanitation Agency		X	X		X		X	X	X		X	
Homestead Valley Sanitary District			X	X	X			X	X	X	X	
Las Gallinas Valley Sanitary District		X	X		X		X	X	X		X	
Novato Sanitary District			X	X	X			X	X	X	X	
Richardson Bay Sanitary District			X	X	X			X	X	X	X	
Ross Valley Sanitary District (Sanitary District No. 1)	X	X	X	X	X	X	X	X	X	X	X	
Sanitary District No. 5 – Tiburon-Belvedere				X	X				X	X	X	

Follow-Up Report on Web Transparency of Agency Compensation Practices

Respondent	F1	F2	F3	F4	F5	R1	R2	R3	R4	R5	R6	R7
Sausalito-Marín City Sanitary District			X		X			X	X		X	
Marin Municipal Water District					X				X		X	
North Marin Water District					X				X		X	
Stinson Beach County Water District	X	X			X	X			X		X	
Agencies Not Audited												
Bel Marin Keys Community Services District												X
Belvedere-Tiburon Joint Recreation Committee District												X
Belvedere-Tiburon Library Agency												X
Bolinas Community Public Utility District												X
Central Marin Police Authority												X
Firehouse Community Park Agency												X
Inverness Public Utility District												X
Marin City Community Services District												X
Marin Clean Energy (MCE)												X
Marin County Resource Conservation District												X
Marin County Transit District												X
Marin General Services Authority (MGSA)												X
Marin Healthcare District												X

Follow-Up Report on Web Transparency of Agency Compensation Practices

Respondent	F1	F2	F3	F4	F5	R1	R2	R3	R4	R5	R6	R7
Marin/Sonoma Mosquito and Vector Control District												X
Marinwood Community Services District												X
Muir Beach Community Services District												X
Sonoma-Marin Area Rail Transit District												X
Tamalpais Community Services District												X
Tomales Village Community Services District												X
Transportation Authority of Marin												X

The governing bodies indicated above should be aware that the comment or response of the governing body must be conducted in accordance with Penal Code Section 933 (c) and subject to the notice, agenda, and open meeting requirements of the Brown Act.

Note: At the time this report was prepared, information was available at the websites listed.

Reports issued by the Civil Grand Jury do not identify individuals interviewed. Penal Code Section 929 requires that reports of the Grand Jury *not* contain the name of any person or facts leading to the identity of any person who provides information to the Civil Grand Jury. The California State Legislature has stated that it intends the provisions of Penal Code Section 929 prohibiting disclosure of witness identities to encourage full candor in testimony in Grand Jury investigations by protecting the privacy and confidentiality of those who participate in any Civil Grand Jury investigation.

Appendix A – Direct Public Pay Internet Links

Properly Formatted PublicPay.ca.gov Link

Note: Agencies listed here can create a link to their “Elected Officials” page by adding *&rpt=5* at the end of their Public Pay URL below.

Agency	Agency Public Pay URL
Audited Agencies	
City of Belvedere	https://publicpay.ca.gov/Reports/cities/city.aspx?entityid=248
City of Larkspur	https://publicpay.ca.gov/Reports/cities/City.aspx?entityid=251
City of Mill Valley	https://publicpay.ca.gov/Reports/cities/city.aspx?entityid=252
City of Novato	https://publicpay.ca.gov/Reports/Cities/City.aspx?entityid=253
City of San Rafael	https://publicpay.ca.gov/Reports/Cities/City.aspx?entityid=256
City of Sausalito	https://publicpay.ca.gov/Reports/Cities/City.aspx?entityid=257
Town of Corte Madera	https://publicpay.ca.gov/Reports/Cities/City.aspx?entityid=249
Town of Fairfax	https://publicpay.ca.gov/Reports/Cities/City.aspx?entityid=250
Town of Ross	https://publicpay.ca.gov/Reports/Cities/City.aspx?entityid=254
Town of San Anselmo	https://publicpay.ca.gov/Reports/Cities/City.aspx?entityid=255
Town of Tiburon	https://publicpay.ca.gov/Reports/Cities/City.aspx?entityid=258
County of Marin	https://publicpay.ca.gov/Reports/Counties/County.aspx?entityid=21
Marinwood Community Services District	https://publicpay.ca.gov/Reports/SpecialDistricts/SpecialDistrict.aspx?entityid=947

Properly Formatted PublicPay.ca.gov Link

Note: Agencies listed here can create a link to their “Elected Officials” page by adding `&rpt=5` at the end of their Public Pay URL below.

