



City of Belvedere

REVISED 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: September 14, 2026
Response by: City of Belvedere, Sally Wilkinson

GRAND JURY FINDINGS

- F4: Agree
- F5: Agree

GRAND JURY RECOMMENDATIONS

- R5: Recommendation has not been implemented but will be implemented in the future.
- R6: Recommendation requires further analysis.

Date: 09/16/2026.

Signed:

Sally Wilkinson, Mayor

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

MCE is a large and complex public agency operating in a highly technical energy market. Unlike most public agencies, CCAs such as MCE must operate in competitive energy markets alongside sophisticated investor-owned utilities and other market participants.

MCE does not own power plants or other generating assets. Instead, it must buy enough electricity through contracts and market purchases to serve its customers. It also uses financial tools, including clean-energy attribute purchases, hedging transactions, and prepay bonds, that can involve legal, tax, financing, and market-risk issues. In addition, MCE must meet state requirements for renewable energy, grid reliability, long-term planning, supplier diversity, and power-source disclosure.

Effective Board oversight of these activities requires more than general public-agency experience. It requires some understanding of energy markets, public finance, utility regulation, contract risk, and state compliance requirements.

MCE Board members are local elected officials whose primary experience is in municipal governance, not energy procurement or utility finance. Their ability to provide effective oversight is further limited by regular Board turnover, inconsistent attendance, and the lack of sufficiently strong onboarding and ongoing training. As a result, Board members may become overly dependent on staff recommendations regarding rates, budgets, contracts, and policy decisions, without the benefit of fully informed Board-level discussion.

The limited state oversight of CCAs, compared with investor-owned utilities, makes strong Board oversight especially important. That broader regulatory issue should also be considered by the State Legislature.

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 elected officials who serve on MCE's Board are largely unpaid local-government representatives, many of whom have full-time employment and numerous competing public-service obligations. It is common for city councilmembers to serve on multiple committees within their own agencies, while also representing their cities on regional or multi-jurisdictional boards. As a result, councilmembers must balance their MCE responsibilities against the needs of their own jurisdictions and other public-service commitments.

MCE's broad geographic scope and large Board size add to that burden. Board members may be required to travel significant distances to attend meetings at MCE's San Rafael or Concord offices, while representatives from Napa and Solano counties often participate remotely. Meeting packets are lengthy and highly technical, and meetings intended to last two hours can extend late into the evening. Service on MCE's Executive Committee, Technical Committee, and Finance Committee also requires additional preparation and time.

This structure is difficult to sustain. It contributes to inconsistent attendance, quorum challenges, delayed meeting starts, and the loss of institutional knowledge when long-serving Board members leave office. These challenges appear to vary by jurisdiction. Belvedere has made a consistent effort to ensure representation at Board meetings, including through service on the Executive Committee and Finance Committee, and by having an alternate attend when the primary representative is unavailable.

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.

Response: Recommendation has not been implemented but will be implemented in the future.

Belvedere agrees that regular attendance by its appointed MCE Board representative, or by the designated alternate when the primary representative is unavailable, is important to effective Board participation and oversight. Belvedere has historically appointed representatives who can regularly attend MCE Board meetings and, when the representative is unavailable, to have alternates attend instead. The City therefore views this recommendation as formalizing and strengthening a practice that Belvedere has already sought to follow.

But to ensure that its representative or alternate attends each regular MCE Board meeting, the City Council will incorporate past Board-member attendance into its annual appointment process for the MCE Board (conducted each January). If the appointed representative (or alternate) has not attended meetings consistently, the City Council will consider appointing a different representative and/or alternate.

The City Council will formalize this process in November 2026, and it will incorporate the attendance review into its January 2027 appointment process.

The City also notes that MCE's existing Operating Rules and Regulations address Board attendance. Article III, Section 3 provides that an MCE Director may be removed by the Board for cause for, among other reasons, unexcused absences from three consecutive Board meetings. To the City's knowledge, this attendance-related provision has not been enforced or meaningfully raised. MCE may wish to evaluate whether consistent enforcement of its existing attendance provision, together with regular attendance reviews by member agencies, would further improve Board participation and governance.

Belvedere's implementation of this recommendation will address the City's appointment process. Any changes to MCE's own attendance requirements or enforcement practices would be matters for MCE and its Board to consider.

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: Recommendation requires further analysis.

The City agrees that relevant financial and energy expertise is an important consideration when appointing representatives to the MCE Board. When making appointments, member agencies should consider whether a councilmember has experience in financial, energy, utility, legal, or regulatory matters. However, the City does not believe that financial and energy expertise should be the overriding factor in all appointments and not every city council will have a member with specialized expertise in energy markets, utility regulation, public finance, or complex contracting. Other factors—including attendance, availability, institutional knowledge, continuity of service, and the representative's ability to provide consistent and effective oversight—should also be considered.

The City also notes that this recommendation is, at best, an interim measure. Reassessing appointments may improve the qualifications of representatives within the current governance structure, but it does not address whether that structure—including the size and composition of the Board—provides the level of expertise, continuity, and effective oversight appropriate for an agency of MCE's size and complexity.

The City Council will further evaluate the appropriate qualifications and criteria for its appointment of an MCE Board representative (and alternate), including the relative importance of financial and energy expertise compared with other factors relevant to effective Board service.

By November, 2026, the City will complete this analysis and determine whether to revise its appointment practices.