



Redwood Coast Energy Authority
633 3rd Street, Eureka, CA 95501
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 REGULAR MEETING AGENDA

**Wharfinger Building, downstairs Bay Room
1 Marina Way, Eureka, CA 95501**

**January 23, 2025
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 LTaketa@redwoodenergy.org 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 RCEA Board of Directors holds in-person hybrid meetings. When attending, 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 prompt you to 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 not 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. 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.

2. BOARD APPOINTMENTS

2.1. Election of Officers and Community Advisory Committee Liaisons

Select the RCEA Board Chair and Vice Chair to serve through January 2026 and authorize them as signers on RCEA bank accounts.

Appoint a Board Liaison, and an alternate liaison if desired, to the Community Advisory Committee to serve through January 2026.

2.2. Board Committee Member Assignment

Determine whether the standing Finance Committee should continue its work.

Appoint up to five Directors to serve on the standing Finance Committee for one-year terms ending on the first regular Board meeting of 2026.

3. REPORTS FROM MEMBER ENTITIES

4. ORAL AND WRITTEN 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.

5. 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 December 17, 2024, Board Special Meeting.

4.2 Approve Disbursements Report.

4.3 Accept Financial Reports.

4.4 Approve 2025 RCEA Board of Directors Meeting Calendar.

4.5 Approve Updated and Unchanged Community Choice Energy Weighted Board Vote Distribution.

4.6 Reappoint Deborah Dukes, Richard Johnson, Luna Latimer and Kit Mann to the Community Advisory Committee for Terms Ending March 31, 2027.

4.7 Approve Amendment No.1 to the Professional Services Agreement with Sierra Business Council in the amount of \$413,628,59 for RuralREN North startup services and authorize the Executive Director to execute all applicable documents.

- 4.8 Approve engagement with Baker Tilly US, LLP for audit of the Redwood Coast Energy Authority financial statements for the years ended June 30, 2024 to 2026 and authorize the Executive Director to execute all applicable documents.
- 4.9 Approve the Memorandum of Understanding and the Ground Lease to Install, Operate, and Maintain Electric Vehicle Supply Equipment at Carlson Park Between RCEA and the City of Arcata and Authorize the Executive Director to execute all applicable documents.

5. REMOVED FROM CONSENT CALENDAR ITEMS

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

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.

6. OLD CCE BUSINESS

- 6.1. Annual Humboldt Sawmill Company Alternative Biomass Use Report (Information only)

7. NEW CCE BUSINESS – None.

END OF COMMUNITY CHOICE ENERGY (CCE) BUSINESS

8. OLD BUSINESS – None.

9. NEW BUSINESS

- 9.1 Approve Cost-of-Service Rate Setting Analysis Solicitation

Authorize staff to prepare and release a solicitation for cost-of-service analysis and rate design consulting, following review and approval by RCEA administrative staff and legal counsel.

- 9.2 Reserve Policy Adoption

Adopt Resolution 2025-1, Adopting a Redwood Coast Energy Authority Reserve Policy, and direct staff to draft a Dividend Program Proposal.

10. STAFF REPORTS

- 10.1 Executive Director's Report

11. FUTURE AGENDA ITEMS

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

12. ADJOURNMENT

NEXT REGULAR MEETING

Thursday, February 27, 2025, 3:30 p.m.

Wharfinger Building downstairs Bay Room, 1 Marina Way, Eureka, CA 95501
Online and phone participation will also be possible via Zoom.

This page
intentionally
left blank.



STAFF REPORT
Agenda Item # 1.1

AGENDA DATE:	January 23, 2025
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 (CAC) 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 without 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 more than 2 meetings per year, 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, there have been no remote director participation for "just cause" or "emergency circumstances" requests.

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.



REDWOOD COAST Energy Authority

STAFF REPORT Agenda Item # 2.1

AGENDA DATE:	January 23, 2025
TO:	Board of Directors
PREPARED BY:	Lori Taketa, Clerk of the Board
SUBJECT:	Election of Officers and Community Advisory Committee Liaison Appointments

BACKGROUND

Election of Officers

In keeping with its Operating Guidelines, the RCEA Board selects a Chair and Vice Chair every year at its January meeting by simple majority vote. The responsibilities of the Chair include:

- Conducting the monthly and special meetings
- Attending the monthly agenda review meeting
- Check signing and disbursement authority, including electronic funds disbursement.

The Vice Chair assumes these responsibilities when the Chair is unable to perform them.

The Chair and Vice Chair will be asked to complete the appropriate signature forms to be filed with RCEA's banking institution soon after the January meeting and be available to sign checks periodically when authorized staff are not available.

Community Advisory Committee Liaison Appointment

RCEA's Community Advisory Committee (CAC) was established by the Board to support RCEA public engagement efforts and provide the Board with decision-making support and input.

The Board's Operating Guidelines state that the Board will appoint at least one RCEA Board member as a CAC liaison that will attend CAC meetings but will not vote. The role of the Board liaison as outlined in the CAC Charter is to:

- Contribute content knowledge and Board perspective at CAC meetings;
- Encourage participation and help create a civil, collaborative environment;
- Communicate committee recommendations and perspectives to the Board; and
- Participate as a non-voting member.

The 2023 and 2024 Board liaison was Director Kris Mobley. Director Natalie Arroyo served as alternate Board liaison in 2024.

STAFF RECOMMENDATION

Select the RCEA Board Chair and Vice Chair to serve through January 2026 and authorize them as signers on RCEA bank accounts.

Appoint a Board Liaison, and an alternate liaison if desired, to the Community Advisory Committee to serve through January 2026

ATTACHMENTS

None.



REDWOOD COAST Energy Authority

STAFF REPORT Agenda Item # 2.2

AGENDA DATE:	January 23, 2025
TO:	Board of Directors
PREPARED BY:	Eileen Verbeck, Deputy Executive Director
SUBJECT:	Board Committee Member Assignment

SUMMARY

The first Board meeting of the year presents an opportunity to review the Board's standing Committee and appoint members as needed. As part of any committee discussion and review, the Board may choose to disband the body if it is no longer needed.

Finance Committee (standing)

In January 2019, the Board created a standing Finance Committee to meet as needed to work with staff and advise the Board on matters relating to audit, finance and the budget. In 2023 and 2024, this body met twice to review draft fiscal year budgets. The committee is scheduled to meet in February 2025 to review mid-year budget adjustments. Because this is a standing committee it is subject to all Brown Act open meeting requirements.

The Board Finance Committee is comprised of up to five (5) Board Directors. Current Finance Committee members are Committee Chair Scott Bauer, Sarah Schaefer, Skip Jorgensen and Frank Wilson. Member terms are one year long ending on the first regular Board meeting of each year.

RECOMMENDED ACTIONS

Determine whether the standing Finance Committee should continue its work.

Appoint up to five Directors to serve on the standing Finance Committee for one-year terms ending on the first regular Board meeting of 2026.

ATTACHMENTS - None.

This page
intentionally
left blank.



Redwood Coast Energy Authority
633 3rd Street, Eureka, CA 95501
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 DRAFT SPECIAL MEETING MINUTES

**Wharfinger Building, Bay Room
1 Marina Way, Eureka, CA 95501**

**December 17, 2024
Tuesday, 3:30 p.m.**

Chair Sarah Schaefer called a special meeting of the Board of Directors of the Redwood Coast Energy Authority to order on the above date at 3:32 p.m. Notice of this meeting was posted on December 14, 2024.

PRESENT: Natalie Arroyo, Vice Chair Scott Bauer (left 4:44 p.m.), Skip Jorgensen, Jason Ramos, Elise Scafani (arrived 3:40 p.m.), Chair Sarah Schaefer, Jack Tuttle, Frank Wilson, Sheri Woo. ABSENT: Kris Mobley, Yurok Tribe representative.