Agency	Agency Public Pay URL
Bollinas Fire Protection District	https://publicpay.ca.gov/Reports/SpecialDistricts/SpecialDistrict.aspx?entityid=1237
Central Marin Fire Authority	Link not available at Public Pay as of February 20, 2020
Novato Fire Protection District	https://publicpay.ca.gov/Reports/SpecialDistricts/SpecialDistrict.aspx?entityid=1239
Ross Valley Fire Department	https://publicpay.ca.gov/Reports/SpecialDistricts/SpecialDistrict.aspx?entityid=2827
Sleepy Hollow Fire Protection District	https://publicpay.ca.gov/Reports/SpecialDistricts/SpecialDistrict.aspx?entityid=1240
Southern Marin Fire Protection District	https://publicpay.ca.gov/Reports/SpecialDistricts/SpecialDistrict.aspx?entityid=1241
Stinson Beach Fire Protection District	https://publicpay.ca.gov/Reports/SpecialDistricts/SpecialDistrict.aspx?entityid=1242
Tiburon Fire Protection District	https://publicpay.ca.gov/Reports/SpecialDistricts/SpecialDistrict.aspx?entityid=1243
Almonte Sanitary District	https://publicpay.ca.gov/Reports/SpecialDistricts/SpecialDistrict.aspx?entityid=1986
Alto Sanitary District	https://publicpay.ca.gov/Reports/SpecialDistricts/SpecialDistrict.aspx?entityid=1987
Central Marin Sanitation Agency	https://publicpay.ca.gov/Reports/SpecialDistricts/SpecialDistrict.aspx?entityid=2814
Las Gallinas Valley Sanitary District	https://publicpay.ca.gov/Reports/SpecialDistricts/SpecialDistrict.aspx?entityid=1989
Novato Sanitary District	https://publicpay.ca.gov/Reports/SpecialDistricts/SpecialDistrict.aspx?entityid=1990
Ross Valley Sanitary District (Sanitary District No. 1)	https://publicpay.ca.gov/Reports/SpecialDistricts/SpecialDistrict.aspx?entityid=1992
Marin Municipal Water District	https://publicpay.ca.gov/Reports/SpecialDistricts/SpecialDistrict.aspx?entityid=2529
North Marin Water District	https://publicpay.ca.gov/Reports/SpecialDistricts/SpecialDistrict.aspx?entityid=2404

Properly Formatted PublicPay.ca.gov Link

Note: Agencies listed here can create a link to their “Elected Officials” page by adding *&rpt=5* at the end of their Public Pay URL below.

Agency	Agency Public Pay URL
Stinson Beach County Water District	https://publicpay.ca.gov/Reports/SpecialDistricts/SpecialDistrict.aspx?entityid=2405

