



Redwood Coast Energy Authority

633 3rd Street, Eureka, CA 95501

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MEETING AGENDA

**Humboldt Bay Municipal Water District Office
828 7th St, Eureka, CA 95501**

**September 18, 2017
Monday, 3:15 p.m.**

RCEA 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.

OPEN SESSION Call to Order

1. REPORTS FROM MEMBER ENTITIES

2. 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.

3. 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.

3.1 Approve Minutes of August 21, 2017 Regular Board Meeting.

3.2 Approve attached Warrants.

3.3 Accept attached Financial Reports.

4. REMOVED FROM CONSENT CALENDAR ITEMS

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

5. OLD BUSINESS

5.1. Financial Report Template

Review and provide feedback on draft structure of public financial reports

6. NEW BUSINESS

6.1. California Energy Commission Micro-Grid Grant

Part I: Approve partnering with the Schatz Energy Research Center, PG&E, and County of Humboldt on a response to CEC Grant Funding Opportunity GFO-17-302

Part II: Approve issuance of a request for proposals for engineering, procurement and construction of the solar+storage system to be included in the grant proposal with RCEA as client, with any potential contract contingent upon award of EPIC grant

COMMUNITY CHOICE ENERGY (CCE) BUSINESS (Confirm CCE Quorum)

Items under this section of the agenda relate to CCE-specific business matters that fall under RCEA's CCE voting provisions, with only CCE-participating jurisdictions voting on these matters with weighting voting as established in the RCEA joint powers agreement.

7. OLD CCE BUSINESS

7.1. DG Fairhaven negotiations update

Provide direction to staff on next steps for negotiations with DG Fairhaven

8. NEW CCE BUSINESS

8.1. Principle Power Presentation

8.2. CCE Program Update

9. STAFF REPORTS

9.1. Director of Operations- Update on Information Technology Infrastructure Upgrades

10. ADJOURNMENT

NEXT REGULAR MEETING

October 16, 2017 3:15 p.m.

Humboldt Bay Municipal Water District Office
828 7th St, Eureka, CA 95501



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MEETING MINUTES

**Humboldt Bay Municipal Water District Office
828 7th St, Eureka, CA 95501**

**August 21, 2017
Monday, 3:15 p.m.**

RCEA 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.

ROLL CALL

Board Chair Woo called the meeting to order at 3:15 p.m.

Present: Michael Winkler, Frank Wilson (left at 4:00 p.m.), Dean Glaser, Michael Sweeney, Estelle Fennell (arrived at 3:25 p.m.), Bobbi Ricca, Sheri Woo

Absent: Austin Allison, Dwight Miller

Also Present: Matthew Marshall, Nancy Stephenson, Mahayla Slackerelli, Andrea Alstone, Dana Boudreau, Steven Edmiston, Richard Engel, Ahn Fielding, Jaime Yarbrough, Lexie Fischer, Bob Marino, Aisha Cissna, Ellen Golla

ED Matthew Marshall introduced Ahn Fielding, new Senior Executive Support Specialist and Clerk of the Board.

1. REPORTS FROM MEMBER ENTITIES

Director Winkler reported he received a notice that the CA Air Resources Board is likely to be funding to do change-outs of highly polluting woodstoves and suggested staff write letter on behalf of the board in support of this potential funding.

Director Ricca reported the Blue Lake City Council has voted to opt up to 100% renewable.

2. 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.

Member of the Public Bob Marino commented on the Blue Lake City Council recent recognition by the LA Times as the only all-female city council in the state. He also expressed a concern about being able to address the status of the DG Fairhaven negotiations in this meeting. He noted though communication lines are still open, there is still work to do.

3. 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.

3.1 Approve Minutes of July 17, 2017 Board Meeting.

3.2 Approve attached Warrants.

3.3 Accept attached Financial Reports.

Member Fennell and Chair Woo pulled consent calendar item 3.2.

M/S/C: Ricca, Sweeney: Approve consent calendar items 3.1 & 3.3.

4. REMOVED FROM CONSENT CALENDAR ITEMS

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

Member Fennell asked about the laundry expense. Executive Director Marshall explained the field teams conduct assessments in protective gear when they crawl under and around houses and the expense is to clean the coveralls and protective equipment.

Member Fennell also asked for clarification on the IRS payments, to which Executive Director Marshall confirmed the payments were for payroll taxes.

Chair Woo asked about the CalCCA Special Assessment Litigation Fund expense. Executive Director Marshall clarified that this is part of a regulatory engagement budget line item – there will be extensive regulatory proceedings coming up regarding revising and updating the PCIA exit fee and CalCCA members pooled funds to hire regulatory consultants to share resources for research and analysis.

M/S/C: Ricca, Winkler: Approve consent calendar item 3.2

5. OLD BUSINESS

5.1 SDRMA Board Elections

Consider Adoption of Resolution 2017-5 for the Election of Directors to the Special District Risk Management Authority Board of Directors.

Executive Director Marshall reminded the Board they discussed this item at the July Board meeting and the Board at that time decided to take more time to review candidate statements. The Board discussed candidate background and experience.

M/S/C: Ricca, Sweeney: Adopt Resolution 2017-5 for the Election of Directors to the Special District Risk Management Authority Board of Directors and vote for the three incumbents, Mike Scheafer, David Aranda, and Jean Bracy.

6. NEW BUSINESS

6.1 Community Advisory Committee

Provide input and direction on next steps for the Community Advisory Committee.

Executive Director Marshall introduced Nancy Stephenson, the new Community Strategies Manager – the point-person for Community Advisory Committee.

Manager Stephenson reported the Community Advisory Committee (CAC) is a good resource to serve as a liaison between the community and the board and staff. Staff are looking for direction from the board on if/how they would like to see the CAC operate in the future.

There was discussion about expanding the size of the CAC to help keep the community informed, how the CAC might adopt new members, such as each board member recommending a new CAC member with the County having two designees, and/or an open application process for at-large members, and the importance of staggering terms to reduce member rotation disruption.

There was discussion about the interest/need in continuing the other advisory groups, such as the Technical Advisory Group, the Environmental Review Group, and the Economic Review Group. The board agreed the need and structure of other advisory groups would be put on a future agenda for discussion.

Public comment:

Member of the public Jaime Yarborough stated he believed the advisory committee would be a benefit to the board and is a good advisory model.

