



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

October 19, 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 3:04 p.m.

Present: Jay Parrish (acting chair), Doug Strehl, Barbara Hecathorn, Jack Thompson, Don Ratzlaff, Jill Duffy, Pat Falor, David Tyson (for Jeff Leonard), Susan Ornelas

Staff: David Boyd, Dana Boudreau, Maureen Hart, Jaquelyn Shur

Guests: Alison Talbott, PG&E Government Liaison

II. REPORTS FROM MEMBER ENTITIES

Executive Director Boyd reported that Director Michael Winkler has resigned from the RCEA Board in order to avoid potential future conflicts of interest.

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 attached Warrants

Motion was made to approve the attached warrants, and to approve the September 21, 2009, minutes at the next meeting.

Motion: Jill Duffy

Second: Doug Strehl

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. RCEA Financial Management Plan Update

- Review RCEA FMP

Executive Director Boyd reviewed the FMP timeline and reported that staff had completed the fiscal year budget and aligned QuickBooks with the new chart of accounts. Staff is hoping to receive feedback during the fiscal audit process on final adjustments to organize the Chart of Accounts more efficiently. It is anticipated that full reconciliation with the County will be completed by the end of November.

Executive Director Boyd reported that based on RFP responses, the \$20,000 set aside to pay for the audit may be insufficient. It should be possible to pay most of the audit fee from the 2009 bridge contract, with the remainder from the upcoming 2010-'12 RCEW contract. Both accounting firms quoted about \$25,000 for a two-year audit; however, they must go back three years in order to get a beginning balance. The audit may be completed by the end of December; however, mid-January is more likely.

He noted that securing working capital has been a problem because RCEA is a reimbursement-based program. So far RCEA has had enough money to maintain a positive cash flow without a line-of-credit, but a credit line will be helpful in case of larger projects or bulk purchase needs.

- Cash Flow Report

Executive Director Boyd reported that RCEA currently has \$96,000 in the County treasury. Payroll at approximately \$40,000 per month is the first payment priority. Account aging is monitored and paid to ensure a \$40,000- \$50,000 buffer is maintained. He noted that this figure may fluctuate, but turnaround time for PG&E reimbursement has been approximately one week after invoice receipt.

- Repayment of Short-Term Loan from Fortuna

Executive Director Boyd reported that the remaining \$50,000 balance from Fortuna will be repaid this week. The Board expressed their gratitude to Director Strehl for his assistance in facilitating the temporary loan.

- Update on RCEA Financial Audit RFP

After the second circulation of the RFP, two proposals were received, both from out of town firms.

1. Set meeting time for Financial Audit Sub-Committee to review proposals

Executive Director Boyd explained that he will send the proposals to the Sub-Committee via email to review and, if needed, telephone interviews will be conducted with both firms.

Motion was made to authorize the sub-committee to select an audit firm and return to ratify the contract at the next Board meeting.

Motion: Susan Ornelas

Second: Barbra Hecathorn

Approved: 9-0

- Update on Line-of-Credit research

Dana Boudreau reported that Coast Central Credit Union continues to be the best candidate for a credit line. He met with Greg Foster of RREDC, who was open to the idea of extending a \$25,000 to \$50,000 line-of-credit, either directly from RREDC or with matching funds from Headwaters. Mr. Boudreau noted that there may be some issues taking money from RREDC since it is federal money, and prevailing wage would have to be implemented.

Director Duffy noted that a public agency such as RCEA is required to use prevailing wage and suggested consulting Nancy Diamond to confirm this.

Mr. Boudreau replied that while RCEA suggests contractors to customers, they are not actually contracted through the organization; therefore, prevailing wage is not applicable. Another concern with taking federal money is that the funds be reserved for job creation, which is not what RCEA needs money for. RREDC also does bridge funding.

Director Parrish asked about the interest rate on a line-of-credit and Mr. Boudreau reported a range of 4.5% to 5.5%.

Executive Director Boyd reported that Government Liaison Alison Talbott had been instrumental in securing a donation of \$5,000 from PG&E to help build a reserve. Director Thompson suggested that the \$5,000 be placed in a bank in order to establish a relationship. It was discussed and decided that while still in the investigative phase of establishing credit, the money should be left in the County treasury. Alternate Director Ornelas suggested staff contact the AEDC.