Agencies Not Audited

Bel Marin Keys Community Services District	https://publicpay.ca.gov/Reports/SpecialDistricts/SpecialDistrict.aspx?entityid=945
Belvedere-Tiburon Joint Recreation Committee District	https://publicpay.ca.gov/Reports/SpecialDistricts/SpecialDistrict.aspx?entityid=2813
Belvedere-Tiburon Library Agency	https://publicpay.ca.gov/Reports/SpecialDistricts/SpecialDistrict.aspx?entityid=1623
Bollinas Community Public Utility District	https://publicpay.ca.gov/Reports/SpecialDistricts/SpecialDistrict.aspx?entityid=2198
Central Marin Police Authority	https://publicpay.ca.gov/Reports/SpecialDistricts/SpecialDistrict.aspx?entityid=2831
Firehouse Community Park Agency	https://publicpay.ca.gov/Reports/SpecialDistricts/SpecialDistrict.aspx?entityid=2818
Inverness Public Utility District	https://publicpay.ca.gov/Reports/SpecialDistricts/SpecialDistrict.aspx?entityid=2199
Marin City Community Services District	https://publicpay.ca.gov/Reports/SpecialDistricts/SpecialDistrict.aspx?entityid=946
Marin Clean Energy (MCE)	https://publicpay.ca.gov/Reports/SpecialDistricts/SpecialDistrict.aspx?entityid=2821
Marin County Resource Conservation District	https://publicpay.ca.gov/Reports/SpecialDistricts/SpecialDistrict.aspx?entityid=2108
Marin County Transit District	https://publicpay.ca.gov/Reports/SpecialDistricts/SpecialDistrict.aspx?entityid=3399
Marin General Services Authority (MGSA)	https://publicpay.ca.gov/Reports/SpecialDistricts/SpecialDistrict.aspx?entityid=2822
Marin Healthcare District	https://publicpay.ca.gov/Reports/SpecialDistricts/SpecialDistrict.aspx?entityid=1552
Marin/Sonoma Mosquito and Vector Control District	https://publicpay.ca.gov/Reports/SpecialDistricts/SpecialDistrict.aspx?entityid=1685

Properly Formatted PublicPay.ca.gov Link

Note: Agencies listed here can create a link to their “Elected Officials” page by adding *&rpt=5* at the end of their Public Pay URL below.

Agency	Agency Public Pay URL
Marinwood Community Services District	https://publicpay.ca.gov/Reports/SpecialDistricts/SpecialDistrict.aspx?entityid=947
Muir Beach Community Services District	https://publicpay.ca.gov/Reports/SpecialDistricts/SpecialDistrict.aspx?entityid=948
Sonoma-Marín Area Rail Transit District	https://publicpay.ca.gov/Reports/SpecialDistricts/SpecialDistrict.aspx?entityid=3400
Strawberry Recreation District	https://publicpay.ca.gov/Reports/SpecialDistricts/SpecialDistrict.aspx?entityid=1905
Tamalpais Community Services District	https://publicpay.ca.gov/Reports/SpecialDistricts/SpecialDistrict.aspx?entityid=949
Tomales Village Community Services District	https://publicpay.ca.gov/Reports/SpecialDistricts/SpecialDistrict.aspx?entityid=950
Transportation Authority of Marin	https://publicpay.ca.gov/Reports/SpecialDistricts/SpecialDistrict.aspx?entityid=3480

6/5/2020

Fwd: FW: PUBLIC RELEASE: 2019-2020 Marin Grand Jury Report - clavenue@mcecleanenergy.org - MCE Mail

From: GrandJury <GrandJury@marincounty.org>
Sent: Tuesday, April 28, 2020 9:24 AM
To: dweisz@mcecleanenergy.org
Subject: PUBLIC RELEASE: 2019-2020 Marin Grand Jury Report



Marin County Civil Grand Jury
3501 Civic Center Drive, Room 275
San Rafael, CA 94903
Tel. 415-473-6132

April 28, 2020

CEO Dawn Weisz
Marin Clean Energy (MCE)
1125 Tamalpais Ave
San Rafael, CA 94901

2019–2020 Marin County Civil Grand Jury Report:
Follow-Up Report on Web Transparency of Agency Compensation Practices

Final Grand Jury Report: <https://rebrand.ly/MarinGrandJuryWebTransparencyPDF>

Dear CEO Weisz,

The above **final report** is being released to the public today and can be found at the link shown above. Please note that the procedure has changed this year and **no paper copy** of the report will be sent—this will be your only notification of the final report. Please **reply** to this email to notify us that you have received it.

The Grand Jury requests that you respond in writing to the findings and recommendations sections of the report pursuant to Penal Code Section 933.05. A link to the Penal Code requirements is located at the bottom of this letter. Additionally, a link to a standard Response Form is also provided below.

Governing bodies should be aware that the comments and responses from the governing body are subject to the notice, agenda, and open meeting requirements of the Ralph M. Brown Act. The Brown Act requires that any action of a public entity governing board occur only at a noticed meeting for which an agenda has been provided. Responses are public records.

