



Redwood Coast Energy Authority

633 3rd Street, Eureka, CA 95501

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MEETING AGENDA

**Redwood Coast Energy Resource Center
633 3rd Street, Eureka, CA 95501**

**November 21, 2016
Monday, 3:15 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 Barbara Garcia at 269-1700 by noon the day of the meeting.

I. ROLL CALL

II. REPORTS FROM MEMBER ENTITIES

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.

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 October 17, 2016 Board Meeting.**
- B. Approve attached Warrants.**
- C. Accept attached Financial Reports.**

V. REMOVED FROM CONSENT CALENDAR ITEMS

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

VI. NEW BUSINESS

A. RCEA Fiscal Audit Report

Accept RCEA Independent Fiscal Audit Report for the year ending 6/30/14.

B. Community Choice Energy Program Update (information only)

- City of Rio Dell participation
- Headwaters Fund line of credit
- Community outreach

C. Human Resources Systems Audit

Accept Human Resources and Personnel Policies Audit Summary and Recommendations.

D. RCEA Policies and Procedures

Adopt Resolution 2016-3 adopting a Customer Confidentiality Policy, Social Media Policy, and Prohibition Against Dissemination of Untrue or Misleading Information Policy.

Review/Discuss Energy Risk Management Policy (no action)

Review/Discuss Board Operating Procedures Policy (no action)

E. Staffing and Reorganization Update

Approve creation of Director of Finance and Human Resources position.

F. December Meeting Schedule

Approve Special RCEA Board Meeting for December 12th at 3:15pm; consider cancelation of December 19th meeting.

VII. ADJOURNMENT



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MEETING MINUTES

Redwood Coast Energy Resource Center
633 3rd Street, Eureka, CA 95501

October 17, 2016
Monday, 3:15 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 Barbara Garcia at 269-1700 by noon the day of the meeting.

I. ROLL CALL

Board Chair Atkins called the meeting to order at 3:16 pm.

Present: Linda Atkins, Sheri Woo, Susan Ornelas, Dwight Miller, Jean Lynch, Ryan Sundberg, Michael Sweeney

Absent: Tiara Brown, Tim Marks

II. REPORTS FROM MEMBER ENTITIES

None

III. ORAL COMMUNICATIONS

Community member Walt Paniak shared that he is still awaiting the information he requested from the Biomass Research Center. He also expressed concern regarding the fiduciary duties of the community choice program as they contrast between the ratepayers, private companies, and the RCEA organization. Walt submitted a letter to the Board and requested that the questions contained in the letter be added to a future Board agenda for consideration as well as a request for written response by the RCEA legal counsel.

Community member Wendy Ring addressed the board on behalf of a collection of her physician colleagues to communicate the health concerns of biomass facilities. She requested that the Board (1) only solicit bids from biomass facilities that are currently in operation, (2) limit the amount of electricity the CCA purchases to no more than the facilities currently produce, and (3) limit the duration of biomass contracts to 1-2 years. She submitted a letter to the Board detailing the concerns of the group of local health professionals.

IV. CONSENT CALENDAR

- A. Approve Minutes of September 19, 2016 Board Meeting.
- B. Approve attached Warrants.
- C. Accept attached Financial Reports.
- D. Approve contract with the Local Government Commission for \$25,000 for RCEA to serve as the CivicSpark Regional Coordinator for 2016-2017.
- E. Approve 2016-2017 CivicSpark Program support contracts:
\$23,400 contract with the Local Government Commission for CivicSpark Program support for the Energy Watch Program.

\$23,400 contract with the Local Government Commission for CivicSpark Program support on CA Energy Commission Grants ARV-14-046 and ARV-14-055.

\$23,400 contract with the Local Government Commission for CivicSpark Program support on Community Choice Energy program.

M/S/C: Ornelas, Miller: Approve consent calendar items A-D and approve consent calendar item E contingent on final contracts review and approval by RCEA Legal Counsel.

V. REMOVED FROM CONSENT CALENDAR ITEMS

None

VI. NEW BUSINESS

A. Community Choice Energy (CCE)- Operational Services Contracts

Executive Director Marshall provided an overview of the operational services contract with Noble Americas Energy Solutions LLC.

Director Ornelas asked about the termination fee in the contract. Executive Director Marshall explained that this provision is due to the structure of agreement deferring considerable up-front consulting costs accrued during phase 1 and 2 of the community choice program development that will not be paid until phase 3 (program launch); the termination fee allows the consultant to recover some of their costs should RCEA stop the program midway through the phase-2 launch process.

M/S/C Ornelas, Woo: Approve a contract with Noble Americas Energy Solutions LLC, including all exhibits, for Community Choice Energy Program development and launch services, and authorize the Executive Director to act as Contract Administrator with responsibility and authorization to administer the agreement including authority to transmit instructions, receive information, and implement the agreement on behalf of RCEA.

B. Implementation Plan

Executive Director Marshall provided an overview of the content and purpose of the Implementation Plan.

The Board discussed the need for additional clarity on what matters would be CCA-only business subject to the CCA-participating jurisdiction voting structure versus RCEA organizational matters voted on by all Board members. Executive Director Marshall explained that a policy will be proposed at an upcoming meeting outlining Board operational procedures including definition of when CCA-only voting provisions would apply.

RCEA Legal Counsel Diamond suggested that the language “pursuant to RCEA procurement policies” be added into the Implementation plan, Chapter 10, “Procurement Methods” section.

Director Woo asked about the uncertain addition of Rio Dell as a participating jurisdiction in the CCA. Executive Director Marshall explained that RCEA staff is reaching out to the California Public Utilities District to ask for direction regarding

the best approach to proceeding with the Implementation Plan submission and review process while Rio Dell's final decision is still pending.

M/S/C Ornelas, Sundberg: Adopt Resolution 2016-2 approving the Statement of Intent and the Redwood Coast Energy Authority Community Choice Aggregation Implementation Plan as amended by "pursuant to procurement policies outlined in the contract between TEA and RCEA" in Chapter 3, page 7 and the provisional addition of "City of Rio Dell" to the list of participating communities. CCA-participating jurisdictions vote: Ayes – Atkins, Ornelas, Miller, Lynch, Sundberg; Noes – none; Absent – Brown.

C. Local Biomass Request for Offers

Executive Director Marshall provided an overview of the contents of the RFO.

Director Ornelas suggested developing or supplementing the existing wood stove replacement program as a potential mitigation for particulate matter emissions from biomass power plants. North Coast Unifies Air Quality Management District Air Pollution Control Officer Brian Wilson was invited to provide further details regarding the wood stove replacement program, as well as additional information on the RFO process and consideration to take into account when evaluating environmental compliance. He noted that there are a range of violation types, ranging from minor paper work issues up through air-quality compliance violations.

Public Comment

Community member Ellen Golla explained that wood stove replacement programs such as the program offered locally are deceptive because participants are allowed to switch existing stove for a new wood stove, which still has unhealthy emission for communities. She also submitted a letter to the Board regarding the negative health impacts of emissions from Biomass facilities.

Community member Wendy Ring clarified her three requests regarding the biomass solicitation parameters she requested of the Board during Oral Communications.

Community Member Walt Paniak requested the cited source of the Humboldt County emissions pie chart with 2014 data. RCEA staff member Richard Engel directed him to the web link in the Board Packet materials.

Public Comment Closed

M/S/C Miller, Ornelas: Approve, contingent on final review and approval by RCEA Legal Counsel, Request for Offers for Local Biomass Power and authorize Executive Director to release to interested parties.

D. Line of Credit Application

Executive Director Marshall explained that staff has continued to explore a line of credit in order to cover staff costs and other internal expenses related to the CCA program ramp-up through the point at which the program is generating revenue.

M/S/C Woo, Sundberg: Authorize Executive Director to apply for a \$700,000 line of credit from the Headwaters Fund, administered by the Redwood Region Economic Development Commission.

E. CCE – Communications Plan

RCEA staff Richard Engel presented to the Board the overall plan to educate, inform, and inspire ratepayers about the community choice program, and the Board Discussed the proposed plan.

Director Sweeney requested that RCEA staff present a program overview and status update to the Ferndale Council and Director Ornelas requested that RCEA staff present a program overview and status update to the Arcata Council and Arcata Chamber.

Director Miller had to leave the meeting at this time.

Director Sundberg recommended that RCEA staff keep a record of the public outreach events.

Public Comment

A community member asked whether the CCA rates will be set by the time that the opt-out notices are delivered.

Public Comment Closed

Executive Director Marshall confirmed that the rates will be set before notices are distributed. Director Sundberg suggested establishing a policy on any potential inserts that the CCA program will allow in mailings to customers.

M/S/C Ornelas, Woo: Approve moving forward with the proposed communications plan for CCE.

F. RCEA Staff Planning and Reorganization Update

Executive Director Marshall provided a review status update and asked that the Board appoint a sub-committee to assist RCEA staff with finalizing these updates.

Director Woo and Director Sundberg were appointed to the RCEA Staff Planning and Reorganization Update Sub-Committee

VII. ADJOURNMENT

Board Chair Atkins Adjourned the meeting at 5:24 p.m.

Redwood Coast Energy Authority

Warrants Report

As of November 10, 2016

Type	Date	Num	Name	Memo	Amount
Oct 11 - 31, 16					
Bill Pmt -Check	10/14/2016		Eureka Woman's Club	QuickBooks generated zero amount transaction for bill payment stub	0.00
Check	10/17/2016	Debit	Costco	Janitorial Supplies	-72.81
Bill Pmt -Check	10/17/2016	EFT	VISA	August Statement 7/21/16 - 8/19/16.	-1,558.61
Bill Pmt -Check	10/18/2016	EFT	Staples Credit Plan	September Statement	-802.27
Liability Check	10/19/2016	E-pay	EDD	October SDI/PIT QB Tracking # 301018882	-1,594.78
Liability Check	10/25/2016	E-pay	Internal Revenue Service	October Payroll QB Tracking # 301021002	-10,311.48
Liability Check	10/25/2016	E-pay	EDD	October ETT/UI QB Tracking # 301022002	-72.76
Paycheck	10/25/2016	6927	Payroll	Payroll check	-1,705.90
Liability Check	10/25/2016	6928	Calvert	October IRA deposit.	-5,243.73
Liability Check	10/25/2016	6929	Umpqua Bank	October HSA Deposit	-558.36
Check	10/25/2016	6930	Redwood Coast Energy Authority	Chase Direct Deposit Payroll Advance - November.	-57,000.00
Bill Pmt -Check	10/25/2016	6931	AM Conservation	LED Stock	-1,758.09
Bill Pmt -Check	10/25/2016	6932	Arcata Playhouse	Arcata Playhouse self-install rebate/Audit 3795.	-46.64
Bill Pmt -Check	10/25/2016	6933	AT&T	October Telephone Service	-354.57
Bill Pmt -Check	10/25/2016	6934	Biondini, L.	L. Biondini travel - EU Training 10/14/16	-247.16
Bill Pmt -Check	10/25/2016	6935	Boudreau, D.	May Expenses	-178.56
Bill Pmt -Check	10/25/2016	6936	Brant Electric	Far North Climbing Gym Rebate / Audit 4133.	-4,130.93
Bill Pmt -Check	10/25/2016	6937	City of Eureka-Water	Water service, 8/25/16 - 9/26/16	-171.97
Bill Pmt -Check	10/25/2016	6938	CiviSMTP	September listserv	-15.00
Bill Pmt -Check	10/25/2016	6939	Diamond, Nancy	September Legal Services.	-6,861.09
Bill Pmt -Check	10/25/2016	6940	Eureka Rubber Stamp	Office stamps	-49.75
Bill Pmt -Check	10/25/2016	6941	Fischer, A.	October mileage - CivicSpark Orientation.	-343.44
Bill Pmt -Check	10/25/2016	6942	Hilfiker Pipe Company, Inc.	Hilfiker Pipe Co. self-install rebate / Audit 4434.	-660.00
Bill Pmt -Check	10/25/2016	6943	HireRight	Background check-Sipes	-85.56
Bill Pmt -Check	10/25/2016	6944	Jackson & Eklund	Accounting services - October 2016.	-1,358.00
Bill Pmt -Check	10/25/2016	6945	Lighting Research Center	Lighting Technology online course - Burks & Mattio.	-250.00
Bill Pmt -Check	10/25/2016	6946	Local Govt Sustainable Energy Coalitio	Annual membership dues / Nov 2016-Oct 2017.	-750.00
Bill Pmt -Check	10/25/2016	6947	Mad River Union	CCA Display Ad.	-200.00
Bill Pmt -Check	10/25/2016	6948	Mattio, B.	B. Mattio travel - EW Regional Implementers Meeting.	-81.20
Bill Pmt -Check	10/25/2016	6949	North Coast Cleaning	September Cleaning Service	-402.00
Bill Pmt -Check	10/25/2016	6950	Pacific Paper Company	Adjustable task chair.	-133.64
Bill Pmt -Check	10/25/2016	6951	PG&E EV Account	EV stations September	-100.30
Bill Pmt -Check	10/25/2016	6952	PG&E Utility Account	September utilities/lighting upgrade financing	-634.64
Bill Pmt -Check	10/25/2016	6953	Ramone's	Food Service - Homeowners' Workshop 09/21/16.	-59.54
Bill Pmt -Check	10/25/2016	6954	Recology	September garbage service.	-82.30
Bill Pmt -Check	10/25/2016	6955	Renne Sloan Holtzman Sakai	Human Resources Audit	-8,234.54
Bill Pmt -Check	10/25/2016	6956	Scraper's Edge	Printing & lamination.	-47.55
Bill Pmt -Check	10/25/2016	6957	SDRMA Medical	November premium	-12,778.56
Bill Pmt -Check	10/25/2016	6958	SDRMA P&L	2016-17 P&L Premium Adjustment	-1,226.28
Bill Pmt -Check	10/25/2016	6959	Statewide Arcata	EV Charge Station Signage	-2,227.55
Bill Pmt -Check	10/25/2016	6960	Terry, P.	September Mileage	-84.40
Bill Pmt -Check	10/25/2016	6961	Times-Standard	Subscription Renewal - 52 weeks	-200.63
Bill Pmt -Check	10/25/2016	6962	Verizon Wireless	September tablet/cell service for field staff/mobile broadband service.	-114.83
Bill Pmt -Check	10/25/2016	6963	Wallace & Hinz	Wallace & Hinz self-install rebate/Audit 3829.	-7,351.47
Bill Pmt -Check	10/25/2016	6964	Winzler, John	Office Lease - November	-4,100.00
Paycheck	10/25/2016	31439	Payroll	October net payroll	-27,226.10
Liability Check	10/31/2016	E-pay	EDD	QB Tracking # 390621327	-40.69
Liability Check	10/31/2016	E-pay	Internal Revenue Service	October Additional QB Tracking # 390624467	-362.94
Paycheck	10/31/2016	6965	Goddard, Grant B.	Final payroll	-1,094.59
Oct 11 - 31, 16					-188,804.22
Nov 1 - 10, 16					
Check	11/01/2016	EFT	CoPower	November Premium	-220.60