STAFF AND OTHERS PRESENT: Business Planning and Finance Director Lori Biondini, Infrastructure Programs Manager Juliette Bohn, General Counsel Nancy Diamond, Power Resources Senior Manager Jocelyn Gwynn, Demand-Side Management Director Stephen Kullmann, CorPower Ocean Commercial Director Kevin Rebenius, Baker Tilly Energy & Utilities Division Principal Bethany Ryer, Board Clerk Lori Taketa, Interim Executive Director Eileen Verbeck.

CONSENT CALENDAR

- 4.1** Approve Minutes of November 20, 2024, Board Meeting.
- 4.2** Approve Disbursements Report.
- 4.3** Accept Financial Reports.
- 4.4** Adopt Resolution 2024-14 Adopting Updates to the Energy Risk Management Policy.
- 4.5** Accept RCEA Racial Justice Plan Progress Report.
- 4.6** Authorize RCEA Executive Director to Execute the Department of Energy Grid Resilience Innovation Partnership (GRIP) Program Funds for Tribal Energy Resilience and Sovereignty Project GD-0000967 Conditional Award Once Finalized and Reviewed by Special Counsel.

No member of the public nor Board member requested consent calendar item discussion.

M/S: Jorgensen, Woo: Approve Consent Calendar items.

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

The Chair confirmed that a Community Choice Energy business quorum was present.

NEW CCE BUSINESS

7.1. Local Distributed Energy Storage Request for Offers

Power Resources Senior Manager Gwynn explained how energy storage is a needed component when transitioning to renewable but intermittent energy sources such as solar and wind power. Developers are expressing interest in grid connection sites at the former

power plants in Fairhaven and Blue Lake. Staff Manager Gwynn described the types of projects sought for the proposed request for offers and scoring criteria. The directors discussed how microgrids would likely be less financially attractive in this solicitation, which is geared more toward energy storage projects. They requested adding more information about community benefits to the preferred criteria section of the request.

Vice Chair Bauer, Chair Schaefer, Directors Tuttle and Woo volunteered to serve on an ad hoc Local Distributed Energy Storage Request for Offers Committee. Director Scafani disclosed that the City of Blue Lake owns a potential storage project site and inquired whether she should participate in this item's vote. The Director's ad hoc subcommittee participation was discouraged, and the Director was advised to consider for herself whether to recuse from future project discussion. The Board confirmed that non-CCE-voting directors were eligible to serve on ad hoc CCE program procurement committees because the committees are advisory and all Board members would vote on resulting contracts. There were no public comments on this item.

M/S: Bauer, Arroyo: Authorize staff to issue the Request for Offers for Local Distributed Energy Storage Resources.

The motion passed with a unanimous roll call vote. Ayes: Arroyo, Bauer, Jorgensen, Schaefer, Tuttle, Wilson. Noes: None. Absent: Mobley. Non-voting: Ramos, Woo. Abstain: Scafani.

7.2. Ocean Wave Energy Grant Proposal Letter of Intent

Senior Power Resources Manager Gwynn described how RCEA's strategic plan directs staff to explore wave energy viability. CorPower Ocean Commercial Director Rebenius introduced the international wave power development company, their buoy technology which can generate five times more energy than was previously possible by enhancing wave motion, and CorPower Ocean's current European test projects and development contracts. Wave energy buoys can be deployed in high-density clusters or with offshore wind turbines. The company is gaining funding to scale up project deployment and has applied for a U.S. Department of Energy grant to test their technology in U.S. waters at Oregon's PacWave wave energy test site. CorPower Ocean would like to partner with RCEA to learn more about how this technology can work in US conditions with community choice aggregators. RCEA's near-term involvement includes staff time, the requirements of which will be outlined in more detail for the Board should the DOE award CorPower the grant. RCEA would gain information about procuring this renewable energy source which is currently missing from RCEA's power portfolio. CorPower Ocean's west coast wave energy studies show that the wave resource off Humboldt County is one of the best in the world. Wave energy can fill solar and wind power's energy production gaps and lessen battery storage capacity needs. There were no public comments on this item.

M/S: Scafani, Bauer: Authorize staff to develop and provide a letter of intent in support of CorPower Ocean's proposal to the U.S. Department of Energy's "Oceans of Opportunity: U.S. Wave Energy Open Water Testing" funding opportunity.

The motion passed with a unanimous roll call vote. Ayes: Arroyo, Bauer, Jorgensen, Scafani, Schaefer, Tuttle, Wilson. Noes: None. Absent: Mobley. Non-Voting: Ramos, Woo. Abstain: None.

OLD BUSINESS

8.1. Regional Resilience Grant Program (Rural Fire Station Solar + Battery) Design/Build Solicitation Pathway Approval

Infrastructure Programs Manager Bohn described progress on a \$3 million grant-funded project to install standalone solar power and battery storage systems at 16 remote fire stations. The roof- or trailer-mounted systems will help keep the stations running during disasters and help pay for electricity use in non-emergency situations. Staff seek approval for a two-step design-build process where contractors are first qualified, then submit proposals. The grant will cover equipment purchase and installation. Some unexpected, special case costs may arise, such as stations needing roof reinforcement before panels can be installed. The directors discussed conflict of interest parameters, value benefits of the design-build versus lowest responsive bidder procurement process, and the importance of a maintenance package.

Directors Arroyo, Ramos, Scafani and Tuttle volunteered to serve on an ad hoc Regional Resilience Grant Program Committee to approve a shortlist of qualified respondents and to help review proposals. The full Board will be asked to award the contract. There were no public comments on this item.

M/S: Scafani, Bauer: Authorize RCEA's Executive Director to utilize the design-build process to procure design and construction of the solar plus battery storage systems for the RRGF Energy-Resilient Fire Services in High-Threat Communities project; and initiate the first step by developing and issuing an RFQ.

Delegate authority to the RRGF Ad Hoc Committee to: 1) approve the short list of qualified design build contractors, and 2) authorize the Executive Director to issue an RFP for construction of the solar plus battery storage systems.

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

NEW BUSINESS

9.1. Financial Audit for Fiscal Years Ending June 30, 2021 and 2020

Baker Tilly CPA and Principal Ryers presented a report on RCEA's FY 2020-2021 and 2019-2020 financial audits. The auditor worked on two fiscal years at once to catch up on its financial statements. These years' audits were clean with no findings. Staff quickly responded to an audit recommendation by preparing an investment policy, which the Board approved in September 2024. Work on the next two fiscal years' audits begins very shortly and new government accounting standards will be implemented. Staff expressed a desire to be current on financial audits in the next year. The directors discussed how accounts receivable aging accounts estimates, or adjustments to the percentage of past due or uncollectible accounts, were increased from 0.3% of sales to 3%, to align with actual uncollectible bill amounts. The auditors recommend monitoring uncollectible bills to fine tune the amount held in the allowance account. The directors thanked staff and the auditor for their work. There were no public comments on this item.

M/S: Woo, Arroyo: Accept and Approve Redwood Coast Energy Authority Financial Statements June 30, 2021, and 2020 and Associated Independent Auditors' Report by Baker Tilly US, LLP.

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

9.2. Rural Regional Energy Network North Pre-Launch Professional Services Agreements with Partners and FY 2024-25 Budget Adjustments

Demand-Side Management Director Kullmann provided an overview of the Rural Regional Energy Network North. The California Public Utilities Commission gave RCEA, as program administrator, permission to spend \$1.1 million for program pre-launch work. RCEA is waiting for PG&E to sign the program contract and release funds. Staff requested an RCEA mid-year budget adjustment to reflect partner contract drafting costs and other program pre-launch work. There were no public comments on this item.