Public comment closed.

No other comment.

M/S/C: Winkler, Fennell: Continue the Community Advisory Committee.

Chair Woo asked staff to come back with recommendations on input and direction on expanding the Community Advisory Committee membership.

Executive Director Marshall summarized the Board's preference that each board member continue to select one representative, with the county selecting more than one to represent the outlying areas, and a few more at-large positions in an open application process, then board vote on those applications.

6.2 RCEA Financial Reporting

Provide input and direction on methods to communicate status of RCEA finances to public.

Executive Director Marshall reported traditionally staff has provided financial statements as monthly updates, but with more discretionary allocation opportunities in the future, it would be good to provide information brief summative information and visual charts to the public rather than raw number expense and income sheets. There was discussion about public misperception about RCEA funds and the importance of showing where the money is coming from and where the money goes.

Member Ricca stated indicating how much consumers are saving would be helpful.

Member Winkler suggested addressing how much money is retained in the local economy as a result of RCEA procuring energy.

Member Glaser stated the importance of making this information available online for transparency and public reassurance.

Public comment:

Member of the Public Jaime Yarbrough commented on the value of stressing the money staying local.

Member of the Public Bob Marino supported Member Glaser's comments about utilizing the website to communicate with the community.

Member of the Public Ellen Golla stated it would be nice to see a breakdown on how much is going to the different energy components, especially biomass.

Public comment closed.

Chair Woo confirmed this conversation should be considered direction to staff as requested.

7. STAFF REPORTS

7.1 Director of Power Resources

- CCE Program update

Director Richard Engel provided a PowerPoint presentation to supplement his CCE Program update staff report provided in the board packet. He reported customer postcards are going out next week, part of an annual exercise all CCAs are required to do in partnership with their incumbent utility company. The postcard discloses to the public both comparison of RCEA rates with PG&E and RCEA power mix in comparison with PG&E.

Director Engel introduced new staff member Mahayla Slackerelli, a master's student in the Energy Technology and Policy program at HSU and a member of the City of Arcata's Energy Committee. He also recognized Aisha Cissna, present in the audience, who is close to finishing her RCEA service through AmeriCorp, and two new positions in the CivicSpark program will start next month.

He reported the revised implementation plan was submitted to the California Public Utilities Commission (CPUC), adding the City of Ferndale to the geographic service territory. The board adopted a revised implementation plan at the last meeting.

Member Winkler asked for an update on adding net energy customers. Staff reported being aware of an enrollment issue with net energy customers, which is being corrected.

Executive Director Marshall summarized the ongoing DG Fairhaven negotiations, needing to find a balance between what RCEA can commit to and what the facility needs to be viable. It was agreed that there would be a future agenda item for the board to consider.

Member Glaser asked how successful Scotia has been. Executive Director Marshall said they're fulfilling their obligations and delivering power, the air quality district reported they are operating in compliance, and there's ongoing monitoring in Rio Dell and Scotia to make sure they stay in compliance.

Public Comment:

Member of the Public Ellen Golla asked what specific reports were provided by the air quality district and whether particulate counts were reported. Executive Director Marshall reported the reports just specified that they were operating in compliance. No specific data was provided.

Public Comment closed.

Member Winkler asked if/when an update would come on Principal Power (offshore wind). Executive Director Marshall reported they were not able to come up this month, but they still intend to come.

7.2 Executive Director

- Staffing update

Executive Director Marshall reviewed the provided organizational chart. Hiring has been completed for most of the positions on the chart with a few exceptions. The chart includes full-time positions, not part-time interns. He acknowledged the perception that there's a lot of hiring going on, primarily limited-term/part-time intern positions, and clarified that there's not necessarily more hiring going on than has been done in the past, but rather staff has expanded the sources where positions are advertised, so the public is more aware of the hiring.

- California Community Choice Association (CalCCA) update

Executive Director Marshall reported RCEA is participating in CalCCA and it is becoming an increasingly valuable resource for sharing information and resources. The PCIA regulatory proceeding is coming up soon. Discussions are moving forward and will address making long-term commitments for power, the changing size and unpredictability of exit fees, with a goal of reducing unpredictability and volatility for planning.

He reported staff will be coming to the board with a policy around how we set legislative priorities and a process on how to decide what types of things we want to support. This policy will set a framework so we can be responsive to legislative matters, some with urgent timeframes.

Member Winkler asked if there is a way to network with the League of California Cities. Executive Director Marshall noted the League as a good source, as well as the CA Public Power Authority, which represents municipal power agencies, linking traditional power agencies and CCAs.

8. ADJOURNMENT

Board Chair Woo adjourned the meeting at 4:52 p.m.

Respectfully submitted: Ahn Fielding

Redwood Coast Energy Authority
Disbursements Report
For the month of July 31, 2017

