



August 18, 2026

The Honorable Stephen Freccero,
Presiding Judge,
Marin County Superior Court
3501 Civic Center Drive
San Rafael, CA 94903

~~Massey Bambara,~~ *Charlie Hotz,*
Foreperson,
Marin County Civil Grand Jury
3501 Civic Center Drive, Suite 275
San Rafael, CA 94903

Re: City of San Rafael response to "MCE, Marin Clean Energy: A Series of Missteps Highlight Need for Governance Changes" Marin County Civil Grand Jury report dated June 16, 2026

Dear Judge Freccero and Foreperson Bambara:

At the regular City Council meeting on August 17, 2026, the San Rafael City Council reviewed the report "MCE, Marin Clean Energy: A Series of Missteps Highlight Need for Governance Changes" and in accordance with Penal Code 933 (c) responded to Findings F4 and F5 and Recommendations R5 and R6 as requested.

Should the members of the Grand Jury require additional information, please contact Paul Navazio, City Manager, at (415) 485-3062.

Sincerely,

Kate Colin
Mayor

RESOLUTION NO. 15608

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN RAFAEL APPROVING AND AUTHORIZING THE MAYOR TO EXECUTE THE CITY OF SAN RAFAEL'S RESPONSE TO THE MARIN COUNTY CIVIL GRAND JURY REPORT ENTITLED "MCE, MARIN CLEAN ENERGY: A SERIES OF MISSTEPS HIGHLIGHT NEED FOR GOVERNANCE CHANGES"

WHEREAS, pursuant to Penal Code section 933(c), a public agency which receives a final grand jury report addressing aspects of the public agency's operations must, within ninety (90) days, provide a written response to the presiding judge of the Superior Court, with a copy to the foreperson of the grand jury, responding to the report's findings and recommendations pertaining to matters under the control of the governing body; and

WHEREAS, Penal Code section 933(c) requires that the "governing body" of the public agency provide said response and, in order to lawfully comply, the governing body must consider and adopt the response at a noticed public meeting pursuant to the Brown Act; and

WHEREAS, Penal Code section 933.05 specifies the required contents of a city's response to findings and recommendations of a civil grand jury; and

WHEREAS, on June 16, 2026, the Marin County Civil Grand Jury released a report entitled "MCE, Marin Clean Energy: A Series of Missteps Highlight Need for Governance Changes," examining the governance, oversight, and internal controls of MCE (Marin Clean Energy), the Community Choice Aggregator that provides electricity service to the City of San Rafael and 37 other member jurisdictions; and

WHEREAS, the Grand Jury Report directs the City Council of the City of San Rafael to respond to Findings F4 and F5 and Recommendations R5 and R6, which pertain to the financial and energy expertise and meeting attendance of each MCE member jurisdiction's appointed Board representative; and

WHEREAS, at a regular City Council meeting held on August 17, 2026, the City Council discussed the report's findings and recommendations pertaining to matters under its control.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of San Rafael hereby:

1. Approves and authorizes the Mayor to execute the City of San Rafael's response to the Marin County Civil Grand Jury Report entitled "MCE, Marin Clean Energy: A Series of Missteps Highlight Need for Governance Changes," attached hereto as Attachment 1 and incorporated herein by reference.
2. Directs the City Clerk to transmit the approved response to the Presiding Judge of the Marin County Superior Court, with a copy to the Foreperson of the Marin County Civil Grand Jury.

I, LINDSAY LARA, City Clerk of the City of San Rafael, hereby certify that the foregoing Resolution was duly and regularly introduced and adopted at a regular meeting of the City Council of the City of San Rafael held on the 17th day of August 2026, by the following vote, to wit:

AYES: COUNCILMEMBERS: Bushey, Hill, Kertz, Llorens Gulati & Mayor Kate
NOES: COUNCILMEMBERS: None
ABSENT: COUNCILMEMBERS: None

for B. Nurmi
LINDSAY LARA, City Clerk

Attachment:

1. City Response



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

RESPONSE BY: San Rafael City Council

The Grand Jury Report directs the governing body of the City of San Rafael to respond to Findings F4 and F5 and Recommendations R5 and R6. The remaining findings (F1–F3 and F6–F14) and recommendations (R1–R4 and R7–R13) are directed by the Grand Jury to the MCE Board of Directors, the body with legal authority over MCE's governance, policies, and operations, and are not matters under the control of the San Rafael City Council. Pursuant to California Penal Code Section 933.05, the City Council of the City of San Rafael responds below to Findings F4 and F5 and Recommendations R5 and R6, to the extent they relate to matters within the authority of the City Council.