M/S: Jorgensen, Scafani: Approve proposed changes to RCEA FY 24-25 budget.

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

STAFF REPORTS

10.1 Interim Executive Director's Report (Information only)

Interim Executive Director Verbeck thanked the Board for their support during the agency's transition between Executive Directors. The Directors thanked Interim Executive Director Verbeck for her skillful leadership. Incoming Executive Director Elizabeth Burks will begin working at RCEA in early January. Senior Power Resources Manager Gwynn reported that the Sandrini Solar project in Kern County began commercial operation earlier in the month. Board members will be invited to a ribbon cutting in early 2025. There were no public comments on this item.

Chair Schaefer adjourned the meeting at 5:17 p.m.

Lori Taketa
Board Clerk

Redwood Coast Energy Authority Disbursements Report As of November 30, 2024

Type	Date	Num	Name	Memo	Amount
Bill Pmt -Check	11/08/2024	ACH	Leapfrog Power, Inc	Oct 2024 RA Invoice	-36,740.00
Bill Pmt -Check	11/08/2024	ACH	Viridity Energy Solutions, Inc.	Tierra Buena RA-October 2024	-16,900.00
Liability Check	11/08/2024	ACH	Ascensus	Paydate 11/08/24	-13,221.88
Liability Check	11/08/2024	ACH	EDD	Paydate 11/08/24	-7,763.92
Liability Check	11/08/2024	ACH	Internal Revenue Service	Paydate 11/08/24	-34,937.49
Liability Check	11/08/2024	ACH	Ascensus	Paydate 11/08/24	-12,803.88
Check	11/08/2024	18864	NEM Customer	2024 NEM Payout-Transitional	-325.77
Check	11/08/2024	18865	NEM Customer	2024 NEM Payout-Transitional	-115.05
Check	11/08/2024	18866	NEM Customer	2024 NEM Payout-Transitional	-166.29
Check	11/08/2024	18867	NEM Customer	2024 NEM Payout-Transitional	-239.34
Check	11/08/2024	18868	CCE Customer	CCE Heat Pump Rebate -Res #241021-2281	-650.00
Check	11/08/2024	18869	CCE Customer	CCE Equipment Rebate -Res #241018-2278	-350.00
Check	11/08/2024	18870	CCE Customer	CCE Equipment Rebate -Res #240929-2256	-100.00
Check	11/08/2024	18871	CCE Customer	CCE Equipment Rebate -Res #240920-2238	-100.00
Check	11/08/2024	18872	CCE Customer	CCE Equipment Rebate -Res #240925-2251	-400.00
Bill Pmt -Check	11/08/2024	18873	Ascensus	06/01/2024-08/31/2024 Recordkeeping Fee	-1,022.75
Bill Pmt -Check	11/08/2024	18874	AT&T	RCAM Router charges - ACV: 09/19-10/18/24	-163.00
Bill Pmt -Check	11/08/2024	18875	Beals, K.	Wood Stickers for new RCEA phones	-32.81
Bill Pmt -Check	11/08/2024	18876	Biondini, L.	Direct Pay Utah, Per Diem meals	-220.00
Bill Pmt -Check	11/08/2024	18877	Bithell, M.	Sept & Oct 2024 Mileage Reimb.	-56.89
Bill Pmt -Check	11/08/2024	18878	Boudreau, D.	Travel Per Diem & Mileage Reimb.	-455.02
Bill Pmt -Check	11/08/2024	18879	Braun Blaising & Wynne, P.C.	Legal Services - Regulatory -Sept 2024	-2,865.25
Bill Pmt -Check	11/08/2024	18880	Busick, B.	Oct 2024 Mileage Reimb	-76.65
Bill Pmt -Check	11/08/2024	18881	CSDA	2025 Membership Dues ID 26262	-2,400.00
Bill Pmt -Check	11/08/2024	18882	Developed Employment Services, LLC.	805 3rd St. Yard work	-116.34
Bill Pmt -Check	11/08/2024	18883	Donald Dame	CCE Consulting services- Oct 2024	-320.25
Bill Pmt -Check	11/08/2024	18884	Ed The Plumber Fitz It Right Plumbing LLC	633 3rd St: Kitchen faucet install	-233.00
Bill Pmt -Check	11/08/2024	18885	Engel, R.	CADEMO event: Per diem meals	-112.00
Bill Pmt -Check	11/08/2024	18886	Enterprise	Car rental Oct 2024	-91.34
Bill Pmt -Check	11/08/2024	18887	Hilson, D.	Mileage reimbursement - Oct 2024	-45.69
Bill Pmt -Check	11/08/2024	18888	HSU - Sponsored Programs Foundation	RCAM Op Support: Sept 2024 on-call fees	-3,641.50
Bill Pmt -Check	11/08/2024	18889	Humboldt Bay Coffee Co.	Office Coffee-917 3rd St	-17.30
Bill Pmt -Check	11/08/2024	18890	Humboldt HyCycle	E-Bike Vouchers: Inv 1010 & 1011	-1,500.00
Bill Pmt -Check	11/08/2024	18891	Law Offices of Susie Berlin	Sept 2024 Legal Services - RuralREN Support	-4,407.00
Bill Pmt -Check	11/08/2024	18892	Mission Linen & Uniform Service	Oct 2024 services & janitorial supplies	-122.42
Bill Pmt -Check	11/08/2024	18893	Newport Group	Deferred Comp Participant Fees 10/01-12/31/2024	-999.54
Bill Pmt -Check	11/08/2024	18894	North Coast Cleaning Services, Inc.	Oct 2024 cleaning services: 633 & 917 3rd St	-1,090.00
Bill Pmt -Check	11/08/2024	18895	North Coast Unified Air Quality	Site Host Reimbursement 07/01-09/30/2024	-768.62
Bill Pmt -Check	11/08/2024	18896	Pacific Paper Company	Office Supplies: PR 2024-10_LR	-61.80
Bill Pmt -Check	11/08/2024	18897	PG&E Office Utility	09/13-10/13/2024 utilities for 633 3rd Street	-1,025.77
Bill Pmt -Check	11/08/2024	18898	Pierson Building Center	633 3rd St: Facility supplies-toilet valve	-16.81
Bill Pmt -Check	11/08/2024	18899	Premier Financial Group	Advisory Fee for Q4 2024	-5,817.83
Bill Pmt -Check	11/08/2024	18900	Recology Humboldt County	Act 060703330, 633 3rd St. Oct 2024	-110.05
Bill Pmt -Check	11/08/2024	18901	Recology Humboldt County	Act 061371327, 917 3rd St. Oct 2024	-74.54
Bill Pmt -Check	11/08/2024	18902	Rennie, J	Sept & Oct 2024 Mileage Reimb	-839.52
Bill Pmt -Check	11/08/2024	18903	SDRMA P&L	Addl Coverage: H St EV Charging Stations	-242.15
Bill Pmt -Check	11/08/2024	18904	Terry, P.	CalREN Meeting.: Per Diem Meals 11/19-11/20/24	-212.00
Bill Pmt -Check	11/08/2024	18905	Times Printing Company	Power Content Label Mailer w/Postage	-29,982.24

