Phone: (707) 269-1700 Toll-Free (800) 931-7232 Fax: (707) 269-1777

E-mail: info@redwoodenergy.org Web: www.redwoodenergy.org

BOARD OF DIRECTORS MEETING AGENDA

Jefferson Community Center Auditorium 1000 B Street, Eureka, CA 95501

May 25, 2023 Thursday, 3:30 p.m.

Any member of the public needing special accommodation to participate in this meeting or access the meeting materials should email <u>LTaketa@redwoodenergy.org</u> or call (707) 269-1700 at least 3 business days before the meeting. Assistive listening devices are available.

Pursuant to Government Code section 54957.5, all writings or documents relating to any item on this agenda which have been provided to a majority of the Board, including those received less than 72 hours prior to the Committee's meeting, will be made available to the public at www.RedwoodEnergy.org.

NOTE: Speakers wishing to distribute materials to the Board at the meeting, please provide 13 copies to the Board Clerk.

THIS IS A HYBRID IN-PERSON AND VIRTUAL MEETING.

The Board of Directors has returned to in-person hybrid meetings. When attending Board meetings, please socially distance as much as possible and be courteous to those who choose to wear a mask.

To participate in the meeting online, go to https://us02web.zoom.us/j/81972368051. To participate by phone, call (669) 900-6833 or (253) 215-8782. Enter webinar ID: 819 7236 8051.

To make a comment during the public comment periods, raise your hand in the online Zoom webinar, or press star (*) 9 on your phone to raise your hand. You will continue to hear the meeting while you wait. When it is your turn to speak, a staff member will unmute your phone or computer. You will have 3 minutes to speak.

You may submit written public comment by email to PublicComment@redwoodenergy.org. Please identify the agenda item number in the subject line. Comments will be included in the meeting record but not read aloud during the meeting.

While downloading the Zoom application may provide a better meeting experience, Zoom does <u>not</u> need to be installed on your computer to participate. After clicking the webinar link above, click "start from your browser."

OPEN SESSION Call to Order

1. ROLL CALL - REMOTE DIRECTOR PARTICIPATION

1.1. <u>Approve teleconference participation request for this meeting by Director pursuant to Brown Act revisions of AB 2449 due to an emergency circumstance to be briefly described.</u>

2. REPORTS FROM MEMBER ENTITIES

3. 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 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.

4. CONSENT CALENDAR

All matters on the Consent Calendar are considered to be routine by the Board and are enacted in 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.

- 4.1 Approve Minutes of April 27, 2023, Board Meeting.
- 4.2 Approve Disbursements Report.
- **4.3** Accept Financial Reports.
- 4.4 Accept Fiscal Year 22-23 Budget Update and Quarterly Budget Report through Q3.

5. REMOVED FROM CONSENT CALENDAR ITEMS

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

6. NEW BUSINESS

6.1. Hear a Presentation by Sharon Kramer, H.T. Harvey & Associates, on CStories: A Department of Energy-Funded Offshore Wind Community Engagement Project (Information only)

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 weighted voting as established in the RCEA joint powers agreement.

OLD CCE BUSINESS – None.

8. NEW CCE BUSINESS

8.1. 2023-2025 Power Portfolio Procurement Options

Approve a reduced renewable procurement target of 41% for 2023 with the option to backfill the 8% reduction with carbon-free energy at staff's discretion depending on market availability.

END OF COMMUNITY CHOICE ENERGY (CCE) BUSINESS

9. OLD BUSINESS - None.

10. **NEW BUSINESS** (continued)

10.1 Salary and Benefit Schedule Update

Approve the following:

- 1. <u>Update to the RCEA salary schedule including a 14% salary adjustment</u> effective July 1, 2023,
- 2. Addition of a 401(a) retirement plan and authorize the Executive Director to execute all applicable documents,
- 3. <u>Increase of RCEA's contribution to eligible employee's retirement by</u> \$4,000/year effective July 1, 2023.
- 4. Adoption a longevity incentive payable once per calendar year of \$1,000 per year for employees with 5-9 years of service, \$2,500 per year for employees with 10-14 years of service, and \$3,500 per year for employees with 15 or more years of service effective July 1, 2023.
- 5. Addition of Juneteenth to the paid holidays provided to RCEA staff, effective June 19, 2023.

10.2 Fiscal Year 2023-24 Preliminary Draft Budget and Addition of Staff Positions

Provide guidance and input to staff on draft FY23-24 budget.

Approve:

- 1. Addition of a Finance Specialist,
- 2. Addition of a Customer Service Associate,
- 3. Addition of a Rural REN Manager (starting October 2023),
- 4. Addition of a Rural REN Specialist (starting January 2024), and
- 5. Addition of an Infrastructure Program Manager (starting January 2024).

11. STAFF REPORTS

11.1 Executive Director's Report (Information only)

12. FUTURE AGENDA ITEMS

Any request that requires Board action will be set by the Board for a future agenda or referred to staff.

13. ADJOURNMENT

NEXT REGULAR MEETING

Thursday, June 22, 2023, 3:30 p.m.

Jefferson Community Center Auditorium, 1000 B Street, Eureka, CA 95501.

Online and phone participation will also be possible via Zoom.

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STAFF REPORT Agenda Item # 1.1

AGENDA DATE:	May 25, 2023
TO:	RCEA Board of Directors
FROM:	Eileen Verbeck, Deputy Executive Director
SUBJECT:	Member Teleconference Participation

BACKGROUND

Since emergency Brown Act meeting law changes went into effect in 2020 due to the COVID-19 public health emergency, the RCEA Board of Directors, Community Advisory Committee and the subcommittees of those bodies met online with no physical, public meeting location. Governor Newsom signed AB 361 into law in September 2021, which allowed these bodies to continue meeting completely virtually without publishing each member's participation location while the COVID state of emergency continued and state or local officials recommended social distancing measures or the RCEA Board determined that meeting in person posed health and safety risks.

The COVID-19 State of Emergency ended on February 28, 2023, and RCEA Board and CAC meetings returned to meeting in-person at a physical location, with allowances under existing Brown Act rules or new AB 2449 Brown Act rules should a Board or CAC member need to participate from a remote location for certain reasons. If another state of emergency is declared, these bodies may be able to return to completely remote meetings.

SUMMARY

RCEA Board Directors may attend up to two meetings per year from a remote location <u>without</u> making the location accessible to the public for the following reasons:

- 1. "Just cause"
 - a. To provide childcare or caregiving need to a child, parent, grandparent, grandchild, sibling, spouse, or domestic partner;
 - b. Due to a contagious illness that prevents the member from attending in-person;
 - c. Due to a need related to a physical or mental disability as defined in Government Code sections 12926 and 12926.1 not otherwise accommodated; and
 - d. Due to travel while on official business of the legislative body or another state or local agency.
- 2. "Emergency circumstance" due to a physical or family medical emergency that prevents the member from attending in person.

If a Board Director would like to attend the meeting remotely due to an emergency circumstance, the Board will take action by majority vote to approve the Director's remote participation. A vote is not necessary for a request to attend remotely for just cause. A brief

description, protecting the Director's (or Director's family member's) medical privacy, needs to be provided in both cases.

The remotely participating Board Director needs to publicly disclose at the meeting before any action (vote) is taken, whether anyone 18 years of age or older is present in the room at the remote location with the Director, and the general nature of the individual's relationship with the Director.

If the Board Director anticipates needing to participate remotely for <u>more than 2 meetings per year</u>, staff recommends arranging for a publicly and ADA accessible space with visual and audio meeting capabilities from which to participate.

Staff asks to be notified one-week in advance, if possible, of remote meeting attendance so the Director's publicly and ADA accessible remote meeting address can be published in the agenda, if required per Brown Act open meeting laws.

Current Remote Participation Requests

As of the writing of this staff report, Director Frankie Myers has requested remote participation for "just cause" due to official Yurok Tribal Council business. There were no requests for "emergency circumstances" remote director participation.

RECOMMENDED ACTION (if needed)

Approve teleconference participation request for this meeting by Director pursuant to Brown Act revisions of AB 2449 due to an emergency circumstance to be briefly described.



Fax: (707) 269-1777 E-mail: info@redwoodenergy.org Web: www.redwoodenergy.org

BOARD OF DIRECTORS DRAFT MEETING MINUTES

Jefferson Community Center Auditorium 1000 B Street, Eureka, CA 95501

April 27, 2023 Thursday, 3:30 p.m.

Chair Sheri Woo called a regular meeting of the Board of Directors of the Redwood Coast Energy Authority to order on the above date at 3:34 p.m. Notice of this meeting was posted on April 22, 2023. PRESENT: Natalie Arroyo, Scott Bauer, Skip Jorgensen, Kris Mobley, Frankie Myers (by teleconference due to official Yurok Tribe business, a just cause, with no one 18 years of age or older present at this remote location), Elise Scafani, Vice Chair Sarah Schaefer, Jack Tuttle, Frank Wilson, Chair Sheri Woo. ABSENT: None. STAFF AND OTHERS PRESENT: General Counsel Nancy Diamond; Power Resources Director Richard Engel: The Energy Authority Client Services Manager Jaclyn Harr: Executive Director Matthew Marshall; Board Clerk Lori Taketa; Deputy Executive Director Eileen Verbeck.

REPORTS FROM MEMBER ENTITIES / ORAL COMMUNICATIONS

There were no Board director reports nor public comments on non-agenda items.

CONSENT CALENDAR

- 4.1 Approve Minutes of March 23, 2023, Board Meeting.
- **4.2** Approve Disbursements Report.
- 4.3 Accept Financial Reports.
- **4.4** Accept Quarterly Legislative Report.
- **4.5** Authorize the ad hoc Office Relocation Subcommittee to review new property listings with the Executive Director and staff and approve the Executive Director entering into negotiations and/or making an offer on any suitable property contingent on full Board approval.
- **4.6** Approve the Updated Terms and Conditions for the Community Choice Energy Program.

M/S: Arroyo, Bauer: Approve Consent Calendar items.

The motion passed with a unanimous vote. Ayes: Arroyo, Bauer, Jorgensen, Mobley, Myers, Scafani, Schaefer, Tuttle, Wilson, Woo. Noes: None. Absent: None. Abstain: None.

NEW BUSINESS

7.1 Biennial Salary Survey Report

Deputy Executive Director Verbeck reported on the procedure staff used to compare RCEA salaries with Board-set industry benchmark agencies.

RCEA midpoint salaries lag behind comparable agency midpoint salaries by 12%. aligning with Social Security Administration's Cost of Living Adjustments.

- Directors suggested querying staff on their priorities (salary, specific benefits, etc.).
- Local agency competition for finite local talent pool and the challenges of competing with other CCA's remote-worker hiring were discussed.
- Staff retention and possible longevity pay, addition of Juneteenth holiday discussed. Board directors expressed support for moving salaries closer to comparable agency salary midpoints to maintain competitiveness. (Director Myers briefly lost audio and video connection to the meeting from 3:40-3:43 and 3:49-3:54 p.m., prior to the vote.)

M/S: Schaefer, Wilson: Accept 2023 Biennial Salary Survey Report.

The motion passed with a unanimous vote. Ayes: Arroyo, Bauer, Jorgensen, Mobley, Myers, Scafani, Schaefer, Tuttle, Wilson, Woo. Noes: None. Absent: None. Abstain: None.

7.2 Blue Lake Rancheria Tribe's Interest in Joining RCEA

Executive Director Marshall reported on reaching out to area Tribes on their interest in joining RCEA and the Blue Lake Rancheria Tribal Council's decision to request joint powers authority membership. Blue Lake Rancheria Tribal Councilmember and Tribal Administrator Jason Ramos introduced himself and described RCEA-Blue Lake Rancheria collaborative energy projects. The directors expressed support for the Blue Lake Rancheria's membership and highlighted the ability to contribute to agency business without CCE business voting status.

M/S: Arroyo, Myers: Adopt Resolution 2023-6 Approving the Blue Lake Rancheria Tribe as a Member Agency of the Redwood Coast Energy Authority.

The motion passed with a unanimous vote. Ayes: Arroyo, Bauer, Jorgensen, Mobley, Myers, Scafani, Schaefer, Tuttle, Wilson, Woo. Noes: None. Absent: None. Abstain: None.

Chair Woo confirmed a quorum was present to conduct CCE business.

NEW CCE BUSINESS

9.1 Quarterly Energy Risk Management Report

The Energy Authority Client Services Manager Jaclyn Harr presented the current financial update, described shifting energy market conditions and current impacts of Board-mandated environmental resource procurement.

- Sandrini Solar project completion is potentially delayed another 6 months to April 2024.
- Sandrini delay impacts RCEA's energy procurement, necessitating short-term purchases.
- Extremely high electricity costs; intense competition for renewable energy power purchase agreements and other required renewable energy products; and increase in renewable energy project developer power in price negotiations were described.
- Inflation Reduction Act changes make non-private developer renewable energy power projects, including CA Community Power (the CCA joint-procurement entity of which RCEA is a member) project development, more competitive.

 Proposed Central Procurement Entity's impact on long-term renewable energy project development, with potential vulnerability to private developer exploitation, were described.

M/S: Jorgensen, Bauer: Accept Energy Risk Management Quarterly Report.

<u>The motion passed with a unanimous vote. Ayes: Arroyo, Bauer, Jorgensen, Mobley, Scafani, Schaefer, Tuttle, Wilson. Noes: None. Absent: None. Non-Voting: Myers, Woo.</u>

9.2 Humboldt's Electric Future Planning Process Preview (Information only)

Power Resources Director Engel reported on the Integrated Resource Plan biennial technical plan filing process and an initiative to gather community input on energy procurement priorities during non-filing years.

- Public engagement schedule: June 5 in-person workshop, online workshop date TBD.
- Project helps educate community on energy procurement requirements and process.
- Community Advisory Committee engagement was described.
- Different Board member levels of engagement were discussed.
- "Humboldt's Electric Future" document was introduced. Directors expressed appreciation for the document's accessibility.
- **9.3** Biomass Technical Advisory Group Update (Information only)

Power Resources Director Engel reported on the process of forming the Biomass Technical Advisory Group, a goal identified in the RePower Humboldt Strategic Plan 2019 update.

- Current membership list was presented. Staff still seeks vulnerable community representation, including from local Tribes and Hispanic community.
- BTAG's advisory role was clarified. Initially, the group will review and provide feedback on the Humboldt Sawmill Company's annual biomass sources, emissions, and energy production report, and possibly revise this year's data inquiry.
- Directors suggested and offered support for additional members from the County Administrative Office and the Yurok Tribe.
- Directors agreed that discussion of controversial topics such as biomass should be done at times specified on the agenda to support public participation.

Community Advisory Committee Chair Dennis Leonardi commented that the CAC and its Alternative Biomass Uses Subcommittee suggested the stakeholder groups represented on the BTAG to enable broad-reaching discussion.

STAFF REPORTS

10.1 Executive Director's Report (Information only)

- Timing for Fiscal Year 2023-24 Budget drafting and approval
- Headwaters Fund and RCEA-supported grant for local contractors to receive electric vehicle charging equipment installation training
- RCEA's 20th anniversary celebration at Mad River Brewery on April 28 at 3 p.m.

Chair Woo adjourned the meeting at 5:40 p.m.

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Type	Date	Num	Name	Memo	Amount
Liability Check	03/03/2023	ACH	EDD	Taxes	-6,091.51
Liability Check	03/03/2023	ACH	Internal Revenue Service	Taxes	-29,602.24
Liability Check	03/03/2023	ACH	Newport Group	Deferred compensation contributions	-18,384.42
Liability Check	03/03/2023	14788	Umpqua Bank	Health Savings Account contribution	-72.07
Check	03/03/2023	14789	Customer	PA Equipment Rebate - Res #DS-R-221118-0725	-260.00
Check	03/03/2023	14790	Customer	PA Equipment Rebate - Res #DS-R-230202-0963	-940.00
Check	03/03/2023	14791	Customer	PA Equipment Rebate - Res #DS-R-230214-0991	-190.00
Check	03/03/2023	14792	Customer	PA Equipment Rebate - Res #DS-R-230215-0993	-80.00
Check	03/03/2023	14793	SacTown Contractor's Corp.	PA install: Changing Tides Family Services	-665.45
Check	03/03/2023	14794	Customer	PA Equipment Rebate - Res #DS-R-230227-1044	-940.00
Check	03/03/2023	14795	Customer	PA Equipment Rebate - Res #DS-R-230201-0961	-940.00
Check	03/03/2023	14795	Customer	PA Equipment Rebate - Res #DS-R-230102-0839	-940.00
Check			Customer	* *	
	03/03/2023	14797		PA Equipment Rebate - Res #DS-R-230120-0908	-940.00
Check	03/03/2023	14798	Customer	PA Equipment Rebate - Res #DS-R-230202-0964	-680.00
Check	03/03/2023	14799	Customer	PA Equipment Rebate - Res #DS-R-230227-1045	-500.00
Check	03/03/2023	14800	Customer	PA Equipment Rebate - Res #DS-R-230227-1030	-500.00
Check	03/03/2023	14801	Customer	PA Equipment Rebate - Res #DS-R-230202-0967	-500.00
Check	03/03/2023	14802	Customer	PA Equipment Rebate - Res #DS-R-230130-0945	-470.00
Check	03/03/2023	14803	Customer	PA Equipment Rebate - Res #DS-R-230130-0948	-140.00
Check	03/03/2023	14804	Customer	PA Equipment Rebate - Res #DS-R-230202-0966	-940.00
Check	03/03/2023	14805	Customer	PA Equipment Rebate - Res #DS-R-230202-0965	-940.00
Check	03/03/2023	14806	Customer	PA Equipment Rebate - Res #DS-R-230228-1046	-140.00
Check	03/03/2023	14807	Customer	Heat Pump Non-Res Rebate #DS-R-230301-1049	-8,000.00
Check	03/03/2023	14808	Customer	PA Equipment Rebate - Res #DS-R-230202-0968	-500.00
Check	03/03/2023	14809	VISA	February 2023 Statement 01/21/2023 - 02/21/2023	-6,078.52
Check	03/03/2023	14810	Customer	PA Equipment Rebate - Res #DS-R-230301-1048	-290.00
Check	03/03/2023	14811	Customer	PA Equipment Rebate - Res #DS-R-230301-1050	-290.00
Check	03/03/2023	14812	Customer	PA Equipment Rebate - Res #DS-R-230130-0954	-190.00
Bill Pmt -Check	03/03/2023	14813	Arcata Chamber of Commerce	Membership dues 2023	-440.00
Bill Pmt -Check	03/03/2023	14814	Bithell, M.	February 2023 Mileage Reimbursement	-115.28
Bill Pmt -Check	03/03/2023	14815	Braun Blaising & Wynne	Legal Services - Regulatory -January 2023	-4,439.97
Bill Pmt -Check	03/03/2023	14816	Colonial Life	Colonial Life Premiums Feb 2023	-2,206.26
Bill Pmt -Check	03/03/2023	14817	Developed Employment Services, LLC.	Facilities maintenance work-Yard Work	-164.90
Bill Pmt -Check	03/03/2023	14818	Eureka Rubber Stamp	Qty 6 Board meeting nameplates	-84.86
Bill Pmt -Check	03/03/2023	14819	FedEx	Res Kit - service 553	-58.13
Bill Pmt -Check	03/03/2023	14820	Hilson, D.	Mileage reimbursement - February 2023	-57.64
Bill Pmt -Check	03/03/2023	14821	HSU - Sponsored Programs Foundation	MD/HD ZEV subcontracting - Q4 2022	-17,305.64
Bill Pmt -Check	03/03/2023	14822	HSU - Sponsored Programs Foundation	MD/HD ZEV subcontracting - Jan 2023	-13,854.61
Bill Pmt -Check	03/03/2023	14823	Humboldt Bay Coffee Co.	February Office Coffee	-43.25
Bill Pmt -Check	03/03/2023	14824	Kerekes, C.	Mileage reimbursement - February 2023	-17.69
Bill Pmt -Check	03/03/2023	14825	Law Office of David Peffer	January 2023 Legal Services - RuralREN reg support	-6,417.00
Bill Pmt -Check	03/03/2023	14826	Local Worm Guy	Compost pickup - January 2023	-30.00
Bill Pmt -Check	03/03/2023	14827	Mission Uniform & Linen	Feb 2023 Mat Service	-9.15
Bill Pmt -Check	03/03/2023	14828	NYLEX.net, Inc.	Licensing, IT parts and March services	-7,156.23
Bill Pmt -Check	03/03/2023	14829	Petty Cash	Replenish petty cash for 02.01.23-02.28.23 reimbursement	-93.52
Bill Pmt -Check	03/03/2023	14830	PG&E CCA	January 2023 CCE Charges	-22,116.57
Bill Pmt -Check	03/03/2023	14831	Ramone's	Heat Pump and DEI workshop catering	-1,142.73
Bill Pmt -Check	03/03/2023	14832	Recology	February 2023 garbage service	-95.55
Bill Pmt -Check	03/03/2023	14833	Rennie, J	Mileage Reimbursement- February 2023	-114.63
Bill Pmt -Check	03/03/2023	14834	Times Printing Company	Late Notice letter, 4 versions	-283.31
Bill Pmt -Check	03/03/2023	14835	Whitchurch Engineering, Inc	701 5th Street visual inspection services escrow	-1,500.00
Bill Pmt -Check	03/03/2023	14836	Winzler, John	Office Lease - March 2023	-8,372.70
Check	03/03/2023	14837	SacTown Contractor's Corp.	PA install: Bayside Garden Supply	-12,216.97
Paycheck	03/03/2023	ACH	Employees	Payroll Anthom Medical Incurance March 2022	-73,392.12
Bill Pmt -Check	03/10/2023	ACH	Keenan	Anthem Medical Insurance March 2023	-37,833.24
Bill Pmt -Check	03/10/2023	ACH	Sterling Administration	FSA Healthcare and Dependent Care Funding - 50% 2023	-4,950.00 16,000.00
Bill Pmt -Check	03/10/2023	ACH	Viridity Energy Solutions, Inc.	Tierra Buena RA-February 2023	-16,900.00
Liability Check	03/17/2023	ACH	EDD	Taxes	-5,874.41

