



August 31, 2026

The Honorable Judge Stephan Freccero
Marin County Superior Court
P.O. Box 4988
San Rafael, CA 94913-4988

RE: Response to “MCE, Marin Clean Energy: A Series of Missteps Highlight Need for Governance Changes”

Dear Honorable Judge Freccero,

At its regular meeting on August 25, 2026 the Novato City Council reviewed the above report which requests the City Council respond to Findings F4-F5 and Recommendations R5-R6 as contained in the report.

Attached please find the City of Novato's response.

If the members of the Grand Jury require additional information, please contact City Manager Amy Cunningham at acunningham@novato.org.

We appreciate the work of the Grand Jury and thank you for your service to our residents and the Marin County community.

Sincerely,

Rachel Farac, Mayor
City of Novato

Attachments (1)

cc: Massey Bambara, Foreperson
2025-2026 Marin County Civil Grand Jury
3501 Civic Center Drive, Room #275
San Rafael, CA 9490

RESPONSE TO GRAND JURY REPORT FINDINGS AND RECOMMENDATIONS

REPORT TITLE: "MCE, Marin Clean Energy: A Series of Missteps Highlight Need for Governance Changes"
REPORT DATE: June 16, 2026
AGENCY NAME: City of Novato
NAME/TITLE: Rachel Farac, Mayor

GRAND JURY FINDINGS

- I (we) agree with the findings numbered: **F4 and F5**

GRAND JURY RECOMMENDATIONS

- Recommendations numbered **R5 and R6** will not be implemented because they are not warranted or are not reasonable.

08/31/26
Date: _____ Signed:  _____
Mayor, City of Novato

Number of pages attached: 2

City of Novato Response to Grand Jury Findings and Recommendations

“MCE, Marin Clean Energy: A Series of Missteps Highlight Need for Governance Changes”.

June 16, 2026

RESPONSE TO GRAND JURY FINDINGS

F4. Many Board members have — quite understandably — limited expertise regarding a large and complex company such as MCE.

Response: Agree

The City of Novato agrees that many MCE Board members, who are appointed in their capacity as elected officials from member jurisdictions, have limited experience providing governance and oversight to a large and complex public agency such as MCE. Unlike most local governments, MCE operates in a highly technical and heavily regulated energy market and is responsible for procuring electricity, managing complex long-term contracts, and complying with a rapidly evolving regulatory environment.

To provide effective governance and oversight, Board members should have a strong understanding of MCE's operations, finances, and regulatory requirements. The City supports MCE providing comprehensive onboarding and ongoing educational opportunities to equip Board members with the knowledge needed to effectively fulfill their governance and oversight responsibilities.

F5. All MCE Board members are local elected officials who face competing demands on their limited time and resources; as a result, meeting attendance has often been poor, and insufficient for optimally effective governance.

Response: Agree

The City agrees that all MCE Board members face competing demands on their limited time and resources. As local elected officials, they must balance their responsibility to MCE with their duties as City Council members, while also managing other public service, professional and/or personal obligations. MCE's Board is also unusually large, with representatives from member jurisdictions spanning multiple counties and coordinating schedules can present significant challenges.

RESPONSE TO GRAND JURY RECOMMENDATIONS

The Marin Grand Jury recommends the following:

R5. By December 31, 2026, all of MCE's Marin jurisdictions (and preferably, all 38 jurisdictions covered by MCE) should implement a process by which its appointed Board member (or, in that person's absence, the designated alternate member) commits to attending each regular Board meeting.

Response: The recommendation will not be implemented because it is not warranted or is not reasonable.

The City of Novato does not believe that implementation of a separate process to address MCE meeting attendance is warranted or reasonable. Expectations regarding attendance by Novato's elected officials serving on regional boards and commissions, including MCE, are already established. Appointees to regional boards and commissions are expected to attend meetings regularly, remain informed on issues before the board or commission, and represent the interests of the Novato community. Should the appointed representative be unable to attend a particular meeting, the designated alternate is expected to participate, whenever possible.

The City considers attendance to be most appropriately evaluated based on participation of individual member jurisdictions rather than generalized across the entire Board. The City does, however, support a continued focus on MCE Board attendance more generally but believes this issue should be addressed by MCE as part of its governance assessment, rather than by separate processes adopted by individual member jurisdictions.

R6. By December 31, 2026, all of MCE's Marin jurisdictions (and preferably, all 38 jurisdictions covered by MCE) should reassess their appointments of chosen Board members to prioritize those with the most extensive financial and energy expertise.

Response: The recommendation will not be implemented because it is not warranted or is not reasonable.

The City of Novato does not believe that a reassessment of its appointment process to the MCE Board is warranted or reasonable. The City Council's existing appointment process for local elected officials serving on regional boards and commissions, including MCE, already considers each potential appointee's background, interest, and ability to provide effective governance and subject-matter expertise to the relevant board or commission.