Despite the current health crisis, the Penal Code is specific about the deadline for responses, and the Grand Jury does not have the power to waive these requirements. You must submit your response to the Grand Jury within 90 days (July 27, 2020):

One hard copy to: The Honorable Judge Andrew Sweet
Marin County Superior Court
P.O. Box 4988
San Rafael, CA 94913-4988

One hard copy to: Lucy Dilworth, Foreperson
Marin County Civil Grand Jury
3501 Civic Center Drive, Room #275
San Rafael, CA 94903

Grand Jury reports and responses when filed can be located on the Marin County website at: <https://www.marincounty.org/depts/gj/reports-and-responses>.

6/5/2020

Fwd: FW: PUBLIC RELEASE: 2019-2020 Marin Grand Jury Report - clavenue@mcecleanenergy.org - MCE Mail

Should you have any questions or technical difficulties, please contact me at foreperson@marincounty.org or at the above address. Telephone inquiries can be made to Rachael Porter (Aide to the Grand Jury) at (415) 473-6132.

Sincerely,

Lucy Dilworth

Lucy Dilworth, Foreperson
2019–2020 Marin County Civil Grand Jury

cc: Kate Sears

Penal Code Summary: <https://rebrand.ly/MarinGrandJuryPenalCodeSummaryPDF>

Response Form: <https://rebrand.ly/MarinGrandJuryResponseFormPDF>

Email Disclaimer: <https://www.marincounty.org/main/disclaimers>



MARIN COUNTY | NAPA COUNTY | UNINCORPORATED CONTRA COSTA COUNTY | UNINCORPORATED SOLANO COUNTY
BENICIA | CONCORD | DANVILLE | EL CERRITO | LAFAYETTE | MARTINEZ | MORAGA | OAKLEY | PINOLE
PITTSBURG | RICHMOND | SAN PABLO | SAN RAMON | WALNUT CREEK

Marin Clean Energy's Response to Web Transparency Grand Jury Report

Report Title: Follow-Up Report on Web Transparency of Agency Compensation Practices

Respondent/Agency Name: Marin Clean Energy (MCE)

Your Name: Supervisor Kathrin Sears

Title: Chair, MCE Board of Directors

FINDINGS

- Because MCE was not audited, this section is not applicable.

RECOMMENDATIONS

- Recommendations 1-2: MCE’s website includes a conspicuous link to the *publicpay.ca.gov* website showing compensation of employees. These recommendations were already implemented.
- Recommendation 3: The existing *publicpay.ca.gov* link on MCE’s website provides a direct link to current compensation data. This recommendation has been implemented.
- Recommendations 4-6: Because MCE’s Board Members are not compensated, Recommendations 4-6, which require a description of policies regarding compensation paid to elected officials, will not be implemented because they are not warranted.

Date: _____

Signed: _____

Number of pages attached: 0



July 16, 2020

TO: Board of Directors

FROM: Garth Salisbury, Director of Finance and Treasurer

RE: Transfer of Fiscal Year 2019-20 Funds to the Operating Reserve Fund (Agenda Item #06)

Dear Board of Directors:

SUMMARY:

In November of 2019, the Board passed Resolution 2019-06 creating an Operating Reserve Fund (ORF). The ORF was created under Government Accounting Standard Board (GASB) Standard 62. GASB 62 allows current revenues to be “deferred” into the fund when it is determined that excess revenues are available to make deposits into the fund. By deferring revenues into the ORF before it is recognized as revenue, MCE would effectively “bank” revenue for use in a future fiscal year. The Board must approve all deferrals into and withdrawals from the ORF.

Reasons for Creating the ORF and Recommendations for Funding: In the last five years MCE has grown considerably in terms of load, customers served, services provided and in the sophistication of its operations and finances. MCE was the first CCA to achieve an investment grade credit rating and is now the first to have two such ratings. If MCE is to reach its goal of providing substantial renewable and GHG free energy on a cost competitive basis in ten years, the agency will have to utilize all of the available tools including potentially directly owning generation or storage assets. Investment in generation or storage assets, once identified, would likely be achieved through a combination of MCE retained earnings and tax-exempt debt.