Redwood Coast Energy Authority Disbursements Report As of November 30, 2024

Type	Date	Num	Name	Memo	Amount
Bill Pmt -Check	11/08/2024	18906	Times Printing Company	Late Notice envelopes & letters	-630.08
Bill Pmt -Check	11/08/2024	18907	Tripepi Smith and Associates, Inc.	M3 of Executive Director Recruitment	-6,000.00
Bill Pmt -Check	11/08/2024	18908	Watson, D.	Oct 2024 Mileage Reimb.	-31.49
Bill Pmt -Check	11/08/2024	18909	Wired Impact, LLC	Website Platform Subscription-Amplify Plan	-6,319.00
Paycheck	11/08/2024	ACH	Employees	Payroll 11/08/24	-83,821.24
Check	11/13/2024	ACH	VISA	VISA 2291: Oct 2024 Stmt 09/20/2024-10/21/2024	-19,076.04
Check	11/13/2024	ACH	VISA	VISA 4133: Oct 2024 Stmt 09/20/2024-10/21/2024	-1,411.50
Bill Pmt -Check	11/15/2024	ACH	The Energy Authority	TEA Invoice #TEA 102024 Oct 2024	-3,578,216.63
Bill Pmt -Check	11/18/2024	ACH	The Energy Authority	CAISO Invoice #CISO111324-CRROCT	-2,611.80
Check	11/20/2024	Debit	Umpqua	Service Charge	-235.89
Bill Pmt -Check	11/20/2024	ACH	The Energy Authority	CAISO Invoice #CISO112024-NOV	-38,310.36
Liability Check	11/22/2024	ACH	CICCS Coalition for Controlling Insurance	November 2024 Coverage	-64.94
Liability Check	11/22/2024	ACH	Keenan	December 2024 Coverage	-31,662.00
Liability Check	11/22/2024	ACH	Principal Life Insurance Company	December 2024 Coverage	-115.80
Liability Check	11/22/2024	ACH	Ascensus	Paydate 11/22/24	-11,231.41
Liability Check	11/22/2024	ACH	Ascensus	Paydate 11/22/24	-13,385.85
Liability Check	11/22/2024	ACH	EDD	Paydate 11/22/24	-8,012.54
Liability Check	11/22/2024	ACH	Internal Revenue Service	Paydate 11/22/24	-35,324.49
Bill Pmt -Check	11/22/2024	ACH	CalPine Corporation	Calpine Oct 2024 Costs	-63,781.11
Bill Pmt -Check	11/22/2024	ACH	Humboldt Sawmill Co.	Oct 2024 Electricity Generation	-655,260.02
Bill Pmt -Check	11/22/2024	ACH	Sonoma Clean Power Authority	Oct 2024 - Flex RA sale - Monthly	-261,000.00
Bill Pmt -Check	11/22/2024	WIRE	Tesla Motors	Annual O&M Service Fees-ACV	-10,143.90
Liability Check	11/22/2024	18910	Ameritas - Dental	December 2024 Coverage	-2,024.96
Liability Check	11/22/2024	18911	Ameritas - Vision	December 2024 Coverage	-365.56
Check	11/22/2024	18912-34	NEM Customers	NEM Account Closeouts	-3,639.16
Check	11/22/2024	18935	CCE Customer	CCE Equipment Rebate - Res #241107-2303	-100.00
Check	11/22/2024	18936	CCE Customer	CCE Equipment Rebate - Res #241107-2304	-400.00
Check	11/22/2024	18937	CCE Customer	CCE Heat Pump Rebate - Res #240928-2255	-1,050.00
Check	11/22/2024	18938	CCE Customer	CCE Heat Pump Rebate - Res #240924-2243	-1,100.00
Check	11/22/2024	18939	CCE Customer	CCE Heat Pump Rebate - Res #240923-2242	-1,350.00
Bill Pmt -Check	11/22/2024	18940	Alber's Tractor and Ag Work	Mowing services for ACV solar site	-2,400.00
Bill Pmt -Check	11/22/2024	18941	AT&T	RCAM charges: 10/29-11/28/24	-930.80
Bill Pmt -Check	11/22/2024	18942	AT&T	RCAM charges: 11/07-12/06/24	-766.51
Bill Pmt -Check	11/22/2024	18943	AT&T Long Distance	Phone charges 10/25 - 11/24/2024	-131.35
Bill Pmt -Check	11/22/2024	18944	Campton Electric Supply	Smoke Alarm Batteries for 633 3rd	-51.52
Bill Pmt -Check	11/22/2024	18945	Carter Properties, LLC	917 3rd Street Office Lease - Dec 2024 rent	-2,375.00
Bill Pmt -Check	11/22/2024	18946	City of Arcata	Sept 2024 Utility User Tax	-14,242.90
Bill Pmt -Check	11/22/2024	18947	City of Arcata	Sept 2024 Excessive Energy Use Tax	-802.68
Bill Pmt -Check	11/22/2024	18948	City of Arcata	Oct 2024 Excessive Energy Use Tax	-602.31
Bill Pmt -Check	11/22/2024	18949	City of Arcata	Oct 2024 Utility User Tax	-14,926.71
Bill Pmt -Check	11/22/2024	18950	City of Eureka-Water	633 & 917 3rd St water bills	-351.05
Bill Pmt -Check	11/22/2024	18951	Engel, R.	Oct 2024 Mileage and Nov 2024 Travel Reimb	-420.74
Bill Pmt -Check	11/22/2024	18952	HCOE	RCEA Envelopes	-143.39
Bill Pmt -Check	11/22/2024	18953	HireRight	Background screening: new hire	-105.00
Bill Pmt -Check	11/22/2024	18954	Humboldt Bay Coffee Co.	Office Coffee-633 3rd St	-51.90
Bill Pmt -Check	11/22/2024	18955	iPROMOTEu.com, Inc	RCEA Promo: Qty 250 Magnets	-304.73
Bill Pmt -Check	11/22/2024	18956	Law Offices of Nancy Diamond	Oct 2024 Legal Services	-10,388.00
Bill Pmt -Check	11/22/2024	18957	Local Worm Guy	Oct 2024 Compost service 633 & 917 3rd St	-108.00

Redwood Coast Energy Authority Disbursements Report As of November 30, 2024

Type	Date	Num	Name	Memo	Amount
Bill Pmt -Check	11/22/2024	18958	Mission Linen & Uniform Service	Nov 2024: mat cleaning and paper products	-76.75
Bill Pmt -Check	11/22/2024	18959	Morse Media	Website Hosting Annual Fee	-97.20
Bill Pmt -Check	11/22/2024	18960	NYLEX.net, Inc.	Onsite network support services - Dec 2024	-3,690.00
Bill Pmt -Check	11/22/2024	18961	Optimum Business-633	633 3rd St: Phone & Internet - 10/28-11/27/2024	-1,103.54
Bill Pmt -Check	11/22/2024	18962	Pacific Outfitters	Oct 2024: 1 E-Bike Voucher	-500.00
Bill Pmt -Check	11/22/2024	18963	Pacific Paper Company	Nov 2024: office supplies	-934.26
Bill Pmt -Check	11/22/2024	18964	PG&E - ACV	ACV site utilities 09/26-10/24/2024	-316.36
Bill Pmt -Check	11/22/2024	18965	PG&E CCA	Oct 2024 CCE Charges	-21,613.48
Bill Pmt -Check	11/22/2024	18966	PG&E EV Account	EV stations 10/01-10/31/2024	-2,342.19
Bill Pmt -Check	11/22/2024	18967	PG&E Office Utility	10/04-11/03/2024 utilities for 917 3rd Street	-444.42
Bill Pmt -Check	11/22/2024	18968	Ramone's Bakery	RuralREN Meeting-Pasteries, Coffee and Lunch	-461.78
Bill Pmt -Check	11/22/2024	18969	Revolution Bicycles	Sept 2024: 1 E-Bike Voucher	-1,000.00
Bill Pmt -Check	11/22/2024	18970	Shred Aware	Shredding services - Nov 2024	-68.95
Bill Pmt -Check	11/22/2024	18971	Times Printing Company	Nov 2024: 3 Move-In invoices	-1,713.64
Bill Pmt -Check	11/22/2024	18972	Ubeo Business Services	633 3rd St Printer Charges: 10/06-11/05/24	-195.57
Bill Pmt -Check	11/22/2024	18973	Winzler, John	Office Lease - 633 3rd St. Dec 2024	-7,946.31
Bill Pmt -Check	11/22/2024	18974	WREGIS	Retired RECs - Qty 46,517	-186.07
Bill Pmt -Check	11/22/2024	18975	Yakovleva, Vera A.	CALCCA Meeting: Per Diem Meals 12/04-12/05/24	-161.00
Paycheck	11/22/2024	ACH	Employees	Payroll 11/22/24	-86,271.07
Liability Check	11/26/2024	ACH	Colonial Life	Dec 2024 Premiums	-2,179.06
Bill Pmt -Check	11/26/2024	ACH	Sterling Administration	FSA Funding - 50% 2025	-4,650.00
Bill Pmt -Check	11/26/2024	18976	Petty Cash	Replenish petty cash for Oct 2024	-20.55
TOTAL					<u>-5,205,704.26</u>

This page
intentionally
left blank.

