



# Redwood Coast Energy Authority

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## MEETING MINUTES

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

July 20, 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. and roll call was taken.

Present: Don Ratzlaff, \*Pat Falor, \*Doug Strehl, Jeff Leonard, Michael Winkler, Barbara Hecathorn, Jack Thompson, Jay Parrish, Jill Duffy

\*Directors Strehl and Falor exited the meeting prior to the vote on item VII.D.

Absent: None

Staff: David Boyd, Maureen Hart, Dana Boudreau, Cheryl Clayton, Heidi Benzonelli, Eric Miller, Brian Unser

Guests: Alison Talbott-PG&E, Morgan King-Strategic Energy Innovations, Duane Rigge-City of Fortuna, David Tyson-City of Eureka, Kirk Girard-County of Humboldt, Chi-Wei Lin

### II. REPORTS FROM MEMBER ENTITIES

- Commendations for Dana Boudreau and Cheryl Clayton

Letters of commendation were presented to Cheryl Clayton and Dana Boudreau, expressing the Board's appreciation for their outstanding performance.

### 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.

Morgan King, of Strategic Energy Innovations, provided an overview of the BOC (Building Operator Certification) workshop, explaining the course and its applications.

### 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 May 18, 2009 Board Meeting.

- B. Approve Minutes of June 5, 2009 Special Board Meeting.
- C. Approve Minutes of June 10, 2009 Special Board Meeting.
- D. Approve attached Warrants.

**Motion: Jill Duffy**

**Second: Jay Parrish**

**Approved: 9-0**

## 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.
  - Short-Term Loan from Fortuna
  - Cash-Flow Report
  - Annual Budget Timeline
  - Reconciliation Process
  - Financial Audit Status

Executive Director Boyd thanked the Board and Staff for their assistance during his absence. He noted that cash flow and procedural items have been identified and progress is being made to address more efficient handling. Changing the submission procedure for PG&E invoicing has resulted in accelerated reimbursement payments.

RCEA would like to exercise the option to request extension of the loan period for an additional 30 days. It is anticipated that RCEA will continue to need the loan to cover inventory purchases that are not immediately reimbursable. It is probable that all authorized loan extensions will be used, and perhaps more until the audit is completed. Once completed, RCEA will approach local lenders to investigate a commercial line of credit. It is anticipated that a \$30,000 LOC will be adequate to cover cash flow gaps.

Executive Director Boyd reported that RCEA remains in bridge funding mode, and anticipates that this will continue through December of 2009.

Director Duffy noted that the County audit had been completed and the Auditor has expressed some concern that RCEA has not adopted an organizational budget. This puts the Auditor at risk, and Director Duffy would like to ensure that both adoption of a formal Budget and an audit are completed in a timely manner.

City Manager Rigge reported that the Fortuna City Council has agreed to grant the first 30-day extension, as well as offer two more 30-day extensions, per the terms of the contract; however, they would like some advance notice prior to an extension request. It is not clear if Fortuna is willing to consider further extensions while RCEA explores options for a long-term line of credit.

Director Duffy inquired about the possibility of paying back a portion of the loan, and Director Boyd stated that he would prefer to allow a couple more months before payback, and would like to renegotiate the loan around mid-September, as well as requesting that the payback time for the reduced amount be extended.

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City Manager Rigge advised Executive Director Boyd that he would require a cash flow report as well as a forecast.

Director Leonard informed Board and Staff that RRDEC has microenterprise funds to loan.

RCEA program manager Maureen Hart noted that accessing those funds would be a possibility; however, a financial audit would be necessary in order to move forward with that request.

Executive Director Boyd presented a work plan for cash flow management through the end of the year, and noted that he continued to work on a budget, a draft of which should be ready for presentation to the Board at the August meeting.

Director Duffy suggested that Rick Martin of NCAQMD be contacted for assistance on creating a fiscal year budget. She also suggested consulting with city managers for assistance with budget preparation.

Director Leonard noted the difference between budgets and cash management, and while RCEA has been following a budget, it has not been a formal State adopted budget.

Executive Director Boyd anticipates that RCEA will be able to audit 2 years now, and more when funds becomes available.