						Accrual Basis
Type	Date	Num	Name	Memo	Amount	
Check	07/01/2017	EFT	CoPower	July Premium	(185.60)	
Paycheck	07/10/2017	8016	Payroll	Payroll 6/16 - 6/30/2017	(104.33)	
Paycheck	07/10/2017	8017	Payroll	Payroll 6/16 - 6/30/2017	(2,583.19)	
Bill Pmt -Check	07/10/2017	8018	ABC Office Equipment	June print charges/service contract.	(415.51)	
Bill Pmt -Check	07/10/2017	8019	Best Cleaners	Tablecloth laundering for Home Show Outreach	(19.00)	
Bill Pmt -Check	07/10/2017	8021	Bishop, M.	June mileage	(43.76)	
Bill Pmt -Check	07/10/2017	8022	Bithell, M.	June mileage	(19.26)	
Bill Pmt -Check	07/10/2017	8023	Burks, K.	June mileage	(154.78)	
Bill Pmt -Check	07/10/2017	8024	CalCCA	Operational Member dues 2017-2018	(15,000.00)	
Bill Pmt -Check	07/10/2017	8025	City of Eureka-Water	Water service, 5/25/17-6/26/17	(134.30)	
Bill Pmt -Check	07/10/2017	8026	CPUC	RCEA bond posting	(100,000.00)	
Bill Pmt -Check	07/10/2017	8027	DesignAir	RCEA Facilities work.	(420.00)	
Bill Pmt -Check	07/10/2017	8028	Diamond, Nancy	June legal services.	(1,540.00)	
Bill Pmt -Check	07/10/2017	8029	FedEx	Shipping costs.	(16.25)	
Bill Pmt -Check	07/10/2017	8030	Harris & K Market	Harris & K self-install rebate/Audit 4643	(902.26)	
Bill Pmt -Check	07/10/2017	8031	Headwaters Fund - Interest	RCEA loan June 2017 Interest 3846000 800190	(2,250.00)	
Bill Pmt -Check	07/10/2017	8032	Humboldt Builders' Exchange	PlanScan - scan plans to .pdf	(47.20)	
Bill Pmt -Check	07/10/2017	8033	Ichien, D.	June Mileage	(20.33)	
Bill Pmt -Check	07/10/2017	8034	Jacobson, L.	Travel Expenses/SEEC Forum, Fresno 6/14 - 6/16/17.	(124.15)	
Bill Pmt -Check	07/10/2017	8035	Library World	Annual subscription renewal to 8/1/2018	(439.00)	
Bill Pmt -Check	07/10/2017	8036	Mattio, B.	Purchase reimbursement	(140.15)	
Bill Pmt -Check	07/10/2017	8037	Means, M.	June mileage	(62.60)	
Bill Pmt -Check	07/10/2017	8038	Mission Uniform & Linen	Janitorial service/supplies	(113.56)	
Bill Pmt -Check	07/10/2017	8039	North Coast Cleaning	June Cleaning Service	(402.00)	
Bill Pmt -Check	07/10/2017	8040	North Coast Journal	Recruitment advertising	(101.00)	
Bill Pmt -Check	07/10/2017	8041	North Country Fair	Booth fee, North Country Fair	(180.00)	
Bill Pmt -Check	07/10/2017	8042	Owen, P.	June mileage reimbursement.	(95.23)	
Bill Pmt -Check	07/10/2017	8043	PG&E EV Account	EV stations May	(126.64)	
Bill Pmt -Check	07/10/2017	8044	PG&E Utility Account	May utilities/lighting upgrade financing	(727.79)	
Bill Pmt -Check	07/10/2017	8045	Pierson's Home Ctr	Miscellaneous facility & tool costs.	(15.11)	
Bill Pmt -Check	07/10/2017	8046	Platt/Rexel	(400) TCPs	(3,475.86)	
Bill Pmt -Check	07/10/2017	8047	Recology	June garbage service	(82.30)	
Bill Pmt -Check	07/10/2017	8048	SDRMA Medical	August premium.	(15,730.00)	
Bill Pmt -Check	07/10/2017	8049	SDRMA P&L	2017-18 P&L Premium	(13,488.38)	
Bill Pmt -Check	07/10/2017	8050	SDRMA WC	Final Audited Premium FY 2016-17 Acct#1205	(17,501.97)	
Bill Pmt -Check	07/10/2017	8051	Sequoia Humane Society	WoofStock Informational Booth	(25.00)	
Bill Pmt -Check	07/10/2017	8052	Sonoma County Office of Education	May 2017 Professional Services.	(857.50)	
Bill Pmt -Check	07/10/2017	8053	State of CA - Caltrans	CalTrans self-install rebate/Audit 4635	(120.00)	
Bill Pmt -Check	07/10/2017	8054	Terry, P.	June mileage	(97.85)	
Bill Pmt -Check	07/10/2017	8055	Verizon Wireless	June tablet/cell service for field staff/mobile broadband service.	(228.72)	
Bill Pmt -Check	07/10/2017	8056	WCP Solutions	Office Supplies: Copy Paper.	(634.73)	
Paycheck	07/10/2017	DD Paycheck	Payroll	Payroll 6/16 - 6/30/2017	(37,256.51)	
Liability Check	07/10/2017	E-pay	EDD	499-0864-3 QB Tracking # 479441467	(46.20)	
Liability Check	07/10/2017	E-pay	Internal Revenue Service	74-3104616 QB Tracking # 479442227	(498.26)	
Liability Check	07/10/2017	E-pay	EDD	499-0864-3 QB Tracking # 479443027	(2,744.16)	
Liability Check	07/10/2017	E-pay	Internal Revenue Service	74-3104616 QB Tracking # 479443907	(15,399.32)	

Redwood Coast Energy Authority
Disbursements Report
For the month of July 31, 2017

