



# 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**

**June 5, 2009  
Friday, 1:30 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

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

Staff: Cheryl Clayton, Dana Boudreau, Heidi Benzonelli

Guests: John Bartholomew, *Humboldt County Asst. Treasurer-Tax Collector*, Michael Giacone, *Humboldt County Auditor-Controller*, Loretta Nickolaus, *Humboldt County CAO*, Nancy Diamond, *RCEA legal counsel*, John Woolley, *RCEA Board Alternate*, Carol Rische, *HBMWD staff*, Alison Talbott, *PG&E*, David Tyson, *City of Eureka*, Beckie Menten, *City of Arcata*, Karen Diemer, *City of Arcata*.

Call to Order: 1:35 p.m. Roll call was taken and it was noted that a quorum was present.

### II. NEW BUSINESS

#### **Develop a work plan to resolve recently identified cash flow issues and related findings identified by the County Treasurer and Auditor-Controller.**

Chairman Jeff Leonard provided a brief history of RCEA and explained original funding sources for the program. He noted that the program began as a public information resource and eventually grew to become an actual hands-on program for energy efficiency and sustainability in Humboldt County. He also noted that the program brings a considerable amount of financial resources into the County.

Dana Boudreau provided highlights of RCEA's current structure and activities. A brief background was provided for the current financial and operational concerns.

Loretta Nickolaus explained the financial relationship between RCEA and the County Auditor's Office, and noted that a long-standing deficit balance had been carried for the organization.

Jill Duffy reported that the County would no longer carry a deficit balance for RCEA.

Nancy Diamond, RCEA legal counsel, added that an annual budget and audit were statutory requirements for a JPA organization.

Jeff Leonard suggested that consideration should be given to having one person manage the financial duties for the organization and perhaps hiring more staff to handle HR duties.

Mike Giacone noted that from this point forward, RCEA's account balance would not be allowed to go negative again.

Intermediate funding sources were discussed and Doug Strehl said that he would be making a request to the Fortuna City Council at its June 8<sup>th</sup> meeting for a loan to RCEA. Jill Duffy suggested that the loan term be for 30-45 days with an option for three 30-45 day extensions.

Jay Parrish thought that 0% interest might be a possibility, but in any event, the rate should not exceed 5%.

Staff was directed to draft and submit a request to the City of Fortuna for a loan amount of \$45-\$75,000, with a 30-45 day term and three options for an additional 30-day extension, not to exceed 5% interest. Staff was authorized to sign the agreement.

**Move – Jill Duffy**                      **Second – Don Ratzlaff**                      **Approved 9-0**

A Special Meeting is set for Wednesday, June 10, 2009 at 2:00 p.m. to discuss the outcome of the loan request, and to move forward with preparation of RCEA books for independent audit. RCEA staff will be using the conference room for sweeps intern orientation on this day, therefore, the special meeting will be held at the offices of Humboldt Bay Municipal Water District located at 828 7<sup>th</sup> Street, Eureka, CA.

Jeff Leonard noted that Redwood Capital Bank had expressed an interest in providing operating capital to RCEA, and would do so if a sufficient number of member agencies would provide letters of guarantee.

It was agreed that an initial budget hearing would be discussed at the next regular Board meeting on July 20.

Jill Duffy suggested that development of a time-line for budget preparation should be added as an agenda item for the July meeting, and that staff be directed to develop an annual operating budget ready for adoption no later than September.

**Move – Jill Duffy**                      **Second – Jay Parrish**                      **Approved 9-0**

Staff was asked to prepare information on possible candidates to assist with pre-audit preparation of RCEA financial records for the June 10 special meeting.

**Move – Jay Parrish**                      **Second – Michael Winkler**                      **Approved 9-0**

Loretta Nickolaus noted that the RCEA Board did not need to address County audit issues. It is expected that the County audit will be complete in 60 days and sent to the Board of Supervisors in September 2009.

Pat Falor suggested that new board members be provided with an orientation packet that included a history of RCEA, as well as current programs and projects. It would also be helpful for staff to provide monthly financial reports to the Board.

Dana Boudreau suggested that, due to the amount of work associated with emerging financial tasks, the Board should begin meeting on a monthly basis.

### **III.ADJOURNMENT**

The meeting was adjourned at 3:35 p.m.

***The next regular RCEA Board of Directors Business Meeting will be held on  
Monday, July 20, 2009 at 3:00 PM***