Director Duffy suggested auditing the past 2 years, but thought it would be a good idea to contact Humboldt County Auditor Mike Giacone for guidance.

Executive Director Boyd presented a timeline for completion of the tasks necessary in order to prepare for a financial audit. Director Strehl recommended an earlier start date for researching a funding source for the line of credit.

Director Leonard requested that further information on acquiring a line of credit be presented at the August Board meeting in order to allow for advance working time.

A motion was made to approve the request for a 30-day loan extension from the City of Fortuna.

**Motion: Jill Duffy                      Second: Michael Winkler                      Approved: 9-0**

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- B.** Update on CREBS (Clean Renewable Energy Bonds) project identification and application status – presentation by Michael Winkler.

Director Winkler presented a summary of his work to date on the CREBs project and addressed questions from the audience.

Executive Director Boyd and the Board thanked Director Winkler for his work on the CREBs project.

## **VII. NEW BUSINESS**

- A.** Potential Re-Organization of Local Joint Powers Authorities - presentation from Eureka City Manager David Tyson and Board discussion.
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City Manager Tyson provided a history of the Council of Governments (COG) organization plan, noting that the Managers Group is looking at efficiency of government and the redundancies created by having numerous independent JPA agencies.

Director Duffy agreed with the COG organization plan, stating the need for more alignment in order to meet priorities. She noted the numerous boards and committees that local government officials are required to serve on, and the necessary time spent for meeting preparation.

Director Winkler suggested keeping an open mind at this point in time, while viewing consolidation under a COG plan as one possible option.

Operations Manager Maureen Hart suggested an Executive Director working group might be a beneficial starting point.

City Manager Tyson noted that the intent of the consolidation plan is to create a cost-effective, streamlined organizations and consolidation can provide much needed administrative services that are not currently being met.

**B. Establish RCEA Board “Operational Practices” working group to:**

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

Jill Duffy and Jay Parrish agreed to participate in the budget working group and will present a progress report at the August 17 meeting.

**Motion: Doug Strehl      Second: Jack Thompson      Approved: 9-0**

A motion was made to approve the task time lines as presented by staff, with revisions as suggested by Board Members Leonard and Strehl.

**Motion: Jeff Leonard      Second: Jill Duffy      Approved: 9-0**

**C. Review RCEA Board Meeting frequency needs and set meeting dates for the remainder of calendar year.**

The Board agreed to hold regular meetings at monthly intervals through December 2009.

**Motion: Jill Duffy      Second: Barbara Hecathorn      Approved: 9-0**

**D. Strategic/Regional Approach to Pursuing ARRA Funds for Energy and Climate Change Activities – presentation from Kirk Girard (County of Humboldt).**

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Kirk Girard presented a program model that could be used to identify energy projects in order to access a possible \$700,000.00 in ARRA funds for Humboldt County. Consolidated projects would be first in line for approval, and Mr. Girard suggested a brainstorming session to develop a regional approach to energy projects.

Director Duffy suggested exercising caution before taking on any other projects prior to completing the budget and audit.

Executive Director Boyd suggested the creation of a working group focused on identifying municipal energy projects and developing a proposal for submission to the CEC.

**Motion: Jill Duffy**

**Second: Jay Parrish**

**Approved: 7-0**

## **VIII. STAFF REPORT**

### **A. David Boyd, Executive Director**

- Update on PG&E/Redwood Coast Energy Watch Partnership 2009-11 contract status.
- Humboldt Non-Profit Energy Efficiency Program Update
- VISTA Update
- Green Building Program
- 2009 Solar Homes Tour
- AB 811 Update
- PG&E WaveConnect – Humboldt Working Group

Executive Director Boyd provided an update on PG&E contract negotiations and progress of the non-profit program. He reported that Eric Miller will be leaving at the end of August and RCEA will be welcoming two new volunteers from the Americorps VISTA program. Due to the late hour, the remainder of the staff report was deferred to the next meeting.

## **IX. ADJOURNMENT**

The meeting was adjourned at 5:25 p.m.

***The next regular RCEA Board of Directors Business Meeting will be held on  
Monday, August 17, 2009 at 3:00 PM***

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