Redwood Coast Energy Authority

Warrants Report

As of November 10, 2016

Type	Date	Num	Name	Memo	Amount
Liability Check	11/10/2016	E-pay	Internal Revenue Service	74-3104616 November QB Tracking # 393663297	-10,532.88
Paycheck	11/10/2016	6966	Payroll	Payroll check	-1,688.71
Liability Check	11/10/2016	6967	EDD	Q4 2016 ETT/UI November	-118.05
Liability Check	11/10/2016	6968	EDD	Q4 2016 SDI/PIT November	-1,656.47
Bill Pmt -Check	11/10/2016	6969	Bishop, M.	October mileage	-91.75
Bill Pmt -Check	11/10/2016	6970	Boudreau, D.	October mileage	-15.66
Bill Pmt -Check	11/10/2016	6971	Brightwave Energy	School auditing projects.	-1,520.00
Bill Pmt -Check	11/10/2016	6972	Campbell, A.	October mileage	-39.85
Bill Pmt -Check	11/10/2016	6973	City of Eureka-Water	Water service, 9/26/16 - 10/24/16	-122.06
Bill Pmt -Check	11/10/2016	6974	County of Humboldt-Public Works	Public Works-1450 Grange Rd. self-install rebate/Audit 4404	-4,400.00
Bill Pmt -Check	11/10/2016	6975	Eureka Public Marina	Venue rental / Public meeting-Prop 39	-172.00
Bill Pmt -Check	11/10/2016	6976	Goddard, G.	October travel	-42.06
Bill Pmt -Check	11/10/2016	6980	HCOE	Business Card Printing	-120.00
Bill Pmt -Check	11/10/2016	6981	Hilfiker Pipe Company, Inc.	Hilfiker Pipe Co. self-install rebate / Audit 4500.	-67.90
Bill Pmt -Check	11/10/2016	6982	HSU Fdn EVCN ARV-13-029	ARV-13-029 SP29637 & SP29764/00163.	-165.72
Bill Pmt -Check	11/10/2016	6983	HSU Fdn EVI ARV-14-046	ARV-14-046 SP30059 & SP30174/000163.	-6,431.79
Bill Pmt -Check	11/10/2016	6984	Martin, Des.	October mileage	-144.23
Bill Pmt -Check	11/10/2016	6985	Means, M.	Purchase reimbursement: power cord.	-82.40
Bill Pmt -Check	11/10/2016	6986	Pacific Paper Company	Miscellaneous office supplies.	-55.17
Bill Pmt -Check	11/10/2016	6987	Petrella, A.	October mileage.	-84.08
Bill Pmt -Check	11/10/2016	6988	PG&E EV Account	EV stations September	-114.67
Bill Pmt -Check	11/10/2016	6989	Tolley, M.	October mileage	-99.74
Bill Pmt -Check	11/10/2016	6990	Vack, Tyler	Home Upgrade Rater Path Refund	-500.00
Bill Pmt -Check	11/10/2016	6991	Valley Grocery	Valley Grocery self-install rebate/Audit 4241.	-1,150.00
Bill Pmt -Check	11/10/2016	6992	County of Humboldt-Public Works	Public Works-75A Hookton Cemetary Rd. self-install rebate/Audit 4379.	-2,000.00
Bill Pmt -Check	11/10/2016	6993	Means, M.	October mileage	-26.95
Paycheck	11/10/2016	44276	Payroll	November net payroll	-27,554.34
Nov 1 - 10, 16					-85,333.26
TOTAL					-274,137.48

Redwood Coast Energy Authority

Visa

As of October 20, 2016

Type	Date	Num	Name	Memo	Amount	Balance
2006 - VISA-3751						2,091.41
Credit Card Charge	09/24/2016		U-Verse	DSL service	92.89	2,184.30
Credit Card Charge	09/25/2016		Uberconference	Conference call subscription	11.07	2,195.37
Credit Card Charge	09/29/2016	555550233	EventBrite	M. Marshall - CalCCA 2016 Policy Summit Registration	132.47	2,327.84
Credit Card Charge	09/30/2016	September	U-Verse	September DSL service	96.49	2,424.33
Credit Card Charge	09/30/2016	5492	SnuggPro	Modeling report - job #68144.	25.00	2,449.33
Credit Card Charge	09/30/2016	13290030827	Hotels.com	M.Marshall - CalCCA 2016 Policy Summit 10/19/16.	192.51	2,641.84
Credit Card Charge	10/01/2016	October	Square	October Card Reader Fee	30.00	2,671.84
Credit Card Charge	10/07/2016	Visa	Intuit	Quickbooks Poster Compliance Service Renewal	95.69	2,767.53
Credit Card Charge	10/11/2016	20000158625	Intuit	Intuit - Quickbooks Replacement.	28.22	2,795.75
Bill	10/14/2016	August	VISA	August Statement 7/21/16 - 8/19/16.	-1,558.61	1,237.14
Credit Card Charge	10/17/2016	11904063068	Microsoft	Office Professional 2016 (5)	1,999.95	3,237.09
Credit Card Charge	10/17/2016	3065	Pitney Bowes	September meter rental 9/13-10/12/16	21.74	3,258.83
Bill	10/20/2016	September	VISA	September Statement 9/21/16 - 10/20/16.	-2,633.14	625.69
Total 2006 - VISA-3751					-1,465.72	625.69
TOTAL					-1,465.72	625.69

Redwood Coast Energy Authority**Account QuickReport**

Amex Detail 9/26/16 to 10/25/16

<u>Type</u>	<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Amount</u>	<u>Balance</u>
2007 - American Express						-253.76
Credit Card Charge	10/06/2016	1281148	Travel Store	Airline fee: Jacobson, EE LGP/GCP/IOU/RHTR Meetings	643.20	389.44
Total 2007 - American Express					643.20	389.44
TOTAL					643.20	389.44

Redwood Coast Energy Authority
Profit Loss Budget vs. Actual
July through September 2016

	<u>Jul - Sep 16</u>	<u>Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense			
Income			
5 REVENUE EARNED			
Total 5000 · Revenue - government agencies	53,379.10	357,364.00	14.94%
Total 5100 · Revenue - program related sales	6,091.19	17,500.00	34.81%
5300 · Revenue - investments	0.00	200.00	0.0%
Total 5400 · Revenue-nongovernment agencies	340,110.55	1,553,570.00	21.89%
Total 5 REVENUE EARNED	<u>399,580.84</u>	<u>1,928,634.00</u>	<u>20.72%</u>
Total Income	<u>399,580.84</u>	<u>1,928,634.00</u>	<u>20.72%</u>
Gross Profit	399,580.84	1,928,634.00	20.72%
Expense			
7 EXPENSES - PERSONNEL			
7101 · Screening/Testing Services	218.12	600.00	36.35%
7102 · Safety	27.50	1,000.00	2.75%
7103 · Staff Training and Development	529.00	15,000.00	3.53%
7200 · Salaries, Wages & Benefits			
7210 · Salaries - staff	182,879.88	905,020.00	20.21%
7220 · Wages - interns	18,492.99	71,061.00	26.02%
7230 · Pension Plan Contributions	5,343.33	29,086.00	18.37%
7240 · Employee Benefits-Insurance	62,288.01	277,943.00	22.41%
7250 · Payroll Taxes Etc.	19,830.26	94,326.00	21.02%
7255 · Worker's Comp Insurance	2,180.94	7,400.00	29.47%
Total 7260 · Paid Time Off	32,575.13	142,331.00	22.89%
7265 · Jury Duty	91.28	500.00	18.26%
Total 7200 · Salaries, Wages & Benefits	<u>323,681.82</u>	<u>1,527,667.00</u>	<u>21.19%</u>
Total 7 EXPENSES - PERSONNEL	324,456.44	1,544,267.00	21.01%
8 NON-PERSONNEL RELATED EXP			
8100 · Non-Personnel Expenses			
8110 · Office Supplies	1,681.87	6,000.00	28.03%
8111 · Furniture & Equipment	1,650.67	2,800.00	58.95%
Total 8120 · Information Technology	655.41	55,000.00	1.19%
Total 8130 · Telephone & Telecommunications	1,821.33	6,500.00	28.02%
8140 · Postage & delivery	521.74	1,800.00	28.99%
Total 8170 · Printing & copying	1,829.08	7,500.00	24.39%
Total 8180 · Books, subscriptions, edu matls	553.10	1,000.00	55.31%
8190 · Exhibits & displays	0.00	1,800.00	0.0%
8195 · Tool bank	<u>615.52</u>	<u>4,000.00</u>	<u>15.39%</u>
Total 8100 · Non-Personnel Expenses	9,328.72	86,400.00	10.8%
8200 · Facility Expenses			
8210 · Office Lease	16,400.00	49,200.00	33.33%
Total 8220 · Utilities	2,663.52	11,500.00	23.16%
8230 · Janitorial	1,029.71	6,500.00	15.84%
8240 · Facility repairs & maintenance	1,679.10	3,500.00	47.97%
8250 · EV Station Repairs & Maintenanc	<u>2,227.55</u>	<u>5,000.00</u>	<u>44.55%</u>
Total 8200 · Facility Expenses	23,999.88	75,700.00	31.7%

Redwood Coast Energy Authority
Profit Loss Budget vs. Actual
July through September 2016

	Jul - Sep 16	Budget	% of Budget
Total 8300 · Travel & Meeting Expense	4,685.59	17,000.00	27.56%
Total 8320 · Meetings, workshops & events	3,972.55	12,000.00	33.11%
8500 · Other Expenses			
8513 · Organizational Development	0.00	500.00	0.0%
8520 · Insurance P&L	10,089.58	9,500.00	106.21%
8530 · Dues & Memberships	105.00	3,500.00	3.0%
Total 8560 · Website Expenses	30.00	1,000.00	3.0%
Total 8570 · Advertising & Marketing Expense	3,376.27	22,000.00	15.35%
8591 · Use Tax	0.00	300.00	0.0%
8592 · Service Charge	0.00	200.00	0.0%
8593 · Bank Charges	30.00	200.00	15.0%
8595 · Credit Card Processing Fees	125.46	500.00	25.09%
8596 · Flex Billing Service Fee	200.84	300.00	66.95%
8597 · EV Site Host Pmts	0.00	5,000.00	0.0%
Total 8500 · Other Expenses	13,957.15	43,000.00	32.46%
8600 · Capital Development - Facility	0.00	1,000.00	0.0%
8700 · Professional Services			
8710 · Contracts - Program Related Ser	47,321.99	261,005.00	18.13%
8720 · Accounting	16,220.00	45,000.00	36.04%
8740 · Legal	30,274.39	48,000.00	63.07%
Total 8700 · Professional Services	93,816.38	354,005.00	26.5%
Total 8 NON-PERSONNEL RELATED EXP	149,760.27	589,105.00	25.42%
Total 9 INCENTIVES & REBATES	53,293.11	460,000.00	11.59%
Total Expense	527,509.82	2,593,372.00	20.34%
Net Ordinary Income	-127,928.98	-664,738.00	19.25%
Other Income/Expense			
Total Other Income	0.00	700,000.00	0.0%
Total Other Expense	477.12	19,008.00	2.51%
Net Other Income	-477.12	680,992.00	-0.07%
Net Income	-128,406.10	16,254.00	-790.0%

