



BOARD OF DIRECTORS OPERATING GUIDELINES

*(Adopted December 12, 2016, Resolution 2016-4)
(Revised December 18, 2017, Resolution 2017-6)*

Section 1: INTRODUCTION AND OVERVIEW

1.1 Background and Purpose

The Redwood Coast Energy Authority (“RCEA” or “Authority”) was established on April 22, 2003 pursuant to the execution of the Redwood Coast Energy Authority Joint Powers Agreement (“Agreement”) by the County of Humboldt and the Cities of Arcata, Blue Lake, Eureka, Ferndale, Fortuna, Rio Dell, and Trinidad, and the special district of the Humboldt Bay Municipal Water District (each agency is designated a “Member Agency” or “Member”). RCEA was initially formed to undertake a pilot project created and funded by the California Public Utilities Commission (“CPUC”) and the Local Government Commission (“LGC”), a California nonprofit membership organization, designed to encourage the formation of regional organizations to promote energy efficiency, conservation and increased local self-reliance.

The RCEA Member Agencies adopted an Amended and Restated Joint Exercise of Powers Agreement effective as of December 15, 2015 (“Agreement”), authorizing RCEA to implement and administer an electric service enterprise called a Community Choice Aggregation (“CCA”), which is available to the electric customers of Members electing to become CCA program participants. Pursuant to this Authority, the RCEA developed and is operating a CCA program (synonymously referred to as the Community Choice Energy (“CCE”) program).

RCEA has established these Guidelines pursuant to Section 3.2 of the Agreement to assist the RCEA Board members in achieving RCEA’s purposes, including implementation of the Agreement’s weighted voting provisions for CCA program matters.

1.2 Board Member Appointment

RCEA Board members are appointed by their respective Member Agencies. Member Agencies also appoint alternate Board members to attend RCEA Board meetings when the primary Board member is unavailable. It is the responsibility of the primary and alternate members to coordinate RCEA meeting schedules between themselves when the primary member is unable to attend a meeting. Board members serve at the pleasure of their respective Member Agencies, and it is the Board member’s responsibility to regularly inform their respective Member Agencies of RCEA’s actions and decisions.

Once appointed, a Board Member has full authority to vote on RCEA matters based on the best interests of RCEA. Individual Board Members are not required to obtain specific direction from their respective Member Agencies prior to voting.

1.3 Board Meetings

Regular meetings of the Board occur every month, generally on the third Monday of each month. The Board approves the annual calendar of regular meetings every year at its January meeting. Regular meetings may be changed or cancelled by Board action, or cancelled by the Executive Director if there is no quorum. Special meetings may be scheduled as needed. All Board meetings are subject to Ralph M. Brown Act advance noticing.

Board meeting agendas and packets are distributed to Board members electronically, with hard copies available on request. The Board agenda and packet will be made available 5 days prior to the meeting, and Board members have the responsibility to review them before the meeting.

1.3.1 Agenda Development

The Board meeting agenda is generally developed by the Executive Director. No later than 10 days prior to a regular meeting the Executive Director shall meet with the Chair, a rotating member of the Board, General Counsel, and staff as deemed appropriate by the Executive Director, to discuss the draft agenda.

The Board will review all agenda item requests made by individual Board members or members of the public. Any Board member or member of the public may request that an item be placed on a future Board meeting agenda by bringing the matter to the full Board at the appropriate time of a noticed meeting or by submitting a written request to the Executive Director. The Executive Director will bring written requests for future agenda items to the Board for its determination during a noticed public meeting of whether to place the item on the agenda.

Written requests for items to be placed on the agenda must, at a minimum, contain all of the following:

1. A substantive outline or summary of the information that will be presented to the Board;
2. A concise statement of the specific action, if any, the Board will be asked to take on the item; and,
3. A statement of the reasons why the requesting party believes it is appropriate and within the jurisdiction of the Board to consider this subject matter and to take the requested action.