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Туре	Date	Num	Name	Memo	Amount
Liability Check	03/17/2023	ACH	Internal Revenue Service	Taxes	-29,191.44
Liability Check	03/17/2023	ACH	Newport Group	Deferred compensation contributions	-18,599.98
Bill Pmt -Check	03/17/2023	ACH	CalPine Corporation	Calpine February 2023 Costs	-60,966.72
Bill Pmt -Check	03/17/2023	ACH	Humboldt Sawmill Co.	February 2023 Electricity Charge	-307,562.96
Bill Pmt -Check	03/17/2023	ACH	Leapfrog Energy	February 2023 RA	-9,218.40
Bill Pmt -Check	03/17/2023	ACH	CalCCA	Quarterly Invoice for Rate Case Management Special Assessment	-3,502.62
Bill Pmt -Check	03/17/2023	ACH	Snow Mountain Hydro, LLC	2/1/2023-2/26/23 Electricity	-30,471.81
Liability Check	03/17/2023	14838	Umpqua Bank	Health Savings Account contribution	-72.07
Check	03/17/2023	14839	Customer	Heat Pump Rebate #5700, 2nd payment	-500.00
Check	03/17/2023	14840	Customer	PA Equipment Rebate - Res #DS-R-230303-1056	-500.00
Check	03/17/2023	14841	SacTown Contractor's Corp.	PA install: Humboldt Petroleum #1	-1,810.18
Check	03/17/2023	14842	Customer	PA Equipment Rebate - Res #DS-R-230303-1059	-290.00
Check	03/17/2023	14843	Customer	Heat Pump Rebate #DS-R-230119-0907	-1,100.00
Check	03/17/2023	14844	Customer	Heat Pump Rebate #DS-R-230124-0925	-725.00
Check	03/17/2023	14845	Customer	Heat Pump Rebate #DS-R-230124-0927	-800.00
Check	03/17/2023	14846	Customer	PA Equipment Rebate - Res #DS-R-230308-1096	-290.00
Check	03/17/2023	14847	Customer	PA Equipment Rebate - Res #DS-R-230303-1063	-480.00
Check	03/17/2023	14848	Customer	PA Equipment Rebate - Res #DS-R-230303-1003	-190.00
			Customer		-500.00
Check	03/17/2023	14849		PA Equipment Rebate - Res #DS-R-230303-1069 PA Equipment Rebate - Res #DS-R-230303-1061	-480.00
Check	03/17/2023	14850	Customer	• •	
Check	03/17/2023	14851	Customer	PA Equipment Rebate - Res #DS-R-230303-1066	-940.00
Check	03/17/2023 03/17/2023	14852		PA Equipment Rebate - Res #DS-R-230303-1064	-140.00
Check		14853	Customer	PA Equipment Rebate - Res #DS-R-230303-1062	-290.00 -2,523.74
Check	03/17/2023	14854	New Generation Illumination	PA install - Design Air Heating & Sheet Metal	•
Check	03/17/2023	14855	Customer	PA Equipment Rebate - Res #DS-R-230303-1080	-290.00
Check	03/17/2023	14856	Customer	PA Equipment Rebate - Res #DS-R-230303-1068	-940.00
Check	03/17/2023	14857	NEM Cusomter	NEM Close Out Acut #0440112749	-1.28
Check	03/17/2023	14858	NEM Cusomter	NEM Close Out Acct #3717941062	-0.48
Check	03/17/2023	14859	NEM Cusomter	NEM Close Out Acct #2689384489	-376.30
Check	03/17/2023	14860	NEM Cusomter	NEM Close Out Accts #0047184436 & #3158505254	-210.40
Check	03/17/2023	14861	NEM Cusomter	NEM Close Out Acct #3481789318	-490.59
Check	03/17/2023	14862	NEM Cusomter	NEM Close Out Acct #9108119220	-337.69
Check	03/17/2023	14863	NEM Cusomter	NEM Close Out Acct #8347760253	-96.16
Check	03/17/2023	14864	NEM Cusomter	NEM Close Out Acct #9623016817	-288.21
Check	03/17/2023	14865	NEM Cusomter	NEM Close Out Acct #8609301834	-62.07
Check	03/17/2023	14866	NEM Cusomter	NEM Close Out Acct #4307449550	-0.56
Check	03/17/2023	14867	NEM Cusomter	NEM Close Out Acct #8359356952	-1.34
Bill Pmt -Check	03/17/2023	14868	Access Humboldt	NorCAN Media 101 Training for Nancy S.	-20.00
Bill Pmt -Check	03/17/2023	14869	Aiqueous, LLC	Stage 6 Next 90 & Stage 7 Jan-Dec 2023	-5,250.00
Bill Pmt -Check	03/17/2023	14870	Amazon.com	Monthly billing - February 2023	-3,174.89
Bill Pmt -Check	03/17/2023	14871	Ameritas - Dental	#010-055098-00001 Dental - April 2023	-2,232.04
Bill Pmt -Check	03/17/2023	14872	Ameritas - Vision	010-055098-00002 Vision - April 2023	-462.92
Bill Pmt -Check	03/17/2023	14873	AT&T	RCAM Router charges - ACV: 01/19 - 02/18	-163.00
Bill Pmt -Check	03/17/2023	14874	AT&T	RCAM charges: 03/01 - 03/31/2023 for Account 8003-251-9276	-942.10
Bill Pmt -Check	03/17/2023	14875	AT&T Long Distance	Phone charges 02/25/2023 - 03/24/2023	-165.30
Bill Pmt -Check	03/17/2023	14876	Carter Properties, LLC	917 3rd Street Office Lease - Security Deposit & April prorated rent	-3,650.00
Bill Pmt -Check	03/17/2023	14877	Central Office	Printing services- 35 qty Heat Pump flyers for nonprofit mailing	-25.12
Bill Pmt -Check	03/17/2023	14878	Cissna, A.	CalCCA Semi-Annual Joint Conference-Lodging & Other	-192.20
Bill Pmt -Check	03/17/2023	14879	City of Arcata	February 2023 Excessive Energy Use Tax #6315	-5,059.36
Bill Pmt -Check	03/17/2023	14880	City of Arcata	February 2023 Utility User Tax #6310	-13,904.78
Bill Pmt -Check	03/17/2023	14881	City of Eureka-Water	Water service, 01/23/23- 02/24/23	-224.40
Bill Pmt -Check	03/17/2023	14882	Civicwell	2023 CivicWell Policymakers Conference sponsorship	-2,500.00
Bill Pmt -Check	03/17/2023	14883	Diamond, Nancy	Legal Services	-7,250.00
Bill Pmt -Check	03/17/2023	14884	Donald Dame	Professional Services February 2023	-262.50
Bill Pmt -Check	03/17/2023	14885	Engel, R.	CalCCA Semi-Annual Joint Conference-Other	-41.48
Bill Pmt -Check	03/17/2023	14886	Eureka Rubber Stamp	Board meeting nameplate & 6 holders	-54.72
Bill Pmt -Check	03/17/2023	14887	Frontier Energy, Inc.	PA Program Consulting - February 2023	-1,050.00
Bill Pmt -Check	03/17/2023	14888	Humboldt Bay Coffee Co.	Office Coffee	-25.95

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Туре	Date	Num	Name	Memo	Amount
Bill Pmt -Check	03/17/2023	14889	Law Office of David Peffer	February 2023 Legal Services - RuralREN reg support	-5,146.00
Bill Pmt -Check	03/17/2023	14890	Mission Uniform & Linen	March 2023 Mat Service & Janitorial Supplies	-57.22
Bill Pmt -Check	03/17/2023	14891	North Coast Cleaning	February 2023 monthly cleaning service	-480.00
Bill Pmt -Check	03/17/2023	14892	Northwest Energy Efficiency Council	2023 BOS Tuition and exam fee for Roku Fukui	-1,280.00
Bill Pmt -Check	03/17/2023	14893	Optimum Business-633	Phone & Internet access - 02/28 - 03/30/2023	-1,103.46
Bill Pmt -Check	03/17/2023	14894	PG&E EV Account	EV stations 01/13/2023-02/13/2023	-1,075.52
Bill Pmt -Check	03/17/2023	14895	PG&E Utility Account	01/13-02/13/23 utilities for 633 3rd Street	-1,549.35
Bill Pmt -Check	03/17/2023	14896	Ray Morgan Company	Printer Charges: 02/06-03/05/23	-119.21
Bill Pmt -Check	03/17/2023	14897	Ruby Canyon Environmental, Inc	RCEA TCR Ver 2017-2019: Virtual site visit, payment 2/2	-4,700.00
Bill Pmt -Check	03/17/2023	14898	Stitch Witch	Logo gear order - 50% Deposit	-577.94
Bill Pmt -Check	03/17/2023	14899	Times Printing Company	Printing and mailing services	-1,254.04
Bill Pmt -Check	03/17/2023	14900	Verizon Wireless	Tablet/cell service - 01/29 - 02/28/2023	-1,386.31
Paycheck	03/17/2023	ACH	Employees	Payroll	-71,887.71
Check	03/21/2023	Debit	Umpqua Bank	Service Charge	-144.22
Check	03/21/2023	14950	VISA	March 2023 Statement 02/22/2023 - 03/21/2023	-11,291.64
Liability Check	03/30/2023	ACH	Newport Group	Deferred compensation contributions	-18,800.23
Liability Check	03/30/2023	ACH	EDD	Taxes	-5,843.89
Liability Check	03/30/2023	ACH	Internal Revenue Service	Taxes	-29,082.62
Liability Check	03/30/2023	ACH	CICCS Coalition for Controlling Insurance	74-3104616 March 2023 invoice	-63.24
Bill Pmt -Check	03/30/2023	ACH	USDA	Loan Payment Q1-2023	-28,815.14
Paycheck	03/30/2023	14901	Employee	Paycheck	-707.53
Liability Check	03/30/2023	14902	Umpqua Bank	Health Savings Account contribution	-72.07
Bill Pmt -Check	03/30/2023	14903	Advanced Security	Security monitoring: Onsite Service Visit	-180.09
Bill Pmt -Check	03/30/2023	14904	Boone, J.	Mileage reimbursement -March 2023	-19.65
Bill Pmt -Check	03/30/2023	14905	Braun Blaising & Wynne	Legal Services - Regulatory -February 2023	-5,841.62
Bill Pmt -Check	03/30/2023	14906	Colonial Life	Colonial Life Premiums March 2023	-3,309.39
Bill Pmt -Check	03/30/2023	14907	Humboldt Bay Coffee Co.	March Office Coffee	-51.90
Bill Pmt -Check	03/30/2023	14908	Kerekes, C.	Mileage reimbursement - March 2023	-93.02
Bill Pmt -Check	03/30/2023	14909	Nicklas, Alida M	Mileage reimbursement - March 2023	-12.05
Bill Pmt -Check	03/30/2023	14910	NYLEX.net, Inc.	IT equipment and April services	-5,498.85
Bill Pmt -Check	03/30/2023	14911	Petty Cash	Replenish petty cash for 03.01.23-03.30.23 reimbursement	-17.95
Bill Pmt -Check	03/30/2023	14912	PG&E CCA	February 2023 CCE Charges	-22,021.93
Bill Pmt -Check	03/30/2023	14913	PG&E EV Account	EV stations 02/14/2023-03/15/2023	-773.91
Bill Pmt -Check	03/30/2023	14914	PG&E Utility Account	02/14-03/15/23 utilities for 633 3rd Street	-1,594.85
Bill Pmt -Check	03/30/2023	14915	Rennie, J	Mileage Reimbursement- March 2023	-86.59
Bill Pmt -Check	03/30/2023	14916	SEL Engineering Services, Inc.	Professional Services - Microgrid	-26,112.00
Bill Pmt -Check	03/30/2023	14917	Times Printing Company	Printing and mailing	-1,636.31
Bill Pmt -Check	03/30/2023	14918	Winzler, John	Office Lease - April 2023	-8,372.70
Check	03/30/2023	14919	Customer	PA Equipment Rebate - Res #DS-R-230313-1112	-500.00
Check	03/30/2023	14920	Customer	PA Equipment Rebate - Res #DS-R-230303-1078	-500.00
Check	03/30/2023	14921	Customer	PA Equipment Rebate - Res #DS-R-230303-1076	-500.00
Check	03/30/2023	14922	Customer	PA Equipment Rebate - Res #DS-R-230303-1075	-500.00
Check	03/30/2023	14923	Customer	PA Equipment Rebate - Res #DS-R-230303-1070	-500.00
Check	03/30/2023	14924	Customer	PA Equipment Rebate - Res #DS-R-230303-1074	-150.00
Check	03/30/2023	14925	Customer	PA Equipment Rebate - Res #DS-R-230303-1072	-190.00
Check	03/30/2023	14926	Customer	Heat Pump Rebate #DS-R-230203-0971	-800.00
Check	03/30/2023	14927	Customer	Heat Pump Rebate #DS-R-230130-0947	-800.00
Check	03/30/2023	14928	Customer	Heat Pump Rebate #DS-R-230307-1087	-875.00
Check	03/30/2023	14929	Customer	Heat Pump Rebate #DS-R-221223-0815	-2,700.00
Check	03/30/2023	14930	Customer	Heat Pump Rebate #DS-R-230324-1151	-1,600.00
Check	03/30/2023	14931	Customer	Heat Pump Rebate #DS-R-231004-0858	-1,750.00
Check	03/30/2023	14932	Customer	Heat Pump Rebate #DS-R-230124-0926	-800.00
Check	03/30/2023	14933	Customer	Heat Pump Rebate #DS-R-230201-9059	-800.00
Check	03/30/2023	14934	Customer	Heat Pump Rebate #DS-R-230307-1086	-1,250.00
Check	03/30/2023	14935	Customer	Res EVSE rebate #EVSE21	-228.97
Check	03/30/2023	14936	Joseph O'Gorman	Transportation EVITP Scholarship: EVITP01	-275.00
Check	03/30/2023	14937	NEM Cusomter	2022 NEM Yearly Payout Reissued	-296.63
Check	03/30/2023	14938	NEM Cusomter	2022 NEM Annual Payout Reissued	-220.49

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Туре	Date	Num	Name	Memo	Amount
Check	03/30/2023	14939	NEM Cusomter	2022 NEM Annual Payout Reissued	-390.89
Check	03/30/2023	14940	NEM Cusomter	2022 NEM Annual Payout Reissued	-135.72
Check	03/30/2023	14941	NEM Cusomter	2022 NEM Annual Payout Reissued	-379.58
Check	03/30/2023	14942	NEM Cusomter	2022 NEM Annual Payout Reissued	-134.69
Check	03/30/2023	14943	NEM Cusomter	2022 NEM Annual Payout Reissued	-174.36
Check	03/30/2023	14944	NEM Cusomter	2022 NEM Annual Payout Reissued	-227.59
Check	03/30/2023	14945	NEM Cusomter	2022 NEM Annual Payout Reissued	-101.52
Check	03/30/2023	14946	NEM Cusomter	2022 NEM Close Out Reissued	-231.58
Check	03/30/2023	14947	NEM Cusomter	2021 NEM Annual Payout Reissued	-215.25
Check	03/30/2023	14948	NEM Cusomter	NEM Close Out Ck 13786 Reissued	-61.31
Check	03/30/2023	14949	NEM Cusomter	2022 NEM Yearly Payout Reissued	-118.92
Paycheck	03/30/2023	ACH	Employees	Payroll	-72,330.80
TOTAL					-1,189,179.78

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Redwood Coast Energy Authority Profit & Loss Budget vs. Actual July 2022 through March 2023