					Accrual Basis
Type	Date	Num	Name	Memo	Amount
Liability Check	07/10/2017	E-pay	EDD	499-0864-3 QB Tracking # 479444717	(184.02)
ACH	07/24/2017	EFT	Humboldt Redwood Co. LLC	June 2017 Power Purchased	(553,034.69)
Paycheck	07/25/2017	8057	Payroll	Payroll 7/1 - 7/15/2017	(2,583.20)
Paycheck	07/25/2017	DD Paycheck	Payroll	Payroll 7/1 - 7/15/2017	(40,146.98)
Liability Check	07/25/2017	E-pay	EDD	499-0864-3 QB Tracking # 489681727	(256.23)
Liability Check	07/25/2017	E-pay	Internal Revenue Service	74-3104616 QB Tracking # 489682287	(1,006.56)
Liability Check	07/25/2017	E-pay	EDD	499-0864-3 QB Tracking # 489682807	(3.87)
Liability Check	07/25/2017	E-pay	EDD	499-0864-3 QB Tracking # 489683057	(3,098.41)
Liability Check	07/25/2017	E-pay	Internal Revenue Service	74-3104616 QB Tracking # 489683477	(17,273.08)
Liability Check	07/25/2017	E-pay	EDD	499-0864-3 QB Tracking # 489683787	(323.06)
Liability Check	07/26/2017	E-pay	Internal Revenue Service	74-3104616 QB Tracking # 490818697	(178.22)
Bill Pmt -Check	07/27/2017	8058	ABC Office Equipment	Waste cartridge	(70.51)
Bill Pmt -Check	07/27/2017	8059	AT&T	July Telephone Service	(521.40)
Bill Pmt -Check	07/27/2017	8060	Bear River Casino	Bear River self-install rebate/Audit 4189.	(1,980.00)
Bill Pmt -Check	07/27/2017	8061	David L. Moonie & Co., LLP	Contract fee- audit.	(15,000.00)
Bill Pmt -Check	07/27/2017	8062	Engel, R.	R. Engel travel reimbursement: CCE Meeting.	(166.37)
Bill Pmt -Check	07/27/2017	8063	Environmental Indicator Accounting Svcs.	Training and report development.	(2,802.50)
Bill Pmt -Check	07/27/2017	8064	Garcia, Barbara	April mileage	(93.63)
Bill Pmt -Check	07/27/2017	8065	Harris & K Market	Old Growth Cellars self-install rebate/Audit 4650	(600.00)
Bill Pmt -Check	07/27/2017	8066	HCOE		(60.00)
Bill Pmt -Check	07/27/2017	8067	Home Energy	Subscription Renewal Dec 2017 - Oct 2018	(85.00)
Bill Pmt -Check	07/27/2017	8068	HSU Fdn EVCN ARV-13-029	March services - ARV13-029 00163/SP31126	(6,869.86)
Bill Pmt -Check	07/27/2017	8069	Humboldt Lighting, LLC.	Humboldt Motorsports self-install rebate/Audit 4607	(4,860.00)
Bill Pmt -Check	07/27/2017	8070	LEAN Energy US		(77,533.24)
Bill Pmt -Check	07/27/2017	8071	Local Government Commission		(17,973.00)
Bill Pmt -Check	07/27/2017	8072	N & S Liquors	VOID: N & S Liquors self-install rebate/Audit 4657.	-
Bill Pmt -Check	07/27/2017	8073	North Coast Journal	Recruitment advertising	(88.00)
Bill Pmt -Check	07/27/2017	8074	NYLEX.net, Inc.	Network support services.	(5,000.00)
Bill Pmt -Check	07/27/2017	8075	PG&E CCA		(27,215.08)
Bill Pmt -Check	07/27/2017	8076	Ramone's	Food Service - Homeowners' Workshop 7/19/17	(57.29)
Bill Pmt -Check	07/27/2017	8077	Sonoma County Office of Education	June 2017 Professional Services.	(1,151.50)
Bill Pmt -Check	07/27/2017	8078	Times-Standard	Legal Notice: Notices Inviting Bids.	(1,348.82)
Bill Pmt -Check	07/27/2017	8079	Winzler, John	Office Lease - August	(4,223.00)
Liability Check	07/27/2017	8080	Umpqua Bank	74-3104616	(558.36)
Liability Check	07/27/2017	8081	Calvert	74-3104616	(8,654.44)
Liability Check	07/27/2017	8082	Calvert	74-3104616	(133.94)
Bill Pmt -Check	07/27/2017	8083	N & S Liquors	N & S Liquors self-install rebate/Audit 4657.	(1,603.09)
Bill Pmt -Check	07/28/2017	8087	ABC Office Equipment	July print charges/service contract.	(463.42)
Bill Pmt -Check	07/28/2017	8088	Advanced Security	Installation of security and alarm system.	(4,055.08)
Bill Pmt -Check	07/28/2017	8089	Arcata Technology Center	Site Host Reimbursement 4/1/17 - 6/30/17 007-ARC-ATC-009 & 010	(388.26)
Bill Pmt -Check	07/28/2017	8090	Avcollie, M.	June mileage reimbursement.	(21.40)
Bill Pmt -Check	07/28/2017	8091	Bishop, M.	July mileage	(31.57)
Bill Pmt -Check	07/28/2017	8092	Blue Lake Rancheria	Site Host Reimbursement 4/1/17-6/30/17 003-BLU-RAN-003/004	(241.43)
Bill Pmt -Check	07/28/2017	8093	Boudreau, D.	D. Boudreau travel - PG&E/CCE EV Forum, San Francisco	(345.55)

Redwood Coast Energy Authority
Disbursements Report
For the month of July 31, 2017

					Accrual Basis
Type	Date	Num	Name	Memo	Amount
Bill Pmt -Check	07/28/2017	8094	Bridgeville Elementary School	Bridgeville Elementary self-install rebate/Audit 3458.	(2,227.57)
Bill Pmt -Check	07/28/2017	8095	Burks, K.	July mileage	(141.03)
Bill Pmt -Check	07/28/2017	8096	Central Office	Miscellaneous printing fees.	(158.28)
Bill Pmt -Check	07/28/2017	8097	Chapman, R.	July mileage reimbursement	(13.43)
Bill Pmt -Check	07/28/2017	8098	City of Arcata	Utility User Taxes	(13,829.45)
Bill Pmt -Check	07/28/2017	8099	City of Blue Lake	Utility User Taxes	(1,360.58)
Bill Pmt -Check	07/28/2017	8100	City of Eureka-Water	Water service, 6/26/17-7/25/17	(126.82)
Bill Pmt -Check	07/28/2017	8101	City of Trinidad	EV Site Host Reimbursement 4/1/17 - 6/30/17 006-TRN-LIB 007, 008	(88.31)
Bill Pmt -Check	07/28/2017	8102	FedEx	Shipping documents	(8.00)
Bill Pmt -Check	07/28/2017	8103	Garcia, Barbara	First aid care	(70.00)
Bill Pmt -Check	07/28/2017	8104	GHD	Site Host Reimbursement 4/30/17 - 6/30/17	(150.45)
Bill Pmt -Check	07/28/2017	8105	Headwaters Fund - Interest	RCEA loan July 2017 Interest 3846000 800190	(3,013.89)
Bill Pmt -Check	07/28/2017	8106	Hilson, D.	July mileage reimbursement	(25.79)
Bill Pmt -Check	07/28/2017	8107	HireRight	Background Check: new hires	(526.87)
Bill Pmt -Check	07/28/2017	8108	Humboldt Lock & Safe	Keypad installation	(307.74)
Bill Pmt -Check	07/28/2017	8109	Means, M.	July mileage	(49.33)
Bill Pmt -Check	07/28/2017	8110	Mid Klamath Watershed Council	Reimbursement - Luna Latimer travel.	(90.95)
Bill Pmt -Check	07/28/2017	8111	Mission Uniform & Linen	Janitorial/mat services	(127.92)
Bill Pmt -Check	07/28/2017	8112	North Coast Cleaning	July Cleaning Service	(402.00)
Bill Pmt -Check	07/28/2017	8113	North Coast Journal	Recruitment advertising	(176.00)
Bill Pmt -Check	07/28/2017	8114	North Coast Unified Air Quality	EV Site Host Reimbursement 4/1/17-6/30/17	(47.36)
Bill Pmt -Check	07/28/2017	8115	PG&E EV Account	EV stations June	(151.68)
Bill Pmt -Check	07/28/2017	8116	PG&E Utility Account	June utilities/lighting upgrade financing	(645.61)
Bill Pmt -Check	07/28/2017	8117	Pierson's Home Ctr	Tool bank miscellaneous	(27.33)
Bill Pmt -Check	07/28/2017	8118	Platt/Rexel	Bulbs & return boxes	(15,641.60)
Bill Pmt -Check	07/28/2017	8119	Ponting, W.	July mileage reimbursement	(2.46)
Bill Pmt -Check	07/28/2017	8120	Recology	July garbage service	(85.40)
Bill Pmt -Check	07/28/2017	8121	Redwood Glass & Windows	Install door and window.	(1,695.00)
Bill Pmt -Check	07/28/2017	8122	SDRMA Dental	August Premium	(1,098.00)
Bill Pmt -Check	07/28/2017	8123	SDRMA Medical	September premium.	(17,500.00)
Bill Pmt -Check	07/28/2017	8124	St. Joseph Hospital	EV Site Host Reimbursement 4/1/17 - 6/30/17 013-EUR-STJ-021, 022, 023, 024	(474.80)
Bill Pmt -Check	07/28/2017	8125	Terry, P.	July mileage	(171.79)
Bill Pmt -Check	07/28/2017	8126	Verizon Wireless	July tablet/cell service for field staff/mobile broadband service.	(229.39)
Check	07/31/2017			Service Charge	(22.00)
					(1,097,540.65)