GRAND JURY FINDINGS

- The City agrees with Findings F4 and F5.

GRAND JURY RECOMMENDATIONS

- Recommendation R5 will not be implemented at this time, but will be considered further.
- Recommendation R6 will be implemented.

Date: 08/21/26

Signed: Kate Colin
Mayor Kate Colin



City of San Rafael Response to Grand Jury Report Findings and Recommendations
"MCE, MARIN CLEAN ENERGY: A SERIES OF MISSTEPS HIGHLIGHT NEED FOR
GOVERNANCE CHANGES" August 17, 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 agrees that MCE's 34-member Board of Directors is composed of locally elected officials who, like San Rafael's own appointed representative, generally are not full-time energy or utility finance professionals, and that the technical complexity of MCE's energy procurement and contracting activities can present a genuine governance challenge.

At the same time, the City believes that the structure of the MCE Board serves an important public purpose. Under the MCE's Joint Powers Agreement, member jurisdictions appoint sitting elected officials who bring local accountability, knowledge of their communities, and diverse perspectives to MCE's governance. Effective oversight therefore benefits from both appropriate technical and professional support and meaningful representation of the diverse communities served by MCE.

The City of San Rafael supports continued efforts to ensure Board members have access to the information, training and professional expertise necessary to fulfill their 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 recognizes the Grand Jury's concern in this area, and that regular attendance and active participation are important responsibilities of Board service. The City of San Rafael expects its representative(s) to participate regularly in MCE Board meetings while, at the same time, fulfilling their responsibilities to the City Council, the residents they serve, and other public bodies. Despite these competing demands, the City considers consistent participation an important component of effective representations.

RESPONSE TO GRAND JURY RECOMMENDATIONS

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.

This recommendation will not be implemented at this time, but will be considered further.

The City Council considers regular attendance and active participation an important responsibility of its MCE representative(s) and will continue to communicate that expectation in making future appointments.



City of San Rafael Response to Grand Jury Report Findings and Recommendations
“MCE, MARIN CLEAN ENERGY: A SERIES OF MISSTEPS HIGHLIGHT NEED FOR
GOVERNANCE CHANGES” August 17, 2026

However, the City Council does not believe it would be appropriate (or practical) to require a binding commitment to attend every regular MCE Board meeting as a formal condition of appointment. Because the appointee is a sitting elected official whose attendance may, on occasion, be unavoidably affected by scheduling conflicts with City Council meetings, other public obligations, illness, or personal circumstances.

The City notes that because Recommendation R5 contemplates a uniform process applicable across all 38 MCE member jurisdictions, this matter is most appropriately and consistently addressed by the MCE Board of Directors itself — for example, in connection with the governance assessment that the MCE Board has commissioned — rather than through 38 separately devised local processes.

The City further notes that under Article III, Section 3 of the [Marin Energy Authority Operating Rules and Regulations](#), a Director may be removed for cause if they have three consecutive unexcused absences from MCE meetings. The City Council will consider adopting a formal attendance expectation for its appointee if and when MCE amends Board-wide attendance norms or expectations applicable to all 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.

This recommendation will be implemented.

The City Council will continue to consider relevant financial and energy expertise as factor in its appointment to the MCE Board, consistent with this recommendation.

The City Council’s existing process for appointing its representative and alternate to the MCE Board, like its process for all other outside-body appointments, considers each prospective appointee’s relevant background and subject-matter familiarity, including any financial, energy-sector, or utility experience, alongside other factors the Council weighs in making such appointments.

At the same time, MCE’s governance structure intentionally and appropriately places locally elected officials on its Board. Those officials bring democratic accountability and community knowledge to the decision-making process. Effective governance benefits from combining this representation with a strong professional staff, appropriate technical resources, Board education, and access to relevant financial and energy expertise.