	Jul '22 - Mar 23	Budget	% of Budget
Ordinary Income/Expense			
Income			
Total 4 GRANTS AND DONATIONS	7,500.00		
5 REVENUE EARNED			
Total 5000 · Revenue - government agencies	618,761.04	1,101,031.00	56.2%
Total 5100 · Revenue - program related	65,247.69	30,400.00	214.63%
Total 5300 · Revenue - interest on deposits	878.45		
Total 5400 · Revenue-nongovernment agencies	230,776.08	489,124.00	47.18%
Total 5500 · Revenue - Electricity Sales	55,310,075.46	78,613,344.00	70.36%
Total 5 REVENUE EARNED	56,225,738.72	80,233,899.00	70.08%
Total Income	56,233,238.72	80,233,899.00	70.09%
Gross Profit	56,233,238.72	80,233,899.00	70.09%
Expense			
Total 6 WHOLESALE POWER SUPPLY	38,210,889.51	54,381,799.00	70.26%
Total 7 PERSONNEL EXPENSES	2,690,332.95	4,071,684.00	66.07%
Total 8.1 FACILITIES AND OPERATIONS	431,125.87	976,816.00	44.14%
Total 8.2 COMMUNICATIONS AND OUTREACH	77,627.80	177,004.00	43.86%
8.4 PROFESSIONAL & PROGRAM SRVS			
8400 · Regulatory	110,145.57	180,000.00	61.19%
8410 · Contracts - Program Related Ser	108,107.73	290,000.00	37.28%
8420 · Accounting	18,158.00	87,455.00	20.76%
8430 · Legal	128,240.42	180,000.00	71.25%
8450 · Wholesale Services - TEA	612,369.69	654,984.00	93.49%
8460 · Procurement Credit - TEA	401,072.37	690,545.00	58.08%
8470 · Data Management - Calpine	490,728.00	737,532.00	66.54%
Total 8.4 PROFESSIONAL & PROGRAM SRVS	1,868,821.78	2,820,516.00	66.26%
Total 8.5 PROGRAM EXPENSES	462,332.48	638,100.00	72.46%
Total 8.6 INCENTIVES & REBATES	394,426.77	577,823.00	68.26%
Total 9 NON OPERATING COSTS	225,685.77	246,020.00	91.74%
Total Expense	44,361,242.93	63,889,762.00	69.43%
Net Ordinary Income	11,871,995.79	16,344,137.00	72.64%
Income	11,871,995.79	16,344,137.00	72.64%

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Redwood Coast Energy Authority Balance Sheet

As of March 31, 2023

	Mar 31, 23
ASSETS	
Current Assets	
Checking/Savings	
1010 · Petty Cash	300.00
1050 · GRANTS & DONATIONS 3840	15,995.51
1060 · Umpqua Checking Acct 0560	26,414.46
1071 · Umpqua Deposit Cntrol Acct 8215	8,762,387.20
1075 · Umpqua Reserve Account 2300	1,319,298.52
1076 · First Republic Bank - 4999	62,263.94
8413 · COUNTY TREASURY 3839	5,329.01
Total Checking/Savings	10,191,988.64
Total Accounts Receivable	77,209.66
Other Current Assets	
1101 · Allowance for Doubtful Accounts	-3,503,105.02
1103 · Accounts Receivable-Other	14,465,815.46
1120 · Inventory Asset	21,715.00
1202 · Prepaid Expenses	-27,935.00
1205 · Prepaid Insurance	34,941.40
1499 · Undeposited Funds	1,403.00
Total Other Current Assets	10,992,834.84
Total Current Assets	21,262,033.14
Total Fixed Assets	8,998,747.23
Other Assets	
1700 · Security Deposits	4,051,123.26
Total Other Assets	4,051,123.26
TOTAL ASSETS	34,311,903.63
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Total Accounts Payable	4,932,042.06
Total Credit Cards	3,193.38
Other Current Liabilities	
2002 · Deposits Refundable	1,498,545.01
2013 · Unearned Revenue - PA 2020-2023	369,586.96
Total 2100 · Payroll Liabilities	157,140.74
Total Other Current Liabilities	2,025,272.71
Total Current Liabilities	6,960,508.15
Total Long Term Liabilities	6,287,592.00
Total Liabilities	13,248,100.15
Equity	
2320 · Investment in Capital Assets	215,489.00
3900 · Fund Balance	8,976,318.69
Net Income	11,871,995.79
Total Equity	21,063,803.48
TOTAL LIABILITIES & EQUITY	34,311,903.63

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STAFF REPORT

Agenda Item # 4.4

AGENDA DATE:	May 25, 2023
TO:	Board of Directors
PREPARED BY:	Lori Biondini, Business Planning and Finance Director
SUBJECT:	FY22-23 Budget Update

SUMMARY

The Board approved a mid-year budget adjustment in February to reflect customer rate changes that were implemented in January, as well as significant changes in forecasted energy costs since the original fiscal year 2022-23 budget had been prepared in May of 2022. The net result made actual revenue and expenses closer to 50% of their respective budget line items through Q2 of the fiscal year. The revised budget also included increased facilities and operations costs associated with leasing and setting up a second office location and extending the duration of customer rebate programs as the State Program Administrator funding was exhausted.

Please find attached the Profit and Loss Budget versus Actual report through March 31, 2023, presenting revenue and expenses through Q3, or 75%, of the fiscal year. Staff is not recommending any adjustments and is presenting this information as an update and to inform the 2023-2024 fiscal year budget setting process.

REVENUE

Direct Donations

These funds are unexpected donations received from Calpine Corporation and Sonoma Clean Power who were concerned about the earthquake damage to our community and asked if we would distribute them to an organization involved in disaster recovery. They funded cash and goods given to the Rio Dell Fire Department. The donation was expensed under Outreach Related Donations.

State Contracts and Grants

Revenue from state contracts continues to be realized more slowly than anticipated. This revenue includes Energy Efficiency Program Administrator (PA) funds, CALeVIP electric vehicle charging station matching grant funding, and grant funding from the California Energy Commission for planning for and promoting medium and heavy-duty electric vehicles. Of about \$370K remaining of PA funding, staff anticipates spending \$240K in Q4 and then rolling over \$130K of unused funds into next year's budget. The PA program will run until the end of calendar year 2023. CALeVIP funding is granted on a reimbursement basis for new electric vehicle chargers. RCEA anticipated receiving \$26K of funding for chargers at the airport as part of the Airport Microgrid project, but County of Humboldt plans for parking lot improvements have delayed those plans. The \$26K contribution via the State's CALeVIP program will be included in next year's budget. About \$45K of CEC grant funds will be received in Q4 of this fiscal year. The total for fiscal year 2023 is anticipated to be \$904K, or 82% of the budgeted line item.

Programs

RCEA's program-related sales category includes revenue from the EV Network (REVNet) and forfeited deposits from feed-in-tariff applicants. This category has also come to include unexpected feed-in-tariff project delay damages that RCEA collects. The nature of these delays has been covered in recent Board meetings by the Power Resources team and in Risk Management presentations. The revenue is meant to cover RCEA's cost to procure replacement energy products.

Interest

This is also an unexpected, new income category this year that was not included in the budget. Upon finishing the Airport Microgrid project, RCEA received back a large interconnection studies deposit that had accrued interest while being held in an escrow account. This may be common in the future as RCEA is able to receive back other security deposits it has posted in the past couple of years.

Non-Government Contracts

Revenue from non-government agencies, including contracts with Pacific Gas and Electric Company for our service as a Local Government Partnership and the Schatz Energy Research Center for the Airport Microgrid, is tracking more slowly than anticipated. A budget adjustment by Sponsored Programs Foundation/Schatz has delayed RCEA's ability to invoice for the remaining \$181K of Airport Microgrid CEC sub-award funds. CEC approval of the adjustment may occur in time for RCEA to submit a final invoice by the end of the year. If not, the income will be moved to next year's budget. RCEA has already paid the associated expense which included PG&E and contractor costs.

Electricity Sales

RCEA's largest revenue source is at just over 70% of its budget line item. The large expense of Net Energy Metering customer annual true-up payouts happens in May and June, which deducts from the electricity sales total. This may cause the net revenue to end up slightly less than what was anticipated and adopted mid-year.

EXPENSE

Wholesale Power Supply

RCEA's largest expense is also at just over 70% of its budget line item. However, there are some expenses that occur in Q4 that may skew the year-end numbers. There will be one additional expense in May for environmental attributes purchased over the past year, as well as payments to Snow Mountain Hydro for generation at their Cove facility, which produces electricity when water is flowing in the spring.

Personnel

Personnel expenses are at 66% of its budget line item. This is 9% less than expected at Q3, with the difference occurring in total wages and benefits. This may be due to long vacancies of a couple of roles and delayed start dates to accommodate new hires who were finishing previous employment. Successful recruitment into the newly approved Power Resource Specialist position this spring may make up the difference by the end of the year.

Facilities and Operations

The regular facilities and operations expenses are tracking at only 44% of the budgeted amount, but there were several new costs associated with the leasing and setting up of a new office space in April and May. The year-end total will include the new monthly rent and utilities, IT networking and electrician costs, moving costs, and some new workspace partitions and other furnishings.

Communications and Outreach

Communications and outreach expenses are at 44% of the amount budgeted for this year. The second of two required customer mass mailings per year will occur in June, but the year-end total will still likely be under budget.

Professional and Program Services

Professional and program services are at 66% of the amount budgeted. Program-related services contracts, accounting services, and the cost of procurement credit through The Energy Authority (TEA) are less than anticipated. Wholesale services costs through TEA are more than anticipated. All line items except accounting services are anticipated to keep the same pace. RCEA's new financial auditor began work in May. Year-end totals for this category overall will likely be at or slightly less than budgeted.

Programs Expenses

The Program Expenses category is at 73% of the budget and includes customer billings services, energy-related use tax, and electric vehicle charging station site host payments which are meant to reimburse electricity charges associated with use of the RCEA-owned charging network.

Incentives and Rebates

The Incentives and Rebates category is meant to capture expenses associated with funding from grants and contracts, as well as CCE program revenues that are earmarked as a customer rebate. An increase in uptake of rebates this calendar year has the total spent at 68% of the amount budgeted. Rebates paid out this year were for electric vehicle and electric vehicle supply equipment purchases, heat pump installations, residential efficiency kits, and non-residential energy efficient lighting installations.

Non-Operating

Non-operating costs this year include loan fees, loan interest, escrow account fees, and bank charges. The current budget did not account for the full amount of loan fees for the short-term loans RCEA received from the Blue Lake Rancheria and MCE last fiscal year. The Blue Lake Rancheria loan interest was paid monthly for the duration of the loan through September however the MCE transaction was a flat fee that was not invoiced until Q1 of this fiscal year. Overall, the category expenses total 92% of the budgeted amount, and Staff anticipates expending 104% of the budget for the year.

NET

Net ordinary income is currently at 73% of the budgeted amount, or \$11.9M of the estimated \$16.4M. As detailed above, the overall trend points towards less Q4 revenue than expense, making it likely that net income will not reach the full budgeted amount for fiscal year 2022-23, but still provide a healthy contribution to reserves.

RECOMMENDED ACTIONS

Accept Fiscal Year 22-23 Budget Update and Quarterly Budget Report through Q3.

ATTACHMENTS

See agenda item 4.3 – 1 Profit and Loss Budget Versus Actual Report Through March 2023/Q3.



STAFF REPORT Agenda Item # 6.1

May 25, 2023
Board of Directors
Sharon Kramer, H.T. Harvey & Associates
Presentation on CStories: A Federally-Funded Community Offshore Wind Engagement App

SUMMARY

H.T. Harvey & Associates Principal Sharon Kramer will provide a presentation on this digital tool to assist communities in engaging in the marine renewable energy planning and development process.

RECOMMENDED ACTION

None. Information only.

ATTACHMENTS

CStories slides will be presented at the meeting.

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Engaging a Diverse Community and Increasing Equity in Offshore Wind Processes: CStories



Presenter: Sharon Hendrix Kramer, PhD Grace Chang, PhD, Integral Consulting Ben Best, PhD, EcoQuants May 25, 2023



Goal and Objectives

- To develop a user-friendly data dashboard in support of ocean multi-use management with marine renewable energy
 - Empower communities with information and interactive data analysis and visualization tools
 - Promote meaningful stakeholder engagement and communications, and informed decisionmaking.

Community Partners:







CStories: Empower communities to participate in marine renewable energy planning and development



Disseminate relevant information to communities





Facilitate communication of community concerns and priorities



Empowering Communities with Easy-to-Use Digital Tools to Participate in Marine Renewable Energy Planning & Development

Check out our Beta website

This website <u>cstories.integral-corp.com</u> is for organizing workshops and feedback.

The website <u>cstories.integral-corp.com/**beta/**</u> is our dedicated website product with features (e.g., AI chat bot, comments, interactive infographics and latest news).

Workshops

This Phase 1 project is active June 2022 to March 2023. We will conduct a series of workshops in California to solicit feedback for building out a prototype tool.

Date	Title	Host	
Sep 21, 2022	Workshop #1 at SBMM	Santa Barbara Maritime Museum	
Sep 29, 2022	Workshop #2 at RCAA	Redwood Community Action Agency	
Feb 2, 2023	Workshop #3 at RCAA	Redwood Community Action Agency	
Feb 8, 2023	Workshop #4 at SBMM	Santa Barbara Maritime Museum	

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On this page

Workshops

Applications

Contact

How would you react to the news that an offshore wind energy project is being proposed for your local waters?



What are the biggest benefits as the result of offshore wind development?

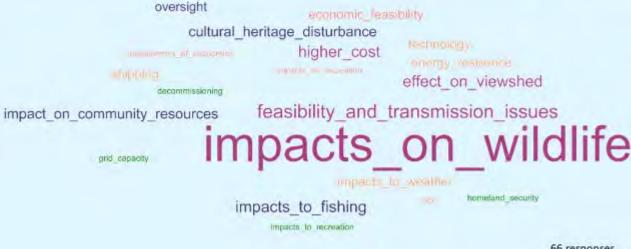


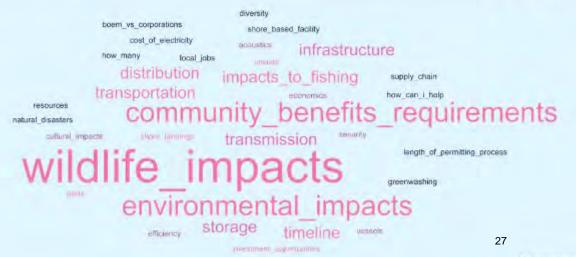
community_benefits_agreement climate_change_mitigation new_industry_potential infrastructure upgrades energy_resilience carbon reduction technology advancement energy diversification renewable lower cost

44 responses

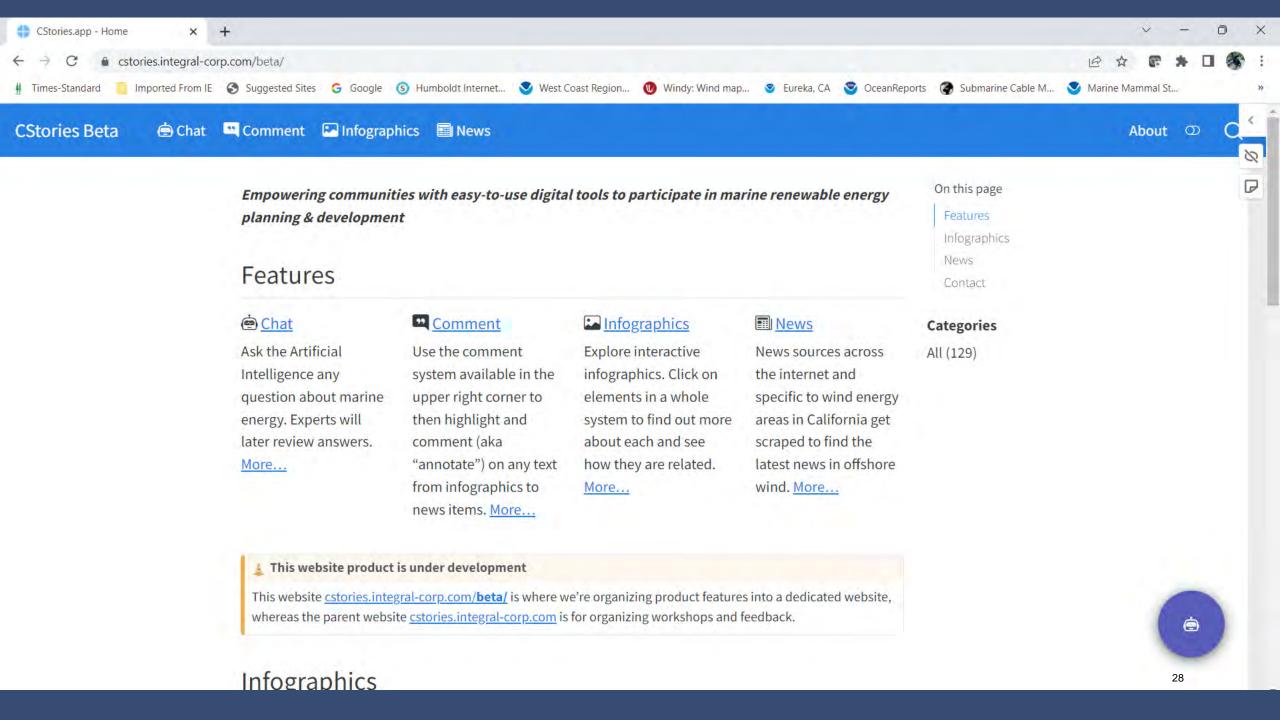
What are your biggest concerns with offshore wind development?

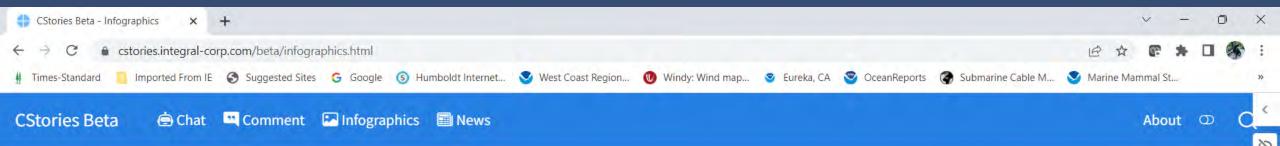
What information do you wish you had about offshore energy development?





ifespan

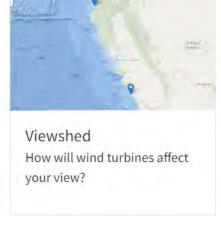


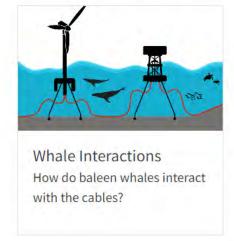


Infographics

Interactive infographics allow for easy navigation of core concepts and information in a visual manner.

