



# Redwood Coast Energy Authority

517 5<sup>th</sup> Street

Eureka, CA 95501

Phone: (707) 269-1700 Toll-Free (800) 931-RCEA Fax: (707) 269-1777

E-mail: [info@redwoodenergy.org](mailto:info@redwoodenergy.org) Web: [www.redwoodenergy.org](http://www.redwoodenergy.org)

---

## MEETING MINUTES

**Redwood Coast Energy Resource Center**  
**517 5<sup>th</sup> Street, Eureka, CA 95501**

**November 16, 2009**  
**Monday, 3:00 p.m.**

Redwood Coast Energy Authority will accommodate those with special needs. Arrangements for people with disabilities who attend RCEA meetings can be made in advance by contacting Cheryl Clayton at 269-1700 by noon the day of the meeting.

### I. ROLL CALL

The meeting was called to order at 3:02 p.m.

Present: Barbara Hecathorn, Jay Parrish, Jack Thompson, Don Ratzlaff, Susan Ornelas, Doug Strehl, Jill Duffy, Jeff Leonard

Absent: Pat Falor

Staff: David Boyd, Dana Boudreau, Jaquelyn Shur

Guests: Alison Talbot (PG&E Government Liaison), John Wooley (Assemblyman Wes Chesbro)

### II. REPORTS FROM MEMBER ENTITIES

Director Duffy outlined recent discussion with McKinleyville CSD regarding ARRA funding.

Director Hecathorn noted that HBMWD held three meetings in McKinleyville, Eureka and Arcata, as well as presentations to the County, asking for public comment on management of surplus water due to the pulp mill closure.

Director Ornelas reported that the City of Arcata sold carbon sequestration rights from the Redwood Community Forest to PG&E.

Director Leonard reported that the City of Eureka has purchased two battery powered, professional grade lawn mowers.

### III. ORAL COMMUNICATIONS

This time is provided for people to address the Board or submit written communications on matters not on the agenda. At the conclusion of all oral & written communications, the Board may respond to statements. Any request that requires Board action will be set by the Board for a future agenda or referred to staff.

None.

### IV. CONSENT CALENDAR

All matters on the Consent Calendar are considered to be routine by the Board and are enacted on one motion. There is no separate discussion of any of these items. If discussion is required, that item is removed from the Consent Calendar and considered separately. At the end of the reading of the Consent Calendar, Board members or members of the public can request that an item be removed for separate discussion.

A. Approve Minutes of September 21, 2009 Board Meeting

B. Approve Minutes of October 19, 2009 Board Meeting.

C. Approve attached Warrants.

Motion was made to approve the September 21, 2009 minutes, October 19, 2009, minutes and attached warrants. Barbara Hecathorn, Jack Thompson and Susan Ornelas abstained from approving the September 21<sup>st</sup> minutes because they were absent from the meeting.

**Motion: Doug Strehl**

**Second: Jill Duffy**

**Approved: 8-0**

---

## **V. REMOVED FROM CONSENT CALENDAR ITEMS**

Items removed from the Consent Calendar will be heard under this section.

None.

## **VI. OLD BUSINESS**

### **A. RCEA Financial Management Plan Update**

- Review RCEA FMP

Executive Director Boyd reviewed and updated the financial management timeline.

- Cash Flow Report

Executive Director Boyd noted that the Fortuna loan has been repaid in full, and RCEA continues to maintain a positive balance with the County Treasury.

- Monthly Budget Report

Executive Director Boyd presented the RCEA monthly budget report, which represents actual FY expenditures through October.

Work Comp insurance expenses were discussed, and staff explained that SDRMA provides an annual quote based on the previous year's staffing levels. Staffing varies throughout the year, and the total charge is computed at year-end with a payroll audit.

Director Leonard asked how RCEA plans to reconcile actual versus budgeted expenses. Executive Director Boyd explained that any necessary changes will be addressed at the mid-year budget review in January.

