

RE: Formal Statement Regarding Proposed Resolution 2026-02 – Delegation of Energy Procurement Authority (Agenda Item No. 9)

I regret to inform the Board that I am unable to attend tonight's meeting in person. Earlier this morning, I underwent a medical procedure that has rendered me unable to participate for the remainder of the day. I wish to emphasize that my absence is in no way a reflection of my commitment to this Board or to the matters under consideration. To the contrary, I feel it is imperative that my position on Agenda Item No. 9 be formally entered into the record, as I have significant concerns regarding the proposed resolution that I believe warrant serious deliberation.

Concerns Regarding the Proposed Delegation of Authority to the Committee Chair and CEO

Proposed Resolution 2026-02 seeks to delegate significant energy procurement authority to the Committee Chair of Technical Operations and the Chief Executive Officer on a joint basis. Specifically, the resolution would authorize these two individuals, acting jointly, to approve contracts with cumulative delivery periods of up to ten (10) years and a notional value at or below one hundred million dollars (\$100,000,000). I must respectfully but firmly state that I believe this level of delegated authority is excessive and falls well outside the bounds of what is appropriate for unilateral or bilateral executive action.

Contracts of this magnitude — whether measured by their financial value or the extended timeframes they encompass — represent long-term commitments that carry substantial risk and long-lasting consequences for this organization and the constituencies we serve. The approval of agreements of this scope should not rest with any two individuals, regardless of their qualifications or experience. Such decisions demand the full transparency, deliberation, and accountability that only Board-level review and approval can provide.

Concerns Regarding Sole Authority Granted to the CEO

Equally troubling is the provision within the proposed resolution that would permit the Chief Executive Officer, acting independently, to authorize contracts or amendments thereto with delivery periods of up to five (5) years and a value not exceeding sixty-five million dollars (\$65,000,000). Granting a single executive officer this level of unilateral contracting authority is, in my view, wholly inappropriate and inconsistent with sound governance principles.

It is my understanding that recent contract amendments have brought this issue into sharp relief. The manner in which certain amendments have been structured and executed has highlighted the very real risk of inadequate oversight when broad authority is delegated without sufficient checks and balances. These developments should serve as a cautionary signal to this Board, not as a rationale for further expanding executive discretion.

The Need for Measured, Deliberate Action

I fully acknowledge that the procurement of energy contracts is a time-sensitive matter, and that operational delays can carry real costs. There is a legitimate interest in ensuring that staff and leadership are not unduly hampered in their ability to act quickly in a dynamic energy market. I do not dismiss this concern lightly.

However, in light of the contractual issues that have come to light in recent months, I believe it is both prudent and necessary for this Board to pause, take stock of what has transpired, and engage in a thorough review of our existing procurement policies and oversight structures before granting any additional delegated authority. The urgency of procurement decisions does not override the obligation of this Board to exercise proper governance and fiduciary responsibility.

Recommendation: Enhanced Oversight and Board Review

It is my strong recommendation that, rather than approving Proposed Resolution 2026-02 as currently drafted, the Board take the following steps:

- 1.** Table or defer the resolution pending a comprehensive review of our current energy contract procurement policies, practices, and the recent amendments that have raised governance concerns. It should probably be tabled until we have a governance review.
- 2.** Require that all energy procurement contracts, regardless of value or duration, be brought before the full Board of Directors for review and approval, ensuring full transparency and collective accountability.
- 3.** In instances where time-sensitive procurement decisions cannot wait for a regularly scheduled Board meeting, convene an emergency session via video conference (e.g., Zoom or equivalent platform) to ensure proper Board oversight is maintained without unnecessary delay to operations.

The challenges and missteps of the recent past have made it clear that this organization requires more oversight of its contracting activities, not less. I urge my fellow Board members to carefully consider the long-term implications of this resolution and to prioritize governance integrity over administrative convenience.

I respectfully request that this statement be read into the official record of tonight's meeting and that it be considered in full during the Board's deliberations on Agenda Item No. 9. I appreciate the Board's attention to this matter and remain committed to working constructively toward governance solutions that protect the integrity of this organization.

Respectfully submitted,

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Member, Board of Directors