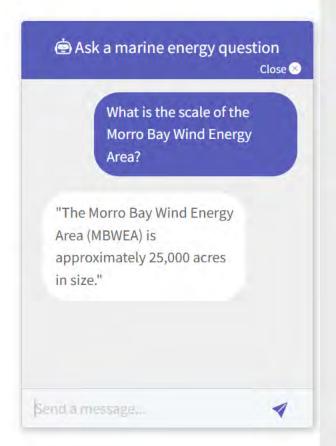


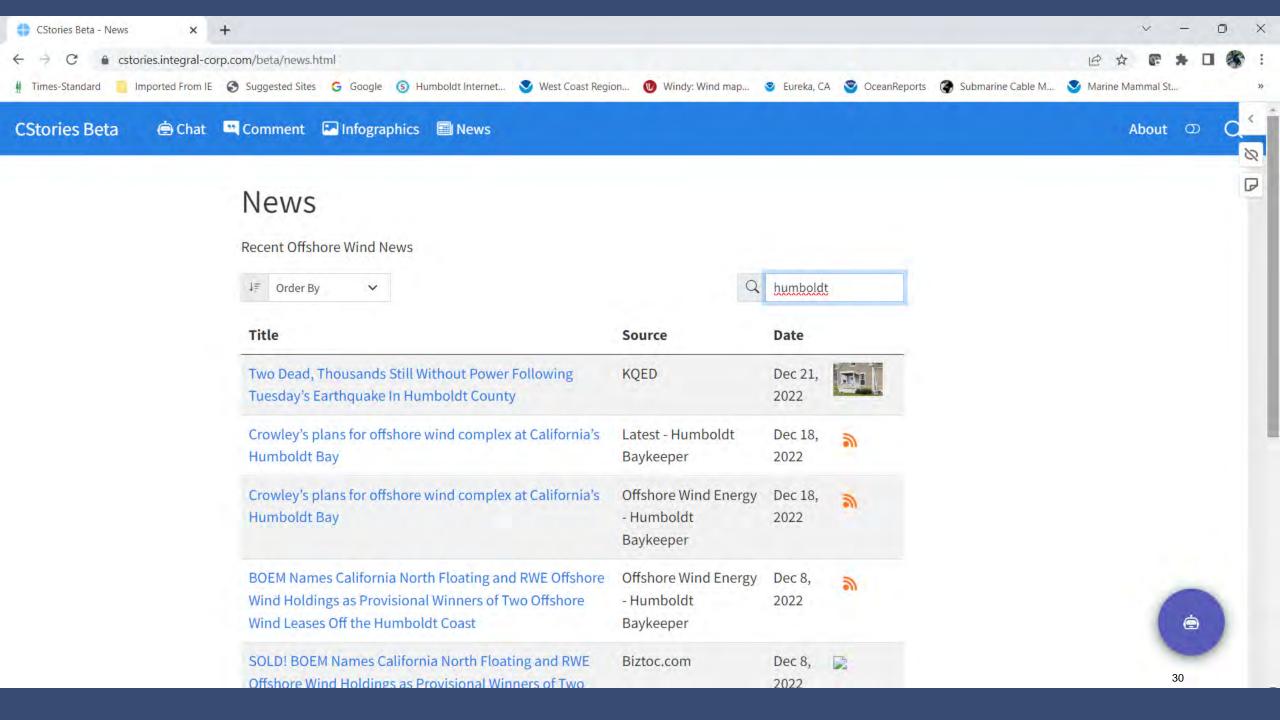






All (3)





Key Takeaways

- Stakeholder feedback should be solicited early in the planning stages
 - Community benefits must be clearly articulated
- Community eagerness to learn about offshore wind
 - Technology (device and array characteristics)
 - Effects on wildlife, environment, and viewshed
- > Too much information available over disparate sources
- Need digestible data and easy-to-use tools

Identified Community Needs To Be Addressed:

- Expert training of the Chat Bot to avoid 'hallucinations'
- Interactive, filterable calendar of local OSW events
- Quantitative and transparent trade-off analysis tool
- Environmental Justice Communities local to OSW development want to benefit from this new clean energy resource. Is the Humboldt WEA going to power the local community? Or routed to the Bay Area?

Sharon Kramer, PhD

Principal

skramer@harveyecology.com

Grace Chang

Ben Best

Senior Science Advisor

Data Scientist

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STAFF REPORT Agenda Item # 8.1

AGENDA DATE:	May 25, 2023
TO:	Board of Directors
PREPARED BY:	Jocelyn Gwynn, Senior Power Resources Manager
	Richard Engel, Director of Power Resources
SUBJECT:	Procurement Options 2023-2025

BACKGROUND

At the April 2023 meeting, staff from The Energy Authority (TEA) presented the Quarterly Energy Risk Management Report to the Board. Part of that report focused on market conditions for short-term renewable energy procurement and expected project delays. In the last year, Portfolio Content Category (PCC) 1¹ renewables have risen about 2.5 times in price. Simultaneously, the commercial operation date of RCEA's contracted Sandrini Sol 1 project was delayed from June 2023 to early 2024. Sandrini is a 100 MW solar plant being built in Kern County that will meet roughly 45% of RCEA's annual energy needs once operational. The delay in generation from Sandrini leaves a large gap in RCEA's 2023 procurement that would need to be filled with short-term PCC1 renewables to achieve our current renewable procurement target for the year.

As a separate but related matter, at the March 2023 meeting, the Board directed staff to estimate the cost to opt up all CCE customers to a 100% renewable portfolio, similar to RCEA's existing REpower+ product. Staff are bringing back the results of that analysis for informational purposes, in addition to several procurement options for the current calendar year, given the costs we are exposed to resulting from the Sandrini delay and increased renewable energy prices.

SUMMARY

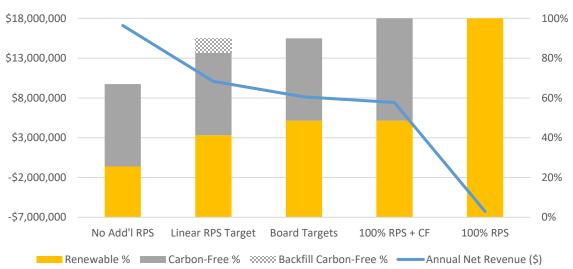
2023 Procurement Options

Based on the financial model that TEA maintains and updates daily for RCEA, staff analyzed five procurement scenarios, the results of which are presented in the charts below on an annual and cumulative net revenue basis. The first three scenarios are what the Board saw in last month's risk presentation under which we 1) procure no additional renewable energy this year beyond existing contracts, 2) procure to the annual linear target under the State's Renewable

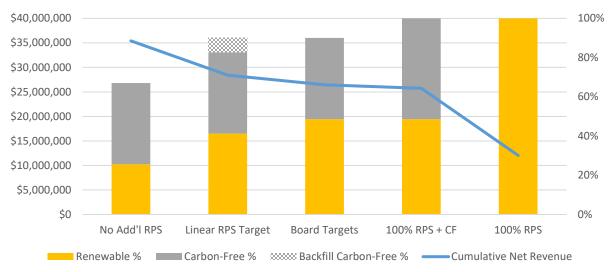
¹ PCC1 is the most valuable renewable product. It indicates the bundled energy and renewable certificates came from a plant directly connected to a CA balancing authority such as the California Independent System Operator.

Portfolio Standard (RPS)², and 3) procure to current Board-adopted targets³. The other two scenarios show the cost of procuring 4) 100% renewable and carbon-free (i.e., large hydropower) energy and 5) 100% renewable energy (no large hydropower), equivalent to RCEA's REpower+ opt up product.

2023 Procurement Options Relative to Annual Net Revenue



2023 Procurement Options Relative to Cumulative Net Revenue



Staff are recommending the second scenario in which we dial back renewable procurement from the Board target but stay on track to procuring the annual linear RPS target, with the option to procure additional carbon-free energy at staff's discretion subject to availability and cost, to

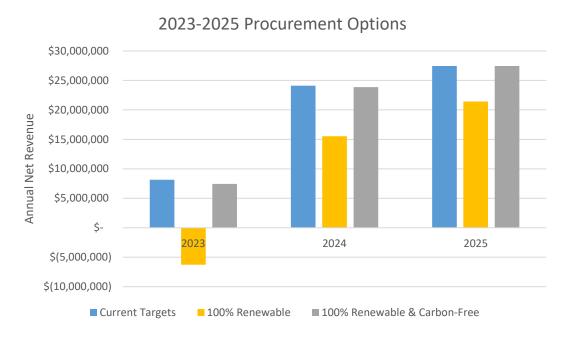
² Compliance with the CA RPS Program is measured across multi-year compliance periods, not annually. The annual linear RPS target is set to have RPS content increase steadily year over year while meeting the minimum total RPS requirement for each multi-year compliance period.

³ A chart of Board-adopted targets is viewable on RCEA's website: https://redwoodenergy.org/power-resources/
Page 2 of 4

meet the same total amount of renewable plus carbon-free energy as the Board's current 2023 targets. The net revenues associated with this option in the chart assume that backfill carbon-free energy is procured. This option is recommended because staff see reputational value in maintaining a linear trajectory of increased renewable procurement during the current period, despite that the RPS program allows for making up for annual shortfalls in a later year within the same compliance period. For the four-year RPS Compliance Period 4, 2023 is the third year.

2024-2025 Procurement

The following chart compares financial outcomes for the third, fourth and fifth scenarios above, the more aggressive clean and renewable targets, extended to 2024 and 2025 for informational purposes. The net revenue is significantly more in those years than in 2023 because much of the renewable procurement is expected to come from the Sandrini solar project under a fixed-price long-term contract. Note that the 100% renewable and carbon free scenario in 2025 is the same as the current Board adopted target, which is why there is no difference in financial outcomes between those two scenarios.



The following table shows the percent increase in retail rates relative to forecasted rates that would be needed to recover the same annual net revenue as the current Board-adopted target case. Staff are not recommending the Board take action on the procurement targets or retail rates for 2024 and 2025 at this time. Again, the expectation of the Sandrini project being online by 2024 accounts for the great reduction in needed cost recovery after 2023.

	2023	2024	2025
100% Renewable	34%	10%	7%
100% Renewable & Carbon-Free	1.7%	0.4%	n/a

ALIGNMENT WITH RCEA'S STRATEGIC PLAN

The staff recommendation to reduce short-term renewable procurement in 2023 aligns with the following goal, while enabling RCEA to contribute more toward financial reserves or local programs and initiatives:

4.3.3 Retain and/or Redirect Rate-Payer Dollars Back into Humboldt County.

EQUITY IMPACTS

Not applicable, as the staff recommendation relates to short-term procurement from existing power facilities.

FINANCIAL IMPACT

The staff recommendation of a decreased 2023 renewable target from 48% to 41% would result in increased net revenue of an estimated \$1.9M-2.5M, depending on whether backfill carbon-free energy is procured. This is relative to the current Board-adopted procurement targets accounted for in the FY 2023-24 budget being presented to the Board at this month's meeting. The financial impacts of the other scenarios on net revenue can be seen in the charts and tables above.

STAFF RECOMMENDATION

Approve a reduced renewable procurement target of 41% for 2023 with the option to backfill the 8% reduction with carbon-free energy at staff's discretion depending on market availability.



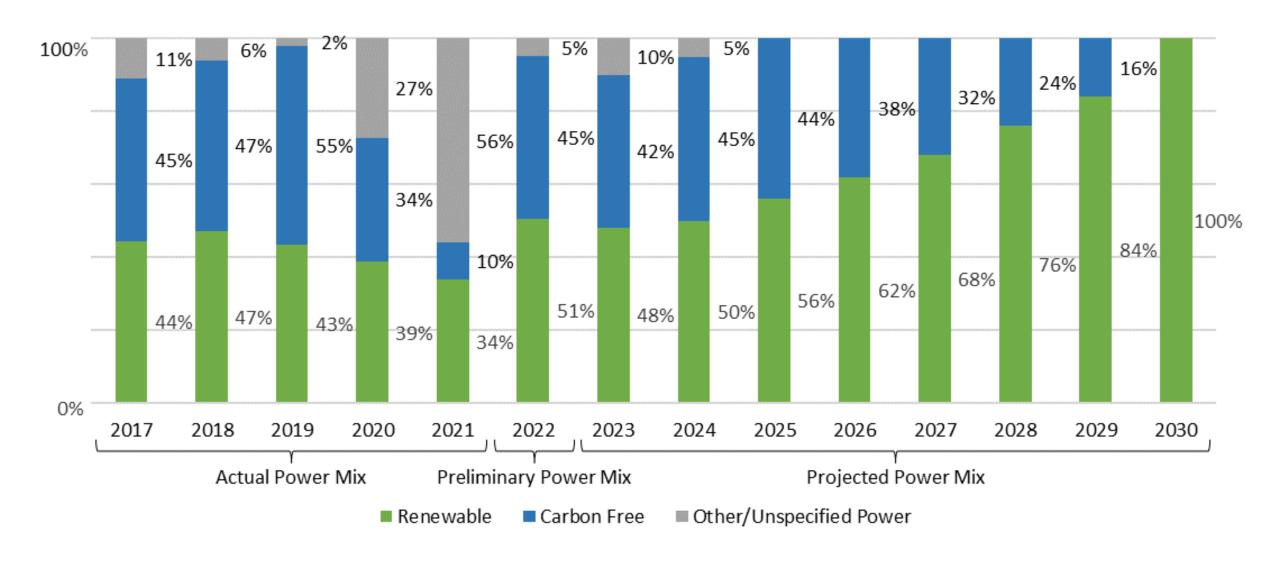




2023-2025 Power Procurement Options

Presentation to RCEA Board of Directors May 25, 2023

Past Procurement and Projected Board Targets



Need for 2023 Procurement Guidance

- Further delay of Sandrini Solar commercial operation
- 2.5x increase in short-term renewables price (portfolio content category 1)
- Potential unavailability of carbon-free hydropower

2023 Procurement Options

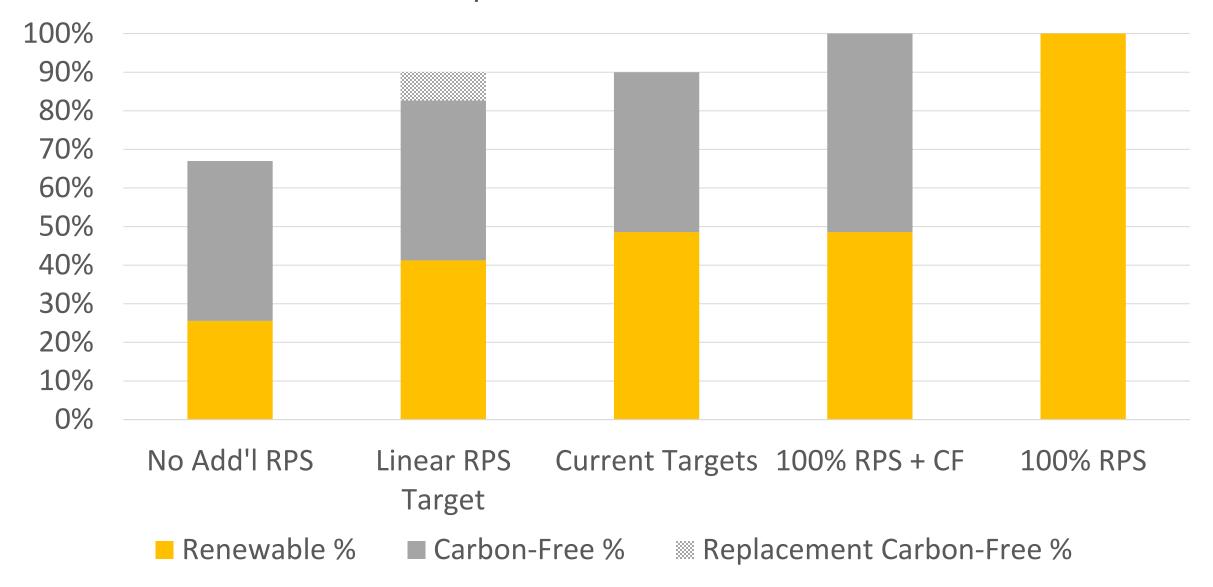
To address unforeseen cost increases in meeting 2023 renewables target

- 1) No additional renewable energy purchases this year beyond existing contracts
- 2) Procure enough to meet annual linear target under the State's Renewable Portfolio Standard (RPS)
- 3) Procure to current Board-adopted targets

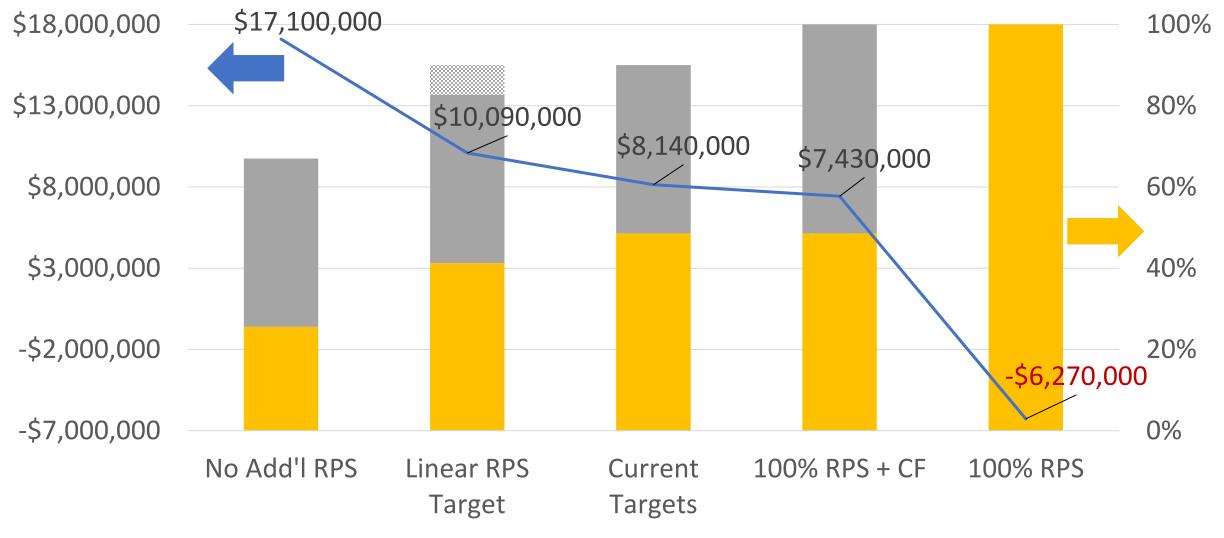
In response to Board inquiry about accelerating renewables target

- 4) Procure 100% renewable and carbon-free energy
- 5) Procure 100% renewable energy (similar to REpower+)