Bank and Bond Covenants: If MCE intends to access the tax-exempt capital markets, the agency would need to agree to a number of covenants including a Rate Covenant and a Debt Service Coverage Ratio. The ORF could be drawn upon to allow MCE to meet its Rate and Debt Service Coverage Ratio covenants if needed. Additionally, funding the ORF represents a conservative fiscal approach

to managing our finances which could be used to offset unanticipated variability in our net revenues.

Protections Against Variability in Revenues and Expenses: In fiscal years where MCE's net revenues are strong (such as the fiscal year that ended on March 31), it may be prudent to defer revenues into the ORF to be used in fiscal years where revenues are not very strong or are negatively impacted by uncontrollable events. A good example of this type of risk is the effect on MCE's revenues in the current fiscal year as a result of the Coronavirus. While we don't yet fully know the impacts of the pandemic, both in terms of reduced load and customer payment delinquencies, we anticipate that there will be reductions in revenues that will negatively affect our budget. In anticipation of additional delinquencies, staff has doubled the anticipated delinquency assumptions in our current fiscal year projections from .68% of revenues to 1.4% of revenues. However, we anticipate knowing the financial impact of the delinquency rate by the end of the current fiscal year in 2021. If MCE's net revenues are negatively impacted, the ORF could be drawn upon to address those impacts.

Governance: Any deferral of current revenues into the fund and/or withdrawals from the fund in the future would require action by the MCE Board.

Fiscal Impacts: A deferral of \$7,500,000 into the ORF in Fiscal Year 2019-20, which ended March 31, 2020, will reduce the contribution to MCE's Net Position by \$7,500,000 for the fiscal year; from \$80,728,925 to \$73,228,925. A deferral of \$7,500,000 into the ORF will add a like amount of revenue to the ORF to be used in a future fiscal year.

Recommendation: Approve the deferral of \$7,500,000 into the Operating Reserve Fund for Fiscal Year 2019-20.



July 16, 2020

TO: MCE Board of Directors

FROM: Shalini Swaroop, General Counsel & Director of Policy

RE: Inaugural MCE Climate Action Leadership Award and Nomination (Agenda Item #07)

Dear Board Members:

SUMMARY:

As MCE reaches its 10th year in service to our communities, we must continue to celebrate and lift up the champions who have helped the agency – and indeed, the CCA movement – to grow and flourish. To this end, staff recommends the creation of the MCE Climate Action Leadership Award. The MCE Climate Action Leadership Award will recognize policymakers and advocates who have made significant contributions toward California’s fight against climate change through energy policy. Staff further proposes that the inaugural MCE Climate Action Leadership Award be given to California Senator Mike McGuire as further described below.

THE MCE CLIMATE ACTION LEADERSHIP AWARD:

If approved, the MCE Climate Action Leadership Award would be given annually. Each year, MCE staff would select an individual who has made a significant impact on policies that benefit CCA customers and advance efforts to combat climate change through clean energy, either during the past year or over an extended career in service to the public. The award would be open to 1) regulators, legislators, and other government decision-makers; and 2) stakeholders who have partnered with MCE to effectively advocate for policies that benefit MCE’s communities and our planet. Staff would recommend its nominee to the Executive Committee for review and approval.

Award recipients would be recognized via a ceremony at an MCE Board Meeting or other MCE-hosted event. Due to the current shelter-in-place, staff would determine if the inaugural award would be presented virtually or at an in-person

event later this year. The recipient and award would also be recognized in MCE's e-newsletter, blog, and social media channels.

2020 NOMINATION: California Senator Mike McGuire

Senator McGuire is a native of the Alexander Valley, and has been in public service since winning a seat on the Healdsburg School Board at the age of 19. He has represented District 2 (Marin County and the North Coast) in the California State Senate since 2014.

Senator McGuire has been a leader in blocking anti-CCA legislation since his election to the Senate, and has consistently advocated for CCAs in the Senate Energy, Utilities & Commerce (EUC) Committee. The Senator has helped to build a coalition of elected officials who represent districts served by CCAs, helping to build a critical base of supportive champions within the Senate.