Redwood Coast Energy Authority
Profit & Loss Budget vs. Actual
July 2017

	<u>Jul 17</u>	<u>Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense			
Income			
REVENUE EARNED			
Total Revenue - government agencies	72,364	268,835	27%
Total Revenue - program related sales	230	15,000	2%
Total Revenue-nongovernment agencies	22,528	1,570,364	1%
Electricity Sales Revenue			
Electricity Sales - Retail Revenue	3,928,847	46,735,993	8%
Electricity Sales - Uncollectable Accounts	(11,787)	(140,208)	8%
Total Electricity Sales Revenue	<u>3,917,060</u>	<u>46,595,785</u>	<u>8%</u>
Total REVENUE EARNED	<u>4,012,182</u>	<u>48,449,983</u>	<u>8%</u>
Total Income	<u>4,012,182</u>	<u>48,449,983</u>	<u>8%</u>
Gross Revenue	4,012,182	48,449,983	8%
Expense			
WHOLESALE POWER SUPPLY			
CAISO			
Total CAISO Energy	666,715	5,336,455	12%
Total CAISO Non-Energy Charges	<u>40,958</u>	<u>1,830,563</u>	<u>2%</u>
Total CAISO	707,673	7,167,018	10%
Bilateral Activity			
Resource Adequacy	176,036	2,572,007	7%
Energy Hedges Notional Value	1,678,800	19,298,480	9%
Total RPS Settlements	-	717,788	0%
Low Carbon Settlements	<u>105,004</u>	<u>518,145</u>	<u>20%</u>
Total Bilateral Activity	1,959,840	23,106,420	8%
Local Power Purchase Agreements			
Humboldt Redwood Company	<u>396,416</u>	<u>4,862,651</u>	<u>8%</u>
Total Local Power Purchase Agreements	<u>396,416</u>	<u>4,862,651</u>	<u>8%</u>
TOTAL WHOLESALE POWER SUPPLY	3,063,929	35,136,090	9%

PERSONNEL EXPENSES	152,330	2,506,578	6%
FACILITIES AND OPERATIONS	44,966	232,976	19%
COMMUNICATIONS AND OUTREACH	2,417	200,041	1%
TRAVEL AND MEETINGS	1,488	48,617	3%
PROFESSIONAL AND PROGRAM SERVICES			
Contracts - Program Related Services	-	242,029	0%
Wholesale Services - TEA	47,083	567,821	8%
Procurement Credit - TEA	76,585	725,576	11%
Data Management - Calpine	89,845	921,508	10%
Regulatory	-	25,000	0%
Accounting	15,000	45,000	33%
Legal	4,132	85,000	5%
PROFESSIONAL AND PROGRAM SERVICES	<u>232,645</u>	<u>2,611,934</u>	<u>9%</u>
PROGRAM EXPENSES	139,014	965,897	14%
INCENTIVES AND REBATES	23,099	460,000	5%
NON OPERATING COSTS	3,337	65,610	5%
Total Expense	<u>3,663,224</u>	<u>42,227,742</u>	<u>9%</u>
RESERVE REQUIREMENT CONTRIBUTIONS	<u>-</u>	<u>6,000,000</u>	<u>0%</u>
Net Income	<u><u>348,957</u></u>	<u><u>222,241</u></u>	<u><u>157%</u></u>

Redwood Coast Energy Authority

Balance Sheet

As of July 31, 2017

	Jul 31, 17
ASSETS	
Current Assets	
Checking/Savings	
1075 · Umpqua Reserve Account 2300	500,906.66
1070 · Umpqua Deposit Cntrl Acct 1687	5,466,772.73
1062 · Chase DD Checking	137.53
1060 · Umpqua Checking-9271	245,453.95
1000 · COUNTY TREASURY 3839	3,911.55
1010 · Petty Cash	414.35
1050 · GRANTS & DONATIONS 3840	15,037.26
Total Checking/Savings	6,232,634.03
Accounts Receivable	
1100 · Accounts Receivable	397,202.87
Total Accounts Receivable	397,202.87
Other Current Assets	5,893,326.45
Total Current Assets	12,523,163.35
Fixed Assets	
1500 · Fixed Asset	93,591.39
1600 · Accumulated depreciation	-37,980.00
Total Fixed Assets	55,611.39
Other Assets	
1700 · Retained Deposits	4,100.00
Total Other Assets	4,100.00
TOTAL ASSETS	12,582,874.74
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 · Accounts Payable	49,893.74
Total Accounts Payable	49,893.74
Credit Cards	1,916.80
Other Current Liabilities	
2001 · Accounts Payable-Other	10,944,982.01
2100 · Payroll Liabilities	64,778.11
2210 · Retentions Payable	1,135.72
Total Other Current Liabilities	11,010,895.84
Total Current Liabilities	11,062,706.38
Long Term Liabilities	
2700 · Long-Term Debt	
2701 · Lighting Upgrade	6,520.63
2702 · Headwaters Credit Line	700,000.00
Total 2700 · Long-Term Debt	706,520.63
Total Long Term Liabilities	706,520.63

