



Redwood Coast Energy Authority

517 5th Street
Eureka, CA 95501
Phone: (707) 269-1700 Toll-Free (800) 931-RCEA Fax: (707) 269-1777
E-mail: info@redwoodenergy.org Web: www.redwoodenergy.org

MEETING MINUTES

**Redwood Coast Energy Resource Center
517 5th Street, Eureka, CA 95501**

**August 17, 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 3:10 p.m. and roll call was taken.

Present: Jack Thompson, Doug Strehl, Jay Parrish, Susan Ornelas (for Michael Winkler), Don Ratzlaff

Absent: Jill Duffy, Barbara Hecathorn, Pat Falor, Jeff Leonard

Staff: David Boyd, Dana Boudreau, Heidi Benzonelli, Oliver Hulland, Brian Unser, Jaquelyn Shur

Guests: Alison Talbott-PG&E, Beckie Menton-City of Arcata.

II. REPORTS FROM MEMBER ENTITIES

None

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 July 20, 2009 Board Meeting.

B. Approve attached Warrants.

An e-mail request from Director Duffy was submitted, requesting that the minutes be amended on page 2, paragraph 4 to read "auditor and county treasurer." A motion was made to approve the minutes and warrants with revisions as noted.

Motion: Don Ratzlaff

Second: Jack Thompson

Approved: 5-0

V. REMOVED FROM CONSENT CALENDAR ITEMS

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

None

VI. OLD BUSINESS

A. Staff Update on RCEA Financial Issues.

- Cash Flow Report

Executive Director Boyd presented the RCEA Cash Flow Chart from June, 2009 to present.

- Short-Term Loan from Fortuna

1. Approve 30-day loan extension and repayment of \$25,000 to the City of Fortuna.

Executive Director Boyd reviewed the request for a 2nd 30-day extension, and an installment payment of \$25,000.

Director Strehl reported that Fortuna City Manager Rigge appreciates the \$25,000 payment and anticipates no problem extending the loan within the terms of the original loan agreement.

Motion was made to approve the letter to Fortuna requesting the 2nd 30-day loan extension, and to approve the \$25,000 installment.

Motion: Susan Ornelas Second: Jack Thompson Approved: 5-0

- Proposed FY09-10 Annual Budget

2. Approve proposed Annual Budget Report format.

Executive Director Boyd reviewed the process RCEA followed in developing a new budgeting tool. RCEA has adopted a “unified chart of accounts” modeled on that used by non-profit organizations to use for monthly and annual budgets, which provides a high level of detail.

Executive Director Boyd explained that the budget is broken down by program and also by funding source. The individual budgets all roll up into one overall organizational budget, the mechanics of which are still under development.

A motion was made to approve the proposed Annual Budget Report format.

Motion: Doug Strehl Second: Susan Ornelas Approved: 5-0

- Proposed Financial Audit RFP

3. Authorize Staff to proceed with issuing RFP for financial audit services.

Executive Director Boyd reported that several RFP samples had been collected, and RCEA will use the HBMWD RFP as the framework for

the RCEA audit RFP. RCEA currently has reserved funds it hopes will be sufficient for auditing two years, and staff would like to send out the RFP next week in order to make a decision at the next board meeting.

Director Ornelas suggested that a phone number and email address be added to the body of the letter in order to make clear where questions should be directed.

A motion was made to authorize staff to proceed with issuing the RFP for financial audit services.

Motion: Jack Thomson Second: Doug Strehl Approved: 5-0

B. Report from ad hoc Board Financial Working Group, and discussion regarding establishment of RCEA Board “Operational Practices” and/or “Financial working group to:

- Review and define the RCEA JPA agreement.
- Review current RCEA financial practices.
- Review financial policies and best practices for similar organizations.
- Oversee RCEA financial audit process.

Executive Director Boyd acknowledged the ad hoc budget support he received from Directors Duffy and Parrish, and said that the next steps will be reviewing the financial audit RFPs when they arrive.

Director Thompson suggested that Director Parrish and Director Duffy be formally assigned to the financial working group.

Director Parrish noted that he would like to work with Director Duffy, but would like her to be present in order to make a final decision. He also mentioned that it may be better to have more than two members on the committee.

Executive Director Boyd affirmed that he and two board members should be sufficient for the task.

Director Ornelas suggested that alternates for the committee members should be established. Director Parrish called for volunteers.

Director Thompson volunteered and Director Parrish suggested that Director Leonard should also be put on the alternate list.