2023 Procurement Options Relative to Annual Net Revenue

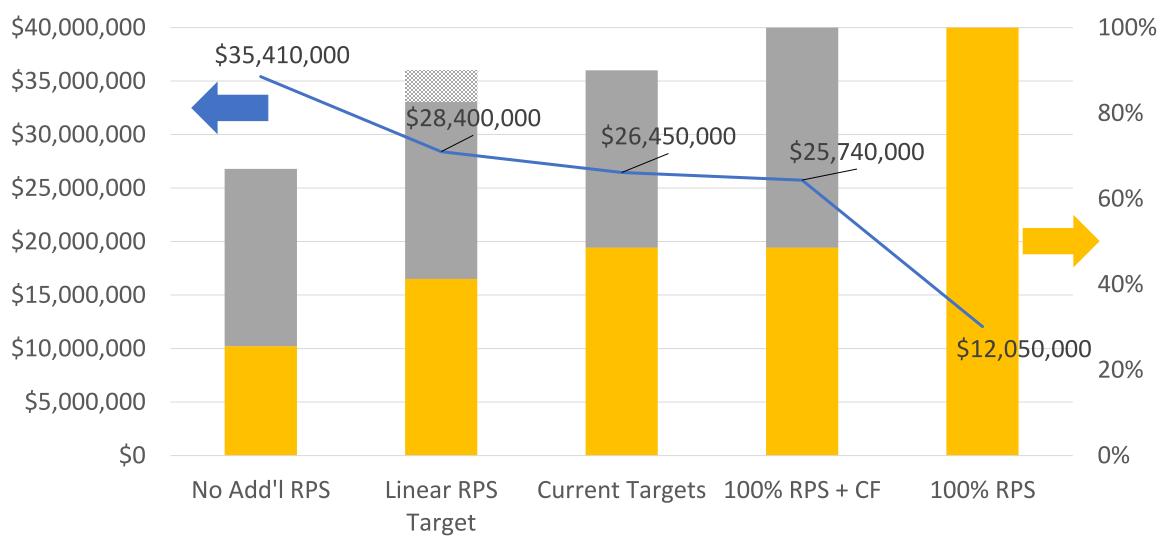


2023 Procurement Options Relative to Annual Net Revenue



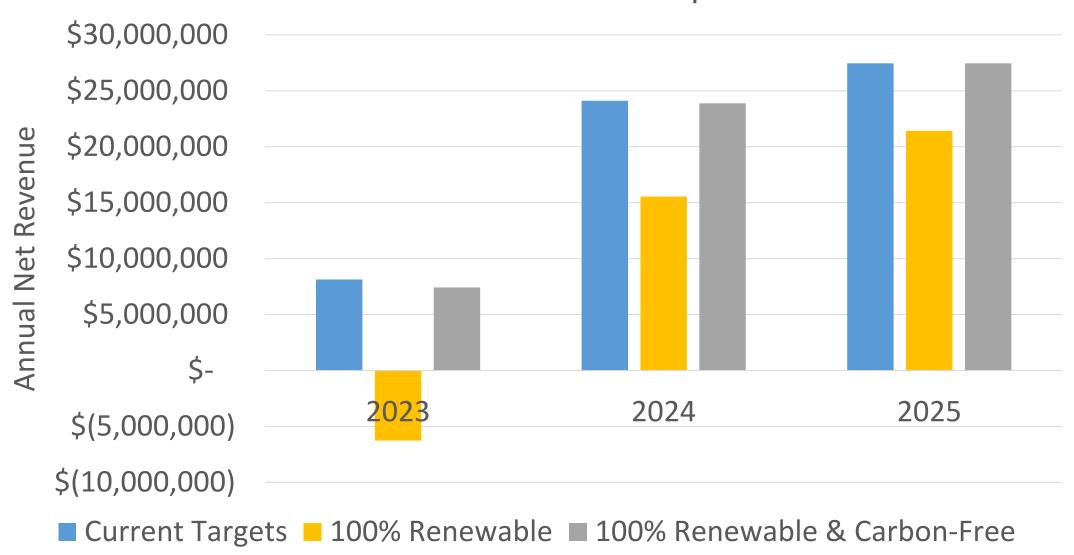
—Renewable % ■ Carbon-Free % ■ Replacement Carbon-Free % — Annual Net Revenue (\$)

2023 Procurement Options Relative to Cumulative Net Revenue



■ Renewable % ■ Carbon-Free % ■ Replacement Carbon-Free % — Cumulative Net Revenue (\$)

2023-2025 Procurement Options



Cost Recovery of 2023-2025 Options

Percent increase needed in average retail rates (relative to currently forecasted rates) to recover the same annual net revenue as the current Board target case:

	2023	2024	2025
100% Renewable	34%	10%	7%
100% Renewable & Carbon-Free	1.7%	0.4%	n/a



STAFF REPORT Agenda Item # 10.1

AGENDA DATE:	May 25, 2023
TO:	Board of Directors
PREPARED BY:	Eileen Verbeck, Deputy Executive Director
SUBJECT:	Salary and Benefit Schedule Update

SUMMARY

In December 2016, the RCEA Board adopted an employee compensation policy. The policy notes that, in order to attract and retain qualified employees at all levels of the organization, it is the policy of the Authority to maintain fair and competitive salary ranges consistent, within the economic constraints of the Authority, with the labor market in which we compete for talented employees. The labor market agencies identified in the policy were updated by the RCEA Board in February 2021.

The policy states that RCEA will conduct a biennial salary survey to identify the "averaged" level of salary for each benchmark position. In addition, staff are to recommend adjustments to RCEA's salary ranges when warranted by changing economic and competitive factors. The last biennial salary survey and resulting salary schedule update was completed in 2021.

Staff completed an update to the salary survey and provided it to the RCEA Board at the April 2023 meeting, and those results are summarized in the table below:

RCEA job classification	Current RCEA pay scale midpoint	2023 Salary survey benchmark positions average midpoint	RCEA percent below benchmarks
Assistant/Associate/Coordinator	\$43,442	\$48,025	11%
Specialist/Senior Specialist	\$68,266	\$73,100	7%
Technician/Senior Technician	\$80,678	\$87,735	9%
Manager/Senior Manager	\$93,090	\$101,379	9%
Director	\$124,120	\$155,686	25%
Executive Director	\$161,356	\$223,313	38%
Average % below benchmarks	12%		
(excluding Executive Director po	sition)		

Survey findings show that RCEA salary ranges are lower than comparable agencies' averaged comparative pay, with RCEA averaging 12% below benchmark positions (excluding the Executive Director position). For additional points of reference, over the last two years the Social Security COLA increase totaled 14.6%, and the Western US consumer price index increased by 13.5%.

Staff also conducted an employee survey, asking employees to rank the following items: higher salary, more paid time off, increased benefits (i.e. life insurance), increased retirement benefits, new compensation category (i.e. longevity), or other. Employees ranked salary, paid time off and increased retirement benefits as their top choices respectively.

While gathering salary data for the biennial survey, staff also collected information on employee benefits, which was provided at the April Board meeting. Currently, RCEA provides a 4% contribution to a 457(b) plan with up to 3% match for a potential total employer contribution of 7%. During the survey it was determined that the non-PERS labor market agencies all offered up to 10% contribution. Additionally, all these agencies contribute into a 401(a) plan or 403(b) plan and the 457(b) plan is solely for employee contributions. Expanding RCEA's plan to include a 401(a) plan will allow employees to contribute up to the maximum annual contribution if they so choose.

Staff met with the Board Finance Subcommittee on May 15, 2023, and presented options for salary adjustments and increased benefits (Attachment C) along with a draft FY23-24 budget.

Per RCEA policy, to maintain fair and competitive salary ranges necessary to retain and recruit talented employees the Board Finance Subcommittee recommends the Board approve a 14% adjustment to the RCEA salary ranges to narrow the gap between RCEA and its comparative labor market agencies.

The Board Finance Subcommittee recommends the Board approve the following adjustments to RCEA benefits:

- 1. Authorize the addition of a 401(a) retirement plan.
- 2. Increase RCEA's contribution to the 401(a) retirement by \$4,000 and maintain the 4% contribution and up to 3% match.
- 3. Adopt a longevity incentive payable once per calendar year of \$1,000 per year for employees with 5-9 years of service, \$2,500 per year for employees with 10-14 years of service, and \$3,500 per year for employees with 15 or more years of service.
- 4. Addition of Juneteenth as an RCEA paid holiday.

FINANCIAL IMPACT

Compared to leaving the current 2021 salary schedule in place, adjusting RCEA's pay ranges up by 14% will increase RCEA's personnel budget by about \$432,540. Personnel costs represent only about 5% of RCEA's total budget, so a 14% increase to personnel costs will result in an impact to RCEA's FY23-24 budget of only 0.4%.

The preliminary draft FY23-24 budget being presented at this meeting includes the following:

- 14% salary adjustment
- Addition of a 401(a) retirement plan
- Increased RCEA retirement contributions by \$4,000/employee
- Longevity Flat Rate 5 years \$1,000, 10 years \$2,500, 15 years \$3,500.

The draft FY23-24 budget estimates a net revenue of \$9.59 million.

STAFF RECOMMENDATION

Approve the following:

- 1. <u>Update to the RCEA salary schedule including a 14% salary adjustment effective July 1, 2023,</u>
- 2. Addition of a 401(a) retirement plan and authorize the Executive Director to execute all applicable documents,
- 3. <u>Increase of RCEA's contribution to eligible employee's retirement by \$4,000/year effective July 1, 2023.</u>
- 4. Adoption a longevity incentive payable once per calendar year of \$1,000 per year for employees with 5-9 years of service, \$2,500 per year for employees with 10-14 years of service, and \$3,500 per year for employees with 15 or more years of service effective July 1, 2023.
- 5. Addition of Juneteenth to the paid holidays provided to RCEA staff, effective June 19, 2023.

ATTACHMENTS:

- A. 2023 Salary Survey Midpoints (presented in April)
- B. 2023 Comparable Agency Benefit Summary (presented in April)
- C. Draft Salary and Benefit Proposals
- D. Existing and Proposed 2023 update to RCEA salary schedule (14%)

Biennial Salary Survey of Benchmark Classifications at RCEA's Labor Market Agencies, 2023

			Apr-2	3	
Title	Organization	Mid	point of range	R	CEA Salary
Assistant/Associate/Coordinator					
Administrative Support	North Coast Air Quality Mang District		31,567.00		
Administrative Assistant	City of Eureka		38,386.00		
Student/Grad Student Assistant	CalPoly Schatz Energy Research Center		40,300.00		
Accounting Tech I	Humboldt Bay Municipal Water District		46,021.71		
Administrative Secretary	County of Humboldt		50,876.80		
Customer Services Representative I/II	City of Ukiah Electric Utility		50,953.80		
Customer Service Representative	Sonoma Clean Power		55,650.00		
Administrative Assistant	CalPoly Schatz Energy Research Center		55,920.80		
Administrative Assistant	Pioneer Community Energy		62,547.50		
AVERAGE		\$	48,024.85	\$	43,442.00
Current RCEA Midpoint (Asst/Assoc/Coord s	step 5), effective 7/1/2021				11%
Specialist/Senior Specialist					
Electric Utility Program Coordinator	City of Ukiah Electric Utility		62,082.36		
Executive Assistant & Board Secretary	Humboldt Bay Municipal Water District		63,399.24		
Clerk Of The Board/Burn Permit Coordinator	North Coast Air Quality Mang District		63,473.00		
IT Technician I/II	County of Humboldt		65,124.80		
Research Assistant/Engineering Technician	CalPoly Schatz Energy Research Center		69,087.20		
Accounting & HR Specialist/Customer Service	Humboldt Bay Municipal Water District		69,917.59		
Clerk III	Trinity County PUD		71,292.00		
Program Analyst/Board Clerk	Valley Clean Energy		79,931.50		
Executive Assistant/Board Clerk	Pioneer Community Energy		91,294.50		
Executive Assistant/Board Clerk	Sonoma Clean Power		95,400.00		
AVERAGE		\$	73,100.22	\$	68,266.00
Current RCEA Midpoint (Specialist step 8), e	ffective 7/1/2021				7%

		Apr-2	3	
Title	Organization	Midpoint of range	R	CEA Salary
Technician/Senior Technician				
Inspector I-III	North Coast Air Quality Mang District	63,473.06		
Project Manager	City of Eureka	77,164.00		
Program & Regulatory Analyst/Senior Analyst	Humboldt Bay Municipal Water District	79,566.49		
IT Systems Supervisor	County of Humboldt	82,534.40		
Research Engineer	CalPoly Schatz Energy Research Center	86,286.00		
Senior Estimator	Trinity County PUD	92,913.50		
Information Technology Manager	City of Eureka	93,729.00		
Electrical Engineering Technician I-III	City of Ukiah Electric Utility	101,077.47		
Program Specialist I	Pioneer Community Energy	112,873.50		
AVERAGE		\$ 87,735.27	\$	80,678.00
Current RCEA Midpoint (Technician step 8), effo	ective 7/1/21			9%
Manager/Senior Manager				
Admin				
Compliance and Enforcement Manager	North Coast Air Quality Mang District	84,058.50		
Billing & Customer Service Manager	City of Ukiah Electric Utility	86,390.04		
Construction Projects Manager	County of Humboldt	88,067.20		
Deputy Assistant Finance Director/Special Proj Mang/Prinipa	· ·	89,176.00		
Senior Research Engineer	CalPoly Schatz Energy Research Center	104,946.00		
Program Manager	Sonoma Clean Power	116,600.00		
Power Resource Manager/Leg Reg Mang	Pioneer Community Energy	140,415.50		
AVERAGE		\$ 101,379.03	\$	93,090.00
Current RCEA Midpoint (Manager step 8), effect	tive 7/1/21		·	9%

CPI - US West Region Jan 2021 - Dec 2022

		Apr-2	3
Title	Organization	Midpoint of range	RCEA Salary
Director			
Superintendent	Humboldt Bay Municipal Water District	117,203.63	
Administrative Services Manager	Trinity County PUD	117,949.50	
Finance Director	City of Eureka	119,675.00	
Principal Engineer/Operations Director	CalPoly Schatz Energy Research Center	130,542.00	
Assistant Utility Director	City of Ukiah Electric Utility	157,091.52	
Director of Customer Care and Marketing	Valley Clean Energy	165,375.50	
Electric Superintendant	Trinity County PUD	172,456.50	
Director (Finance and Public Affairs & Mktg Prgrms)	Pioneer Community Energy	188,271.00	
Director of Finance & Internal Operations	Valley Clean Energy	192,937.50	
Director of Regulatory Affairs/Director of Prog.	Sonoma Clean Power	195,358.00	
AVERAGE		\$ 155,686.02	\$ 124,120.00
Current RCEA Midpoint (Director step 5), ef	fective 7/1/21		25%
Essenting Director			
Executive Director			
Air Pollution Control Officer	North Coast Air Quality Mang District	125,000.00	
General Manager	Humboldt Bay Municipal Water District	167,142.00	
Electric Utility Director	City of Ukiah Electric Utility	188,550.00	
Interim General Manager	Valley Clean Energy	220,500.50	
General Manager	Trinity County Public Utility District	241,144.00	
Executive Director	Pioneer Community Energy	276,659.00	
Chief Executive Officer	Sonoma Clean Power	344,196.84	
AVERAGE		\$ 223,313.19	\$ 161,356.00
Current RCEA Midpoint (Executive Director	step 5), effective 7/1/21		38%
Average Midpoint excluding Executive Direction	ctor		12.14%
Social Security Cola 2022 and 2023			14.6%
Journal Journal of Cold Lott und Lott			141970

13.50%

ATTACHMENT B

Selected Employee Benefits at Labor Market Agencies:

Selected Employee		t Labor Market Ager	icies:						
	F	Retirement		Paid Time	Off Days/Year	T		, , , , , , , , , , , , , , , , , , ,	
Agency	PERS agency?	Deferred comp plan offered?	Vacation	Holidays (including floating)	Sick leave	Management/ Admin	Longevity pay?	Employer paid life Insurance?	Juneteenth
RCEA	No	457(b) with up to 7% employer match	10 to 25	14	12	no	no	no	no
City of Eureka Sonoma Clean	Yes	457(b), \$10 per month 457/401, with 10%	12 to 22 Combined	15	12	6 to 9 days/yr	1% of salary @5 yrs; 2%@10; 3%@15	yes, \$5K for employee ad \$1K for each dependent yes, \$300K policy	Yes
Power City of Ukiah Electric Dept	No	employer match 457, without employer	PTO, 20 to 35	12	see PTO	see PTO	no \$1000@7 yrs; \$2500@12; \$3500@20	yes, \$10K policy	Yes
NCUAQMD	Yes Yes	match 457, without employer match	13 to 26 12 to 30	14	12	10 days/yr no	(mgmt only)	paid by City yes, \$50K paid by agency	no Yes
Trinity County PUD	Yes	?	14 to 29	14	13	5 to 15 days/yr	no	yes, policy equal to twice the employee's salary	?
HBMWD	Yes	yes, with \$50 to \$100/mo. employer match	10 to 25	15	12	2 to 4 days/yr	2.5%@5 years; 5% @10, 7.5% @ 20	\$50K policy paid by HBMWD	Yes
CalPoly Schatz Energy Research Center	No	403(b) with 10% employer contribution	10 to 24	15	12	no	no	no	No
County of Humboldt	Yes	457(b), no employer match	10 to 30	15	12	10 days/yr	5%@10 years; 10% @ 20 years	\$10K policy paid by County	Yes
Pioneer Community Energy	No	401(a) with \$22,500 employer contribution optional 457(b)	10 to 25	11(plus 1 week off 12/24 to 1/1)	12	10 days/yr	no	?	No
Valley Clean Energy	No	457(b) & 401(a), with employer contribution between 7% and 10% of salary	20 days PTO, with 1 add'l day/yr thru year 10	10	see PTO	see PTO	no	yes, \$25K policy paid by agency	No

		Retirement	Paid Time Off Days/Year						
Agency Non -Labor Market	PERS agency?	Deferred comp plan offered?	Vacation	Holidays (including floating)	Sick leave	Management/ Admin	Longevity pay?	Employer paid life Insurance?	Juneteenth
Agencies									
City of Arcata	Yes	457 with \$90 - \$130/month employer contribution depending on years of service	12 to 30	16	12	10 to 14 days/yr	3%@10 years; 6%@15; 9%@20 (OE3)	yes, \$50K policy paid by City	Yes
City of Fortuna	Yes		10 to 20	12 (Mgmt); 14 (FEA)	12	20 to 80 hrs/yr	5% @ 10 yrs	yes, \$10K policy paid by City	Yes
City of Ferndale	No			11		.,	- ,		No
City of Trinidad	No	6% contribution plus up to 6% match (total of 12%)	?	11	12	3 days	No	Yes, \$1K - \$5K per employee	No
City of Rio Dell	No	10% contributes 457(b) plus 4% match (for a potential total of 14%)	?	14	Ş	?	?	?	Yes

^{*} for Salaried -exempt employees only - who qualifes varies by agency

Note: this information was gathered from agency websites and through personal communications. Benefits may vary between bargaining units, and the accuracy of this information is not guaranteed - please contact agencies directly to verify.

ATTACHMENT C

RCEA SALARY AND BENEFIT PROPOSALS PRESENTED TO THE BOARD FINANCE SUBCOMMITTEE

	Salary									
Percent Increase	14%	12%	10%							
Explanation	This would move RCEA to more of a front runner position in the market.	RCEA is on average 12% behind our labor market agencies average salary. Increasing salaries of all positions will have us at the mid-point of the benchmark positions.								
Annual Increased Budget Based on Existing Staff	\$432,540	\$370,748	\$308,957							

	Retirement								
	10% RCEA Contribution	\$4,000 contribution plus up to 7% match							
	Increase RCEA's total contribution from 7% to 10%. This would put us equal to all non-PERS labor market agencies. Currently RCEA provides 4% contribution with an up to 3% match. This proposal would increase the contribution to 6% with up to 4% match.	RCEA recognizes that using a % of salary for retirement contributions benefits higher paid employees more. Additionally lower paid employees have less funds to contribute to their retirement plan. A flat rate will provide an equal benefit to all employees. The 7% will continue to be 4% contribution with an up to 3% match.							
Annual Increase in Budget	\$100,120	\$132,000							

Total amount assumes all employees eligible contribute the full matching amount.

The 12% COLA increase was used in calculating estimated annual cost.

This assumes the Board approves the addition of a 401(a) policy.