Redwood Coast Energy Authority
Profit & Loss Budget vs. Actual
 July through November 2024

	<u>Jul - Nov 24</u>	<u>Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense			
Income			
Total 4 GRANTS AND DONATIONS	600.00	0.00	100.0%
5 REVENUE EARNED			
Total 5000 · Revenue - government agencies	283,344.36	1,375,000.00	20.61%
Total 5100 · Revenue - program related	4,644,724.11	50,000.00	9,289.45%
Total 5300 · Revenue - interest on deposits	680.99	0.00	100.0%
Total 5400 · Revenue-nongovernment agencies	173,007.00	413,000.00	41.89%
Total 5500 · Revenue - Electricity Sales	<u>29,413,701.92</u>	<u>68,501,255.00</u>	<u>42.94%</u>
Total 5 REVENUE EARNED	<u>34,515,458.38</u>	<u>70,339,255.00</u>	<u>49.07%</u>
Total Income	<u>34,516,058.38</u>	<u>70,339,255.00</u>	<u>49.07%</u>
Gross Profit	34,516,058.38	70,339,255.00	49.07%
Expense			
Total 6 WHOLESALE POWER SUPPLY	26,642,507.04	61,063,849.00	43.63%
Total 7 PERSONNEL EXPENSES	1,768,022.53	5,251,342.00	33.67%
Total 8.1 FACILITIES AND OPERATIONS	423,474.62	979,125.00	43.25%
Total 8.2 COMMUNICATIONS AND OUTREACH	92,311.97	114,150.00	80.87%
8.4 PROFESSIONAL & PROGRAM SRVS			
8400 · Regulatory	49,155.82	164,300.00	29.92%
Total 8410 · Contracts - Program Related Ser	103,330.34	1,418,600.00	7.28%
8420 · Accounting	8,752.00	60,000.00	14.59%
8430 · Legal	56,549.60	185,000.00	30.57%
8450 · Wholesale Services - TEA	352,384.85	817,124.00	43.13%
8460 · Procurement Credit - TEA	56,814.08	639,430.00	8.89%
8470 · Data Management - Calpine	255,289.58	855,276.00	29.85%
8480 · Customer Billing - PG&E	108,196.13	272,714.00	39.67%
Total 8.4 PROFESSIONAL & PROGRAM SRVS	<u>990,472.40</u>	<u>4,412,444.00</u>	<u>22.45%</u>
Total 8.6 INCENTIVES & REBATES	<u>93,392.90</u>	<u>230,000.00</u>	<u>40.61%</u>
Total 9 NON OPERATING COSTS	<u>29,543.12</u>	<u>129,000.00</u>	<u>22.9%</u>
Total Expense	<u>30,039,724.58</u>	<u>72,179,910.00</u>	<u>41.62%</u>
Net Ordinary Income	<u>4,476,333.80</u>	<u>-1,840,655.00</u>	<u>-243.19%</u>
Net Income	<u>4,476,333.80</u>	<u>-1,840,655.00</u>	<u>-243.19%</u>

Redwood Coast Energy Authority
Balance Sheet
As of November 30, 2024

	<u>Nov 30, 24</u>
ASSETS	
Current Assets	
Checking/Savings	
1010 · Petty Cash	300.00
1060 · Umpqua Checking Acct 0560	270,530.45
1071 · Umpqua Deposit Cntrl Acct 8215	12,215,789.71
1075 · Umpqua Reserve Account 2300	20,000,000.00
1077 · JP Morgan Chase Act 74999	399,967.48
Total Checking/Savings	<u>32,886,587.64</u>
Total Accounts Receivable	69,271.31
Other Current Assets	
1101 · Allowance for Doubtful Accounts	-9,683,743.75
1103 · Accounts Receivable-Other	17,513,936.76
1120 · Inventory Asset	18,614.90
1205 · Prepaid Insurance	57,157.01
1210 · Retentions Receivable	28,995.93
Total Other Current Assets	<u>7,934,960.85</u>
Total Current Assets	40,890,819.80
Total Fixed Assets	9,976,397.74
Other Assets	
1700 · Security Deposits	4,202,084.85
Total Other Assets	<u>4,202,084.85</u>
TOTAL ASSETS	<u><u>55,069,302.39</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Total Accounts Payable	6,838,250.13
Total Credit Cards	16,606.25
Other Current Liabilities	
2002 · Deposits Refundable	983,130.01
2011 · NEM Escrow Liability	206,499.80
Total 2100 · Payroll Liabilities	181,480.92
Total 2200 · Accrued Expenses	24,175.34
2215 · Lease Liability - Current	123,474.41
Total Other Current Liabilities	<u>1,518,760.48</u>
Total Current Liabilities	8,373,616.86
Long Term Liabilities	
Total 2230 · Lease Liability - Long Term	113,827.41
Total 2700 · Long-Term Debt	5,873,025.48
2705 · RCAM Decommissioning Fund	196,000.00
Total Long Term Liabilities	<u>6,182,852.89</u>
Total Liabilities	14,556,469.75
Equity	
3900 · Fund Balance	36,036,498.84
Net Income	4,476,333.80
Total Equity	<u>40,512,832.64</u>
TOTAL LIABILITIES & EQUITY	<u><u>55,069,302.39</u></u>



REDWOOD COAST Energy Authority

STAFF REPORT Agenda Item # 4.4

AGENDA DATE:	January 23, 2025
TO:	Board of Directors
PREPARED BY:	Lori Taketa, Clerk of the Board
SUBJECT:	2025 Board Meeting Calendar

SUMMARY

In November 2018, the RCEA Board agreed to meet on the fourth Thursday of each month at 3:30 p.m. The attached proposed 2025 meeting calendar follows this meeting schedule.

The proposed November and December 2025 meetings are on the **fourth Mondays** to adjust for holidays.

STAFF RECOMMENDATION

Approve the 2025 RCEA Board of Directors meeting calendar.

ATTACHMENT:

- Proposed 2025 RCEA Board of Directors meeting calendar

Redwood Coast Energy Authority
Board of Directors
2025 REGULAR MEETING SCHEDULE

**Meetings begin at 3:30 p.m. at the Wharfinger Building downstairs Bay Room,
1 Marina Way, Eureka, CA 95501.**

February 27	(4 th Thursday)
March 27	(4 th Thursday)
April 24	(4 th Thursday)
May 22	(4 th Thursday)
June 26	(4 th Thursday)
July 24	(4 th Thursday)
August 28	(4 th Thursday)
September 25	(4 th Thursday)
October 23	(4 th Thursday)
<u>November 24</u>	(<u>4th Monday</u> , due to the holiday)
<u>December 22</u>	(<u>4th Monday</u> , due to the holiday)
January 22, 2026	(4 th Thursday)

RCEA Board of Directors meetings are conducted in-person and [online via Zoom](#) pending any declared States of Emergency preventing the safe, in-person meeting of the Board and public. Meeting recordings are also aired on Access Humboldt/Optimum Cable Channel 10 on Saturdays at 2 p.m. and archived on Internet Archive, <https://archive.org/>.