- Proposed FY 09-10 Annual Budget

Executive Director Boyd reported that the required public notice had been placed and no public inquiry had been received. The proposed budget term is from July 1st, 2009, to June 30th, 2010.

Director Duffy suggested that next year Staff put together a narrative that summarizes the main points of the budget. Alternate Director Tyson suggested looking at individual city websites to find a good example of the narrative.

2. Approve RCEA FY 2009-2010 Budget

Motion was made to approve the RCEA FY 2009-2010 Budget

Motion: Jill Duffy

Second: Barbara Hecathorn

Approved: 9-0

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

Executive Director Boyd reported that staff is completing negotiations with PG&E, and has received the specific and general conditions of the contract, but has not yet received the budget portion. Staff has found a number of items in the general conditions that need contract exceptions, as well as with the specific conditions. "Exhibit D" was a potentially large problem in the specific conditions, and would have removed the market for one-third of RCEA's historical energy savings. Fortunately, an analysis submitted to PG&E by staff was successful in resolving

this issue, securing a first right of refusal for RCEA for all market segments. He reported that staff has few other serious concerns with the contract, but it still needs RCEA's attorney review. If the staff-reviewed specific conditions are sent to PG&E this week and there are no issues, it may be possible to get the contract back for Board approval several weeks from now.

Executive Director Boyd noted that PG&E is offering an opportunity to apply for innovator pilot funds and RCEA could potentially receive several hundred thousand dollars.

C. Update on NCIRWMP collaborative EECBG application

Executive Director Boyd reported that Michael Winkler and Larry Goldberg are taking the lead on compiling the EECBG collaborative application.

Director Duffy expressed concern that Community Service Districts are being left out of the EECBG funding loop. Executive Director Boyd explained that under the CEC rules, each eligible jurisdiction (i.e. cities and the county) chooses the projects to be completed, as long as they meet the cost-effectiveness criteria. RCEA is in a technical support role only, to assist in aggregating proposed projects for a single application. He noted that EECBG funds do not necessarily have to be spent on municipal facilities and that if the County so chooses, CSD projects could be included in the portfolio of EECBG projects.

Maureen Hart added that efficiency studies have already been done for many of the CSDs in the county, and funding (i.e. CEC low interest loans and RCEW incentives) may be available.

D. Update on other ARRA Funding Opportunities

Executive Director Boyd reported that there are three other ARRA funding opportunities that are highly competitive: comprehensive residential retrofit funding; AB 811 municipal financing options for energy efficiency and solar projects; and comprehensive municipal and commercial building retrofits.

VII. NEW BUSINESS

None

VIII. STAFF REPORT

- David Boyd, Executive Director

Staff Update - Commendation for Maureen Hart:

Executive Director Boyd acknowledged the many contributions to the organization by staff member Maureen Hart, and read a resolution of commendation into the minutes.

Staff member Hart thanked RCEA for supporting her through her family leave.

Motion was made to authorize Acting Chair Jay Parrish to sign the resolution of commendation for Maureen Hart.

Motion: Jill Duffy

Second: Susan Ornelas

Approved: 8-0

-Welcome to Larry Goldberg:

Executive Director Boyd reported that out of ten applicants, Larry Goldberg was the candidate most qualified for the new temporary ARRA Energy Specialist position. RCEA is very fortunate to have his help for the short term.

- Potential relocation of Redwood Coast Energy Resource Center

RCEA has been considering relocating in order to reduce costs and/or increase space for the growing organization. There is a nearby building under consideration for a possible move in January. In addition, the NCAQMB has invited RCEA to be co-tenants in a building in Eureka they are considering purchasing, but that opportunity may not be available until later next year. Staff will evaluate options and report back to the Board.

- Upcoming workshop: "Basics of Photovoltaic Systems for Grid-tied Applications" (November 3)

This is the third offering for this very popular workshop which is not yet full, and anyone can register online.

- Holiday Light Exchange (December 4, 5 & 6)

The holiday light exchange will be held at the Redwood Acres Artisan Craft Fair, where working strings of holiday lights can be exchanged for a maximum of five LED strings.

IX. ADJOURNMENT

The meeting was adjourned at 4:30 p.m.

***The next regular RCEA Board of Directors Business Meeting will be held on
Monday, November 16, 2009 at 3:00 PM***