ATTACHMENT C

RCEA SALARY AND BENEFIT PROPOSALS PRESENTED TO THE BOARD FINANCE SUBCOMMITTEE

	Longevity									
	5 years 2.5%, 10 years 5%, 15 years 7.5%	5 years 2%, 10 years 4%, 15 years 7%	5 years 2.5%, 10 years 5%, 20 years 7.5%	Flat Rate - 5 years \$2,000, 10 years, \$4,000, 15 years \$6,000	Flat Rate - 5 years \$1,000, 10 years \$2,500, 15 years \$3,500					
Explanation	This uses the HBMWD longevity model but gives a 15-year incentive versus a 20 year. We have 3 employees that would qualify for 15-year longevity and none for 20 years.	This is the average of the longevity offered by labor market agencies and member agencies	HBMWD's longevity model	RCEA recognizes that using a % of salary benefits higher paid employees more. We recommend a flat rate to provide the same benefit to all employees.	RCEA recognizes that using a % of salary benefits higher paid employees more. We recommend a flat rate to provide the same benefit to all employees.					
Estimated Annual	400.050	450.444	450.405	450.000	420.000					
Cost	\$80,350	\$69,141	\$68,196	\$50,000	\$28,000					

The 12% COLA increase was used in calculating estimated annual cost of each longevity scenario. For reference we have 10 employees that qualify for 5-year longevity, 3 employees for 10-year longevity and 3 employees for 15- year longevity.

Redwood Coast Energy Authority - Job Classifications and Pay Scales, effective 7-1-21

	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10
Assistant/	Assistant/Coordinator/Associate									
Hourly	18.87	19.36	19.85	20.36	20.89	21.41	21.94	22.49	23.05	23.63
Monthly	3,271.50	3,355.39	3,441.42	3,529.66	3,620.17	3,710.67	3,803.44	3,898.52	3,995.99	4,095.89
Annual	39,258.01	40,264.62	41,297.05	42,355.95	43,442.00	44,528.05	45,641.25	46,782.28	47,951.84	49,150.64
Specialist										
Hourly	27.49	28.19	28.92	29.66	30.42	31.20	32.00	32.82	33.64	34.48
Monthly	4,764.92	4,887.10	5,012.41	5,140.93	5,272.75	5,407.95	5,546.61	5,688.83	5,831.05	5,976.83
Annual	57,179.03	58,645.16	60,148.88	61,691.16	63,272.98	64,895.37	66,559.35	68,266.00	69,972.65	71,721.97
Senior Spe	ecialist									
Hourly	31.61	32.42	33.26	34.11	34.98	35.88	36.78	37.70	38.64	39.60
Monthly	5,479.66	5,620.16	5,764.27	5,912.07	6,063.66	6,219.14	6,374.62	6,533.98	6,697.33	6,864.77
Annual	65,755.88	67,441.93	69,171.21	70,944.83	72,763.93	74,629.67	76,495.41	78,407.80	80,367.99	82,377.19
Techniciar		22.22	24.42		05.05	22.27	27.22	22.72	22.72	10 ==
Hourly	32.49	33.32	34.18	35.05	35.95	36.87	37.82	38.79	39.76	40.75
Monthly	5,631.27	5,775.66	5,923.75	6,075.64	6,231.43	6,391.21	6,555.09	6,723.17	6,891.25	7,063.53
Annual	67,575.21	69,307.91	71,085.04	72,907.73	74,777.16	76,694.52	78,661.05	80,678.00	82,694.95	84,762.32
Senior Tec								· · · · · · · · · · · · · · · · · · ·		
Hourly	37.36	38.32	39.30	40.31	41.34	42.40	43.46	44.55	45.66	46.81
Monthly	6,475.96	6,642.01	6,812.32	6,986.99	7,166.14	7,349.89	7,533.64	7,721.98	7,915.03	8,112.91
Annual	77,711.50	79,704.10	81,747.79	83,843.89	85,993.73	88,198.70	90,403.67	92,663.76	94,980.36	97,354.86
Manager										
Hourly	37.49	38.45	39.43	40.44	41.48	42.55	43.64	44.75	45.87	47.02
Monthly	6,497.62	6,664.22	6,835.10	7,010.36	7,190.11	7,374.47	7,563.56	7,757.50	7,951.44	8,150.22
Annual	77,971.40	79,970.67	82,021.20	84,124.31	86,281.34	88,493.68	90,762.75	93,090.00	95,417.25	97,802.68
Senior Ma		. 0,0. 0.0.	02,021120	0 1,12 110 1	00,201.01	33, 133.33	00,102.10	00,000.00	00,	0.,002.00
Hourly	43.11	44.21	45.35	46.51	47.70	48.93	50.15	51.40	52.69	54.01
Monthly	7,472.26	7,663.86	7,860.36	8,061.91	8,268.63	8,480.64	8,692.66	8,909.98	9,132.73	9,361.04
Annual	89,667.11	91,966.27	94,324.38	96,742.95	99,223.54	101,767.73	104,311.93	106,919.72	109,592.72	112,332.54
	•	•	•	•		•	•		•	·
Director										
Hourly	53.93	55.31	56.73	58.18	59.67	61.16	62.69	64.26	65.87	67.51
Monthly	9,347.15	9,586.82	9,832.63	10,084.75	10,343.33	10,601.92	10,866.96	11,138.64	11,417.10	11,702.53
Annual	112,165.74	115,041.79	117,991.58	121,017.00	124,120.00	127,223.00	130,403.58	133,663.66	137,005.26	140,430.39
Evecutive	Directs:									
Executive	70.10	71.90	73.74	75.64	77.58	79.51	81.50	83.54	85.63	87.77
Hourly										
Monthly	12,151.29	12,462.86	12,782.42	13,110.18	13,446.33	13,782.49	14,127.05	14,480.23	14,842.24	15,213.29
Annual	145,815.46	149,554.32	153,389.05	157,322.10	161,356.00	165,389.90	169,524.65	173,762.76	178,106.83	182,559.50

Draft Redwood Coast Energy Authority - Job Classifications and Pay Scales, 14% Increase

Step 1 Step 2 Step 3 Step 4 Step 5 Step 6 Step 7 Step 8 Step 9 Step 10

	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10
Assistant/0	Coordinator/A	Associate								
Hourly	21.52	22.07	22.63	23.21	23.81	24.40	25.01	25.64	26.28	26.94
Monthly	3,729.51	3,758.03	3,854.39	3,953.22	4,054.59	4,155.95	4,259.85	4,366.35	4,475.51	4,587.39
Annual	44,754.13	45,901.67	47,078.64	48,285.78	49,523.88	50,761.98	52,031.03	53,331.80	54,665.10	56,031.72
Specialist										
Hourly	31.34	32.14	32.97	33.81	34.68	35.57	36.48	37.42	38.35	39.31
Monthly	5,432.01	5,571.29	5,714.14	5,860.66	6,010.93	6,165.06	6,323.14	6,485.27	6,647.40	6,813.59
Annual	65,184.09	66,855.48	68,569.72	70,327.92	72,131.20	73,980.72	75,877.66	77,823.24	79,768.82	81,763.04
Senior Spe										
Hourly	36.04	36.96	37.91	38.88	39.88	40.90	41.93	42.97	44.05	45.15
Monthly	6,246.81	6,406.98	6,571.26	6,739.76	6,912.57	7,089.82	7,267.06	7,448.74	7,634.96	7,825.83
Annual	74,961.71	76,883.80	78,855.18	80,877.11	82,950.88	85,077.83	87,204.77	89,384.89	91,619.51	93,910.00
Technician		07.00	00.00	00.00	40.00	40.00	10.11	11.00	45.00	10.10
Hourly	37.04	37.99	38.96	39.96	40.98	42.03	43.11	44.22	45.32	46.46
Monthly	6,419.65	6,584.25	6,753.08	6,926.23	7,103.83	7,285.98	7,472.80	7,664.41	7,856.02	8,052.42
Annual	77,035.74	79,011.02	81,036.94	83,114.81	85,245.96	87,431.76	89,673.60	91,972.92	94,272.24	96,629.05
Senior Tec										
Hourly	42.59	43.68	44.80	45.95	47.13	48.34	49.55	50.79	52.06	53.36
Monthly	7,382.59	7,571.89	7,766.04	7,965.17	8,169.40	8,378.88	8,588.35	8,803.06	9,023.13	9,248.71
Annual	88,591.11	90,862.67	93,192.49	95,582.04	98,032.86	100,546.52	103,060.18	105,636.69	108,277.61	110,984.55
Manager										
Hourly	42.73	43.83	44.95	46.11	47.29	48.50	49.74	51.02	52.30	53.60
Monthly	7,407.28	7,597.21	7,792.01	7,991.81	8,196.73	8,406.90	8,622.46	8,843.55	9,064.64	9,291.25
Annual	88,887.40	91,166.56	93,504.17	95,901.71	98,360.73	100,882.80	103,469.54	106,122.60	108,775.67	111,495.06
Senior Mar		,	,	,	,	,				,
Hourly	49.14	50.40	51.70	53.02	54.38	55.78	57.17	58.60	60.07	61.57
Monthly	8,518.38	8,736.80	8,960.82	9,190.58	9,426.24	9,667.93	9,909.63	10,157.37	10,411.31	10,671.59
Annual	102,220.51	104,841.55	107,529.79	110,286.96	113,114.84	116,015.22	118,915.60	121,888.49	124,935.70	128,059.09
Director		-	•							
Hourly	61.48	63.05	64.67	66.33	68.03	69.73	71.47	73.26	75.09	76.97
Monthly	10,655.75	10,928.97	11,209.20	11,496.62	11,791.40	12,086.19	12,388.34	12,698.05	13,015.50	13,340.89
Annual	127,868.94	131,147.64	134,510.40	137,959.38	141,496.80	145,034.22	148,660.08	152,376.58	156,185.99	160,090.64
Executive Director										
Hourly	79.92	81.97	84.07	86.22	88.44	90.65	92.91	95.24	97.62	100.06
	13,852.47	14,207.66		14,945.60		15,712.04				
Monthly	166,229.63	170,491.93	14,571.96 174,863.51	179,347.19	15,328.82 183,945.84	188,544.49	16,104.84 193,258.10	16,507.46 198,089.55	16,920.15 203,041.79	17,343.15 208,117.83
Annual	100,229.03	170,491.93	174,003.31	179,347.19	103,945.84	100,544.49	193,256.10	190,009.55	203,041.79	200,117.83

RCEA Salary and Benefit Schedule Update

RCEA Board of Directors Finance Subcommittee Meeting - May 15, 2023

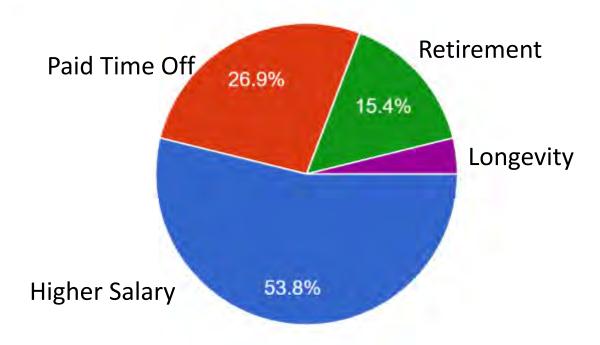
RCEA job classification	Current RCEA	2023 Salary survey	RCEA	
	pay scale	benchmark positions	percent below	
	midpoint	average midpoint	benchmarks	
Assistant/Associate/Coordinator	\$43,442	\$48,025	11%	
Specialist/Senior Specialist	\$68,266	\$73,100	7%	
Technician/Senior Technician	\$80,678	\$87,735	9%	
Manager/Senior Manager	\$93,090	\$101,379	9%	
Director	\$124,120	\$155,686	25%	
Executive Director	\$161,356	\$223,313	38%	
Average % below benchmarks			12%	

(excluding Executive Director position)

During this same period, the federal Bureau of Labor Statistics' Consumer Price Index – All Urban Consumers, West Region (CPI-W) has increased by <u>13.5%</u>. Additionally, the Social Security Administration total cost-of-living adjustment (COLA) for 2022 and 2023 is <u>14.6%</u>.

Employee Survey

26 responses



Salary Adjustment Proposals Presented to the Board Finance Subcommittee

	Salary	
Percent Increase	14%	12%
Explanation	This would move RCEA to more of a front runner position in the market.	RCEA is on average 12% behind our labor market agencies average salary. Increasing salaries of all positions will have us at the mid-point of the benchmark positions.
Annual Increased		
Budget Based on Existing Staff	\$432,540	\$370,748

Retirement Proposals Presented to the Board Finance Subcommittee

Retirement						
		\$4,000 contribution plus up to 7%				
	10% RCEA Contribution	match				
	Increase RCEA's total contribution	RCEA recognizes that using a % of salary				
	from 7% to 10%. This would put us	for retirement contributions benefits higher				
	equal to all non-PERS labor market	paid employees more. Additionally lower				
	agencies. Currently RCEA provides	paid employees have less funds to				
	4% contribution with an up to 3%	contribute to their retirement plan. A flat				
	match. This proposal would	rate will provide an equal benefit to all				
	increase the contribution to 6% with	employees. The 7% will continue to be 4%				
	up to 4% match.	contribution with an up to 3% match.				
Annual Increase	se					
in Budget	\$100,120	\$132,000				

Total amount assumes all employees eligible contribute the full matching amount.

The 12% Cola increase was used in calculating estimated annual cost

This assumes the Board approves the addition of a 401(a) policy.

Longevity Proposals Presented to the Board Finance Subcommittee

Longevity							
	5 years 2.5%, 10 years 5%, Flat Rate - 5 years \$1,000, 10 years 7.5% years \$2,500, 15 years \$3,500						
	HBMWD's longevity model	RCEA recognizes that using a % of salary benefits higher paid employees more. We recommend a flat rate to provide the same benefit to all employees.					
Estimated Annual Cost	\$68,196	\$28,000					

The 12% Cola increase was used in calculating estimated annual cost of each longevity scenario.

For reference we have 10 employees that qualify for 5-year longevity, 3 employees 10-year longevity and 3 employees for 15- year longevity.

Board Finance Subcommittee Recommendations:

- Adopt a 14% salary adjustment effective July 1, 2023.
- Add a 401(a) retirement plan
- Increase RCEA's contribution to retirement by \$4,000/year
- Addition of Juneteenth to RCEA paid holidays
- Adopt a longevity incentive payable once per calendar year of:
 - \$1,000 per year for employees with 5-9 years of service,
 - \$2,500 per year for employees with 10-14 years of service, and
 - \$3,500 per year for employees with 15 or more years of service.

Salary and Benefit Schedule Update

 The Board Finance Subcommittee recommendations are included in the draft FY 23-24 budget.

• The draft FY 23-24 budget estimates a net revenue of \$9.59 million.



STAFF REPORT Agenda Item # 10.2

AGENDA DATE:	May 25, 2023
TO:	Board of Directors
PREPARED BY:	Eileen Verbeck, Deputy Executive Director
PREPARED DI.	Lori Biondini, Director of Business Planning and Finance
SUBJECT:	Fiscal Year 2023-24 Preliminary Draft Budget and Addition of Staff
SUBJECT.	Positions

SUMMARY

Attached is a preliminary draft of the fiscal year 2023-2024 (FY23-24) annual budget for review. This current fiscal year was marked by an overall reduction in customer loads, which resulted in a mid-year reduction in revenue and expenses. The net result made actual revenue and expenses closer to 50% of their respective budget line items. This fiscal year also included increased facilities and operations costs associated with leasing and setting up a second office location and extending the duration of customer rebate programs as the State Program Administrator funding was exhausted.

BUDGET ASSUMPTIONS

Staff calculated power sales cost and revenue based on models provided by The Energy Authority dated May 5, 2023. Staff used a conservative scenario of power sales cost and revenue, which assumes a delay in the Sandrini Solar project until April 2024. The model also includes meeting the current 2023 renewable energy targets through short-term procurement pathways.

REVENUES

• Government Agencies \$10,676,170: Revenue in this category is this year's share of the 3-year funding from the California Public Utilities Commission (CPUC) for energy efficiency programs anticipated to be about \$130,000 (booked as it is expensed), this year's share of a 2-year grant from the California Energy Commission for medium and heavy duty zero-emission vehicle planning anticipated to be about \$154,470 (reimbursed as it is expensed), and this year's share of a grant from the California Energy Commission for electric vehicle resilience hubs anticipated to be about \$350,000 (reimbursed as it is expensed). Revenue in this category also includes funds from California's Electric Vehicle Infrastructure Project (CALeVIP) which provides reimbursements for new electric vehicle charging equipment.

Additionally, RCEA is anticipating the award of the Rural Regional Energy Network (REN) funding from the CPUC in January 2024. If awarded RCEA will be tasked with administering the funds along with implementation. RCEA has budgeted \$851,465 in Rural REN administration revenue which will cover the cost of staff time and consultants along with \$9,129,235 in implementation revenue (most of which is pass-through funds). RCEA anticipates that the Rural REN program will be a multi-year, ongoing source of funding; currently the CPUC reviews the funding awards for all RENs in four-year cycles, and RCEA would resubmit for future funding cycles.

- **Non-Government Agencies \$400,000:** Revenue in this category includes this year's share of funding from Pacific Gas & Electric Company's Local Government Partnership Program for energy efficiency programs.
- Electricity Sales \$98,822.720: This line item includes electricity sales revenue, excess power generated through RCEA's power purchase agreements that is sold in the energy market, and the value of the energy produced by the Redwood Airport Microgrid. This estimate assumes \$3,545,832 (4% of projected electricity sales) to be uncollectable due to customer non-payment. This line item has a degree of uncertainty and hopefully represents a conservative forecast.

EXPENSES

- Wholesale Power Supply \$80,348,642: Energy costs continue to be RCEA's largest expense. Power costs for the fiscal year represent what has already been procured through RCEA's previously approved hedging strategy and existing power purchase agreements.
- Professional and Program Services \$10,961,761: This budget line item includes contracted services for energy scheduling coordination, energy procurement credit fees, data management, legal services, accounting services, regulatory services, as well as program-specific professional services, including database development and engineering calculations. Funds have been budgeted for an external study and analysis of local electric grid infrastructure conditions and issues to better understand the grid constraints that are increasingly impacting Humboldt County and to help identify and pursue opportunities to address these challenges. About \$7.5 million of these expenses are related to the implementation of the Rural REN including pass-through funds to partner agencies.
- **Personnel \$5,426,213:** The proposed budget includes the addition of five full-time positions (Infrastructure Programs Manager, Customer Service Associate, Finance Specialist, Rural REN Manager and Rural REN Specialist). The budget includes an increase in health insurance benefits estimated at 7% from the current fiscal year. The budget includes a 14% salary adjustment, the increase of RCEA contribution to eligible retirement plan of \$4,000 per year, and a longevity incentive.

All positions listed in the Board-adopted organization chart are full-time, fully benefited positions. Non-benefited, part-time, limited-term and intern positions can be created and dissolved at the discretion of the Executive Director if they fit within the Board-adopted total personnel budget. The proposed personnel budget includes \$414,720 in funds for part-time, limited term and intern positions.