Redwood Coast Energy Authority

Balance Sheet

As of September 30, 2016

	<u>Sep 30, 16</u>
ASSETS	
Current Assets	
Checking/Savings	
1062 - Chase DD Checking	60,600.88
1060 - Umpqua Checking-9271	43,866.63
1000 - COUNTY TREASURY 3839	103,911.55
1010 - Petty Cash	116.33
Total 1050 - GRANTS & DONATIONS 3840	<u>15,037.26</u>
Total Checking/Savings	223,532.65
Total Accounts Receivable	312,292.68
Other Current Assets	
1101 - Allowance for Doubtful Accounts	7,260.54
1102 - Paypal Account Balance	19.87
1120 - Inventory Asset	71,592.60
1202 - Prepaid Expenses	33,042.89
1205 - Prepaid Insurance	21,540.26
Total 1210 - Retentions Receivable	74,194.14
1499 - Undeposited Funds	<u>100.00</u>
Total Other Current Assets	<u>207,750.30</u>
Total Current Assets	743,575.63
Total Fixed Assets	55,611.39
Other Assets	
1700 - Retained Deposits	<u>4,100.00</u>
Total Other Assets	<u>4,100.00</u>
TOTAL ASSETS	<u><u>803,287.02</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Total Accounts Payable	37,717.32
Total Credit Cards	3,190.35
Other Current Liabilities	
2001 - Accounts Payable-Other	39,342.60
Total 2100 - Payroll Liabilities	63,004.37
Total 2210 - Retentions Payable	<u>20,015.85</u>
Total Other Current Liabilities	<u>122,362.82</u>
Total Current Liabilities	163,270.49
Total Long Term Liabilities	<u>8,429.11</u>
Total Liabilities	171,699.60
Equity	
2320 - Investment in Capital Assets	47,182.27
3900 - Fund Balance	712,811.25
Net Income	<u>-128,406.10</u>
Total Equity	<u>631,587.42</u>
TOTAL LIABILITIES & EQUITY	<u><u>803,287.02</u></u>

Redwood Coast Energy Authority
Profit Loss
September 2016

	<u>TOTAL</u>
Ordinary Income/Expense	
Income	
5 REVENUE EARNED	
Total 5000 · Revenue - government agencies	32,103.86
Total 5100 · Revenue - program related sales	2,466.71
Total 5400 · Revenue-nongovernment agencies	100,172.67
Total 5 REVENUE EARNED	<u>134,743.24</u>
Total Income	<u>134,743.24</u>
Gross Profit	134,743.24
Expense	
7 EXPENSES - PERSONNEL	
7101 · Screening/Testing Services	47.00
7103 · Staff Training and Development	50.00
7200 · Salaries, Wages & Benefits	
7210 · Salaries - staff	66,865.08
7220 · Wages - interns	6,216.78
7230 · Pension Plan Contributions	1,956.39
7240 · Employee Benefits-Insurance	27,708.91
7250 · Payroll Taxes Etc.	7,250.70
7255 · Worker's Comp Insurance	771.75
Total 7260 · Paid Time Off	10,789.94
7265 · Jury Duty	91.28
Total 7200 · Salaries, Wages & Benefits	<u>121,650.83</u>
Total 7 EXPENSES - PERSONNEL	121,747.83
8 NON-PERSONNEL RELATED EXP	
8100 · Non-Personnel Expenses	
8110 · Office Supplies	252.43
Total 8120 · Information Technology	89.95
Total 8130 · Telephone & Telecommunications	667.40
Total 8170 · Printing & copying	935.13
8195 · Tool bank	517.94
Total 8100 · Non-Personnel Expenses	<u>2,462.85</u>
8200 · Facility Expenses	
8210 · Office Lease	8,200.00
Total 8220 · Utilities	833.35
8230 · Janitorial	27.87
Total 8200 · Facility Expenses	<u>9,061.22</u>
Total 8300 · Travel & Meeting Expense	4,017.07
Total 8320 · Meetings, workshops & events	1,587.81
8500 · Other Expenses	
Total 8560 · Website Expenses	15.00
Total 8570 · Advertising & Marketing Expense	200.00
8593 · Bank Charges	10.00
8595 · Credit Card Processing Fees	52.15
8596 · Flex Billing Service Fee	48.30
Total 8500 · Other Expenses	<u>325.45</u>
8700 · Professional Services	

Redwood Coast Energy Authority

Profit Loss

September 2016

	TOTAL
8710 • Contracts - Program Related Ser	15,211.45
8720 • Accounting	2,950.00
8740 • Legal	5,601.12
Total 8700 • Professional Services	23,762.57
Total 8 NON-PERSONNEL RELATED EXP	41,216.97
Total 9 INCENTIVES & REBATES	25,461.70
Total Expense	188,426.50
Net Ordinary Income	-53,683.26
Other Income/Expense	
Total Other Expense	159.04
Net Other Income	-159.04
Net Income	-53,842.30



REDWOOD COAST Energy Authority

STAFF REPORT

AGENDA DATE:	November 21, 2016
TO:	Board of Directors
PREPARED BY:	Executive Director
SUBJECT:	RCEA Fiscal Audit Report

RECOMMENDED ACTION

Accept RCEA Independent Fiscal Audit Report for the year ending 6/30/14.

SUMMARY

Attached for review and acceptance is the Audit Report for the year ending 6/30/14 from RCEA's independent fiscal auditors David L. Moonie and Co. Staff is continuing to work actively with the Auditor's to complete in the coming months the 6/30/15 and then 6/30/16 audits to get fully caught up with audit responsibilities.

RECOMMENDED ACTIONS:

Accept RCEA Independent Fiscal Audit Report for the year ending 6/30/14.

ATTACHMENT:

1. Independent Audit Report for the Year Ending 6/30/14.

REDWOOD COAST ENERGY AUTHORITY
County of Humboldt

FINANCIAL STATEMENTS

Year Ended June 30, 2014

With

INDEPENDENT AUDITOR'S REPORT

REDWOOD COAST ENERGY AUTHORITY

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REDWOOD COAST ENERGY AUTHORITY

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REDWOOD COAST ENERGY AUTHORITY

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

Board of Directors
Redwood Coast Energy Authority
633 3rd Street
Eureka, California 95501

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the general fund of the Redwood Coast Energy Authority ("RCEA") as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise RCEA's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial

REDWOOD COAST ENERGY AUTHORITY
INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS -
CONTINUED

statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the general fund of RCEA as of June 30, 2014, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4a through 4d and 23 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

REDWOOD COAST ENERGY AUTHORITY
INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS -
CONTINUED

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise RCEA's basic financial statements. The supplementary schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary schedules listed in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules listed in the table of contents are fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2016, on our consideration of RCEA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering RCEA's internal control over financial reporting and compliance.

CERTIFIED PUBLIC ACCOUNTANTS
Eureka, California
October 28, 2016

Year Ending June 30, 2014

The Redwood Coast Energy Authority is a Joint Powers Authority (JPA). It was formed in 2003, representing seven municipalities (the Cities of Arcata, Blue Lake, Eureka, Ferndale, Fortuna, Trinidad and Rio Dell) and the County of Humboldt, with the Humboldt Bay Municipal Water District joining later. As a JPA, RCEA is governed by a Board composed of representatives from each of these jurisdictions.

RCEA's mission is to develop and implement sustainable energy initiatives that reduce energy demand, increase energy efficiency, and advance the use of clean, efficient and renewable resources available in the region.

To accomplish this mission, during the year ending June 30, 2014 RCEA employed thirteen full-time staff (Executive Director, Operations Manager, Office Manager, Program Manager, three Energy Specialists, four Energy Technicians, and three Program Assistants). RCEA also employed numerous student interns, and sometimes serves as a placement site for AmeriCorps members and county workforce-experience training program participants.

All of RCEA's funding comes from contracts and grants, generally bringing resources to Humboldt County that would not otherwise be available. The operating budget for the year ending June 30, 2014 was approximately \$1.8 million. Funding sources during the year included:

- A contract with Pacific Gas & Electric Company (PG&E) to promote energy efficiency through a local government partnership known as the Redwood Coast Energy Watch.
- A contract with the California Energy Commission to develop and implement a pilot project to demonstrate key aspects of the RePower Humboldt Strategic Plan, including the use of biomass as a key resource and fuel switching.
- Contracts with local educational agencies to help plan and implement energy efficiency and clean energy projects using CA Department of Education and CA Energy Commission funding.
- A contract with the California Energy Commission to develop a regional alternative fuels readiness plan.
- A contract with the California Energy Commission to develop a regional electric vehicle charging network.
- Smaller grants and contracts with the City of Blue Lake, the Hoopa Valley Housing Authority, and the Schatz Energy Research Center.

A large share of RCEA activities occur under the umbrella of the Redwood Coast Energy Watch (RCEW) partnership with PG&E. Core RCEW activities include:

- Redwood Coast Energy Resource Center
- Public Agency Energy Initiatives
- Small Business Direct Install Program
- Non-Profit Energy Efficiency Program
- Residential Direct Install Program
- Energy Efficiency Strategic Initiatives

Approximately 15% of RCEA's annual expenditures are for a pass-through of energy efficiency rebates and incentives to public agency, small business, and residential utility consumers.

The assets of RCEA exceeded its liabilities by \$655,711 at June 30, 2014. Of this amount, \$606,011 are unrestricted and may be used to meet RCEA ongoing program needs.

RCEA's total net position increased by \$14,300 during the year ending June 30, 2014. The increase is the result of program revenues exceeding program expenses.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the RCEA's basic financial statements. RCEA's basic financial statements are comprised of three components: 1) government wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government Wide Financial Statements

The *government wide financial statements* are designed to provide readers with a broad overview of RCEA's finances, in a manner similar to a private-sector business and are presented on the full accrual basis.

The *statement of net position* presents information on all of RCEA's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of RCEA is improving or deteriorating.

The *statement of activities* presents information showing how RCEA's net position changed during the year presented. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Fund Financial Statements

A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. RCEA, like state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. RCEA's sole fund is the general fund.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government wide financial statements. Governmental fund financial statements focus on near term inflows and outflows of current financial resources, as well as on balances of current financial resources available at the end of the fiscal year. This information is useful in evaluating RCEA's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government wide financial statements. By doing so, readers may better understand the long-term impact of RCEA's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to the full accrual government wide financial statements. As a single purpose government, RCEA has chosen to present the two types of reporting on the same statement, with reconciling amounts provided.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government wide and fund financial statements.

Government Wide Financial Statements Analysis

Condensed Statement of Net Position

June 30,	2014	2013
Assets		
Current assets	\$ 1,079,957	\$ 653,753
Capital assets, net of accumulated depreciation	60,038	57,631
Total Assets	1,139,995	711,384
Liabilities		
Current liabilities	484,284	69,973
Total net position	\$ 655,711	\$ 641,411

Changes in Net Position

Year ended June 30,	2014	2013
Revenues		
Program revenues:		
Contract	\$1,740,910	\$1,283,645
Grant	5,000	27,943
Other income	4,972	497
General revenues- investment income	926	568
Total revenues	1,751,808	1,312,653
Expenses		
Salaries and employee benefits	830,068	676,903
Services and supplies	909,847	503,955
Net depreciation	(2,407)	(46,220)
Loss on disposal of assets	0	13,746
Total expenses	1,737,508	1,148,383
Increase in net position	14,300	164,270
Net position – beginning of year	641,411	477,141

Net position – end of year**\$ 655,711 \$ 641,411**

RCEA revenues are primarily received on a reimbursement basis. The increase in revenue from the year ending June 30, 2013 to the year ending June 30, 2014 was the result of an increase in program activities. Similarly, the increase in expenses for the year ending in June 30, 2014 is due to primarily to an increase in program activities.

Government Fund Financial Analysis

The general fund is the sole fund of RCEA. As a measure of the general fund's reserves, it may be useful to compare unreserved fund balance and total fund expenditures. Unreserved fund balance at the end of June 30, 2014 and 2013 represents 30.8% and 44.6% of total fund expenditures for the respective years.

Economic Factors and Next Year's Budget and Rates

For the year ended June 30, 2015 the following factors affect RCEA's finances:

- Increasing ramp-up of the 2013-14 and 2015 Energy Watch program cycles.
- Continuing work on the \$1.75 million "Repowering Humboldt with Community Scale Renewable Energy" grant from the California Energy Commission.
- Increasing ramp-up of the Prop. 39 program focused on educational agencies.
- Addition of the Energy Upgrade CA Ambassador program, a one-year outreach campaign begun in September 2014.
- Continuing activities for the alternative fuels readiness planning project and the regional electric vehicle charging network project, both funded by the California Energy Commission; and the City of Blue Lake and Hoopa Valley Housing Authority Climate Action Plan projects.

These factors were considered in preparing RCEA's budget for the year ending June 3, 2015.

Requests for Information

This financial report is designed to provide a general overview of RCEA's finances for those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Redwood Coast Energy Authority, 633 3rd Street, Eureka, CA 95501.

