



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

SPECIAL MEETING MINUTES

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

**December 7, 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 3:05 p.m.

Present: Jay Parrish, Doug Strehl, Barbara Hecathorn, Don Ratzlaff, Jack Thompson, Sherman Schapiro, Jeff Leonard, *Jill Duffy.

Absent: Susan Ornelas, Pat Falor

Staff: David Boyd, Dana Boudreau, Heidi Benzonelli

Guests: Kirk Girard – Humboldt County Board of Supervisors

*Director Duffy left at 3:50 p.m.

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 November 16, 2009 Board Meeting

B. Approve attached Warrants.

Motion was made to approve the November 16, 2009 Board Meeting Minutes and attached warrants.

Motion: Jay Parrish

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

- Cash Flow Report
- Update on RCEA Financial Audit
- Need for establishing RCEA bank account
 1. Authorize staff to establish a bank account for the purpose of electronically paying Federal payroll taxes.

Executive Director Boyd reported that new IRS requirements make it necessary to establish a checking account for Federal payroll taxes. RCEA is unable to pay the taxes electronically through the County Treasury.

Director Duffy suggested that the \$5,000 cash reserve check from PG&E be used to open the account. Executive Director Boyd explained that the check will not be available for another two weeks and payroll taxes must be submitted by the 10th.

Redwood Capital Bank requires a \$300 minimum account balance, and the \$5,000 check can be deposited when it arrives. Payroll taxes are approximately \$7,000 per month, and opening a bank account will not alter current accounting procedures or disrupt the fiscal audit. It will also serve to initiate a bank relationship, which is the first step in establishing a line of credit.

Motion was made to authorize staff to establish a bank account at Redwood Capital Bank for the purpose of electronically paying Federal payroll taxes, and to maintain a minimum balance of \$500.

Motion: Jack Thompson Second: Barbara Hecathorn Approved: 8-0

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

1. Review, approve, and authorize staff to sign PG&E contract documents for the 2010-12 Redwood Coast Energy Watch program cycle.

Executive Director Boyd reported that negotiations for the RCEW Partnership 2010-12 have gone on for over a year, primarily due to shifting CPUC decisions. Two documents, consisting of specific and general conditions, have been reviewed by staff and legal counsel, and an “exception request” document was drafted to specify all issues that staff and legal counsel found in the contract, as well as note the problem and the preferred solution. After some back and forth between PG&E and RCEA, all concerns were resolved last week. The final contract was sent to RCEA in two

documents, the Master Service Agreement (general conditions) and the Contract Work Authorization (specific conditions).

Director Duffy addressed her concerns in the Master Service Agreement. She referenced use of the word “consultant” on page GC-1, section 3.0, which is not defined in the contract. She suggested changing to “LGP” or “contractor.”

Page GC-2, section 5.1: “PG&E...shall have...access at all reasonable times to all of the LGP’s and its Subcontractors’ personnel, accounts and records of all description.” She recommended additional language “in accordance with state law” be added to the section as personnel records are confidential.

Page GC-3, section 6.1.2: “Invoice Deficiencies.” She suggested that a time frame be added to the paragraph.

Executive Director Boyd noted that section 6.1.3 remedies section 6.1.2. If any deficiencies are found months after the fact, nothing can be changed.

Director Duffy referenced page GC-8, section 16.0: “Ownership of Deliverables,” and cautioned that this language could potentially tie the organization’s hands and affect outside projects. She noted that the scope of the organization is bigger than the PG&E contract and if PG&E is granted all ownership it may cause problems.

Executive Director Boyd noted that this section is not unusual and has been in many other grant contracts such as the CEC RESCO grant, and historically this section has not caused the problems Director Duffy feels are possible.

Director Thompson questioned whether PG&E’s claim to “ownership of everything” may undervalue RCEA’s worth in the eyes of lenders when trying to establish a line-of-credit. Executive Director Boyd reported that section 16.0 only refers to intellectual property, not hardware or physical property, which will not affect the ability of the organization to get a line-of-credit. Director Schapiro suggested that language be added to specifying that RCEA reserves the right to engage in contracts other than PG&E.

Director Duffy referenced page GC-9, section 23.0: “Public Release of Results,” wherein PG&E requests that LGPs do not release results, which may be a violation of FOYA. If a FOYA request was submitted to RCEA, there is a 10-day time period to submit documents. She suggested implementation of a time requirement for PG&E to voice their decision to withhold the information or not, in order to avoid noncompliance with FOYA. Director Duffy suggested language also be added that would relieve RCEA from any financial burden should legal issues if PG&E chooses to withhold information.

Executive Director Boyd noted that prior to Board submission, there were many issues in the two documents that had been addressed by legal counsel Nancy Diamond.

Kirk Girard reported that there is competitive ARRA funding available to start other AB 811 opportunities. He would like to apply for these funds in a regional seven-county proposal, and noted that the Board of Supervisors has already authorized this proposal. The CEC would like to see letters of interest, with the final proposal due December 21st, 2009. RCEA would assist with the Humboldt County submission process, and possibly assist other counties on a contract basis. Executive Director Boyd noted that this would require hiring additional staff.

1. Approve Resolution No. 2009-4 in support of the County of Humboldt's collaborative proposal to the California Energy Commission for State Energy Program funding for a local AB 811 type municipal energy financing program.

Motion was made to Approve Resolution No. 2009-4 in support of the County of Humboldt's collaborative proposal to the California Energy Commission for State Energy Program funding for a local AB 811-type municipal energy financing program.

Motion: Jay Parrish

Second: Jack Thompson

Approved: 7-0

VII. NEW BUSINESS

A. Redwood Coast Energy Resource Center lease

Executive Director Boyd reported that the landlord has drafted a new three-year lease, which is awaiting review by Nancy Diamond. The new lease would be fixed at the current monthly rate, and requires that RCEA get approval from the owners to put anything in the windows, and obtain glass insurance.

He noted that the anticipated move to 350 E Street is not in the organization's best interest at this time.

Director Schapiro asked if the move would require a significant change in infrastructure. Director Boyd replied that it would require almost no change; however, the timing for a move would be better in January as the organization has a lot to do this month.

Motion was made to authorize staff to continue the current month-to-month agreement at 517 5th Street for up to three months.

Motion: Sherman Schapiro

Second: Jay Parrish

Approved: 8-0

B. Schedule January Special Board Meeting.

The January Special Board Meeting has been scheduled for Monday, January 25, 2010.

VIII. STAFF REPORT

A. David Boyd, Executive Director

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

- RCEA staff “furlough”

Executive Director Boyd reported that there are not enough billable hours left in the contract to maintain payroll through the end of the year, and staff will be required to use vacation time through the last two weeks of December. Time that cannot be covered with vacation hours will result in unpaid leave. RCEA will be closed for the entire week of Christmas, and will operate with a skeleton staff for the week after Christmas to continue preparation for the fiscal audit.

IX. ADJOURNMENT

The meeting was adjourned at 4:34 p.m.