REDWOOD COAST Energy Authority

STAFF REPORT Agenda Item # 4.5

AGENDA DATE:	January 23, 2025
TO:	Board of Directors
PREPARED BY:	Matias Concoby, Power Analyst
SUBJECT:	Board Weighted Voting Revision

SUMMARY

RCEA's Joint Powers Agreement (JPA) establishes a weighted voting protocol for community choice energy matters on the agenda requiring a Board vote. Vote weighting is based on the number of electric accounts in each voting member's jurisdiction. The original weighting adopted by the Board was calculated based on the number of electric accounts in December 2014. It was last adjusted in January 2023. The JPA calls for this weighting to be updated every two years. The adjustment before the Board now is based on customer counts as of January 14, 2025.

The attached table shows the previous distribution and the recalculation. There was no change in the distribution of the 100 weighted votes.

FINANCIAL IMPACTS

The redistribution of weighted voting is an administrative change with no direct financial impacts.

ALIGNMENT WITH RCEA'S STRATEGIC PLAN

Not applicable – the weighted voting is an operational matter.

EQUITY IMPACTS

Not applicable.

RECOMMENDED ACTIONS

Approve updated and unchanged Community Choice Energy weighted Board vote distribution.

ATTACHMENTS

Updated Weighted Voting Table

Exhibit A
Redwood Coast Energy Authority
Amended and Restated Joint Powers Agreement

Board Voting Shares for Community Choice Aggregation Business
Updated January 2025

Jurisdiction	Electric Customer Accounts	Percentage of Total Accounts (Jurisdiction's Accounts Divided by Total Accounts)	Customer Base Voting Share (67 x ratio of accounts)	Pro Rata Voting Share (33 x [1/number of Directors])	Total Votes, Prior to Rounding	TOTAL VOTES	PRIOR VOTES
City of Arcata	8,743	12.95%	8.68	4.125	12.80	13	13
City of Blue Lake	655	0.97%	0.65	4.125	4.77	5	5
City of Eureka	13,956	20.67%	13.85	4.125	17.97	18	18
City of Ferndale	949	1.41%	0.94	4.125	5.07	5	5
City of Fortuna	5,811	8.61%	5.77	4.125	9.89	10	10
City of Rio Dell	1,568	2.32%	1.56	4.125	5.68	6	6
City of Trinidad	274	0.41%	0.27	4.125	4.40	4	4
County of Humboldt (unincorporated)	35,561	52.67%	35.29	4.125	39.41	39	39
Total	67,517	100%	67	33	100	100	100

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



STAFF REPORT
Agenda Item # 4.6

AGENDA DATE:	January 23, 2025
TO:	Board of Directors
PREPARED BY:	Lori Taketa, Clerk of the Board
SUBJECT:	Community Advisory Committee Member Reappointments

BACKGROUND

RCEA’s Board established the Community Advisory Committee (CAC) to support RCEA public engagement efforts and provide decision-making support and input. In their advisory and outreach capacities, CAC members helped educate Humboldt County residents about community choice aggregation, gathered community energy priority input during the CCE program’s launch period and contributed time and effort towards other projects which will be highlighted at next month’s meeting in the committee’s annual report.

CAC applicants and appointed members are asked to commit to supporting RCEA’s mission and to align their advice with the long-term success of the agency. The CAC is a Brown Act, California open meeting law compliant body. CAC members are subject to all applicable conflict of interest laws. Appointees must complete a Fair Political Practices Commission Statement of Economic Interest, a public document disclosing the member’s personal financial interests, and periodically receive local government agency ethics training.

SUMMARY

Terms for six (6) of the CAC’s 15 seats will expire on March 31. There are also five (5) other vacancies.

Directors Scafani (Blue Lake), Tuttle (Trinidad), and Arroyo (County), and Vice Chair Bauer (Eureka) renominated currently seated members for reappointment. All four incumbent CAC members expressed interest in serving another two-year term.

Expiring terms and vacancies are listed in red. * Board Director renomination.

Representing Jurisdiction	Member Name	Term Expiration
At-Large	Colin Fiske	3/31/2026
At-Large	Pliny McCovey	3/31/2026
Appointed Members		
Arcata	Norman Bell	3/31/2025
Blue Lake	Kit Mann *	3/31/2025
Blue Lake Rancheria	Vacancy	3/31/2026
County 1	Luna Latimer *	3/31/2025
County 2	Christopher Honar (resigning)	3/31/2025
County 3	Benjamin Fordham	3/31/2026

Eureka	Deborah Dukes *	3/31/2025
Ferndale	Dennis Leonardi	3/31/2026
Fortuna	Vacancy	3/31/2026
HBMWD	Ethan Lawton, Vice Chair	3/31/2026
Rio Dell	Vacancy	3/31/2026
Trinidad	Richard Johnson *	3/31/2025
Yurok Tribe	Vacancy	3/31/2026

If all nominees are reappointed, the number of vacancies will be reduced to five.

ALIGNMENT WITH [RCEA'S STRATEGIC PLAN](#)

The CAC's work focus is to support RCEA public engagement efforts and provide decision-making support and input to the Board for the successful implementation of the agency's work goals, which are the RePower Humboldt strategic plan goals.

EQUITY IMPACTS

CAC members further implementation of RePower Humboldt strategic plan goals and have opportunities to benefit underserved population segments, promote racially-diverse inclusion in energy infrastructure or policy decision making, access to energy, energy efficiency services and freedom from pollution. Staff recommends considering these goals as well as Committee member diversity and inclusion when appointing members to fill these vacancies.

FINANCIAL IMPACT

N/A.

STAFF RECOMMENDATION

Reappoint Deborah Dukes, Richard Johnson, Luna Latimer and Kit Mann to the Community Advisory Committee for Two-Year Terms Ending on March 31, 2027.

ATTACHMENTS

- N/A



REDWOOD COAST Energy Authority

STAFF REPORT Agenda Item # 4.7

AGENDA DATE:	January 23, 2025
TO:	Board of Directors
PREPARED BY:	Patricia Terry, Senior Portfolio Manager Lexie Perez, Contracts and Grants Manager
SUBJECT:	Amendment No.1 to Professional Service Agreements with Sierra Business Council for RuralREN North Startup Services

Background

The California Public Utilities Commission (“CPUC”) issued Decision D.24-09-031 (“Decision”), effective September 26, 2024, that approves the Northern California Rural Regional Energy Network (“RuralREN North”) to deliver energy efficiency programs to underserved rural customers located within 17 specified counties.

In December 2024, the Board approved adjustments to the RCEA Fiscal Year 24-25 budget to accommodate anticipated RuralREN North pre-launch costs. The approved budget adjustments included funds to cover the additional costs included in the proposed contract amendment.

Summary

The RuralREN North partners, RCEA, the Sierra Business Council (SBC), Lake Area Planning Council (Lake APC) and Mendocino Council of Governments (MCOG) have entered into a Memorandum of Agreement (“RRENN MOA”) forming the Governing Partners and outlining their responsibilities, including strategic planning and budgeting. The CPUC approved the funding for the RuralREN North programs and the Governing Partners approved an Annual Portfolio Budget that divides the funds across the four partners. The CPUC-approved budget includes an allocation for startup activities beginning on September 26, 2024. RCEA has invoiced PG&E, the fiscal agent, for these allocated funds and expects to receive payment at the end of January.