REDWOOD COAST ENERGY AUTHORITY

STATEMENT OF NET POSITION

June 30, 2014

	<u>Governmental Activities</u>
ASSETS	
Cash	\$ 328,896
Accounts receivable	686,790
Prepaid expenses	12,939
Inventory	47,232
Security deposit	4,100
Furniture, fixtures and equipment	86,530
Accumulated depreciation	(26,492)
Total Assets	<u>1,139,995</u>
DEFERRED OUTFLOWS OF RESOURCES	
Total deferred outflows of resources	<u>-</u>
Total assets and deferred outflows of resources	<u><u>\$ 1,139,995</u></u>
LIABILITIES	
Accounts payable	\$ 397,093
Accrued wages payable	35,711
Accrued vacation payable	25,342
Accrued workers compensation payable	603
Retentions payable	15,197
Long-term liabilities:	
Due within one year	1,908
Due in more than one year	8,430
Total Liabilities	<u>\$ 484,284</u>
DEFERRED INFLOWS OF RESOURCES	
Total deferred inflows of resources	<u>\$ -</u>
NET POSITION	
Funds invested in capital assets, net of related debt	\$ 49,700
Restricted for energy efficient programs	-
Unrestricted	<u>606,011</u>
Total Net Position	<u><u>\$ 655,711</u></u>

The accompanying notes are an integral part of this statement.

REDWOOD COAST ENERGY AUTHORITY

STATEMENT OF ACTIVITIES

For The Year Ended June 30, 2014

		<u>Program Revenues</u>		<u>Net (Expense)</u>
		<u>Charges</u>	<u>Operating</u>	<u>Revenue and</u>
	<u>Expenses</u>	<u>For</u>	<u>Grants and</u>	<u>change in</u>
		<u>Services</u>	<u>Contributions</u>	<u>Net Position</u>
				<u>Governmental</u>
				<u>Activities</u>
Governmental Activities				
Grants and program services	\$ 1,447,511	\$ 9,972	\$ 1,740,910	\$ 303,371
Implementation expenses:				
Administrative	289,997			(289,997)
Total governmental activities	<u>\$ 1,737,508</u>	<u>\$ 9,972</u>	<u>\$ 1,740,910</u>	<u>\$ 13,374</u>
General revenues:				
Interest and investment earnings				<u>\$ 926</u>
Total general revenues				<u>926</u>
Change in net position				14,300
Net position, beginning				<u>641,411</u>
Net position, ending				<u>\$ 655,711</u>

The accompanying notes are an integral part of this statement.

REDWOOD COAST ENERGY AUTHORITY
BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2014

	General Fund
ASSETS	
Cash	\$ 328,896
Accounts receivable	686,790
Prepaid expenses	12,939
Inventory	47,232
Security deposit	4,100
Total Assets	<u>1,079,957</u>
DEFERRED OUTFLOWS OF RESOURCES	
Total deferred outflows of resources	<u>-</u>
Total assets and deferred outflows of resources	<u><u>\$ 1,079,957</u></u>
LIABILITIES	
Accounts payable	\$ 397,093
Accrued wages payable	35,711
Accrued workers compensation payable	603
Retentions payable	15,197
Accrued vacation payable	25,342
Total Liabilities	<u>473,946</u>
DEFERRED INFLOWS OF RESOURCES	
Total deferred inflows of resources	<u>-</u>
FUND BALANCES	
Nonspendable	60,171
Assigned	10,000
Unassigned	535,840
Total Fund Balance	<u>606,011</u>
Total liabilities, deferred inflows of resources and fund balance	<u><u>\$ 1,079,957</u></u>

The accompanying notes are an integral part of this statement.

REDWOOD COAST ENERGY AUTHORITY
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION

June 30, 2014

Total fund balances - governmental fund balance sheet	\$ 606,011
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Amounts reported for assets and liabilities for governmental activities in the statement of net position are different from amounts reported in governmental funds because:

Capital and intangible assets: In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets, intangible assets, accumulated depreciation and accumulated amortization.

Capital assets at historical cost	\$ 86,530	
Accumulated depreciation and amortization	<u>(26,492)</u>	
Net		60,038

Long-term liabilities: In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities are reported, including long-term liabilities.

Note payable	<u>(10,338)</u>
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Total Net Position, Governmental Activities	<u><u>\$ 655,711</u></u>
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The accompanying notes are an integral part of this statement.

REDWOOD COAST ENERGY AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - GOVERNMENTAL FUNDS

For The Year Ended June 30, 2014

	General Fund
Revenues:	
Contract revenue	\$ 1,740,910
Grant revenue	5,000
Other income	4,972
Investment income	926
Total Revenues	<u>1,751,808</u>
Expenditures:	
Program expenditures:	
Direct install subcontractor labor	113,914
Direct install hardware and materials	129,749
Direct incentive and rebate payments	22,221
Salaries and employee benefits	718,722
Program related services	463,541
Total Program Expenditures	<u>1,448,147</u>
Administrative expenditures:	
Salaries and employee benefits	111,346
Professional services	19,093
Travel and training	14,652
Office supplies and expense	39,883
Rent	49,200
Facility expense	11,991
Utilities	7,097
Meeting expense	7,264
Insurance	8,427
Dues and membership	2,968
Capital outlay	14,962
Debt service - principal	636
Advertising	4,885
Total Administration Expenditures	<u>292,404</u>
Total Expenditures	<u>1,740,551</u>
Excess of Revenues Over (Under) Expenditures	<u>11,257</u>
Other financing sources (uses):	
Proceeds from debt	<u>10,974</u>
Total Other Financing Sources (Uses)	<u>10,974</u>
Excess of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	<u>22,231</u>
Fund Balance at Beginning of Year	<u>583,780</u>
Fund Balance at End of Year	<u>\$ 606,011</u>

The accompanying notes are an integral part of this statement.

REDWOOD COAST ENERGY AUTHORITY

RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE
STATEMENT OF ACTIVITIES

For The Year Ended June 30, 2014

Total changes in fund balances, governmental funds \$ 22,231

Amounts reported for governmental activities in the statement of activities are different from amounts reported in governmental funds because:

Capital outlay: In governmental funds, the costs of capital assets are reported as expenditures in the period when the assets are acquired. In the statement of activities, costs of capital assets are allocated over their estimated useful lives as depreciation expense. The difference between capital outlay expenditures and depreciation expense for the period is:

Expenditures for capital outlay	\$ 14,057	
Depreciation and amortization expense	<u>(11,650)</u>	
Net		2,407

Debt proceeds: In governmental funds, proceeds from debt are recognized as Other Financing Sources. In the government-wide statements, proceeds from debt are reported as increases to liabilities. Amounts recognized in governmental funds as proceeds from debt, net of premium or discount, were:

(10,974)

Debt service: In governmental funds, repayments of long-term debt are reported as expenditures. In the government-wide statements, repayments of long-term debt are reported as reductions of liabilities. Expenditures for repayment of the principal portion of long-term debt were:

Payment of debt principal	<u>636</u>
Changes In Net Position, Governmental Activities	<u>\$ 14,300</u>

The accompanying notes are an integral part of this statement.

REDWOOD COAST ENERGY AUTHORITY

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

1. Summary of Significant Accounting Policies

A. Reporting Entity

The Redwood Coast Energy Authority ("RCEA") is a joint powers authority formed in 2003 under Health and Safety Code Section 6500 to develop and implement sustainable energy initiatives that reduce energy demand, increase energy efficiency, and advance the use of clean, efficient and renewable resources available in the Humboldt County region of California. The member agencies of RCEA are the County of Humboldt, the Humboldt Bay Municipal Water District, the cities of Arcata, Blue Lake, Eureka, Ferndale, Fortuna, Rio Dell, and Trinidad. RCEA is governed by a Board of Directors comprised of representatives of the member agencies.

The California Public Utilities Commission ("CPUC") and the Local Government Commission ("LGC"), a California not-for-profit membership organization, have undertaken a pilot project to encourage the formation of regional organizations such as RCEA to promote energy efficiency, conservation and increased local self-reliance. The CPUC has made funds available to the LGC to help local governments establish and operate agencies such as RCEA. Funds are collected from rate payers by Pacific Gas and Electric ("PG&E") and distributed to RCEA in accordance with the objectives of this project.

B. Fund Accounting

The accounts of RCEA are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows, liabilities, deferred inflows, fund equity, revenues, and expenditures. Resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. RCEA maintains one fund to account for the activity of the Redwood Coast Energy Authority.

REDWOOD COAST ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2014

Major Governmental Funds:

The General Fund is the general operating fund of RCEA. It is used to account for all financial resources except those required to be accounted for in a separate fund.

C. Basis of Presentation, Basis of Accounting

1. Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities include the financial activities of the overall government.

The statement of activities presents a comparison between direct expenses and program revenues for each function of RCEA's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. RCEA does not allocate indirect expenses in the statement of activities. Program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about RCEA's funds, with separate statements presented for each fund category. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. Any remaining funds are aggregated and reported as nonmajor funds.

2. Measurement Focus, Basis of Accounting

Government-wide Statements: These financial statements are reported using the economic resources measurement focus. They are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which RCEA gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants, entitlements, and donations. On an accrual basis, revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

REDWOOD COAST ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2014

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Available means collectible within the current period or soon enough thereafter to pay liabilities of the current period.

RCEA considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred.

Major revenue sources susceptible to accrual include contracts and grants from the California Energy Commission, the County of Humboldt, Ecology Action, and Pacific Gas and Electric Company.

Unearned revenue:

Unearned revenue arises when assets are received before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements are met are recorded as unearned revenue.

Deferred Inflows and Outflows of Resources:

Deferred outflows of resources represents a consumption of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until that future period.

Deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that future period.

Expenses/Expenditures:

On the accrual basis of accounting, expenses are recognized at the time a liability is incurred. On the modified accrual basis of accounting, expenditures are generally recognized in the accounting period in which the related fund liability is incurred, as under the accrual basis of accounting. However, under the modified accrual basis of accounting, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

REDWOOD COAST ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2014

When RCEA incurs an expenditure or expense for which both restricted and unrestricted resources may be used, it is RCEA's policy to use restricted resources first, then unrestricted resources.

D. Budget and Budgetary Accounting

In accordance with the provisions of Sections 29000 and 29143, inclusive, of the Government Code and other statutory provisions, commonly known as the County Budget Act, RCEA prepares and legally adopts a budget for the General Fund on or before August 30 for each fiscal year.

The budget is revised by RCEA during the year to give consideration to unanticipated income and expenditures. The original and final budgets are presented for the General Fund.

E. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Equity

1. Deposits and Investments

RCEA maintains 42 percent of its cash in the Humboldt County Treasury. The County pools these funds with those of other governmental entities in the County and invests the cash. These pooled funds are carried at cost which approximates market value.

Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool.

The County is authorized to deposit cash and invest excess funds by California Government Code Section 53648 et seq. The funds maintained by the County are either secured by federal depository insurance or are collateralized. The Humboldt County Treasury had no investments in derivatives. RCEA does not have a specific policy which relates to interest rate risk.

2. Stores Inventories and Prepaid Expenditures

Inventories are recorded using the purchase method in that the cost is recorded as an expenditure at the time individual inventory items are purchased. Inventories are valued at average cost and consist of expendable supplies held for consumption.

REDWOOD COAST ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2014

RCEA has the option of reporting an expenditure in governmental funds for prepaid items either when purchased or during the benefiting period. RCEA has chosen to report the expenditures when incurred.

3. Program Revenues and Accounts Receivable

Program revenues include contract revenue and operating grants earned from other governmental agencies and not-for-profits.

Accounts receivable represent program revenues which have been earned for which the related cash has not been received. Management has determined that the need for an allowance for uncollectible accounts receivable is unnecessary at June 30, 2014.

4. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. RCEA's policy is to capitalize assets with an initial cost of more than \$2,000 and an estimated useful life in excess of two years. Capital assets are depreciated using the straight-line method over estimated useful lives between 5 to 20 years.

5. Deferred Inflows and Outflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until that future period. RCEA had no items that qualified for reporting in this category as of June 30, 2014.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not

REDWOOD COAST ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2014

be recognized as an inflow of resources (revenue) until that future period. RCEA had no items that qualified for reporting in this category as of June 30, 2014.

6. Compensated Absences

Accumulated unpaid employee vacation benefits are recognized as liabilities of RCEA. The current portion of the liabilities is recognized in the General Fund at year-end. Accumulated sick leave benefits are not recognized as liabilities of RCEA. RCEA's policy is to record sick leave as an operating expense in the period taken since such benefits do not vest nor is payment probable.

7. Fund Balance Reserves and Designation

As of June 30, 2014, fund balances of the governmental funds are classified as follows:

Nonspendable — amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted — amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed — amounts that can be used only for specific purposes determined by a formal action of RCEA's Governing Board. RCEA's Governing Board is the highest level of decision-making authority for RCEA. Commitments may be established, modified, or rescinded only through resolutions approved by the Governing Board.

Assigned — amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes. Under RCEA's adopted policy, only the Governing Board may assign amounts for specific purposes.

Unassigned — all other spendable amounts.

When an expenditure is incurred for purposes for which both restricted and

REDWOOD COAST ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2014

unrestricted fund balance is available, RCEA considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, RCEA considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless RCEA's Governing Board has provided otherwise in its commitment or assignment actions.