Director Duffy noted that the Executive Director is personally liable for budget discrepancies, and the best protection mechanism is to bring any and all issues to the Board as soon as possible. She requested immediate Board notification should funding transfers or budget realignment be required.

Executive Director Boyd explained that there is no calculation in place that eases the prediction of WC insurance costs. As the organization becomes more familiar with predicting this cost, he suggested close monitoring and perhaps a quarterly true-up. Director Boyd requested that a procedure be identified for alerting the Board to budget discrepancies. Director Duffy noted the importance of record keeping to relieve personal liability.

Director Hecathorn noted that budget adjustments are standard, and that she will be expecting them at the mid-year review, which is only two months away.

- Update on RCEA Financial Audit: auditor selection

---

The fiscal committee conducted telephone interviews with the two auditing firm candidates, and selected Pimenti & Brinker. Director Leonard presented the proposal and the letter of agreement, which is the firm's version of a contract.

Executive Director Boyd reviewed the email from Nancy Diamond outlining revisions to the letter of agreement, and noted that the fiscal committee recommends the four-year agreement (two years now, plus two more).

The two- and four-year options were discussed and Director Leonard noted the termination clause will address funding, as well as apprehension of a long-term commitment. If the auditing services are not up to standard, or if RCEA does not sign another contract with PG&E, the agreement can be terminated.

Director Strehl expressed his support of the four-year term. Director Leonard agreed and added that the longer contract would provide more consistency and would be easier on staff.

1. Ratify Financial Committee auditor selection of Pimenti & Brinker, LLP
2. Authorize Staff to sign Audit Arrangement Letter (contract) with Pimenti & Brinker, LLP, to conduct audits for the years ended June 30 2008 and 2009, with options for the years ending June 30, 2010 and 2011, for an amount not to exceed \$54,100: \$19,000 for 2008 and 2009, \$17,500 for 2010, and \$17,600 for 2011

Motion was made to ratify selection of Pimenti & Brinker, LLP, and to authorize staff to sign Audit Arrangement Letter (contract) with Pimenti & Brinker to conduct audits for the years ended June 30 2008 and 2009, with options for the years ending June 30 2010 and 2011, for an amount not to exceed \$54,100: \$19,000 for 2008 and 2009, \$17,500 for 2010, and \$17,600 for 2011 pending the changes recommended by Nancy Diamond.

**Motion: Susan Ornelas**

**Second: Jill Duffy**

**Approved: 8-0**

---

**B. Update on PG&E/ Redwood Coast Energy Watch Partnership 2010-12 contract status**

Staff has reviewed the general and specific conditions of the contract with Attorney Diamond and a list of contract exceptions has been compiled and forwarded to PG&E. Staff has also received a preliminary budget, which is less than requested due to CPUC decisions. The initial figure is \$2.9 million for a three-year period. There has been a goal reduction, but the methodology of calculating savings has changed as well.

Staff hopes to have the revised contract in place by January 1<sup>st</sup>, 2010. PG&E has reported that it will take approximately 30 days to sign the approved contract. Director Boyd hopes to have the Board ratify the contract by November 30<sup>th</sup>, 2009, in order to have ample time to get the contract back by January.

**C. Update on strategic/regional approach to pursuing ARRA EECBG funds**

Executive Director Boyd reported that progress on ARRA EECBG funding has been moving quickly. He noted that the only entities eligible for these funds are incorporated cities and counties, and unfortunately, RCEA cannot help McKinleyville CSD obtain funds. The money can be spent on any project within an eligible entity's

---

jurisdiction. Staff has been working on an application for public projects because it is difficult for these projects to get approved and completed under normal circumstances. RCEA's role is to provide technical support to all thirteen entities represented in the regional application. Larry Goldberg and Michael Winkler are preparing project feasibility studies for the application.