Staff are anticipating an expansion of projects and programs in the upcoming year including: the proposed Rural REN (potentially around \$18 million per year), CEC Transportation Grant (\$700,000), and the release of additional state and federal transportation grant funds. The next fiscal year will require a fully staffed organization to implement upcoming projects and programs. The proposed staffing additions, and the associated FY23-24 budget figures, are as follows:

1. Addition of a full-time Finance Specialist (\$106,737). RCEA has realized an increase in contracts, administration of customer programs, administration of grants, fulfilling requests from auditors, and administering the funding of the Rural RENs state-wide programs. Currently the Finance Department which oversees much of these duties consists of a director, two managers and a coordinator. Staff is recommending the addition of a finance specialist to assist with the processing of accounts payable, grant administration and general administrative tasks. This position will not only help with additional work loads,

- but they will also assist in freeing the finance manager's time to be spent on more complex tasks.
- 2. Addition of a full-time Customer Service Associate (\$86,259). Currently our Community Strategies Department consists of a Community Strategies Manager and Outreach Coordinator. Previously much of the phone coverage was handled by an administrative specialist. RCEA has seen a significant increase in the number of calls regarding customer bills, changes to the solar net metering rules, rebates, and questions regarding collections. Staff has determined the need to hire a dedicated staff person to answer phones. The addition of a customer service associate will allow Community Strategies Department to have a unified customer service message and maintain the availability to do proactive outreach and engagement.
- 3. Addition of a second full-time Infrastructure Program Manager (\$75,249 starting in January 2024). Currently, RCEA's Department of Infrastructure Planning and Operations is responsible for transportation-related activities, microgrid development, and resiliency topics related to microgrids and energy storage. This department currently consists of a director, manager and a specialist. Historically, this staffing could adequately support transportation initiatives with occasional support from part-time or limited-term employees. However, recent growth encourages a reevaluation and expansion of our existing staffing. Recent legislation has allocated millions of state and federal dollars to transform our transportation system away from fossil fuels. We need the staff to apply for and manage these grant funds. Additionally, with the adoption of the Inflation Reduction Act public agencies are now eligible to receive additional funding, loans, and tax incentives for large scale solar projects. RCEA will be evaluating the feasibility of completing more projects like the Airport Microgrid now that these incentives are in place.
- Addition of a Rural REN Manager (\$124,195 starting October 2023). RCEA has applied with the CPUC for funding to develop and implement a Rural Regional Energy Network (REN) that will serve rural communities across California. This Rural REN will give RCEA an opportunity to offer energy efficiency programs, workshops and trainings that would otherwise not be offered in rural areas such as ours, with less cost-effectiveness constraints than standard CPUC-funded energy efficiency programs. RCEA will also act as Administrator for the program and may receive up to an additional 10% of the total budget for administrative functions and 6% for program marketing. RCEA is proposing an additional Manager and Specialist position be allocated to manage the administration of this program. The program is anticipated to provide over \$90 million in revenue over the next five years. Additionally, we are proposing the movement of one of our existing Technician positions on the organization chart to be solely working on Rural REN administration. During the first six months of the program, we anticipate these new positions will administer the pass-through of over \$9 million to RCEA and our Rural REN partners.
- 5. Addition of a Rural REN Specialist (\$67,245 starting January 2024). See above.
- Facilities and Operations \$1,762,790: This budget line item is for operations costs such as information technology, office supplies and utilities, as well as costs associated with RCEA-owned or managed assets. The largest item in this budget are costs associated with electric vehicle charging station installation and maintenance (\$421,000), most of which is covered through CEC grant funding and other state contracts. The draft budget includes \$500,000 towards real estate costs toward the purchase and/or renovation of a new office facility. The draft budget includes an estimated \$170,000 of IT resources that will be funded by the Rural REN funds.

• Incentives and Rebates \$591,500: This line item is for direct incentives and rebates paid out to customers. This currently includes customer incentives funded through the RCEA-administered California Public Utilities Commission efficiency program, Rural REN and incentives approved as part of CCE-funded customer benefit programs. The following CCE-funded programs are included in the proposed budget: heat pump rebates, electric panel upgrades, efficiency measures, electric vehicle rebates, electric vehicle charging station rebates and e-bike rebates.

SUMMARY OF RESERVES

During the fiscal year 2021-22 RCEA experienced significant cashflow challenges that exhausted all cash reserves. Key causes of the cashflow constraints included:

- Extremely high energy prices in 2021;
- Maintaining customer rates below PG&E's, which did not provide for full cost-recovery;
- An inflated 2021 power charge indifference adjustment (PCIA) exit fee that did not reflect rising market prices;
- Over \$3.2 million in pandemic-era delinquent RCEA customer bill payments;
- \$4 million of RCEA's cash reserves tied up in the security deposit for the 100MW Sandrini Solar project; and
- Around \$3-4 million of RCEA's reserves tied up at any given time in ongoing cashflow
 management due to the structural delay between payments for wholesale energy
 procurement versus when the associated retail revenue from energy sales is realized.

The Board adopted guidelines for the RCEA Community Energy Program in September 2016 and revised them in May 2018. In those guidelines the Board reserve target was set at \$35 million by the end of year five under projected market conditions and a minimum of at least \$10 million under adverse market conditions. The FY21-22 market conditions greatly effected RCEA's ability to meet these goals. However, based on current projections RCEA is on track to meet the \$35 million target by 2025.

The current year budget anticipates building our reserves by an estimated \$16 million. The projected net revenue for FY23-24 is \$9.59 million. Staff recommends all projected net revenue be designated as cash reserves to meet the Board's goal.

The preliminary draft budget presented at the meeting has already been shared with the Board's Finance Subcommittee. A tentative second meeting with the Finance Subcommittee will facilitate any further input in advance of the final draft presentation to the Board at the June meeting.

STAFF RECOMMENDATION

Provide guidance and input to staff on draft FY23-24 budget.

Approve:

- 1. Addition of a Finance Specialist,
- 2. Addition of a Customer Service Associate,
- 3. Addition of a Rural REN Manager (starting October 2023),
- 4. Addition of a Rural REN Specialist (starting January 2024), and
- 5. Addition of an Infrastructure Program Manager (starting January 2024).

ATTACHMENTS

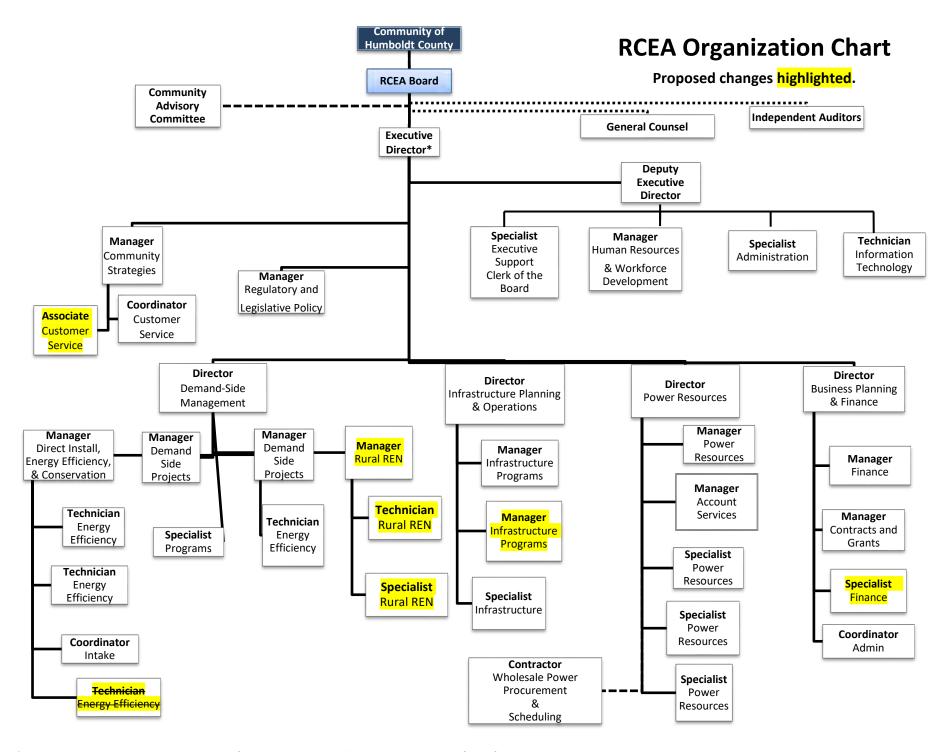
- 1. Preliminary Draft Fiscal Year 2023-24 RCEA Budget
- 2. Revised RCEA Organization Chart

	POWER RESOURCES INFRASTRUCTURE and TRANSPORTATION				ION	
Account	Community Choice Energy	REVNET and CAL eVIP	CEC Grant - MH Duty and EV Resilience Hubs	Airport Micrgrid Operations	CCE Customer Programs and Services	
Income						
State Contracts EVSE Network Sales Non-government Contracts PPA Revenues Electricity Sales Uncollectable Accounts	13,722,756 88,645,796 (3,545,832)	26,000 35,000	504,470			
Total	98,822,720	61,000	504,470			
Expense		·	,			
WHOLESALE POWER SUPPLY Sub-total	80,348,642	-	-	-	-	
DED CONNET EVDENCES						
PERSONNEL EXPENSES Recruitment Expenses Screening/Testing Services Safety Staff Training, Development & Meetings Full-time Salaries and Benefits Part-Time Term Salaries and Benefits	- - - 20,100 1,185,140 33,841	1,000 5,000 14,000	166,737 12,000	2,350 17,780	5,600 395,319 69,950	
Sub-total	1,239,081	20,000	178,737	20,130	470,869	
FACILITIES AND OPERATIONS Office Supplies and Expenses		-,			-	
Furniture & Equipment Information Technology Office Lease Utilities Alarm Service Janitorial	18,296			1,500	21,625	
Facility Repairs & Maintenance EV Station Repairs & Maintenance Insurance P&L		13,505		6,750		
Dues & Memberships Mileage reimb for empl & volunt Capital Improvements: EV Station Equipn New Building Development Professional Services-Admin	80,884 655 nent & Services	37,000	2,450 382,110		500 32,500	
Sub-total	99,835	50,505	384,560	8,250	54,625	
COMMUNICATIONS AND OUTREACH Sub-total	70,835	-	2,184	400	7,500	
PROFESSIONAL & PROGRAM SRVS						
Regulatory Contracts - Program Related Ser Accounting Legal Wholesale Services - TEA Procurement Credit - TEA	180,000 192,701 - 80,000 766,853 635,821		28,199	60,000		
Data Management - Calpine	887,187					
Sub-total Sub-total	2,742,562	-	28,199	60,000	-	
PROGRAM EXPENSES PG&E CCA Billing Franchise Fees EV Site Host Pmts	270,014 -	20,000				
Sub-total	270,014	20,000	-		-	
INCENTIVES & REBATES Efficiency Measures EV & EVSE E-Bike					90,000 61,500	
Sub-total Sub-total		-	-	-	151,500	
NON OPERATING COSTS Sub-total	6,000	-	-	120,000	-	
Total Expense	84,776,969	90,505	593,680	208,780	684,494	
Net Income - Reserve Fund Contribution	14,045,751	(29,505)	(89,210)	(208,780)	(684,494)	
					53	

	DEMAND-SIDE MANAGEMENT (DSM)				
Account	RuralREN - Admin	Rural REN - Implementation	PG&E Local Government Partnership Program	RCEA- Administered CPUC Efficiency Program	CCE Customer Programs and Services
Income					
State Contracts EVSE Network Sales Non-government Contracts PPA Revenues Electricity Sales Uncollectable Accounts	851,465	9,129,235	400,000	130,000	
Total	851,465	9,129,235	400,000	130,000	-
Expense					
WHOLESALE POWER SUPPLY Sub-total		_	-	-	-
PERSONNEL EXPENSES					
Recruitment Expenses Screening/Testing Services Safety Staff Training, Development & Meetings Full-time Salaries and Benefits	15,000 482,465	5,000 389,314	400,000		10,000 486,169
Part-Time Term Salaries and Benefits Sub-total	497,465	394,314	400,000		223,049 719,218
FACILITIES AND OPERATIONS Office Supplies and Expenses Furniture & Equipment	437,403	334,314	400,000		500
Information Technology Office Lease Utilities Alarm Service Janitorial Facility Repairs & Maintenance EV Station Repairs & Maintenance Insurance P&L	152,000				25,000
Dues & Memberships Mileage reimb for empl & volunt Capital Improvements: EV Station Equir New Building Development Professional Services-Admin	2,000				2,500
Sub-total Sub-total	154,000	-	-	-	28,000
COMMUNICATIONS AND OUTREACH					
Sub-total Sub-total	-	459,921	-	-	20,000
PROFESSIONAL & PROGRAM SRVS Regulatory Contracts - Program Related Ser Accounting Legal Wholesale Services - TEA Procurement Credit - TEA	25,000 100,000 75,000	7,490,000			10,000
Data Management - Calpine Sub-total	200,000	7,490,000			10,000
PROGRAM EXPENSES PG&E CCA Billing Franchise Fees EV Site Host Pmts	200,000	1,430,000			10,000
Sub-total	-	-	-	-	-
INCENTIVES & REBATES Efficiency Measures EV & EVSE E-Bike		150,000		130,000	160,000
Sub-total	-	150,000	-	130,000	160,000
NON OPERATING COSTS Sub-total	-	175,000	-	-	-
Total Expense	851,465	8,669,235	400,000	130,000	937,218
Net Income - Reserve Fund Contribution	-	460,000	-	-	(937,218)