RCEA, serving as Lead Portfolio Administrator, entered into a Professional Services Agreement with SBC to perform services leading up to the implementation phase of the RuralREN North programs. SBC represents 14 of the 17 counties that RuralREN North covers.

Under this agreement, SBC’s startup activities include development of the RRENN MOA, strategic portfolio planning, program design, marketing and branding, and reporting to the CPUC. The funds will also help with supporting existing staff and bringing on and training new staff that will implement the RuralREN North programs in the 14 Sierra Nevada counties.

The total budget allocated by the Governing Partners for the Startup Agreement with the SBC is \$463,629.50. The existing contract with SBC is for a not-to-exceed amount of \$50,000. Therefore, Staff is requesting that the Board approves an amendment to increase the amount to \$463,629.50 to

match the amount allocated by the Governing Partners. No other contract terms will be changed in this amendment.

FINANCIAL IMPACTS

This amendment to SBC's Startup Agreement includes an addition of \$413,629.50 to the contract budget. This expense will be recovered through RuralREN North revenue.

EQUITY IMPACTS

RENs in general, and the RuralREN North in particular, are designed to reach customers that otherwise are not being reached by existing ratepayer-funded programs. The RuralREN North programs will ensure that hard-to-reach, disinvested, disadvantaged, and underserved rural customers are provided an equitable level of services and support of CPUC energy programs and are empowered to take action to better manage their energy use and cost through increased awareness, support resources, a trained workforce and access to financing to improve their homes and businesses.

RECOMMENDED ACTIONS

Approve Amendment No.1 to the Professional Services Agreement with Sierra Business Council in the amount of \$413,628,59 for RuralREN North startup activities and authorize the Executive Director to execute all applicable documents.

ATTACHMENT

None



REDWOOD COAST Energy Authority

STAFF REPORT Agenda Item 4.8

AGENDA DATE:	January 23, 2025
TO:	Board of Directors
PREPARED BY:	Lori Biondini, Business Planning and Finance Director
SUBJECT:	Engagement with Baker Tilly US, LLP for Financial Audit for Fiscal Years Ending June 30, 2026, 2025 & 2024

SUMMARY

RCEA has engaged Baker Tilly US, LLP to complete financial statement audits for the years ending June 30, 2018, through 2023. Staff are currently working on the financial statement audit fieldwork for 2022 and 2023, as well as the fieldwork for the required 2022 single audit. To “catch-up” this year and be timely with the 2025 and future audits, staff requests that the Board approve continuing to engage with Baker Tilly through 2026. As described in previous staff reports, Baker Tilly is a highly qualified firm that works with other CCA’s in California, in addition to other energy and public sector clients.

FINANCIAL IMPACT

The engagement includes financial statement audit and preparation through the fiscal year ending 2026 for a total of \$123,000K, and \$16-18K per year for additional single audits, as necessary. Staff anticipates needing single audits for fiscal years ending 2025 and 2026, at least, due to the anticipated federal funding for the TERAS project. Fees are billed as work is completed and will therefore cross over budget periods as the work is scheduled. Staff will endeavor to include anticipated yearly costs in the upcoming mid-year budget adjustment recommendations and in future annual budget proposals.

RECOMMENDED ACTION

Approve engagement with Baker Tilly US, LLP for audit of the Redwood Coast Energy Authority financial statements for the years ended June 30, 2024 to 2026 and authorize the Executive Director to execute all applicable documents.

ATTACHMENTS

Engagement Letter from Baker Tilly US, LLP dated December 19, 2024.

This page
intentionally
left blank.



Baker Tilly US, LLP
4807 Innovate Lane,
PO Box 7398
Madison, WI, 53707-7398
United States of America

T: +1 (608) 249 6622
F: +1 (608) 249 8532

bakertilly.com

December 19, 2024

Lori Biondini
Director of Business Planning and Finance
Redwood Coast Energy Authority
633 3rd Street
Eureka, CA 95501

Dear Ms. Biondini:

Thank you for using Baker Tilly US, LLP (Baker Tilly, we, our) as your auditors.

The purpose of this letter (the Engagement Letter) is to confirm our understanding of the terms and objectives of our engagement and the nature of the services we will provide as independent accountants of the Redwood Coast Energy Authority (Client, you, your).

Service and Related Report

We will audit the financial statements of the Redwood Coast Energy Authority as of and for the years ended June 30, 2024 to 2026, and the related notes to the financial statements. Upon completion of our audit, we will provide the Redwood Coast Energy Authority with our audit report on the financial statements referred to below. If, for any reasons caused by or relating to the affairs or management of the Redwood Coast Energy Authority, we are unable to complete the audit or are unable to or have not formed an opinion, or if we determine in our professional judgment the circumstances necessitate, we may withdraw and decline to issue a report as a result of this engagement.

Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis, to supplement the Redwood Coast Energy Authority's financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic or historical context. As part of our engagement, we will apply certain limited procedures to the Redwood Coast Energy Authority's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's response to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- > Management's Discussion and Analysis

Our report does not include reporting on key audit matters.

Our Responsibilities and Limitations

The objective of a financial statement audit is the expression of an opinion on the financial statements. We will be responsible for performing that audit in accordance with auditing standards generally accepted in the United States of America (GAAS). These standards require that we plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. A misstatement is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user based on the financial statements. The objective also includes reporting on:

- > Internal control related to the financial statements and compliance with laws, regulations and the provisions of contracts or grant agreements, noncompliance with which could have a direct and material effect on the financial statements in accordance with *Government Auditing Standards*.
- > Internal control related to major federal programs and an opinion (or disclaimer of opinion) on compliance with laws, regulations and the provisions of contracts or grant agreements that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and OMB *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance).

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states (i) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (ii) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

We will be responsible for performing the audit in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions and to render the required reports.

As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We will also:

- > Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- > Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.

December 19, 2024
Page 3

- > Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- > Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time.

Because of the inherent limitations of an audit, together with the inherent limitations of internal controls, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse. Our audit will include examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit does not relieve management or those charged with governance of their responsibilities. Our audit is limited to the period covered by our audit and does not extend to any later periods during which we are not engaged as auditor.

The audit will include obtaining an understanding of the Redwood Coast Energy Authority and its environment, including internal controls, sufficient to assess the risks of material misstatement of the financial statements and to determine the nature, timing and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to management and those charged with governance internal control matters that are required to be communicated under professional standards. We will also inform you of any other matters involving internal control, if any, as required by *Government Auditing Standards* and the Uniform Guidance.

Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control over compliance issued pursuant to the Uniform Guidance.

Also, if required by *Government Auditing Standards*, we will report known or likely fraud, illegal acts, violations of provisions of contracts or grant agreements, or abuse directly to parties outside of the Redwood Coast Energy Authority.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Redwood Coast Energy Authority's compliance with the provisions of applicable laws, regulations, contracts and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether you have complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major programs. Our procedures will consist of test of transactions and other applicable procedures described in the OMB Compliance Supplement for the types of compliance requirements that could have a direct and material effect on each of the Redwood Coast Energy Authority's major programs. The purpose of those procedures will be to express an opinion on your compliance with requirements applicable to each of your major programs in our report on compliance issued pursuant to the Uniform Guidance.