In 2019, Senator McGuire was instrumental in the defeat of Assembly Bill 56 (Garcia) in the Senate Energy, Utilities and Communications Committee, a bill that would have threatened the procurement autonomy of CCAs. Senator McGuire is a tireless champion for the rural communities that have been heavily impacted by wildfires in the last several years, and has been at the forefront of the call for reforming PG&E. Senator McGuire's leadership in support of community choice and his commitment to combatting climate change make him an excellent candidate for MCE's inaugural Climate Action Leadership Award.

Fiscal Impacts: None

Recommendations:

1. Approve the creation of the Climate Action Leadership Award.
2. Approve staff's recommendation that the inaugural Climate Action Leadership Award be presented to Senator Mike McGuire later this year.



July 16, 2020

TO: MCE Board of Directors
FROM: Shalini Swaroop, General Counsel & Director of Policy
RE: Policy Update on Regulatory and Legislative Items

Dear Board Members:

Below is a summary of the key activities at the legislature and the California Public Utilities Commission (CPUC) impacting Community Choice Aggregation (CCA) and MCE.

I. Legislative Advocacy

a. Federal Advocacy

MCE continues to engage its Congressional delegation as Congress debates additional stimulus measures. In particular, MCE is actively advocating on House Resolution (H.R.) 2 (The Moving Forward Act). This broad infrastructure package includes dedicated federal funding for grid modernization, resiliency, energy storage and microgrids. H.R. 2 would also extend federal renewable energy tax credits to 2026-2028. MCE is working to ensure that the funding provided by H.R. 2, if enacted, would meet MCE's needs and that MCE would be eligible for such funding. MCE also continues to pursue direct subsidy bonds that could significantly decrease power purchase costs, as such mechanisms are not currently contemplated in H.R. 2.

b. California Legislature

The California legislature continues to operate in a markedly restrained manner as compared to business as usual, due to COVID-19 restrictions and the significantly reduced state budget, which was signed at the end of June. The California constitution requires the state to pass a balanced budget, which this year necessitated closing a \$54 billion budget shortfall while maintaining critical support for public health, emergency response, public education, safety net services, and economic recovery. The sudden need for fiscal restraint has tabled many bills of interest to MCE, but key energy initiatives continue to move forward.

i. SB 1215 (Stern) – Pursuing Amendments

SB 1215 (Stern) directs the CPUC and the Office of Emergency Services (OES) to create a statewide database of critical infrastructure and critical facilities, and to identify the critical circuits that serve them. The bill enables collaboration between local governments and CCAs and/or Investor Owned Utilities (IOUs) to facilitate microgrid projects in identified locations,

and would allow those projects to be used for local resource adequacy (RA). MCE, through CalCCA, is working with the author's office to ensure that CCAs, local governments and tribal governments have access to the information necessary to identify critical circuits and design microgrids.

ii. **SB 350 (Hill) – Signed**

SB 350, The Golden State Energy Act, was signed by Governor Newsom on June 30. It authorizes the Governor to create Golden State Energy (GSE), a not-for-profit public benefit corporation that would acquire Pacific Gas and Electric Company (PG&E), via eminent domain, if PG&E 1) fails to secure the financing necessary to exit bankruptcy by September 30, 2020; 2) attempts to sell the utility to a third party prior to exiting bankruptcy; or 3) fails to meet its safety obligations in the future. The GSE board members would initially be state-nominated, and thereafter include three state-nominated members and six members elected by GSE customers.

II. **California Public Utilities Commission**

a. **Resource Adequacy**

i. **Final Decision Adopting a Local RA Central Procurement Entity**

On June 11, 2020, the CPUC adopted a Final Decision approving a Central Procurement Entity (CPE) framework for local RA procurement. The Final Decision directs PG&E and Southern California Edison to be the central buyer for local RA within their respective distribution service territories.