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09/15/17

Redwood Coast Energy Authority
Balance Sheet
As of July 31, 2017

	<u>Jul 31, 17</u>
Total Liabilities	11,769,227.01
Equity	
2320 · Investment in Capital Assets	49,090.75
3900 · Fund Balance	400,829.56
Net Income	<u>363,727.42</u>
Total Equity	<u>813,647.73</u>
TOTAL LIABILITIES & EQUITY	<u><u>12,582,874.74</u></u>



REDWOOD COAST **Energy**Authority

STAFF REPORT **Agenda Item # 5.1**

AGENDA DATE:	September 18, 2017
TO:	Board of Directors
PREPARED BY:	Matthew Marshall, Executive Director
SUBJECT:	Financial Report Template

SUMMARY

A draft structure of public financial reports will be presented at the meeting for Board consideration.

STAFF RECOMMENDATION

Review and provide feedback on draft structure of public financial reports.

STAFF REPORT # 6.1

AGENDA DATE:	September 18, 2017
TO:	Board of Directors
PREPARED BY:	Richard Engel, Director of Power Resources
SUBJECT:	California Energy Commission Micro-Grid Grant

BACKGROUND

Per the guidelines of the Community Choice Energy program adopted by the Board in 2016, RCEA seeks to procure 5 MW of new local solar capacity by the end of 2018. Staff are pursuing a number of opportunities to meet this goal, with current efforts focused on a partnership with HSU Schatz Energy Research Center, PG&E, and other partners to develop a solar+storage microgrid project at the California Redwood Coast - Humboldt County Airport (ACV) in McKinleyville.

The project as envisioned would be funded in part by a grant from the California Energy Commission's Electric Program Investment Charge (EPIC) program, specifically the "Demonstrate Business Case for Advanced Microgrids in Support of California's Energy and GHG Policies" solicitation, for which proposals are due October 20. Schatz Energy Research Center (SERC) will be the lead applicant for this grant.

Based on SERC and PG&E analysis of the airport site, local distribution line capacity, and loads associated with the airport and other customers on the circuit of interest, preliminary system design calls for a solar array of up to 2 MW capacity and a battery storage system of up to 8 MWh. The project to be proposed to EPIC will also include an advanced controls system to maximize resiliency for customers, with islanding (i.e. grid-isolated) capability in the event of grid power outages. The controls will also seek to maximize economic benefit of the system by taking advantage of energy arbitrage (charging the batteries with grid power and/or solar power when prices are low and selling stored power back into the grid during peak demand periods). The controls may also enable other ancillary benefits that can potentially be monetized, such as local distribution voltage and frequency regulation during grid-connected operation, and strategic dispatch of storage to potentially allow a larger solar system to be connected than would otherwise be permitted per PG&E's system sizing protocols.

The proposed project would help fulfill multiple RCEA key objectives:

1. Meeting RCEA's Board-adopted goal of bringing new local solar online;
2. Meeting an increased portion of customer load with local Renewable Portfolio Standard-eligible resources. (Note: current RPS requirement is 25% of customer load, rising to 33% by 2020 and 50% by 2030. RCEA is currently providing 42% renewable power.)
3. Meeting the California Public Utilities Commission requirement for all load-serving entities in California, including Community Choice Energy programs, to implement

energy storage. The requirement per current regulation is for storage equal to 1% of the entity's peak load, with this capacity under contract by 2020 and online by 2022.

4. The mission statement in RCEA's joint powers agreement includes the goal to "develop regional capabilities to respond to energy emergencies and short-term disruptions in energy supply;" the "islanding" ability of the proposed microgrid would provide enhanced power reliability and additional back-up power support to the airport and the adjacent US Coast Guard base.

Capacity factor is the fraction of energy a system actually produces relative to what it would produce if it operated 100% of the time at its full rated capacity. Solar systems typically have a capacity factor in the neighborhood of 20-25%, as compared with combustion generation systems including natural gas and biomass, which often have capacity factors of 80% or greater.¹ This should be kept in mind when comparing the proposed 2 MW solar capacity of the airport microgrid with other RCEA resources, such as the 17 MW contract capacity in RCEA's power purchase agreement with Humboldt Redwood Company.

RCEA and its partners have determined that a provider/installer of the solar photovoltaic array and battery should be selected through a solicitation prior to submittal of the EPIC proposal. This will support the proposal in two important ways:

- It will provide the project team with firm pricing for the equipment and installation to inform the project budget.
- It will demonstrate that RCEA and its partners have assembled a competent and capable team to implement the proposed project.

Staff proposes to issue a request for proposals based on the same template that has been used successfully to select service providers for RCEA's Proposition 39 energy projects in schools. Technical specifications to be included in the RFP will be provided by SERC and reviewed by RCEA staff. The RFP will be finalized and issued as soon as possible with Board approval. The RFP will state that any project award is contingent upon the microgrid proposal being awarded to SERC and its partners by the EPIC program.

The EPIC program funding is expected to be highly competitive. Because of this, RCEA has begun discussion with its partners of a contingency plan in the event the proposed project is not funded by EPIC. Specifically, RCEA staff proposes to work with the project partners to plan for a solar+storage project that meets RCEA's key objectives listed above if EPIC funding is not secured, putting aside the more advanced optimization and resiliency features included in the EPIC proposal. In this event, it may be necessary to revisit system specifications and re-issue the solicitation for installation of the solar and battery system.

Staff are currently prioritizing the EPIC proposal given the upcoming submittal deadline. Other solar procurement activities are continuing, including the development of a solar for public facilities program, first described to the Board in a June 2017 staff report. RCEA has also recently received confirmation from the US Department of Agriculture confirming that RCEA is eligible to apply for low-interest project financing through USDA's Rural Utility Service program.

¹ See http://www.earth-policy.org/datacenter/xls/book_pb4_ch4-5_11.xls

FINANCIAL IMPACT

The EPIC funding opportunity provides for grants of up to \$5 million per applicant and requires a cost share contribution of 20% of requested funds. The project budget for the airport project, including any grant funds to be directed to RCEA and RCEA's contribution to cost share, is yet to be determined.