As of June 30, 2014, fund balances were composed of the following:

	General Fund
Nonspendable:	
Prepaid expenses	\$ 12,939
Inventories	47,232
Total Nonspendable	<u>60,171</u>
Assigned:	
PG&E Foundation - NEC Grant	10,000
Total Assigned	<u>10,000</u>
Unassigned:	
Other unassigned	535,840
Total Unassigned	<u>535,840</u>
Total Fund Balance	<u><u>\$ 606,011</u></u>

F. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

G. New Governmental Accounting Standards Board (GASB) Standard

During the year ended June 30, 2014, RCEA implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* (GASB No. 65), which amends or supersedes the accounting and financial reporting guidance for certain items previously required to be reported as assets or liabilities. The objective is to either properly classify certain items that were previously reported as assets and liabilities

REDWOOD COAST ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2014

as deferred outflows of resources or deferred inflows of resources or recognize certain items that were previously reported as assets and liabilities as outflows of resources (expenses) or inflows of resources (revenues).

2. Cash and Investments

Cash at June 30, 2014 consisted of the following:

Pooled Funds -

Cash in County Treasury	\$ 137,603
Commercial Financial Institutions	<u>191,293</u>
Total	\$ <u>328,896</u>

Cash balances held in banks are insured up to \$250,000 by the Federal Depository Insurance Corporation. All cash held by financial institutions is fully insured or collateralized.

The fair market value of this County Treasury pool as of June 30, 2014, as provided by the pool sponsor, was \$136,774. The County is restricted by Government Code Section 53635 pursuant to Section 53601 to invest in time deposits, U.S. government securities, State-registered warrants, notes or bonds, State Treasurer's investment pool, banker's acceptances, commercial paper, negotiable certificates of deposit, and repurchase or reverse repurchase agreements.

Credit Risk - Investments

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

The County Treasurer's investments consist of 73.83 percent federal agencies, 10.49 percent money markets, and 15.68 percent certificates of deposit. The S & P credit ratings for these investments include AAA, AA, A+e, and Ae, and non-rated for certificates of deposit and the California State Treasurer's local agency investment fund.

Custodial Credit Risk – Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, RCEA will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments

REDWOOD COAST ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2014

is the risk that in the event of a failure of the counter party (e.g., broker-dealer) to a transaction, RCEA will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Neither the California Government Code nor the County's investment policy contains legal or policy requirements that would limit RCEA's exposure to custodial credit risk for deposits or investments, except that the California Government Code requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law.

The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure Authority deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits. As of June 30, 2014, none of RCEA's deposits were exposed to custodial credit risk.

Interest Rate Risk – Investments

Interest rate risk is the measurement of how changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the more sensitive to changes in market interest rates of its fair value. One of the ways the Humboldt County Treasurer manages its exposure to interest rate risk is by purchasing a combination of short-term and long-term investments and by timing cash flows from maturities so a portion of its portfolio is maturing or coming close to maturity to ensure the cash flow and liquidity of operations. The weighted average maturity of the Humboldt County Treasurer's investments is 1,004 days.

Concentration of Credit Risk

The investment policy of RCEA contains no limitation on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There were no investments in any one issuer (other than U.S. Treasury securities, mutual funds, or external investment pools) that represented 5 percent or more of total County investments at June 30, 2014.

REDWOOD COAST ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2014

3. Receivables

Receivables at June 30, 2014 consisted of the following:

	<u>General Fund</u>
California Energy Commission	\$ 418,996
Humboldt Bay Municipal Water District	3,500
City of Blue Lake	2,113
McKeever Energy & Electric, INC.	3,850
Pacific Gas and Electric Company	195,686
Retentions	62,645
Total	<u>\$ 686,790</u>

Retentions are due upon completion of the projects. RCEA expects to collect all retentions.

4. Capital Assets

Capital asset activity for the period ended June 30, 2014 was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental Activities:				
<i>Capital assets being depreciated</i>				
Leasehold Improvements	\$ 27,937			\$ 27,937
Equipment	44,536	\$ 14,057		58,593
Total capital assets being depreciated	<u>72,473</u>	<u>14,057</u>	<u>-</u>	<u>86,530</u>
Less: Accumulated depreciation for:				
Leasehold Improvements	(467)	(1,397)		(1,864)
Equipment	(14,375)	(10,253)		(24,628)
Total accumulated depreciation	<u>(14,842)</u>	<u>(11,650)</u>	<u>-</u>	<u>(26,492)</u>
Capital assets being depreciated, net	<u>57,631</u>	<u>2,407</u>	<u>-</u>	<u>60,038</u>
Governmental activities capital assets, net	<u>\$ 57,631</u>	<u>\$ 2,407</u>	<u>\$ -</u>	<u>\$ 60,038</u>

For the year ended June 30, 2014, depreciation expense was \$11,650.

REDWOOD COAST ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2014

5. Risk Management

RCEA is covered for general business, liability, automobile, and errors and omissions through the Special Districts Risk Management Authority ("SDRMA"), a public entity risk pool. As a member of a public entity risk pool, RCEA is responsible for appointing an employee as a liaison between RCEA and SDRMA, implementing all policies of the SDRMA, and promptly paying all contributions. SDRMA is responsible for providing insurance coverage as agreed upon, assisting RCEA with implementation, providing claims adjusting, and defending any civil action brought against an officer of RCEA.

6. Excess of Expenditures Over Appropriations

Excesses of expenditures over appropriations in individual funds for the year ending June 30, 2014 are as follows:

<u>Fund</u>	<u>Excess Expenditures</u>
General Fund:	
Contracts - program related services	\$ 75,073
Salaries and employee benefits - administrative	36,372
Travel and training	282
Bank Charges	91
Meeting expense	164
Dues and memberships	768
Debt service - principal	636

7. Retirement Plan

RCEA has established a Savings Incentive Match Plan for employees (a "Simple IRA") where RCEA and employees make contributions to individual retirement accounts ("IRAs"). Under the Simple IRA, RCEA must make contributions matching participating employee contributions, up to a maximum of 3 percent of an employee's gross salary per year. Employees may contribute up to the maximum federally allowed amount. All regular employees of RCEA are eligible to participate in the Simple IRA plan. Plan contributions by RCEA for the year ended June 30, 2014 were \$13,388.

REDWOOD COAST ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2014

8. Long-Term Obligations

RCEA obtained a loan with PG&E in January 2014 for energy upgrades in the amount of \$10,974 at 0 percent interest for 69 months. Future payments obligations are as follows:

Year Ended June 30,	Principal
2015	\$ 1,908
2016	1,908
2017	1,908
2018	1,908
2019	1,908
Thereafter	795
Totals	<u>\$ 10,338</u>

9. Line of Credit

RCEA maintains an unsecured line of credit through Umpqua Bank with a credit limit of \$75,000 and an interest rate of 5 percent. As of June 30, 2014, this line of credit had a zero balance.

10. Lease of Real Property

RCEA entered into a 23 month lease for its facility as of May 1, 2013, with monthly payments of \$4,100. Total rent expense was approximately \$49,200 for the year ended June 30, 2014. Future lease commitments are \$36,900 for the year ending June 30, 2015.

11. Concentrations and Contingencies

RCEA receives the majority of its funding through a contract with PG&E to provide energy efficient programs. For the year ended June 30, 2014, this amount represented 66 percent of total revenue. As of June 30, 2014 accounts receivable from PG&E were \$195,686.

REQUIRED SUPPLEMENTARY INFORMATION

REDWOOD COAST ENERGY AUTHORITY

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND

For The Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variance With Final Budget - Favorable (Unfavorable)
	Original	Final		
Revenues:				
Non-government agencies	\$1,501,863	\$1,345,863	\$1,150,886	\$ (194,977)
Government agencies	1,110,488	510,488	590,024	79,536
Foundation trusts/grants	10,000	5,000	5,000	-
Other income	300	4,150	4,972	822
Investment income	500	500	926	426
Total Revenues	2,623,151	1,866,001	1,751,808	(114,193)
Expenditures:				
Program expenditures -				
Direct install, incentives, and rebates	591,053	433,053	265,884	167,169
Salaries and employee benefits	780,949	772,335	718,722	53,613
Contracts - program related services	988,468	388,468	463,541	(75,073)
Total Program Expenditures	2,360,470	1,593,856	1,448,147	145,709
Implementation expenditures -				
Administrative expenditures:				
Salaries and employee benefits	75,860	74,974	111,346	(36,372)
Professional services	30,300	29,500	19,093	10,407
Travel and training	9,370	14,370	14,652	(282)
Bank charges		400	491	(91)
Permit fees		400	400	-
Office supplies and expense	42,525	40,225	38,992	1,233
Rent	49,200	49,200	49,200	-
Janitorial	4,380	6,580	6,368	212
Facility expense	4,000	6,000	5,623	377
Utilities	9,550	8,550	7,097	1,453
Meeting expense	7,900	7,100	7,264	(164)
Volunteer services	300			-
Insurance	8,500	8,500	8,427	73
Dues and membership	2,000	2,200	2,968	(768)
Capital outlay	1,000	15,693	14,962	731
Advertising	2,500	5,000	4,885	115
Debt service - principal			636	(636)
Total Implementation Expenditures	247,385	268,692	292,404	(23,712)
Total Expenditures	2,607,855	1,862,548	1,740,551	121,997
Excess of Revenues Over (Under) Expenditures	15,296	3,453	11,257	7,804
Other financing sources (uses):				
Proceeds from debt		10,974	10,974	-
Total Other Financing Sources (Uses)	-	10,974	10,974	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	15,296	14,427	22,231	7,804
Fund Balance at Beginning of Year	583,780	583,780	583,780	-
Fund Balance at End of Year	\$ 599,076	\$ 598,207	\$ 606,011	\$ 7,804

SUPPLEMENTARY INFORMATION

REDWOOD COAST ENERGY AUTHORITY
ORGANIZATION
June 30, 2014

Redwood Coast Energy Authority is a Joint Powers Authority formed in 2003, representing seven municipalities, the County of Humboldt, and the Humboldt Bay Municipal Water District.

The Board of Trustees for the fiscal year ended June 30, 2014 was composed of the following:

GOVERNING BOARD

<u>Name</u>	<u>Office</u>	<u>Jurisdiction</u>
Linda Atkins	Chairperson	Eureka
Susan Ornelas	Vice Chairperson	Arcata
Michael Sweeny	Member	Ferndale
Stephen Kullmann	Member	Blue Lake
Mike Losey	Member	Fortuna
Frank Wilson	Member	Rio Dell
Tom Davies	Member	Trinidad
Ryan Sundberg	Member	County of Humboldt
Barbara Hecathorn	Member	Humboldt Bay Municipal Water District

ADMINISTRATION

Matthew Marshall
Executive Director

REDWOOD COAST ENERGY AUTHORITY

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
Redwood Coast Energy Authority
633 Third Street
Eureka, California 95501

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the general fund of Redwood Coast Energy Authority ("RCEA"), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise RCEA's basic financial statements, and have issued our report thereon dated October 28, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered RCEA's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of RCEA's internal control. Accordingly, we do not express an opinion on the effectiveness of RCEA's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

REDWOOD COAST ENERGY AUTHORITY

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS - CONTINUED

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses as Findings 2014-1 through 2014-4, that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether RCEA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Redwood Coast Energy Authority's Response to Findings

RCEA's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Responses. RCEA's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CERTIFIED PUBLIC ACCOUNTANTS
October 28, 2016

REDWOOD COAST ENERGY AUTHORITY
AUDIT FINDINGS AND RECOMMENDATIONS

June 30, 2014

2014-1: INTERNAL CONTROLS OVER EXPENDITURES

Criteria

Good internal controls over expenditures include obtaining and documenting the required support, authorization, and approval prior to issuing the disbursement.

Condition

During our testing of expenditures, in which we tested 18 percent of all operating expenditures, we noted 5 instances totaling \$21,196 where there was either no documentation of approval prior to issuing the disbursement or the approval was not readily apparent. We noted 2 instances totaling \$513 where the executive director approved his own reimbursement. Further, we noted 4 instances totaling \$10,874 where no purchase order was used prior to issuing the disbursement. We also noted 1 instance where a detailed receipt was not present for a meal purchase. Finally, we noted 1 instance where \$201 worth of alcohol was purchased.

Effect

The lack of documentation of prior authorization or approval and support documentation of disbursements could result in errors or inappropriate expenditures being incurred without prior knowledge of management. The purchase of alcohol may not conform to board policy.

Cause

RCEA did not use a purchase order form or other approved authorization documents on all disbursements.

Recommendation

We recommend that RCEA update its policy regarding the use of purchase order forms or other approved authorization documents for all disbursements.

REDWOOD COAST ENERGY AUTHORITY

AUDIT FINDINGS AND RECOMMENDATIONS - CONTINUED

June 30, 2014

Corrective Action Plan

RCEA will use purchase order forms or other approved authorization documents on all disbursements.

2014-2: BANK RECONCILIATION APPROVAL DOCUMENTATION

Criteria

Good internal controls over cash include review of monthly bank reconciliations by an individual other than the custodian of the bank account.

Condition

RCEA maintains a checking account with Umpqua Bank for general operations. The custodian of the funds prepared monthly bank reconciliations. However, RCEA did not document review and approval of the bank reconciliations by someone other than the custodian of the account.

Effect

Failure to have another person review the bank reconciliations could result in future errors not being detected in a timely manner.