Starting in 2023, MCE and other Load Serving Entities (LSE) will no longer be assigned annual local RA procurement requirements. Instead, the CPE will be solely responsible for procuring local RA on behalf of the LSEs within its distribution territory. The procurement and administrative costs accrued by the CPE will be recovered via the Cost Allocation Mechanism. The CPE is expected to begin procurement as soon as 2021 for the 2023 RA compliance year.

LSEs may still procure resources with local RA attributes. An LSE may also continue to use procured local resources to comply with the CPUC's RA program. Under the Final Decision, there are 3 ways to use local RA resources to meet compliance obligations: 1) the LSE may show the local resource to the CPE, thereby reducing the CPE's overall local RA procurement need (the LSE would retain any flexible and system RA attributes for its own RA compliance); 2) the LSE may bid its local RA resources into a CPE solicitation; or 3) the LSE may retain its local resources and use them to meet its system and flexible RA requirements.

Importantly, the Final Decision acknowledges the need to compensate LSEs for local RA resources shown to the CPE because such resources would reduce the CPE's overall procurement obligation and costs to the benefit of all distribution-area customers. The CPUC, however, declined to adopt a compensation methodology at this time. Instead the Final Decision directs the creation of a Working Group to develop a compensation methodology for shown local RA resources, including a methodology for how to compensate LSEs for existing local RA contracts. The Working Group is expected to commence this summer and must submit a report to the CPUC by September 1, 2020.

ii. Final Decision Adopting New Import RA Requirements

On June 25, 2020, the CPUC adopted a Final Decision that 1) approves new import RA rules for the 2021 compliance year and 2) resolves the Rehearing of a 2019 Decision that sought to materially revise the import RA rules for the 2020 RA compliance year. This 2019 Decision met with substantial legal challenge by CalCCA and a number of other stakeholders over the past year. MCE worked closely with CalCCA to achieve a Stay and Rehearing of the 2019 Decision to ensure its requirements were not applied to evaluate LSEs' 2020 RA compliance. The recently adopted Final Decision holds in favor of CalCCA's and MCE's advocacy finding that the import RA requirements adopted in the 2019 Decision were vague, unsupported by record evidence, and thus should not be used to evaluate RA compliance in 2020. As a result, MCE expects to be found fully compliant for the 2020 RA compliance year.

Despite strong opposition from a number of stakeholders, however, including CalCCA, the California Independent System Operator, and various other LSEs and importers, the Final Decision adopts substantial changes to the import RA rules that will apply starting in 2021. These changes include among other things: 1) a definition of resource specific imports that only includes pseudo-tied or dynamically scheduled resources; 2) a self-scheduling or negative bid requirement for non-resource-specific imports; and 3) a requirement that contracts for non-resource-specific imports be for energy that delivers at a minimum during the evening ramp hours.

MCE continues to evaluate the newly adopted rules and their effect on MCE's 2021 RA procurement.

This Final Decision concludes Track 1 of the current RA proceeding.

iii. Final Decision Adopting Refinements to the CPUC's RA Program

On June 25, 2020, the CPUC approved a Final Decision adopting a number of refinements to the CPUC's RA program that will apply starting in 2021. These refinements include 1) an improved methodology for calculating the Qualifying Capacity (QC) for battery storage resources paired with renewable resources; 2) modifications to the Maximum Cumulative Capacity Buckets, which is an RA compliance metric used to categorize RA resources based on their effectiveness at meeting capacity needs during certain days/hours; 3) increasing system RA deficiency penalties to \$8.88/kW-month in the summer months (defined as May-October); 4) modifications to the QC methodology for dispatchable hydroelectric resources; 5) continued dis-aggregation of the 6 "PG&E Other" local capacity areas (LCA), but with a new waiver process that allows an LSE to seek a waiver from procuring in each of the 6 LCA pockets provided the LSE demonstrates it took all commercially reasonable action to procure in each LCA and the LSE otherwise meets its collective requirement for the aggregated "PG&E Other" LCA; 6) assignment of 2021 system and flexible RA requirements; and 7) assignment of 2021-2023 local capacity requirements.