Given that RCEA is proposed to be the owner of the physical infrastructure to be installed as part of this project, RCEA's contribution to project cost share will presumably be substantial. Funding for any RCEA contribution toward the cost of the solar and battery system would be financed through a loan or a third party power purchase agreement and would be paid for over time through energy retail revenue from the power delivered to RCEA customers.

If a portion of the solar+storage project's hard costs can be paid for through the grant it would reduce the overall cost of meeting existing RCEA goals and requirements, benefiting RCEA and its customers.

The current recommended action would authorize staff to move forward with participating in the grant response; any agreements or contracts resulting from the application will still have to be brought back for final approval by the Board.

STAFF RECOMMENDATION:

Part I: Approve partnering with the Schatz Energy Research Center, PG&E, and County of Humboldt on a response to CEC Grant Funding Opportunity GFO-17-302

Part II: Approve issuance of a request for proposals for engineering, procurement and construction of the solar+storage system to be included in the grant proposal with RCEA as client, with any potential contract contingent upon award of EPIC grant.



STAFF REPORT # 7.1

AGENDA DATE:	September 18, 2017
TO:	Board of Directors
PREPARED BY:	Matthew Marshall, Executive Director
SUBJECT:	DG Fairhaven Negotiations Update

BACKGROUND

As reported in July, staff and The Energy Authority (TEA) have had ongoing negotiations with representatives of the DG Fairhaven Biomass Power Plant toward the goal of a power purchase agreement with the plant. To reiterate background information provided in the July staff report:

1. In September 2016 the Board adopted Guidelines for the CCE Program Launch-period Strategy and Targets, with the following targets related to local biomass power:
 - a. Issue a Request for Offers targeting power purchase agreements with 1-2 existing facilities.
 - b. Structure overall biomass procurement strategy around local waste-management and forest restoration priorities and needs.
 - c. Include environmental, community, and economic considerations in the selection process.
 - d. Contingent on price and market conditions, contract for a target of around 20MW of capacity from local biomass generators (about 15% of the total RCEA power portfolio).
2. RCEA issued a request for offers (RFO) for local biomass power which resulted in the award of a 5-year power purchase agreement term to Humboldt Redwood Company (HRC). The 5-year term with HRC is broken into two PPAs:
 - a. One for an initial 9-month period (June 2017 through February 2018) and a reduced contract volume of 5MW at the contract price and any surplus energy delivered above the 5MW at market price.
 - b. The second for a 51-month term (March 2018 through May 2022) for 13.25 average MW at the contract price.
 - c. With the increase in purchase volume beginning next March, the HRC PPA will supply about 14% of RCEA's total energy requirements in 2018, and for the balance of the term of the PPA will supply about 16% of RCEA's total energy requirements.
3. In March the RCEA Board approved staff negotiations with DG Fairhaven (DGF) for additional biomass power using the HRC PPA's pricing and terms as a starting point. The approval was informed by:
 - a. The goal of contracting with 1-2 local facilities.
 - b. Staff's estimate that approximate 20-25MW of operational biomass power plant capacity is required to process local mill waste.

- c. DG Fairhaven's "Offeror's Viability" RFO response score and the RFO review team's qualitative assessment that DG Fairhaven is a strong counterparty with a solid operational track record.

CURRENT STATUS

Negotiations between RCEA staff and DGF have been productive with DGF agreeing to all provisions and PPA terms. The DGF plant is currently idle, and the remaining challenge that was unable to be overcome is the need to balance DGF's requirement for an initial firm commitment on annual volume to justify restarting the plant, with risks that RCEA faces around critical cost variables in 2018 and beyond that could challenge RCEA's ability to maintain competitive rates with PG&E.

DGF cannot justify restarting the plant in 2017 without a viable outlook for 2018, and RCEA does not at this point require any additional renewable energy purchases to meet its 2017 needs.

Turning our attention to 2018 and beyond, DG Fairhaven have indicated that they need a firm commitment for some minimum level of 2018 power purchase (10 MW) to warrant restarting the plant, but RCEA is not currently in a position to make that kind of commitment, as explained below.

There are several key variables that challenge RCEA's ability to commit to above-market power procurement costs for additional local biomass power:

1. The market energy prices RCEA pays for general power procurement that makes up the majority of RCEA wholesale power costs;
2. PG&E's electric rates (set initially in January of each year), which determine RCEA's rates that are set to target Board-determined CCA program goals;
3. PG&E's PCIA exit fee (set in January of each year);

These variables combine to determine the amount of budget headroom RCEA has available to commit to customer rate-savings, building reserves, investing in customer programs, and any renewable resource and/or GHG-free procurement beyond meeting minimum state requirements. Building financial reserves in particular is an important risk mitigation tool against the current PCIA rate uncertainty, and RCEA also has upcoming state requirements for long-term resource commitments for storage and renewable energy in the post-2020 period, making it advantageous for RCEA to build financial reserves over the next few years to enhance its credit strength in the marketplace.

Item 1 will be set for RCEA when TEA completes the bulk of procurement for 2018 in October. However, the values of items 2 and 3 will remain a year-to-year risk. The PCIA uncertainty/risk is further increased by the current CPUC rulemaking considering changes in the method for calculating the PCIA each year. Though that rulemaking is intended to result in greater stability of the PCIA rate the utilities' proposal would stabilize it at a dramatically higher level than the current methodology.

DG FAIRHAVEN INPUT

Staff sought input from DGF on this reports summary of the current status and staff-recommended next steps. Most of their input was incorporated, though DGF advocates for a more aggressive timeline than staff and TEA, with a desired firm decision in November or December targeting a PPA term beginning in January 2018. DGF also provided the following additional comments:

DGF continues to accept local residual deliveries and stands ready to restart operations with reasonable signal from the RCEA that an acceptable volume of energy will be procured for the 2018 calendar year.

The DGF biomass power plant provides a multifaceted beneficial alternative for disposing of mill waste and forest debris and is a desirable part of the responsible disposal solution facing local business owners. By removing forest debris and using it to generate biomass power we can reduce the occurrence of catastrophic wildfires and the attendant damage to public resources and property, protect critical upland watersheds that ensure water quality, quantity, and forest ecosystem wildlife habitat, along with having a positive impact on air quality and energy resources.