Cause

It was not the policy of RCEA to obtain documentation of review of the bank reconciliations.

Recommendation

We recommend that RCEA assign a person to review and initial the monthly bank reconciliations for all the bank accounts.

Corrective Action Plan

RCEA will assign a person to review and initial the monthly bank reconciliations for all bank accounts.

REDWOOD COAST ENERGY AUTHORITY

AUDIT FINDINGS AND RECOMMENDATIONS - CONTINUED

June 30, 2014

2014-3: PAYROLL INTERNAL CONTROL

Criteria

Good internal controls over payroll include supervisor review and approval of time sheets.

Condition

During our testing of payroll we noted that the executive director was approving his own time sheet.

Effect

Not having a board member or supervisor sign and approve time sheets increases the chance that inappropriate or incorrect wages could be paid and not detected in a timely manner. We noted no actual inappropriate payments for the year ended June 30, 2014.

Cause

RCEA did not have a policy regarding approval of executive director time sheets.

Recommendation

We recommend that RCEA establish procedures for a board member to review and approve the executive director's time sheet.

Corrective Action Plan

RCEA will establish procedures for a board member to review and approve the executive director's time sheet.

2014-4: TIMELY CLOSING OF ACCOUNTING PERIOD

Criteria

Good internal controls include completing the annual accounting period close in a timely fashion.

REDWOOD COAST ENERGY AUTHORITY

AUDIT FINDINGS AND RECOMMENDATIONS - CONTINUED

June 30, 2014

Condition

RCEA closed the June 30, 2014 year end approximately 16 months after the year end.

Effect

The audit report was issued approximately 26 months after the year end.

Cause

Staffing limitations and scheduling conflicts with an outside firm resulted in delayed closing of year end.

Recommendation

We recommend that RCEA works closely with an outside firm to ensure that the year end is closed in a timely fashion.

Corrective Action Plan

RCEA will work closely with an outside firm to ensure that the year end is closed in a timely fashion.

REDWOOD COAST ENERGY AUTHORITY
STATUS OF PRIOR YEAR AUDIT FINDINGS

June 30, 2014

2013-1: INTERNAL CONTROLS OVER EXPENDITURES

Condition

During our testing of expenditures, in which we tested 38 percent of all expenditures, we noted 8 instances totaling \$4,283 where there was no documentation of approval prior to issuing the disbursement.

Recommendation

We recommend that RCEA update its policy regarding the use of purchase order forms or other approved authorization documents for all disbursements.

Current Status

Not implemented, see Finding 2014-1.

2013-2: BANK RECONCILIATION APPROVAL DOCUMENTATION

Condition

RCEA maintains a checking account with Umpqua Bank for general operations. The custodian of the funds prepared monthly bank reconciliations. However, RCEA did not document review and approval of the bank reconciliations by someone other than the custodian of the account.

Cause

It was not the policy of RCEA to obtain documentation of review of the bank reconciliations.

Current Status

Not implemented, see finding 2014-2.



REDWOOD COAST Energy Authority

STAFF REPORT

AGENDA DATE:	November 21, 2016
TO:	Board of Directors
PREPARED BY:	Executive Director
SUBJECT:	Community Choice Energy Program Update

SUMMARY

Progress is continuing with the launch of RCEA's CCE program; recent highlights include:

1. RCEA's Implementation Plan was successfully submitted to the CA Public Utilities Commission (CPUC) in October, and CPUC reports they are on schedule to meet or beat their 90-day review period deadline for certification of the Plan.
2. The Request for Offers for Local Biomass Power was successfully issued and a bidders conference was held earlier in the month. Responses are due in December and after review the short list of one or more respondents proposed for a potential power purchase agreement (PPA) will be announced in early January and brought before the Board for consideration of final PPA approval at the Board Meeting in late January.
3. At their November 15th meeting the Rio Dell City Council voted to adopt an ordinance to include Rio Dell in the CCE program, and so Rio Dell will be included in the final certified Implementation Plan and will be part of the program launch scheduled for May 2017.
4. Staff worked with the Redwood Region Economic Development Commission (RREDC) to submit an application to the Headwaters Fund for a \$700,000 non-revolving, unsecured line of credit to cover internal RCEA costs and cash-flow between now and the receipt of CCE program revenues beginning in summer of 2017. At their November 15th meeting the Headwaters Fund Board voted unanimously to recommend issuing the proposed loan to the Board of Supervisors; the date for final consideration of the loan by the Board of Supervisors is still to be determined. Staff will work with RREDC (who will be servicing the loan) to develop a proposed loan agreement for consideration/approval by the RCEA Board at the December RCEA Board Meeting.
5. Community education, outreach, and marketing activities are continuing to ramp up, with numerous presentations in progress around the County with a range of organizations (a slide presentation with additional details on progress will be provided at Monday's meeting).

RECOMMENDED ACTION: None – information only



REDWOOD COAST Energy Authority

STAFF REPORT

AGENDA DATE:	November 21, 2016
TO:	Board of Directors
PREPARED BY:	Executive Director
SUBJECT:	Human Resources Systems Audit

RECOMMENDED ACTION

Accept Human Resources and Personnel Policies Audit Summary and Recommendations.

SUMMARY

Attached is a memo from RCEA General Counsel Nancy Diamond regarding RCEA's Human Resources Systems Audit performed through Counsel Diamond's office by Don Turko of the firm Renne Sloan Holtzman Sakai. Also attached is the executive summary of the audit including recommendations for follow-up actions.

Staff and Counsel have worked with Mr. Turko to develop the work plan in the following table to begin addressing the audit recommendations with assistance from the consultant:

Audit Recommendation	Activity	Time Frame
Harassment Policy	Policy to be reviewed by Renne Sloan Holtzman Sakai in conjunction with Nancy Diamond to ensure compliance with current employment law statutes	November-December 2016
Performance Review Policy	Policy and Procedure to be redrafted to include new mandatory evaluation process; training to be provided to supervisors and managers.	November-December 2016
Employee Records	Process review to be conducted by Nancy Diamond in conjunction with RCEA Executive Director	December 2017
Salary Policy	Review current comparison agencies and recommend new policy calling for bi-annual compensation surveys	November-December 2016
Grievance and Discipline Training	Half-Day Training in current policy to supervisors and managers	January 2017
Inservice Training	Various per audit	Calendar 2017

Mr. Turko is drafting the proposed Performance Review and Salary Policies, which will be brought to the Board for consideration at the December Board Meeting. Staff and Counsel are working with Mr. Turko to implement the other proposed follow-up activities as scheduled in the work plan table.

FINANCIAL IMPACTS

There will be some additional consultant costs as well as costs incurred by Legal Counsel to implement the proposed work plan, but the costs will be reasonable and manageable. However staff will likely be proposing a small budget adjustment at a future meeting to accommodate these and other legal costs that are expected to exceed what was initially projected for the fiscal year.

RECOMMENDED ACTIONS:

Accept Human Resources and Personnel Policies Audit Summary and Recommendations.

ATTACHMENTS:

1. Memorandum from RCEA General Counsel Nancy Diamond regarding RCEA Human Resources Systems Audit.
2. Audit of the Personnel and Human Resource Policies of the Redwood Coast Energy Authority, Executive Summary.

Memorandum

To: The Honorable Chair and Members of the Board of Directors of the
Redwood Coast Energy Authority

cc: Matthew Marshall, Executive Director

From: Nancy Diamond, RCEA General Counsel

Date: November 7, 2016

Re: RCEA Human Resources (HR) Systems Audit

Introduction: Pursuant to Board direction, I retained the law firm of Renne Sloan Holtzman Sakai LLP, a law firm specializing in providing services to public agencies, to conduct an audit and review of the existing policies and procedures of the RCEA and to make recommendations in regard to future policy and procedures changes which would correct for any current deficiencies and to address policy and/or procedure improvement for the organization. The firm assigned firm Consultant Mr. Donald Turko to conduct and complete the assigned contracted audit activities.

Mr. Turko is a human resources consultant with over 41 years of combined public sector labor relations and human resources experience and is well qualified to provide the consulting services requested. He served as Human Resources Director for the counties of San Diego, Solano, San Joaquin, and Butte. Prior to serving as a Human Resources Director Mr. Turko also served as Director of Employee Relations and Benefits for Sacramento County and as Director of Employee Relations for the Sacramento City Unified School District.

The executive summary of Mr. Turko's audit, including recommendations, is attached. Mr. Turko and RCEA's Executive Director, Matthew Marshall, have developed a work plan to implement the recommendations during the next few months.

Attachment: *Audit of the Personnel and Human Resource Policies of the Redwood Coast Energy Authority, Executive Summary, October 2016*

Audit of the Personnel and Human Resource Policies of the Redwood Coast Energy Authority



Renne Sloan Holtzman Sakai LLP
Public Law Group®

**Conducted by Donald Turko, Consultant
Renne Sloan Holtzman Sakai
October 2016**

EXECUTIVE SUMMARY

Overview and Audit Purpose

Organizational Overview

The Redwood Coast Energy Authority (“RCEA”) was formed in 2003 as a Joint Powers Association (JPA), whose members include the County of Humboldt; the cities of Arcata, Blue Lake, Eureka, Ferndale, Fortuna, Trinidad, and Rio Dell; and the Humboldt Bay Municipal Water District. As a JPA the RCEA is governed by a Board composed of representatives from each of these jurisdictions. The RCEA Board meets on a monthly basis to conduct organizational business. The offices of the RCEA are located at 633 3rd Street in Eureka, California.

The RCEA employs a variety of administrative and technical staff, including an Executive Director, Operations Manager, Office Manager, Program Assistant, Energy Specialists, Energy Technicians and student interns to conduct the organization’s day to day mission and business activities.

Human Resources System Audit

The law firm of Renne Sloan Holtzman Sakai was contacted by Nancy Diamond, counsel to the RCEA, and requested to conduct an audit and review of the existing policies and procedures of the RCEA and to make recommendations in regard to future policy and procedures changes which would correct for any current deficiencies and to address policy and/or procedure improvement for the organization. The firm assigned firm Consultant Mr. Donald Turko to conduct and complete the assigned contracted Audit activities.

The Audit compares the Authority’s practices and written policies to industry-wide “best practices. We did not perform a legal review of the policies and practices. However, the audit notes when current practices and policies are inconsistent with “best practices” or are problematic from a risk management perspective. We recommend that those identified areas be reviewed for legal compliance.

Review of Personnel and Human Resources Policies

The RCEA Executive Director provided Mr. Turko with a copy of the current RCEA Employee Handbook. The Handbook was most recently updated on 1/23/12, and is based on an Employee Handbook template provided to RCEA by the California Special District Association. The

Employee Handbook is a comprehensive document which provides RCEA employees with policy information regarding the following topics:

- Employment Practices
- Compensation and Time Keeping
- Employment Benefits
- Leaves of Absence
- Employee Standards
- Health and Safety

The Employee Handbook is provided to all employees upon employment, and includes a confirmation of receipt document verifying that the employee has been provided a copy, is expected to read the Employee Handbook, and will return the signed confirmation of receipt document to his/her supervisor within two (2) weeks of initial receipt.

Interviews With RCEA Staff

Confidential Interviews were conducted with thirteen (13) staff on August 31, 2016 at the RCEA offices in Eureka, California. A second round of interviews were conducted with ten (10) additional staff on Tuesday September 20, 2016 at RCEA offices. Each employee met privately with Mr. Turko for fifteen to twenty minutes and responded to a series of standard questions regarding their length of service, past and current work activities, and their suggestions for improvement in human resources policies and procedures as well as the management of the organization.

Audit Recommendations

It is my recommendation that the following areas be addressed by the RCEA (including training) in order to re-establish best human resources practices and to avoid unnecessary exposure to the risk and potential litigation.

Employee Handbook

- Employment Practices
 - **Unlawful Harassment Including Sexual Harassment.** It is recommended that the RCEA review and strengthen the procedural protocols for the Executive Director to utilize when investigating and responding to harassment complaints, and to strengthen the procedures regarding the maintenance and confidentiality of harassment complaint files.
 - **Job Duties and Job Descriptions.** It is recommended that the RCEA establish an internal time schedule for the comprehensive and periodic review of job families

and job descriptions to ensure that they remain current and relevant to assigned employees. The review period should be no less than five (5) years.

- **Performance Reviews.** It is strongly recommended that the RCEA establish and promulgate a performance review document and initiate a mandatory performance evaluation process as soon as administratively possible. It is further recommended that RCEA provide appropriate training to supervisors and managers in the immediate future regarding the conduct of effective performance evaluations.
- **Employee Records.** To ensure the continued confidentiality of employee personnel files, it is recommended that RCEA work closely with legal counsel to audit the existing employee personnel files and to establish a mandatory system for documenting the check out of personnel files by any RCEA manager.
- Compensation and Time Keeping.
 - **Salary Schedule.** To ensure that RCEA salaries are competitive with other comparable agencies, it is recommended that the RCEA re-evaluate the currently utilized salary comparison group to include comparable energy aggregation agencies. It is also recommended that the RCEA conduct a labor market survey of this comparable group at least every two (2) years.
- Employee Standards
 - **Voice Mail, E-Mail and Computer Files.** Due to the potential liability in this policy area, it is recommended that RCEA management staff provide periodic (annual) in service training to remind staff of their obligations to comply with this policy.
 - **Disciplinary Policy.** Due to the current failure to provide regular performance evaluations to all staff, it is recommended that appropriate in service training be provided to all RCEA supervisors and managers in the existing disciplinary policy at the same time as training is provided to them on effective performance evaluation techniques.
 - **Grievance Policy.** It is recommended that in service training be provided to all RCEA supervisors and managers at the time that training is provided on and disciplinary policy.
- Health and Safety
 - **Drug and Alcohol Abuse.** It is recommended that the RCEA consider expanding its Employee Benefits program to include an Employee Assistance Program (EAP).