Redwood Coast Energy Authority Fiscal Year 2023-2024 Budget

Income		STRATEGIC PLANNING	GENERAL & Administrative	PROPOSED FISCAL YEAR 2023-2024 BUDGET
State Contracts	Account			
EVSE Network Sales				40.044.470
Non-government Contracts				
PPA Revenues				·
Total - 109,898,899				
Expense				
Expense WHOLESALE POWER SUPPLY Sub-total -				
## WHOLESALE POWER SUPPLY Sub-total	Total	•	•	109,898,890
Sub-total	Expense			
PERSONNEL EXPENSES Recruitment Expenses 3,500 3,500 Screening/Testing Services 2,000 2,000 3,0	WHOLESALE POWER SUPPLY			
Recruitment Expenses 3.500 3.500 3.500 3.600	Sub-total	-	-	80,348,642
Screening/Testing Services 2,000 2,000 3,000	PERSONNEL EXPENSES			
Safety 3,000 3,000 Staff Training, Development & Meetings 176,056 1,209,463 4,913,443 5,425,213	•			
Staff Training, Development & Meetings Full-time Salaries and Benefits 176,056 1,209,463 4,913,443 Part-Time Term Salaries and Benefits 61,880 1,248,463 5,426,213 Sub-total 237,936 1,248,463 5,426,213 Sub-total 1,248,463 3,240			· · · · · · · · · · · · · · · · · · ·	7
Full-time Salaries and Benefits	•			
Sub-total 237,936		176,056		•
FACILITIES AND OPERATIONS				
Office Supplies and Expenses 15,000 15,500 Furniture & Equipment 6,000 6,000 Information Technology 153,419 371,840 Office Lease 128,064 128,064 Utilities 32,403 32,403 Alarm Service 2,740 2,740 Janitorial 14,000 14,000 Facility Repairs & Maintenance 12,000 18,750 EV Station Repairs & Maintenance 13,505 Insurance P&L 84,188 84,188 Dues & Memberships 3,000 12,000 95,884 Mileage reimb for empl & volunt 100 100 83,055 Capital Improvements: EV Station Equir 500,000 500,000 Professional Services-Admin 20,000 20,000 Sub-total 3,100 979,915 1,762,790 COMMUNICATIONS AND OUTREACH 20,000 41,750 622,590 PROFESSIONAL & PROGRAM SRVS Regulatory 205,000 Contracts - Program Related Ser 200,000 40,000 195,000		237,936	1,248,463	5,426,213
Furniture & Equipment 6,000 6,000 Information Technology 153,419 371,840 Office Lease 128,064 128,064 Utilities 32,403 32,403 Alarm Service 2,740 2,740 Janitorial 14,000 14,000 Facility Repairs & Maintenance 12,000 18,750 EV Station Repairs & Maintenance 12,000 18,750 Insurance P&L 84,188 84,188 Dues & Memberships 3,000 120,000 99,884 Mileage reimb for empl & volunt 100 100 8,305 Capital Improvements: EV Station Equip 451,510 New Building Development 500,000 500,000 Professional Services-Admin 20,000 20,000 Sub-total 3,100 979,915 1,762,790 COMMUNICATIONS AND OUTREACH 3,100 41,750 622,590 PROFESSIONAL & PROGRAM SRVS Regulatory 205,000 Contracts - Program Related Ser 200,000 41,750 622,590 PROFESSIONAL & PROGRAM SRVS 8,080,900 Accounting 191,000 191,000 Legal 40,000 195,000 Aholesale Services - TEA 766,853 Procurement Credit - TEA 766,853 Procurement Credit - TEA 635,821 Data Management - Calpine 887,187 Sub-total 200,000 231,000 10,961,761 PROGRAM EXPENSES 270,014 EV Site Host Pmts 200,000 Sub-total - 290,001 INCENTIVES & REBATES 270,014 EV Site Host Pmts 200,000 E-Bike 440,000 E-Bike 40,000 10,960,760 NON OPERATING COSTS 591,500 NON OPERATING COSTS 500,000 100,308,000 Total Expense 461,036 2,504,628 100,308,000			15 000	15 500
Information Technology				•
Utilities	···			•
Alarm Service				
Janitorial			· · · · · · · · · · · · · · · · · · ·	•
Facility Repairs & Maintenance			· · · · · · · · · · · · · · · · · · ·	•
Insurance P&L 84,188 84,188 Dues & Memberships 3,000 12,000 95,884 Mileage reimb for empl & volunt 100 100 8,305 Capital Improvements: EV Station Equit 451,610 New Building Development 500,000 20,				
Dues & Memberships 3,000 12,000 95,884 Mileage reimb for empl & volunt 100 100 8,305 Capital Improvements: EV Station Equit 451,610 New Building Development 500,000 500,000 Professional Services-Admin 20,000 20,000 Sub-total 3,100 979,915 1,762,790 COMMUNICATIONS AND OUTREACH Sub-total 20,000 41,750 622,590 PROFESSIONAL & PROGRAM SRVS 205,000 8,080,900 Contracts - Program Related Ser 200,000 191,000 191,000 Legal 40,000 195,000 Wholesale Services - TEA 766,853 Procurement Credit - TEA 635,821 Data Management - Calpine 887,187 Sub-total 200,000 231,000 10,961,761 PROGRAM EXPENSES 270,014 EV Site Host Pmts 20,000 Sub-total 290,014 INCENTIVES & REBATES - 200,000 E-Bike 61,500 Sub-total 591,500 NON OPERATING COSTS Sub-total 591,500 Total Expense 461,036 2,504,628 100,308,010 Total Expense 461,036 2,504,628 100,308,010				13,505
Mileage reimb for empl & volunt 100 8,305 Capital Improvements: EV Station Equir 451,610 New Building Development 500,000 500,000 Professional Services-Admin 3,100 979,915 1,762,790 COMMUNICATIONS AND OUTREACH Sub-total 20,000 41,750 622,590 PROFESSIONAL & PROGRAM SRVS Regulatory 205,000 Contracts - Program Related Ser 200,000 8,080,900 Accounting 191,000 191,000 Legal 40,000 195,000 Wholesale Services - TEA 653,821 Data Management - Calpine 887,187 Sub-total 200,000 231,000 10,961,761 PROGRAM EXPENSES 270,014 20,000 PG&E CCA Billing Franchise Fees 270,014 20,000 Sub-total - 290,014 INCENTIVES & REBATES 440,000 EV & EVSE 90,000 Efficiency Measures 440,000 EV & EVSE 90,000 Sub-total - - 591,500 NON OPERA		0.000		7
Capital Improvements: EV Station Equif. New Building Development Professional Services-Admin 500,000 500,000 20,000 Sub-total 3,100 979,915 1,762,790 COMMUNICATIONS AND OUTREACH Sub-total 20,000 41,750 622,590 PROFESSIONAL & PROGRAM SRVS 205,000 205,000 602,590 Regulatory 205,000 8,080,900 Accounting 191,000 191,000 191,000 191,000 195,000 195,000 Wholesale Services - TEA 766,853 766,853 200,000 195,000 Wholesale Services - TEA 887,187 887,187 887,187 887,187 Sub-total 200,000 231,000 10,961,761 200,000 10,961,761 200,000 200,000 10,961,761 200,000 200,000 200,000 200,000 10,961,761 200,000				,
Professional Services-Admin 20,000 20,000 Sub-total 3,100 979,915 1,762,790		100	100	· · · · · · · · · · · · · · · · · · ·
Sub-total 3,100 979,915 1,762,790 COMMUNICATIONS AND OUTREACH Sub-total 20,000 41,750 622,590 PROFESSIONAL & PROGRAM SRVS Regulatory 205,000 8,080,900 Contracts - Program Related Ser 200,000 191,000 191,000 Legal 40,000 195,000 Wholesale Services - TEA 766,853 Procurement Credit - TEA 635,821 Data Management - Calpine 887,187 887,187 Sub-total 200,000 231,000 10,961,761 PROGRAM EXPENSES 270,014 20,000 20,000 Sub-total - 290,014 10,200 20,000 20,000 Sub-total - 290,014 10,000 20,00				7
COMMUNICATIONS AND OUTREACH Sub-total 20,000 41,750 622,590		2 400		
Sub-total 20,000	Sub-total	3,100	979,913	1,762,790
PROFESSIONAL & PROGRAM SRVS Regulatory 205,000 8,080,900 Accounting 191,000 191,000 191,000 195,000 Wholesale Services - TEA 766,535 Procurement Credit - TEA 635,821 Data Management - Calpine 200,000 231,000 10,961,761 PROGRAM EXPENSES 270,014 EV Site Host Pmts 20,000 Sub-total 290,014 INCENTIVES & REBATES 270,000 E-Bike 561,500 Sub-total 591,500 Sub-total 591,500 NON OPERATING COSTS Sub-total - 3,500 304,500 Total Expense 461,036 2,504,628 100,308,010		20,000	41 750	622 500
Regulatory		20,000	41,730	022,330
Contracts - Program Related Ser 200,000 8,080,900 Accounting 191,000 191,000 191,000 195,000 Wholesale Services - TEA 766,853 Procurement Credit - TEA 635,821 Data Management - Calpine 887,187 Sub-total 200,000 231,000 10,961,761 PROGRAM EXPENSES PG&E CCA Billing Franchise Fees 270,014 EV Site Host Pmts 20,000 Sub-total 290,014 INCENTIVES & REBATES Efficiency Measures 440,000 EV & EVSE 90,000 E-Bike 61,500 Sub-total 591,500 NON OPERATING COSTS Sub-total - 3,500 304,500 Total Expense 461,036 2,504,628 100,308,010				205 000
Accounting		200,000		
Wholesale Services - TEA 766,853 Procurement Credit - TEA 635,821 Data Management - Calpine 887,187 Sub-total 200,000 231,000 10,961,761 PROGRAM EXPENSES PG&E CCA Billing Franchise Fees 270,014 EV Site Host Pmts 20,000 Sub-total - - 290,014 INCENTIVES & REBATES - - - 440,000 EV & EVSE 90,000 E-Bike 61,500 Sub-total - - 591,500 NON OPERATING COSTS 3,500 304,500 Total Expense 461,036 2,504,628 100,308,010	-	,	191,000	
Procurement Credit - TEA 635,821 Data Management - Calpine 887,187 Sub-total 200,000 231,000 10,961,761 PROGRAM EXPENSES PG&E CCA Billing Franchise Fees 270,014 EV Site Host Pmts 20,000 Sub-total - - 290,014 INCENTIVES & REBATES - 290,014 Efficiency Measures 440,000 EV & EVSE 90,000 E-Bike 61,500 Sub-total - - 591,500 NON OPERATING COSTS 3,500 304,500 Total Expense 461,036 2,504,628 100,308,010	•		40,000	
Data Management - Calpine 887,187				•
Sub-total 200,000 231,000 10,961,761 PROGRAM EXPENSES 270,014 20,000 PG&E CCA Billing Franchise Fees 270,014 20,000 Sub-total - 290,014 INCENTIVES & REBATES - 290,014 INCENTIVES & REBATES - 440,000 EV & EVSE 90,000 90,000 E-Bike 61,500 591,500 NON OPERATING COSTS 3,500 304,500 Total Expense 461,036 2,504,628 100,308,010				•
PG&E CCA Billing Franchise Fees 270,014 EV Site Host Pmts 20,000 Sub-total - - 290,014 INCENTIVES & REBATES - - Efficiency Measures 440,000 EV & EVSE 90,000 E-Bike 61,500 Sub-total - - 591,500 NON OPERATING COSTS 3,500 304,500 Total Expense 461,036 2,504,628 100,308,010		200,000	231,000	
PG&E CCA Billing Franchise Fees 270,014 EV Site Host Pmts 20,000 Sub-total - - 290,014 INCENTIVES & REBATES - - Efficiency Measures 440,000 EV & EVSE 90,000 E-Bike 61,500 Sub-total - - 591,500 NON OPERATING COSTS 3,500 304,500 Total Expense 461,036 2,504,628 100,308,010	PROGRAM EXPENSES			
EV Site Host Pmts 20,000 Sub-total - - 290,014 INCENTIVES & REBATES Efficiency Measures 440,000 EV & EVSE 90,000 E-Bike 61,500 Sub-total - - 591,500 NON OPERATING COSTS 3,500 304,500 Total Expense 461,036 2,504,628 100,308,010				270,014
INCENTIVES & REBATES	EV Site Host Pmts			•
Efficiency Measures 440,000 EV & EVSE 90,000 E-Bike 61,500 Sub-total - - 591,500 NON OPERATING COSTS 3,500 304,500 Total Expense 461,036 2,504,628 100,308,010	Sub-total Sub-total	-	•	290,014
EV & EVSE E-Bike 90,000 61,500 Sub-total - - 591,500 NON OPERATING COSTS Sub-total - 3,500 304,500 Total Expense 461,036 2,504,628 100,308,010	INCENTIVES & REBATES			-
E-Bike 61,500 Sub-total - - 591,500 NON OPERATING COSTS Sub-total - 3,500 304,500 Total Expense 461,036 2,504,628 100,308,010				
Sub-total - - 591,500 NON OPERATING COSTS Sub-total - 3,500 304,500 Total Expense 461,036 2,504,628 100,308,010				
NON OPERATING COSTS Sub-total - 3,500 304,500 Total Expense 461,036 2,504,628 100,308,010				
Sub-total - 3,500 304,500 Total Expense 461,036 2,504,628 100,308,010				,
		-	3,500	304,500
	Total Expense	461.036	2.504.628	100,308.010
	·			

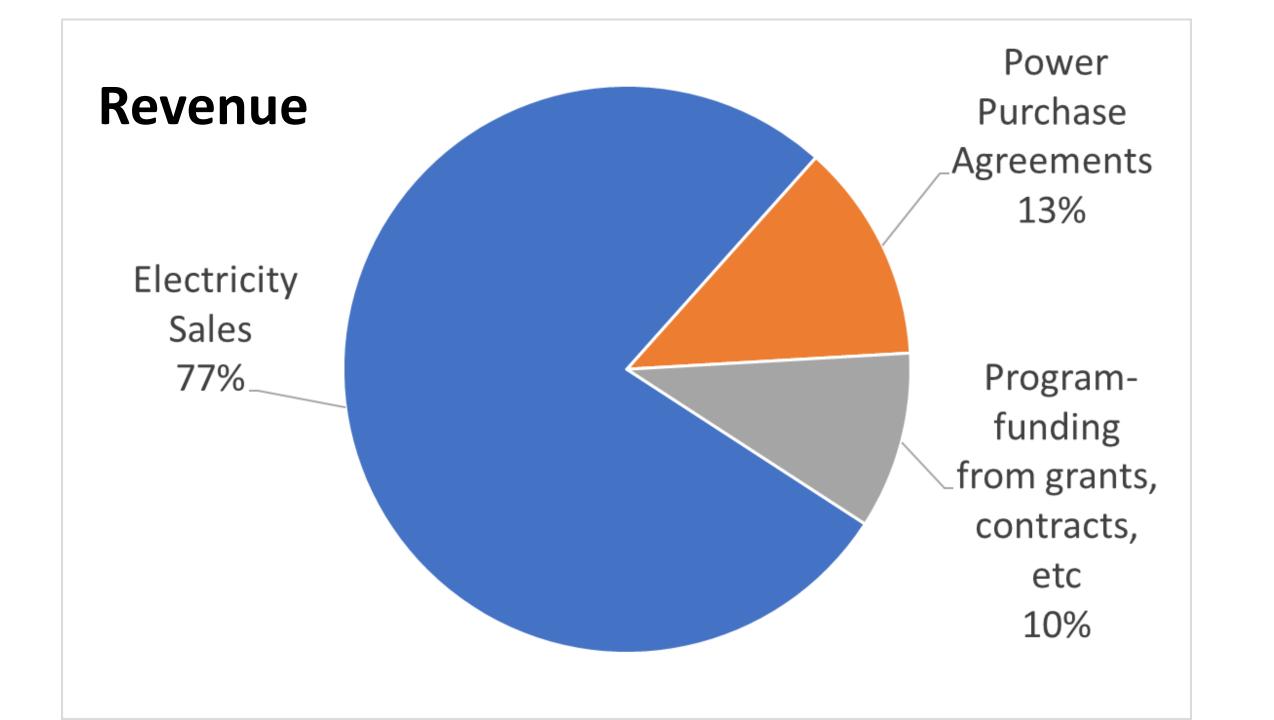


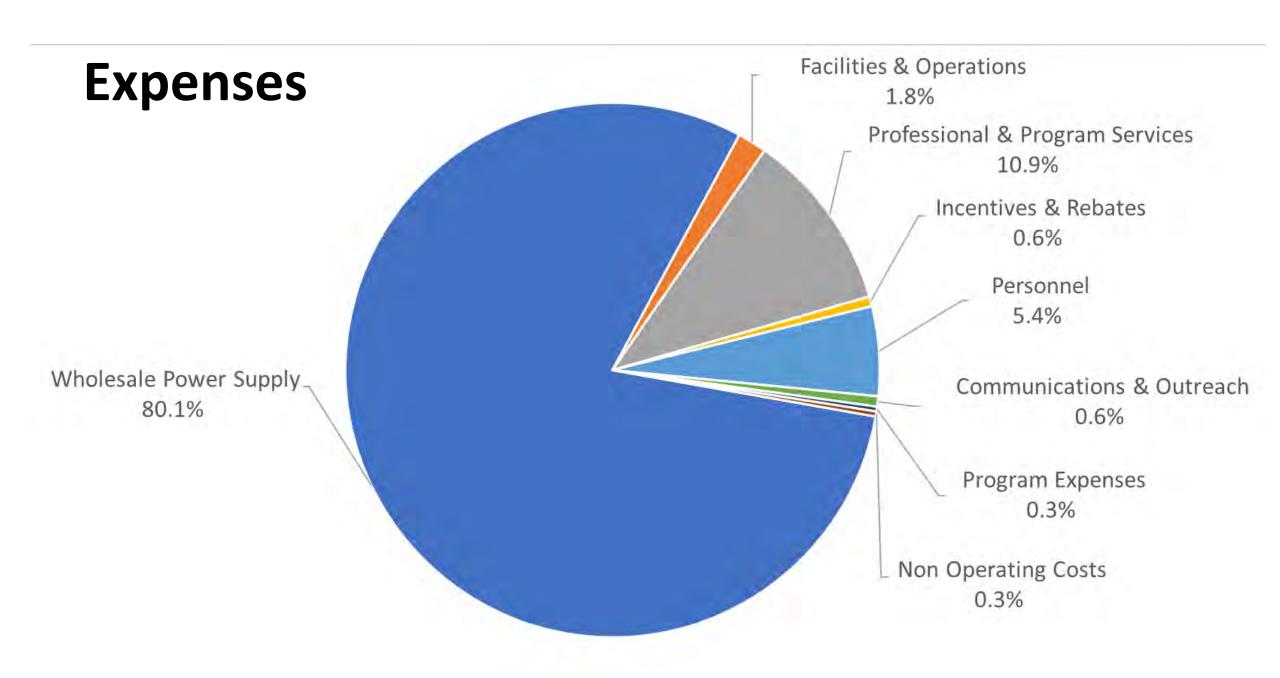
^{*}Executive Director may approve the hiring of part-time, intern and limited-term positions if they fit within the Board adopted total personnel budget.

Fiscal Year 2023-24 Preliminary Draft Budget Overview

Assumptions: Energy Sales & Supply

- Calculated energy revenue and expense based on financial model from May 5, 2023.
- Model includes meeting the current renewable energy targets through short-term procurement pathways.
- Model includes energy from the Sandrini Solar project coming on-line in April 2024.
- Electricity sales revenue projected to be up \$20M
- Wholesale power costs projected to be up \$26M





Rural REN Implications FY 2023-2024

- CPUC decision on Rural REN anticipated in June August 2023. Rural REN funding potentially \$90+ million over the next five years.
- A portion of the revenue will offset current personnel and programmatic costs being funded by CCE-DSM General budget.
- Approximately \$7.5 million of revenue and expenses are pass-through funds.
- Rural REN revenue and expenses included in budget starting January 1, 2024.

Changes/Highlights: Personnel

- Includes addition of Finance Specialist, Customer Service Associate, Rural REN Manager and Specialist, Infrastructure Projects Manager
- Includes biannual 14% Salary COLA/Market Adjustment
- Increase in Retirement Benefits by \$4,000/person
- Includes annual longevity pay adder (Flat rate 5 years: \$1,000, 10 years: \$2,500, 15 years: \$3,500)
- Personnel is 5.4% of total budget, above changes result in ~1.3% increase to total budget.

Changes/Highlights: Other

• \$500,000 budgeted for building development.

• \$200,000 budgeted for local electric grid assessment and analysis.

 Maintains 0.5% retail rate discount. As of January 2023, RCEA has provided \$6.2M in cumulative rate payer savings.

Revenue

	Current Budget	FY23-24 Preliminary Draft
Electricity Sales	\$78.6M	\$98.8M
Grants and Contracts	\$1.6M	\$11M
Program Related Service Fees (e.g. EV charging)	\$30,400	\$35,000

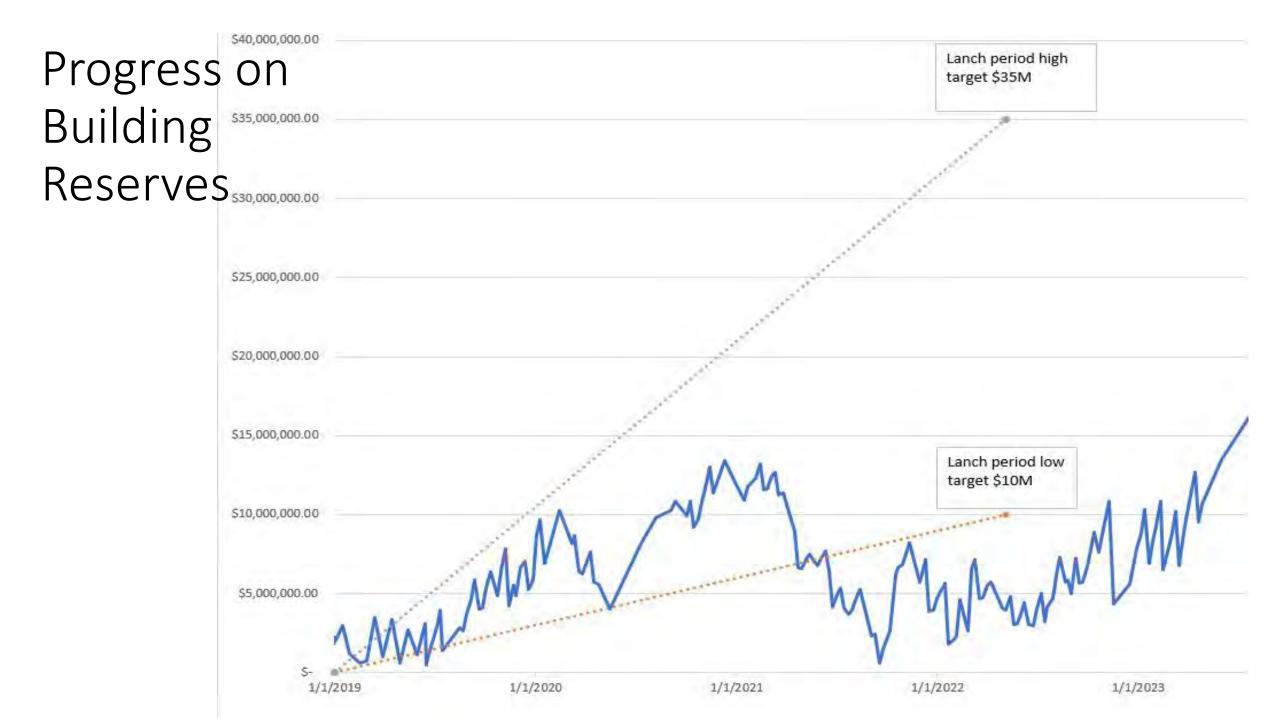
Expenses

	Current Budget	FY23-24 Draft	
Wholesale Power Supply	\$54.4M	\$80.3M	Market price increases, Sandrini delay
Personnel	\$4.1M	\$5.4M	Proposed compensation updates & new positions, standard merit increases
Facilities and Operations	\$977K	\$1.8M	EV charging station network expansion, \$500K for RCEA office relocation
Communication & Outreach	\$177K	\$623K	Rural REN state-wide outreach funding
Professional & Program Serv.	\$2.8M	\$10.96M	Rural REN pass-through funding to other regions, local grid analysis
Program Expenses	\$638K	\$290K	Moved pass-through utility taxes out of expenses
Incentives and Rebates	\$578K	\$592K	Maintaining current customer rebate funding level
Non-Operating Costs	\$246K	\$305K	This is microgrid USDA loan interest + Rural REN Loan Program seed funding

Preliminary Bottom-line

	Current Budget	FY23-23 Draft
Revenue	\$80.2M	\$109M
Expenses	\$63.9M	\$100M
Net Revenue	\$16.3M	\$9.59M

• End result: Addition of \$9.59M to reserves to keep on target towards a total Board's reserve goal of \$35M.



Next Steps

- Finance Committee reviews, provides recommendation (done)
- Board provides input/direction on draft at May meeting (today)

- Staff will refine and finalize proposed budget
- Optional second Finance Subcommittee meeting for additional review/input if needed
- Final proposed budget presented to Board June 22



STAFF REPORT Agenda Item # 11.1

AGENDA DATE:	May 25, 2023
TO:	Board of Directors
FROM:	Matthew Marshall, Executive Director
SUBJECT:	Executive Director's Report

SUMMARY

Executive Director Matthew Marshall will provide updates on:

- CORE Hub offshore wind development community engagement, and
- Other topics as needed.

RECOMMENDED ACTION

None. (Information only.)

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