Items requested to be placed on a future agenda by individual Board members or members of the public must be agreed to by a majority of the Board. Items approved for future agendas shall be placed on the agenda as soon as possible with consideration for scheduling issues. The Executive Director may place time sensitive items requested by an individual Board member or member of the public on the agenda for full Board discussion without the Board's prior approval.

1.4 Selection of Board Chair and Vice Chair

By simple majority vote, the RCEA Board selects its Chair and Vice Chair every year at its January meeting. The responsibilities of the Chair include:

- Conducting the monthly and special meetings
- Attending the monthly agenda review meeting
- Being available to sign checks when necessary

The Vice Chair's responsibilities include:

- Conducting the monthly and special meetings when the Chair is unable to
- Attending the monthly agenda review meeting when the Chair is unable to
- Being available to sign checks when necessary

1.5 Overview of Basic RCEA documents

The Board has approved several key operational and planning documents, some of which come before the Board for approval on an annual basis. The following lists some of these documents.

- Amended and Restated Joint Powers Agreement
- Annual Budget
- Annual Audit
- Comprehensive Action Plan for Energy (CAPE)
- RePower Humboldt
- Guidelines for the RCEA Community Energy Program Launch-period Strategy and Targets
- CCA Implementation Plan
- Organization Chart
- Salary and wage schedule
- Board Operating Guidelines (this document)

1.6 New Board Member Orientation

In order to prepare new Board Members, the Executive Director provides an annual orientation for new Board Members. Continuing Board Members as well as Member Agency legislative members and staff are welcome and encouraged to attend.

Section 2: BOARD VOTING

2.1 Non-CCA Program Items, Full-Board Voting Equal Weighting

A majority of the full Board constitutes a quorum for the transaction of non-CCA Program business. Each Board member present at the meeting has an equal vote in all non-CCA program business matters. The following lists the types of items considered to be non-CCA program related:

- Adopting the annual budget
- Contracting, including CCA procurement contracts
- Organizational policies
- Organizational positions on legislative or regulatory matter (even if only related to CCA)
- Personnel matters
- Financial operating policies and procedures
- Litigation or other legal matters
- Program related matters for any programs not funded by the CCA
- Agency-wide risk management matters, including primary energy-risk management policies/procedures

2.2 CCA Program Items, Participating Members Weighted Voting

Only Board members representing Member Agencies that are CCA Program participants are eligible to vote on CCA program items. However, all Board members are eligible, and encouraged, to participate in Board discussions of CCA Program matters. The vote from each Board member representing a Participating Member consists of:

- 1) 1/3 fixed pro rata share based on total number of Participating Members; and
- 2) 2/3 proportional share of electric accounts in Participating Member's jurisdiction.

The method of computation of these two vote components is set out in the Amended and Restated Joint Powers Agreement at Section 4.4. The initial weighted voting shares and total votes, which is subject to update every two years beginning in 2017 on or before March 1, is set out in the Amended and Restated Joint Powers Agreement at Exhibit A. These documents are attached here in Appendix A.

A majority of the Board members representing Participating Agencies constitutes a quorum for the transaction of CCA Program business. Each Board member representing a CCA program Participating Agency and present at the meeting shall have a weighted vote in CCA program items. The following lists the types of items considered to be CCA program related:

- Setting of Overall CCA Program Objectives
- Determining power content targets
- CCA budget decisions (which will be incorporated in the overall organizational budget)
- Setting customer rates
- Procurement strategy and procedures
- CCA-funded program allocations
- Any policies that apply exclusively to CCA operations

If there is uncertainty whether a particular Board decision is CCA program business or non-CCA program business, RCEA General Counsel will be consulted for a determination on which voting structure applies.

Section 3: CONDUCT OF MEETINGS

3.1 Rules of Procedure

The RCEA is governed by the same laws and regulations that control its Member Agencies concerning the conduct of meetings. This primarily includes the Ralph M. Brown Act, however specific laws may apply in individual situations. When no state or federal law governs a particular procedure, the Board elects to follow as guidelines the parliamentary rules of procedure set out in Rosenberg Rules of Order: Parliamentary Procedure for the 21st Century. A copy of these Rules is attached as Appendix B. It may also be found at: https://www.cacities.org/Resources/Open-Government/RosenbergText_2011.aspx

Section 4: INTERACTIONS WITH MEMBER AGENCIES AND MEMBER AGENCY STAFF

The legislative members of the Member Agencies as well as their staff are encouraged to contact the Executive Director at any time questions or concerns arise. Upon direction by the Board or request of a Member Agency, the Executive Director will attend a regular meeting of the Member Agency legislative body to present items of concern and answer questions.