- **Security and Workplace Violence.** It is recommended that the RCEA update its workplace safety program to include a training presentation on “active shooter” scenarios in cooperation with local law enforcement.
- As stated previously in the Findings section, it is strongly recommended that the policy areas highlighted in bold in this Recommendations section be addressed with appropriate training for supervisors and managers as soon as possible.

These findings and recommendations conclude my audit report

Respectfully Submitted

Donald W. Turko
Consultant
Renne Sloan Holtzman Sakai



STAFF REPORT

AGENDA DATE:	November 21, 2016
TO:	Board of Directors
PREPARED BY:	Executive Director
SUBJECT:	RCEA Policies and Procedures

RECOMMENDED ACTION

Adopt Resolution 2016-3 adopting a Customer Confidentiality Policy, Social Media Policy, and Prohibition Against Dissemination of Untrue or Misleading Information Policy

SUMMARY

Staff has been working with Counsel, CCE consultants TEA and LEAN, and HR consultant Don Turko to revise and expand RCEA's policies and procedures. The goal is to put in place a robust set of policies that align with local government and utility-industry best practices to support RCEA's effectiveness and establish a solid organizational foundation for the significant expansion of activities, authority, and responsibilities associated with community choice energy program operations.

Staff will be presenting to the Board a set of proposed policies (new as well as updates to exist policies) that will be introduced through the remainder of 2016 and into the first part of 2017.

The following table outlines the comprehensive set of proposed RCEA policies and the timeline for their development and introduction:

POLICY TITLE	Timeline	NOTES
General Organizational Policies		
1. Board Operating Procedures	Draft in November, adoption in Dec.	Includes defining and clarifying when CCE-exclusive voting provisions apply.
2. Conflict of Interest	Completed	Already in place; review for any needed updates sometime in 2017
3. Records Retention	First half of 2017	Standard policy defining length of time records of various types will be retained and/or discarded
4. Financial Management Accounting, and Procurement	Early 2017	Exists but requiring significant update to accommodate CCE operations.
5. Information Technology Security	Completed	Staff-level policy/procedures (no need for Board action); RCEA has robust existing policy; review for any CCE-related needed updates in 2017

6. Delegation of Authority to Executive Director for Regulatory and Legislative Matters	First half of 2017	Authorizes Director to respond to requests for regulatory and legislative action that directly impact RCEA and its operations
Customer-Related Policies		
7. Customer Confidentiality	November	
8. Prohibition of Untrue Statements	November	
9. Terms and Conditions of CCE Service	December	
10. Delinquent CCE Accounts/Collections	Early 2017	
11. Social Media	November	
Risk Management		
12. Energy Risk Management Controls/Procedures	Draft in November, Adoption in Dec.	Processes to regularly monitor, report, and manage risk such as credit, liquidity and market risk. Includes wholesale spending authority.
13. Financial Reserves Policy	December or January	Budgeting policy to allow for long-term financial stability, debt reduction and/or new projects; to be aligned with and/or incorporated into Energy Risk Management Policy.
Human Resources		
14. Employee Handbook	Early 2017	Exists and is fairly comprehensive; update in 2017 incorporating HR Audit recommendations
15. Salary Policy	December	Draft to be provided by HR consultant; will align and presented with updated org chart, position descriptions, and job classification salary schedule.
16. Performance Evaluation Policy and Procedures	December	Draft to be provided by HR consultant
17. Injury Prevention Plan	Completed	Staff-level policies and procedures (no Board action needed); exists and is currently being updated.

Proposed for adoption at this meeting are three short and fairly straightforward policies on Customer Confidentiality, Social Media, and the Prohibition of Untrue Statements.

Not contained in the packet but to be provided prior to the meeting (following review and input from RCEA General Counsel) are policies for Board Operating Procedures and Energy Risk

Management; these critical policies are being presented in draft form for initial review/discussion and will then be presented in proposed final form for adoption in December.

Also presented in December will be Personnel/compensation policies that are being developed with support from HR Consultant Don Turko, as described further in other staff reports in this agenda packet.

RECOMMENDED ACTIONS:

Adopt Resolution 2016-3 adopting a Customer Confidentiality Policy, Social Media Policy, and Prohibition Against Dissemination of Untrue or Misleading Information Policy

ATTACHMENTS:

1. Resolution 2016-3, including associated policies.

**RESOLUTION NO. 2016-3
OF THE REDWOOD COAST ENERGY AUTHORITY
ADOPTING A CUSTOMER CONFIDENTIALITY POLICY,
A SOCIAL MEDIA POLICY, AND
A PROHIBITION AGAINST DISSEMINATION OF UNTRUE OR MISLEADING
INFORMATION POLICY**

WHEREAS, the Redwood Coast Energy Authority (RCEA) considers the protection and confidential treatment of customers' private information of the utmost importance; and

WHEREAS, RCEA provides opportunities through various digital outlets and social media channels to facilitate communication among individuals, businesses and visitors regarding matters of public interest and is committed to maintaining RCEA social media environments that are respective, appropriate, and accurate; and

WHEREAS, RCEA is committed to a high standard of honesty and accuracy in all of its communications, including but not limited to information provided to customers regarding Community Choice Aggregation rates and service terms and conditions.

NOW, THEREFORE, BE IT RESOLVED, that the Board of the Redwood Coast Energy Authority hereby adopts a) a Customer Confidentiality Policy; b) a Social Media Policy, and c) a Prohibition Against Dissemination of Untrue or Misleading Information Policy as set forth in Appendix A, attached hereto and incorporated herein.

Adopted this ____ day of _____, 2016

ATTEST:

Linda Atkins, RCEA Board Chair

_____, Clerk

Date: _____

Date: _____

CLERK'S CERTIFICATE

I hereby certify that the foregoing is a true and correct copy of Resolution No. 2016-3 passed and adopted at a regular meeting of the Redwood Coast Energy Authority, County of Humboldt, State of California, held on the ____ day of _____, 2016, by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

Clerk of the Board, Redwood Coast Energy Authority

APPENDIX A

REDWOOD COAST ENERGY AUTHORITY CUSTOMER CONFIDENTIALITY POLICY

Redwood Coast Energy Authority (RCEA), its employees, agents, contractors, and affiliates will maintain the confidentiality of individual customers' names, service addresses, billing addresses, telephone numbers, account numbers, and electricity consumption data except where reasonably necessary to conduct RCEA's business or to provide services to customers as required by the California Public Utilities Commission. Examples of reasonably necessary business purposes include but are not limited to when such disclosure is necessary to: (a) comply with laws, regulations or a court order; (b) enable RCEA to provide service to its customers; (c) collect unpaid bills; (d) obtain and provide credit reporting information; (e) resolve customer disputes or inquires; (f) communicate information regarding demand response, energy efficiency, energy management, and conservation programs; or (g) in situations of imminent threat to life or property. RCEA will not disclose customer information for purposes of telemarketing, e-mail, or direct mail solicitations.

Aggregate data that cannot be traced to specific customers may be utilized or released at RCEA's discretion. RCEA will handle customer energy usage information in a manner that is fully compliant with the California Public Utility Commission's required privacy protections for customers of Community Choice Aggregators defined in Decision 12-08-045.

REDWOOD COAST ENERGY AUTHORITY PROHIBITION AGAINST DISSEMINATION OF UNTRUE OR MISLEADING INFORMATION POLICY

As per the standards set forth by CA Senate Bill 790 (2011), the Redwood Coast Energy Authority (RCEA) prohibits the dissemination of any statement related to RCEA's Community Choice Aggregation program that is known to be untrue or misleading, or that by exercise of reasonable care should be known to be untrue or misleading.

Dissemination by RCEA (i.e., Board and/or Committee Members, and/or RCEA Staff, and/or RCEA representatives acting under authorized RCEA direction) of any statement relating to RCEA's rates or terms and conditions of service that is untrue or misleading, and that is known, or that, by the exercise of reasonable care, should be known, to be untrue or misleading is strictly prohibited. Individuals who violate this Policy may be, as determined by the Board, subject to corrective action.

REDWOOD COAST ENERGY AUTHORITY SOCIAL MEDIA POLICY

Redwood Coast Energy Authority (RCEA) provides opportunities through various digital outlets and social media channels to facilitate communication among individuals, businesses and visitors regarding matters of public interest.

Sites that allow public comment shall inform visitors of the intended purpose of the site and provide a clear statement that inappropriate posts are subject to removal, including but not limited to the following types of postings regardless of format (text, video, links, documents, etc.).

RCEA reserves the right to delete submissions that contain:

- profane or vulgar language;
- personal attacks of any kind;
- harassment of any individual or entity;
- content that promotes, fosters or perpetuates discrimination on the basis of race, creed, color, age, religion, gender, marital status, status with regards to public assistance, national origin, physical or mental disability or sexual orientation; or
- hateful, threatening, libelous, or pornographic language or images.

Further, RCEA also reserves the right to delete comments that:

- are spam or include links to other sites;
- are clearly off topic;
- are illegal or fraudulent;
- promote particular services, products, or political organizations;
- infringe on copyrights or trademarks;
- contain factually inaccurate information about RCEA;
- inaccurately imply endorsement, approval, or sponsorship by RCEA;
- can be confused with official communications of RCEA;
- violate other users' privacy, such as releasing personal information about others, including name, address, or phone number; or
- further commercial or other personal financial gain.

RCEA reserves the right to deny access to its communication channels. RCEA will deny access to those who violate the above standards or other applicable policies in these or similar practices.

Participants on RCEA's various social media channels who misuse information and communication services may be removed from all RCEA online communities permanently. RCEA reserves the right to move or delete any postings.



REDWOOD COAST EnergyAuthority

STAFF REPORT

AGENDA DATE:	November 21, 2016
TO:	Board of Directors
PREPARED BY:	Executive Director
SUBJECT:	Staffing and Reorganization Update

RECOMMENDED ACTION

Approve creation of Director of Finance and Human Resources position.

SUMMARY

Staff has been working over the course of several months with CCE consultants TEA and LEAN to develop a CCE staffing plan that meets the operation needs of the CCE program while also incorporating and meeting RCEA existing programs and associated staffing needs. As noted in the reports for earlier agenda items, staff is also working with HR consultant Don Turko to develop updated staffing and compensation policies and procedures.

The above efforts will result in a set of documents that will be presented at the December meeting, which will include:

1. Personnel and compensation policies
2. Comparative-agency salary comp study
3. Proposed organization chart update
4. Propose updates to position descriptions
5. Proposed update to the job classification salary schedule

In advance of this set of documents being presented for consideration by the Board in December, three related items are being introduced at this time:

1. **Comparative agencies for comp study.** With input from RCEA's relevant consultants and the RCEA Board Staffing Subcommittee, staff is in the process of completing salary comp study of comparative positions at other comparable regional agencies. The comp study, which will inform and be incorporated into the other items presented in December, is using the following agencies for comparison:
 - a. Humboldt Bay Municipal Water District
 - b. City of Eureka
 - c. County of Humboldt
 - d. North Coast Unified Air Quality Management District
 - e. HSU Schatz Energy Research Center
 - f. Mendocino Energy Watch (administered by Community Development Commission of Mendocino County)

- g. Trinity County Public Utility District
- h. City of Ukiah Electric Utility
- i. Sonoma Clean Power

Staff requests any input or discussion the Board would like to provide associated with these proposed comp entities.

2. **Draft Updated Organization Chart.** Presented at this time in draft form and for informational purposes only, attached is staff's current working draft of the org chart update. One version attached highlights proposed position additions or updates representing changes from the current org chart, and the second highlights the proposed assignment of CCE-related responsibilities as a component of RCEA's overall operations.
3. **Director of Finance and Human Resources.** Attached is a proposed position description to for the approval of new "Director of Finance and Human Resources" position. The attached draft org charts illustrate how this position is envisioned to fit into the overall reorganization plan. While ideally this position would be presented as part of the overall reorganization and staffing update plan, it is being presented an bit out of sequence because RCEA's HR consultant, staff, and the Staffing Subcommittee all concurred that time is of the essence in moving forward with filling this role due to the fact that :
 - a. The position will be critical for both ongoing operations as well as establishing CCE processes and the overall ramp-up and launch of CCE operations, and
 - b. CCE ramp-up is also coinciding with the retirement of RCEA's current Office Manager this winter.

Expediting the addition of this role will support these transitions proceeding efficiently and effectively.