C. Staff Update on CREBS (Clean Renewable Energy Bonds) project identification and application status.

Executive Director Boyd explained that 30 municipal solar projects were submitted, with total costs of approximately \$18 million and a total of 750 KW saved. He noted that the projects’ pay-back and cash-flow are not as desirable as hoped, and that a careful economic analysis will need to be done before moving forward with bonds. In any event, it was a valuable exercise to identify all the potential municipal solar projects in the participating jurisdictions.

D. Staff Report on Strategic/Regional Approach to Pursuing ARRA Energy Efficiency Funds

Executive Director Boyd reported that ARRA stimulus funds have already been distributed to large jurisdictions. The money for smaller areas will be allocated through block grants by the California Energy Commission (CEC). The amount of money each area receives is not competitive, and determined by a formula primarily dependent on population. Approximately \$800,000 will be allocated to the County and its seven Cities. . Eligible jurisdictions have two options: to apply independently, or to submit a collaborative application (which the CEC encourages).

RCEA would like to host a working group meeting to serve as the Lead Agency for a collaborative application. After approval, RCEA can provide project management and invoice reporting.

Director Ornelas asked for examples of typical ARRA projects. Executive Director Boyd explained that projects differ from jurisdiction to jurisdiction. ARRA projects could include improving the energy efficiency of lighting and HVAC systems, as well as the efficiency of pumps and motors. RCEA would prefer to give municipal facilities priority because it is difficult for such facilities to obtain funds. A more specific example of an ARRA project would be installing LED street lights.

Director Parrish added that the city of Ferndale spends a large amount of money on their street lamps. Executive Director Boyd explained that not all street lamps in each city are eligible for ARRA funding because they must be owned by the city.

Director Ornelas asked if it was more advantageous to work together on ARRA projects. Executive Director Boyd replied it is not necessary, but there are advantages. Director Ornelas asked what percentage of the funds is allowed for administrative costs. Executive Director Boyd explained that while there is no CEC cap, RCEA estimates that 12% may be needed for it to provide full project management.

Executive Director Boyd also presented a regional approach on ARRA fund allocation which is being advocated by Kirk Girard. He proposes combining the ARRA funding for seven counties, under the umbrella of the North Coast Integrated Regional Water Management Plan. The combined value of these projects could be up to \$3 million. Under this scenario RCEA would manage the proposal and provide technical reports for all seven counties.

Executive Director Boyd shared his apprehension on adopting this approach to managing the ARRA EECBG funds. He stated that it may be too far of a reach for RCEA to handle as an organization. Director Ornelas suggested that the regional approach may cause too much administrative work.

Director Ratzlaff recalled back to when PG&E wanted RCEA to expand into Mendocino County and the Board declined. He suggested that we ask for more guidance from Mr. Girard.

Alison Talbott reminded the Board that they have until August 21st to provide written response to the CEC if they are choosing to participate in the ARRA program.

Executive Director Boyd requested Board members ascertain whether their respective cities would like to participate in the ARRA program, and if they are willing to work with RCEA, he would like to know by next week.

VII. NEW BUSINESS

None

VIII. STAFF REPORT

A. David Boyd, Executive Director

- Update on PG&E/Redwood Coast Energy Watch Partnership 2009-11 contract status

Executive Director Boyd received a draft PG&E/RCEA partnership contract from Nancy Diamond that is awaiting staff review. She requested feedback by September 4. Director Parrish suggested the draft to be sent out to the board members prior to the next Board Meeting.

- VISTA Update

Executive Director Boyd introduced the new VISTA volunteers, Oliver Hulland and Brian Unser. Brian Unser will be working on the Green Building Program, and Oliver Hulland will have the lead responsibility workshops and public information.

- Organic Planet Festival – August 30

RCEA will have a booth there.

- Workshops

Upcoming RCEA fall workshops are “Understanding the House as a System” (October 1); and “Basics of Photovoltaic Systems for Grid-tied Applications” (November 3).

- 2009 Solar Homes Tour – Sunday October 4

RCEA will again be co-sponsoring the Humboldt Solar Neighbors Tour. Lead coordination is being provided by VISTAs Brian Unser and Oliver Hulland

- PG&E WaveConnect – Humboldt Working Group

Executive Director Boyd reported that the Humboldt Working Group for the PG&E Wave Connect Project consists of 25-30 members. PG&E is trying to include all key stakeholders to assist in finding a satisfactory site

for the pilot project. Alison Talbott (PG&E) reported that representatives from the Surfrider Foundation, as well as crabbers and fishermen attended the last meeting.

IX. ADJOURNMENT

The meeting was adjourned at 4:50 p.m.

***The next regular RCEA Board of Directors Business Meeting will be held on
Monday, September 21, 2009 at 3:00 PM***