Section 5: PUBLIC ENGAGEMENT

5.1 Purpose and Goals

The underlying purposes of RCEA's public engagement efforts include:

- Provide clarity to the public and the Board on RCEA Programs, especially the Community Choice Aggregation Program (CCA)
- Provide education to increase understanding and awareness of RCEA programs
- Build trust and confidence in the programs with the public
- Create inclusion for members of the public so they are—and feel—heard and understood
- Build community support for RCEA programs

- Provide input to the Board and staff before decisions are made
- Engage a broad diversity of community stakeholders
- Ensure that RCEA decisions are made in alignment with explicitly stated criteria

The goals and desired outcomes of RCEA’s public engagement efforts include:

- Community enthusiasm and support for RCEA decisions
- High participation in the public engagement process
- Establish and maintain high standards for public engagement strategies and processes
- High CCA customer participation rate (>90%)

5.2 Public Engagement Principles

RCEA and the Board will apply the following principles to public engagement:

- **Accountability and Transparency:** RCEA will enable the public to participate in decision-making processes by providing clear information on the issues, the ways to participate, and how their participation contributes to the decision.
- **Fairness and Respect:** RCEA will maintain a safe environment that cultivates and supports respectful public engagement.
- **Accessibility:** RCEA will respect and encourage participation by providing ample public notice of opportunities, resources, and accommodations that enable all to participate.
- **Predictability and Consistency:** RCEA will prepare the public to participate by providing meeting agendas, discussion guidelines, notes, and information on next steps.
- **Efficient Use of Resources:** RCEA will balance its commitment to provide ample opportunities for public involvement with its commitment to delivering government services efficiently and using RCEA resources wisely to make effective forward progress on RCEA’s goals.
- **Evaluation:** RCEA will monitor and evaluate its public participation efforts to identify and act on opportunities to improve its processes.

5.3 Community Advisory Committee

The Board has established a Community Advisory Committee (CAC) to support RCEA public engagement efforts and to provide decision-making support and input to the RCEA Board.

- 5.3.1 The CAC will have up to 15 members, appointed by the RCEA Board. Each Board Member shall recommend appointment of one CAC member of their choosing. In order to accommodate outlying/unincorporated communities, the County representative shall recommend appointment of a total of 3 individuals. Up to 4 at-large members will be selected through an open application process and voted on by

- the full Board. CAC members will be appointed for 2-year terms, but can be removed at any time by the Board.
- 5.3.2 All CAC members shall have their primary residence in Humboldt County.
 - 5.3.3 The Board will appoint at least one RCEA Board member as a CAC liaison that will attend CAC meetings, but will not vote.
 - 5.3.4 Regular CAC meetings will be held quarterly at a regular date and time that will be established annually by the CAC. Special CAC meetings may be held to address specific topics or situations as needed. The Board may hold a joint Board and CAC meeting at its discretion.
 - 5.3.5 CAC meeting agendas will be developed by the Executive Director and shall include those items requested by the Board as well as those items the Executive Director determines appropriate.

5.4 Ad hoc committees and working groups

In addition to the CAC, the Board may at its discretion create ad hoc committees, working groups or task forces, to address specific topics or projects as specified by the Board. These ad hoc committees, working groups and task forces may be comprised of Board members, community members, or a combination of both, to be appointed as determined by the Board. These committees may be subject to the Ralph M. Brown Act.