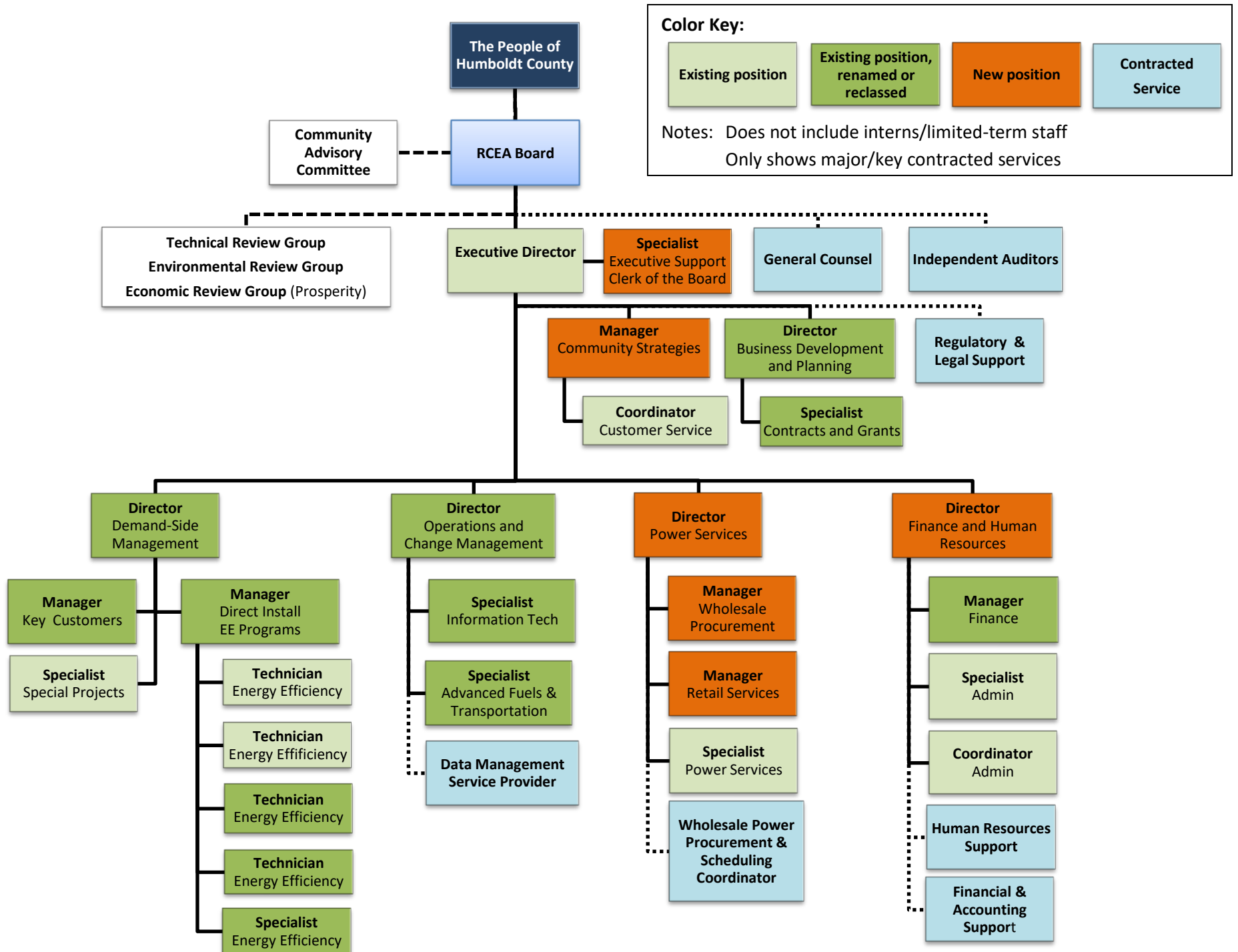
RECOMMENDED ACTIONS:

Approve creation of Director of Finance and Human Resources position.

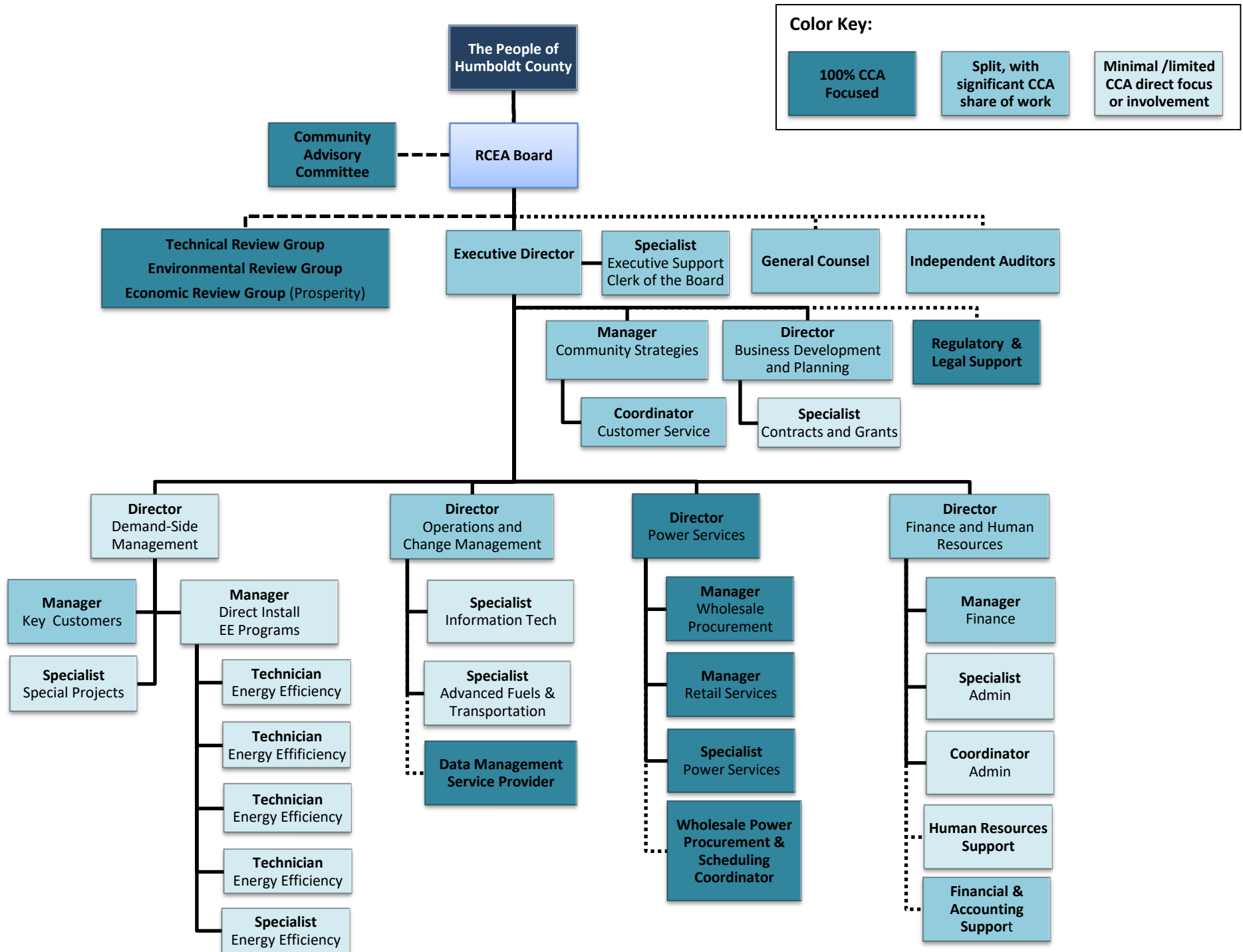
ATTACHMENTS:

1. Draft RCEA Org Chart Update highlighting draft proposed new and updated positions.
2. Draft RCEA Org Chart Update highlighting draft proposed CCE-related staffing assignments.
3. Director of Finance and Human Resources position description.

DRAFT RCEA Org Chart Update, highlighting role updates/additions



DRAFT RCEA Org Chart Update, highlighting CCA-focused roles





DRAFT

Director of Finance and Human Resources

Compensation: \$71,508-\$82,779 per year (full time, dependant on qualifications), plus RCEA standard benefits package.

General Class Description: Under general direction of the Executive Director, a Director plans, organizes, coordinates, and directs the programs or activities of the associated department; provides expert professional assistance to staff of department; performs related work as assigned. This class has department-head level responsibility for overall policy development, program planning, fiscal management, administration and operation of the departmental functions and various support services. A Department Director is responsible for accomplishing departmental goals and objectives, supervising staff, administering the department's annual budget, and directing the day to day operations and activities of the department. A Director works with Executive Director and other Directors to ensure consistent and efficient implementation of agency operational policies and long-term operational excellence. This position class is distinguished by complex and widely scoped duties with major financial or operational impact on key business processes. This position exercises considerable discretion and independent judgment in the coordination and prioritization of duties and responsibilities assigned and in acting on behalf of the Executive Director.

Position Summary

The Director of Finance and Human Resources works under the general direction of the Executive Director and has responsibility for a wide range of matters to support RCEA's internal functions including banking oversight, accounting, government reporting and compliance, purchasing, and human resources. This includes managing the planning, staffing, and oversight of RCEA's Administrative and Human Resources team. The position requires knowledge of business operations for an organization of approximately 25 people, vendor and contract management, public agency governance, finance and accounting, and human resource/employment laws and best practices.

Essential Functions and Responsibilities

Duties are illustrative only and may vary. Other duties may be assigned.

- Oversees and supervises implementation of agency financial policies and procedures, including AP/AR, payroll, contract claims processing and tracking, purchasing, and maintenance of financial records.
- Establishes and oversees the agency's human resource function including: supporting recruitment, classification, compensation and benefits, training, compliance, and development/implementation of personnel policies.
- Works as part of a senior management team to establish inter-departmental processes to support efficient office and business functions; coordinated the evaluation and tracking of staff performance and staff development needs; research and implement short and long-term staff development plans.

- Works closely with other department directors to prepare agency operation-related documents for Board review, and manages resulting implementation plans.
- Reviews and evaluates ongoing employment developments and compliance with local, Federal and State human resource laws; recommends policy amendments where necessary or beneficial.
- Establishes and maintains relationships with appropriate agencies, consultants, professional groups and programs associated with RCEA management and operations.
- Develops, writes, and presents staff reports and recommendations to the Board.

Minimum Qualifications

Experience/Education

- Education or experience equal to a Bachelor's or Master's degree in business or public administration, organizational development, operations management, or a closely related field
- A minimum of eight (8) years of progressively responsible experience in human resources and fiscal management (public sector experience is strongly desired).
- A combination of relevant experience and education equivalent to the above requirements.

Knowledge of:

- Principles of business and office fiscal operations and management, human resource management and compliance, and general program management.
- Employee recruitment, selection, and training processes.
- Management techniques to train and supervise employees and implement employment policies.
- Public agency governance procedures.
- Public finance and accounting principles, including grant and contract management, and knowledge of various credit facilities.
- Above average working knowledge of current business software programs, including Microsoft Office and Quickbooks.

Ability to:

- Plan, organize and manage all aspects of internal finance and human resources operations.
- Represent, uphold, and communicate RCEA administrative policies and procedures to internal staff, the Board of Directors and external parties and vendors.
- Support the development and management of complex budget and financing strategies.
- Stay current on accounting systems, software and procedures.
- Establish and maintain a safe, comfortable, and dynamic work environment for employees.
- Promote effective and positive working relationships amongst employees.
- Perform data collection, interpretation and analysis pertaining to administrative, human resource, and fiscal matters.
- Identify complex problems, develop and implement solutions.
- Effectively direct, supervise and coordinate the work of assigned staff.
- Manage multiple priorities, meet deadlines, and quickly adapt to changing priorities in a fast-paced dynamic environment.
- Work well under pressure.
- Be thorough and detail-oriented.
- Demonstrate patience, tact, teamwork and commitment to superior service and performance.
- Communicate effectively verbally, in writing, and through presentations.

Working Conditions and Essential Requirements

The physical demands described here are representative of those required for the position. Position requires sitting, walking, standing, bending, and twisting in the performance of daily activities. The position requires hand manipulation and repetitive hand movement and fine coordination in using a computer keyboard and other office equipment. The position requires near and far vision in reading reports and use of a computer. Acute hearing is required in supporting meetings and providing phone and in-person customer service. The position occasionally requires lifting and/or moving objects. RCEA will make reasonable accommodation of the known physical or mental limitations of a qualified applicant with a disability upon request. Possession and continued maintenance of a valid class C California driver's license or the ability to provide alternate transportation and a safe driving record.

Preferred Qualifications

- Possession of a Master's degree in a related field.
- Knowledge of RCEA programs.
- Prior experience working with public agencies and/or public utilities.
- Experience working with organizations involved with projects and programs in the areas of economic, environmental and economic development, especially in an entrepreneurial context.

THE REDWOOD COAST ENERGY AUTHORITY IS COMMITTED TO A DIVERSE WORKFORCE AND IS AN EQUAL OPPORTUNITY EMPLOYER. RCEA MAINTAINS AND PROMOTES A POLICY OF NONDISCRIMINATION AND NONHARASSMENT ON THE BASIS OF RACE, RELIGION, COLOR, SEX, AGE, HANDICAP, MARITAL STATUS, SEXUAL ORIENTATION, AND NATIONAL ORIGIN OR GENETIC CHARACTERISTIC.