The board needs to weigh the financial trade-offs of making a defined energy volume commitment that might challenge RCEA's ability to maintain all of the original program goals. DG Fairhaven seeks the board's decision as it will become the determining factor of whether the facility remains as part of the community's resources, or is liquidated.

STAFF RECOMMENDED NEXT STEPS:

Staff propose moving forward with procurement decision-making for additional local biomass power as follows:

1. In October, complete price hedging through TEA for 2018.
2. Based on these locked-in energy prices and projections for 2018 power markets, and in consultation with DG Fairhaven, revisit RCEA's ability to offer a proposal for a minimum level of MWh of biomass power that RCEA can prudently commit to purchase from DG Fairhaven.
3. At the Board's November meeting, staff will present this proposal, including a menu of options for freeing up needed funds to commit to a DG Fairhaven power purchase agreement. These options would call for financial trade-offs of program goals, possibly including:
 - a. Reducing customer rate savings below the \$2 million annual level in current program guidelines;
 - b. Decrease the overall margin by which renewable energy in RCEA's portfolio exceeds PG&E's renewables portfolio and/or the margin by which RCEA's greenhouse gas emissions are below those of PG&E;

- c. Reducing or eliminating funding for new CCE-supported programs, currently set in the program guidelines at up to \$1 million per year.
- d. Reducing the financial reserve targets that the board has set as program objectives.

Staff will ask the Board for a decision regarding a DG Fairhaven PPA at the November meeting or at the December meeting if further fact-finding and analysis is required. Based on the Board's decision, staff will proceed with rate-setting and the planning process for remaining procurement. Staff recommends this decision be contingent on the final PG&E rates and PCIA set in early-January being consistent with Nov/Dec predictions, with the target being to begin procurement for output from the DGF plant as soon as feasible in 2018. DGF has agreed to accept deferred energy payments due to cash reserves forecasted to reaching a low point early in 2018 as RCEA works to get current on settlements with TEA.

RECOMMENDATION BOARD ACTION:

Provide direction to staff on next steps for negotiations with DG Fairhaven



REDWOOD COAST Energy Authority

STAFF REPORT Agenda Item # 8.1

AGENDA DATE:	September 18, 2017
TO:	Board of Directors
PREPARED BY:	Matthew Marshall, Executive Director
SUBJECT:	Principle Power Presentation

SUMMARY

A representative from Principle Power will provide a presentation on their company and the status of the California off-shore wind area lease process.

The CCE Program Guidelines adopted by the RCEA Board last fall includes the following specific objectives for offshore wind energy:

- *While not yet deployed in California, offshore wind energy generation is an established technology. The wind resource off of the Samoa Peninsula coastline is one of the best in North America, and the on-shore infrastructure on the peninsula appears well-suited to accommodate offshore wind development.*
- *During the initial 5-year launch-phase of Program, RCEA will allocate resources to moving forward with community and stakeholder engagement, site selection, environmental review, and project scoping.*

Additional information about Principle Power and CA offshore wind energy is available online at the following website:

Principle Power:

<http://principlepowerinc.com>

The **California Offshore Wind Energy Gateway** website provided by the CA Public Utilities Commission, CA Energy Commission, and the Federal Bureau of Ocean Energy Management:

<https://caoffshorewind.databasin.org/>

STAFF RECOMMENDATION

N/A – information only



REDWOOD COAST **Energy**Authority

STAFF REPORT **Agenda Item # 8.2**

AGENDA DATE:	September 18, 2017
TO:	Board of Directors
PREPARED BY:	Matthew Marshall, Executive Director
SUBJECT:	CCE Program Update

SUMMARY

Jeff Fuller of TEA will provide presentation on the CCE program's current status and 2018 planning and forecasts, including:

- Budget vs actual financial results for 2017
- Update on 2017 power procurement
- 2018 budget headroom forecast
- 2018 power procurement plan
- Procurement related regulatory overview

A comprehensive quarterly program update for July through September is also planned for the October Board of Directors Meeting.

STAFF RECOMMENDATION

N/A – information only



REDWOOD COAST Energy Authority

STAFF REPORT Agenda Item # 9.1

AGENDA DATE:	September 18, 2017
TO:	Board of Directors
PREPARED BY:	Dana Boudreau, Director of Operations
SUBJECT:	Update on Information Technology Infrastructure Upgrades

BACKGROUND

RCEA's Information Technology (IT) infrastructure, historically assembled from lower-cost and used equipment, is at capacity or overtaxed based on our growth from a small to a medium-sized entity of 20-30 staff. Beyond simple increases in headcount, the launch of the CCE program has increased the complexity and scope of computing requirements, features, security, and service availability. These factors have all contributed to recent and forthcoming efforts to upgrade IT infrastructure, including telephones, network services, email management, and productivity software.

We are in the process of evaluating what services and hardware we need in order to appropriately update our computer and communication infrastructure:

1. Migrate from Microsoft Office 2007 to Office 365: this shift will allow better compatibility with business partners who use newer versions of Microsoft applications, open new productivity tools for staff, and streamline the ability to manage fluctuations in headcount.
2. Upgrade from DSL to fiber optic cable: Staff concludes that an upgrade to fiber optic cable is needed to support several system upgrades:
 - a. A modern voice over IP (VoIP) phone system will allow better expansion of our communication system compared to analog systems, and also deliver useful communication features particularly for our field staff. VoIP systems modestly increase data traffic on digital networks.
 - b. Our email is currently hosted at an internet service provider. Moving to a locally controlled onsite email server increases load on data traffic in and out of the facility.
 - c. The potential for future expansion, such as remote workers, telecommuting, and satellite facilities, require bandwidth to support communication with the main office.
3. Upgrade from analogue to VoIP phone system: our phone system is no longer supported and is at capacity. Although we could stay with a newer analog system, as noted earlier a VoIP system adds new features and flexibility that would increase productivity for our field staff.

4. Upgrade from desktop and internet-based business applications to an in-house email Exchange Server: our peer computer network is unable to manage email and calendaring functions for an office of our size. An Exchange server will provide the ability to deploy new collaborative tools that will enhance productivity and staff communication. In this case an onsite Exchange server becomes a preferred option due to our data security needs.

FINANCIAL IMPACT

Upgrades are expected to be well within this fiscal year's IT budget.

STAFF RECOMMENDATION

None – Information only