**D. Update on Renewable Energy Secure Communities (RESCO) Grant**

Executive Director Boyd reported that the Schatz Energy Center, PG&E and RCEA met to work out the final details of the two-year project. A few potentially troubling issues were identified; most importantly, this will be a strictly interpreted reimbursement-based program with a 30 to 45-day payment delay as well as a 10% retention. This means that RCEA must pay SERC before it receives reimbursement for this expense from the CEC, adding to cash-flow difficulties. He reported there was no room for negotiation with the CEC.

Director Duffy noted that the ability of the CEC to pay reimbursements in a timely manner may become problematic due to poor economic forecasts. If the CEC suspends payment due to lack of State funds, RCEA could be in a difficult position.

Executive Director Boyd explained that RCEA is not hiring extra staff or incurring other administrative expenses that would unduly burden the organization if State money was to freeze. If this occurred, RCEA and Schatz would have to halt all work on the project until funds become available.

**E. Update on Clean Renewable Energy Bonds (CREBs) allocations**

Executive Director Boyd reported that RCEA received a list of IRS approved projects. The projects consisted of PV system installations on public facilities. Although all projects are theoretically possible, they may not be the most cost-effective way to use the money. The application submission was non-binding; therefore, the probability that the projects actually go through depends on an economic analysis. RCEA anticipates completion of this analysis in January, 2010. Executive Director Boyd explained the details of the CREBs allocations.

**F. Update on other ARRA Funding Opportunities**

Executive Director Boyd reported that staff is working with the County of Humboldt on a collaborative CEC SEP 1 application for competitive ARRA AB 811 funding. Through SEP 2, competitive funding is also available for deep home retrofits to help the state meet AB 32 reductions; Heidi Benzonelli has been working with the County and RCAA to draft a proposal. Dana Boudreau has been working with the Local Government Sustainable Energy Coalition on a SEP 3 proposal for efficiency measures in municipal facilities.

## **NEW BUSINESS**

- A.** Decide whether to select RCEA Board Vice-Chair through end of 2009, or defer until January 2010.
  - B.** Schedule next Board Business Meeting.
-

A meeting will be necessary before December 1<sup>st</sup> in order to ratify the PG&E/ RCEW 2010-2012 contract to be effective January, 2010. Other business would include renewal of the lease for 517 5<sup>th</sup> Street.

Motion was made to defer the selection of the Vice-Chair until January, 2010, and to have the next board meeting on Monday, November 30, 2009.

**Motion: Jill Duffy                      Second: Don Ratzlaff                      Approved: 8-0**

---

[Note: this meeting was subsequently rescheduled to December 7, 2009]

**C. PG&E Innovator Pilot Program Opportunity**

PG&E has a maximum of \$1,000,000 available for the Innovator Pilot Program. RCEA would like to fund a Green Building pilot program or a baseline climate change study program. A formal application is due December 14, 2009.

**D. SDRMA – Request for Director Nominations**

John Wooley announced his resignation from the SDRMA board effective December 31, 2009. SDRMA is in a healthy spot with 700 members and growing. Director Leonard congratulated Mr. Wooley on his service.

## **VII. STAFF REPORT**

**A. David Boyd, Executive Director**

- Staffing update

Executive Director Boyd reported that Maureen Hart is officially no longer with RCEA and is now a private consultant in Arcata, and there are no plans to fill her vacant position. He added that when the contract is ratified he hopes to reclassify the administrative support position, which will be addressed as part of the mid-year budget review.

- Potential relocation of Redwood Coast Energy Resource Center

Executive Director Boyd reported that RCEA is outgrowing its current facility. Staff has looked at the commercial building on 4<sup>th</sup> & E as a potential relocation site. There is no notable cost difference, and the building is not as well maintained as the current facility, but does have more office space, ample parking and storage. He reported that he is still unsure if a move is the right thing to do, and added that the current landlord will not be raising the rent next year. He suggested that the Board view the Commercial Building in order to assist with making an informed decision.

- LED Holiday Light Exchange, December 4-6, Humboldt Artisans Craft & Music Festival

## **VIII. ADJOURNMENT**

The meeting was adjourned at 5:06 p.m.

---