This Final Decision concludes Track 2 of the current RA proceeding. A third track is expected to commence within the coming months. Track 3 will explore larger structural changes to the current CPUC RA compliance framework.

b. Public Safety Power Shutoffs

On May 28, 2020, the CPUC approved a Final Decision adopting several additional Public Safety Power Shutoff (PSPS) rules and requirements for IOUs. The new requirements include: 1) creation of regionalized working groups (to include CCAs, among other key

stakeholders) and a territory-wide advisory board; 2) de-energization exercises in high-risk areas; 3) additional notice and communication requirements; 4) additional requirements for Community Resource Centers (CRCs), including the development of a CRC Plan; 5) stricter requirements for restoration of power; 6) resilience measures for water, communications, and transportation systems, including electric vehicle charging; and 7) additional protections for, and engagement with, access and functional needs customers.

c. Disconnections

On June 11, 2020, the CPUC approved a Final Decision adopting a variety of protections for customers at risk of disconnection for nonpayment. Among the new protections are two programs that could impact CCA revenues: a debt forgiveness program and an income-based payment plan. MCE and CalCCA are working to ensure that any negative impacts to CCA revenues from these proposals are minimized or eliminated.

d. Microgrids

On June 11, 2020, the CPUC approved a Final Decision adopting short-term actions to accelerate microgrid development before the 2020 wildfire season. The decision addresses resiliency strategies proposed in an Energy Division staff proposal, as well as the proposals made by the IOUs in January 2020.

The Final Decision adopts tangible updates to the IOU's interconnection processes and tariffs to facilitate and accelerate behind-the-meter resiliency projects. Additionally, the Final Decision directs the IOUs to work more closely with local and tribal governments (LTG) to develop resiliency solutions by: 1) conducting semi-annual, county-level workshops to inform LTGs about transmission and distribution system upgrades, PSPS event information, and resiliency projects; 2) establishing effective communication processes and informational materials to interact with LTGs; and 3) developing a data portal for County OES.

In response to PG&E's resiliency and microgrid proposals, the Final Decision approves three main initiatives that are subject to a full reasonableness review. The initiatives are:

1. The Make-Ready Program, which covers distribution system upgrades to make substations ready to accommodate generation for microgrids;
2. The Temporary Generation Program (TGP), which provides up to 500MW of diesel generation for 4 use cases: 1) substations; 2) microgrids in "resiliency zones" (*i.e.* businesses and critical facilities clusters); 3) critical customers such as prisons and transportation infrastructure; and 4) Community Resource Centers. The TGP is for interim use in 2020 only.
3. The Community Microgrid Enablement Program whereby PG&E will support local governments initiate community microgrid solutions. MCE intends to collaborate closely with PG&E under the program to develop local, MCE-led community-scale microgrid projects.

The Final Decision also invites stakeholders to propose specific alternative solutions to PG&E's microgrid proposals generally, and the TGP specifically. MCE is currently engaging with the CPUC's Energy Division to develop a workshop presentation to discuss MCE's proposed principles and approach to community-scale microgrid development.

e. Self-Generation Incentive Program

The Self-Generation Incentive Program (SGIP) provides incentives for the installation of energy storage systems and other renewable technologies at residential and non-residential customer sites. SGIP is an integral part of project-funding under MCE's recently-launched Energy Storage Program.

In March 2020, MCE requested the CPUC grant CCAs a role in SGIP-related marketing, education and outreach (ME&O) and requested access to SGIP ratepayer funds to implement these efforts. On June 15, 2020, the CPUC published a Draft Resolution responding to MCE's request. The Draft Resolution would establish MCE's eligibility for PG&E's Customer Recruitment Incentive, which provides \$300 for each residential customer recruited under the SGIP Equity Resiliency Program. Importantly, this Draft Resolution acknowledges MCE's dedication to educating its customers about options to increase their resiliency in the face of PSPS events. MCE will coordinate all SGIP-related ME&O efforts closely with the marketing efforts implemented under MCE's own Energy Storage Program to prevent potential customer confusion.

MCE filed comments on the Draft Resolution on July 2, 2020. MCE expects the Draft Resolution to be adopted on July 16, 2020.