APPENDIX A

Amended and Restated Joint Powers Agreement Section 4.4, Board Voting Related to the CCA Program, and Exhibit A, Initial Weighted Voting Shares and Total Votes

4.4 Board Voting Related to the CCA Program

- (a) Eligibility to Vote. Only Directors from Participating Members shall be eligible to vote on matters specifically related to the CCA Program.
- (b) Participating Member Vote. For purposes of the CCA Program, each Participating Member shall have a total vote comprised one third of a fixed Pro Rata Voting Share based on the total number of Participating Members, and two thirds of the proportional share of Electric Customers in the Participating Member's jurisdiction.
- (c) Computation. The Participating Member Vote shall be computed based on the following formulas:
- i. *Pro Rata Voting Share*. Each Director shall have an equal voting share determined by the following formula: $([1/\text{total number of Directors}] \text{ multiplied by } 1/3)$; and
 - ii. *Customer Base Voting Share*. Each Director shall have an additional voting share determined by the following formula: $([\text{Number of Electric Customers in Director's jurisdiction}/\text{Total Number of Electric Customers in CCA}] \text{ multiplied by } 2/3)$, where "Electric Customers" means the total number of electricity customer accounts for all rate schedules as of December 31.
 - iii. *Total Vote*. The total vote for each Participating Member shall be the sum of its Pro Rata Voting Share plus its Customer Base Voting Share rounded to the nearest whole number, excepting that any sum greater than zero and less than 1.0 shall be rounded to 1.0. The initial Pro Rata Voting Shares, Customer Base Voting Shares, and total votes are set forth in Exhibit A, attached hereto and incorporated herein. Beginning in 2017, the Board's Executive Director shall update Exhibit A at least every two years no later than March 1 to reflect changes in the number of Electric Customers and Participating Members, and such update shall not constitute an amendment to this Agreement. Any updated Exhibit A shall be provided to the Board at the regular meeting immediately following the update, and to the executive officers of the Participating Members within 30 days after the update.

4.5 Quorum, Approval Requirements Related to CCA Program. A majority of the Participating Members must be present and a majority of the CCA total vote must be represented by the present Participating Members to establish a quorum for the transaction of business on any matter specifically related to the CCA Program. Except as otherwise provided in this Agreement, the action of the Board for any matter specifically related to the CCA Program shall require the affirmative vote of a majority of the Participating Members present at the meeting where such vote is taken. The affirmative vote shall be established by adding the total votes of the present Participating Members as set out in Section 4.4, above.

**Exhibit A to Redwood Coast Energy Authority
Amended and Restated Joint Powers Agreement
Board Voting Shares for Community Choice Aggregation Business**

Jurisdiction	Electric customer accounts (Dec 2014)	Percentage of total accounts (jurisdiction's accounts divided by total accounts)	Customer Base Voting Share (67 x ratio of accounts)	Pro Rata Voting Share (33 x [1/number of Directors])	Total votes, prior to rounding	TOTAL VOTES
City of Arcata	8,203	12.41%	8.31	4.125	12.44	12
City of Blue Lake	664	1.00%	0.67	4.125	4.80	5
City of Eureka	13,965	21.13%	14.16	4.125	18.29	18
City of Ferndale	939	1.42%	0.95	4.125	5.08	5
City of Fortuna	5,584	8.45%	5.66	4.125	9.79	10
City of Rio Dell	1,508	2.28%	1.53	4.125	6.06	6
City of Trinidad	272	0.41%	0.27	4.125	4.40	4
County of Humboldt (unincorporated)	34,950	52.88%	35.44	4.125	39.57	40
Total	66,085	99.99%	66.99	33	100.03	100

- Due to rounding, totals will differ at various stages of the calculation process.
- The percentages of total accounts are rounded to two decimal places prior to calculating the Customer Base Voting Share.
- Customer Base Voting Share = 67 multiplied by the % of total accounts, rounded to two decimal places.
- Total votes are the sum of the Pro Rata Voting Share and the Customer Base Voting Share, rounded to the nearest whole number.
- The allocation of voting shares will be updated every two years, and as-needed to adjust for changes in the make-up of jurisdictions participating in the CCA.

APPENDIX B
Rosenberg's Rules of Order:
Parliamentary Procedure for the 21st Century