We are also responsible for determining that those charged with governance are informed about certain other matters related to the conduct of the audit, including (i) our responsibility under GAAS, (ii) an overview of the planned scope and timing of the audit, and (iii) significant findings from the audit, which include (a) our views about the qualitative aspects of your significant accounting practices, accounting estimates, and financial statement disclosures; (b) difficulties encountered in performing the audit; (c) uncorrected misstatements and material corrected misstatements that were brought to the attention of management as a result of auditing procedures; and (d) other significant and relevant findings or issues (e.g., any disagreements with management about matters that could be significant to your financial statements or our report thereon, consultations with other independent accountants, issues discussed prior to our retention as independent auditors, fraud and illegal acts, and all significant deficiencies and material weaknesses identified during the audit). Lastly, we are responsible for ensuring that those charged with governance receive copies of certain written communications between us and management including written communications on accounting, auditing, internal controls or operational matters and representations that we are requesting from management.

The audit will not be planned or conducted in contemplation of reliance of any specific third party or with respect to any specific transaction. Therefore, items of possible interest to a third party will not be specifically addressed and matters may exist that would be addressed differently by a third party, possibly in connection with a specific transaction.

Management's Responsibilities

Our audit will be conducted on the basis that the Redwood Coast Energy Authority's management and, when appropriate, those charged with governance, acknowledge and understand that they have responsibility:

- > For the preparation and fair presentation of the financial statements and supplementary information in accordance with accounting principles generally accepted in the United States of America;
- > For the design, implementation, establishment, and maintenance of internal control relevant to the preparation and fair presentation of financial statements and supplementary information that are free from material misstatement, whether due to fraud or error; and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met;
- > For identifying all federal awards received and understanding and complying with the compliance requirements;
- > For the design, implementation, and maintenance of effective internal controls over compliance that provides reasonable assurance that the Redwood Coast Energy Authority administers federal and state awards in compliance with the compliance requirements; and

- > To provide us with:
 - Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements and supplementary information such as records, documentation, and other matters;
 - Additional information that we may request from management for the purpose of the audit; and
 - Unrestricted access to persons within the Redwood Coast Energy Authority from whom we determine it necessary to obtain audit evidence.

You are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan. The summary schedule of prior audit findings should be available for our review before we begin fieldwork.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed above. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits or studies. You are also responsible for providing management's views on our current findings, conclusions and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

Management is responsible for (i) adjusting the financial statements to correct material misstatements and for affirming to us in a management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period under audit are immaterial, both individually and in the aggregate, to the financial statements taken as a whole, and (ii) notifying us of all material weaknesses, including other significant deficiencies, in the design or operation of your internal control over financial reporting that are reasonably likely to adversely affect your ability to record, process, summarize and report external financial data reliably in accordance with GAAP. Management is also responsible for identifying and ensuring that the Redwood Coast Energy Authority complies with the laws and regulations applicable to its activities.

As part of our audit process, we will request from management and, when appropriate, those charged with governance written confirmation concerning representations made to us in connection with the audit.

Management is responsible for informing us on a timely basis of the name of any single investor in you that owns 20% or more of your equity at any point in time. Management is also responsible for informing us on a timely basis of any investments held by you which constitutes 20% or more of the equity/capital of the investee entity at any point in time.

Lori Biondini, Director of Business Planning and Finance
Redwood Coast Energy Authority

December 19, 2024
Page 6

Baker Tilly is not a municipal advisor as defined in Section 975 of the Dodd-Frank Wall Street Reform and Consumer Protection Act or under Section 15B of the Securities Exchange Act of 1934 (the Act). Baker Tilly is not recommending an action to the Redwood Coast Energy Authority; is not acting as an advisor to you and does not owe a fiduciary duty pursuant to Section 15B of the Act to you with respect to the information and material contained in the deliverables issued under this engagement. Any municipal advisory services would only be performed by Baker Tilly Municipal Advisors LLC (BTMA) pursuant to a separate engagement letter between you and BTMA. You should discuss any information and material contained in the deliverables with any and all internal and external advisors and experts that you deem appropriate before acting on this information or material.

Nonattest Services

Prior to or as part of our audit engagement, it may be necessary for either Baker Tilly US, LLP or Baker Tilly Advisory Group, LP to perform certain nonattest services. For purposes of this letter, nonattest services include services that *Government Auditing Standards* refers to as nonaudit services.

Nonattest services that we or Baker Tilly Advisory Group, LP will be providing are as follows:

- > Propose adjusting journal entries, as necessary
- > Preparation of financial statements and footnotes

None of these nonattest services constitute an audit under generally accepted auditing standards including *Government Auditing Standards*.

Baker Tilly US, LLP and Baker Tilly Advisory Group, LP will not perform any management functions or make management decisions on your behalf with respect to any nonattest services provided.

In connection with our performance of any nonattest services, Baker Tilly US, LLP or Baker Tilly Advisory Group, LP agree that you will:

- > Continue to make all management decisions and perform all management functions, including approving all journal entries and general ledger classifications when they are submitted to you.
- > Designate an employee with suitable skill, knowledge, and/or experience, preferably within senior management, to oversee the services performed.
- > Evaluate the adequacy and results of the nonattest services performed.
- > Accept responsibility for the results of the nonattest services.
- > Establish and maintain internal controls, including monitoring ongoing activities related to the nonattest function.

On a periodic basis, as needed, we will meet with you to discuss your accounting records and the management implications of your financial statements. We will notify you, in writing, of any matters that we believe you should be aware of and will meet with you upon request.

December 19, 2024
Page 7

Other Documents

If you intend to reproduce or publish the financial statements in an annual report or other information (excluding official statements), and make reference to our firm name in connection therewith, you agree to publish the financial statements in their entirety. In addition, you agree to provide us, for our approval and consent, proofs before printing and final materials before distribution.

If you intend to reproduce or publish the financial statements in an official statement, unless we establish a separate agreement to be involved in the issuance, any official statements issued by the Redwood Coast Energy Authority must contain a statement that Baker Tilly is not associated with the official statement, which shall read "Baker Tilly US, LLP, our independent auditor, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. Baker Tilly US, LLP, has also not performed any procedures relating to this official statement."

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your Internet website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

At the conclusion of our engagement, we will complete the appropriate auditor sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to complete the auditee sections and to submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior year audit findings, auditors' reports and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. If applicable, we will provide copies of our report for you to include within the reporting package you will submit to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of thirty (30) days after receipt of the auditors' reports or nine (9) months after the end of the audit period.

We will provide copies of our reports to the Redwood Coast Energy Authority, however, management is responsible for distribution of the reports and the financial statements. Copies of our reports are to be made available for public inspection unless restricted by law or regulation or if they contain privileged and confidential information.

The documentation for this engagement, including the workpapers, is the property of Baker Tilly and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to federal or state agencies for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Baker Tilly personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

We may have a responsibility to retain the documentation for a period of time sufficient to satisfy any applicable legal or regulatory requirements for records retention. Baker Tilly does not retain any original client records; so we will return such records to you at the completion of the services rendered under this engagement. When such records are returned to you, it is the Redwood Coast Energy Authority's responsibility to retain and protect its accounting and other business records for future use, including potential review by any government or other regulatory agencies. By your signature below, you acknowledge and agree that, upon the expiration of the documentation retention period, Baker Tilly shall be free to destroy our workpapers related to this engagement. If we are required by law, regulation or professional standards to make certain documentation available to regulators, the Redwood Coast Energy Authority hereby authorizes us to do so.

December 19, 2024
Page 8

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any subsequent peer review reports received during the period of the contract. Our most recent peer review report accompanies this letter.

Timing and Fees

In addition to professional fees, our invoices will include our standard technology charge, plus travel and subsistence and other out-of-pocket expenses related to the engagement.

Invoices for these fees will be rendered each month as work progresses and are payable on presentation. Fees are payable upon presentation. A charge of 1.5 percent per month shall be imposed on accounts not paid within thirty (30) days of receipt of our statement for services provided. In accordance with our firm policies, work may be suspended if your account becomes thirty (30) days or more overdue and will not be resumed until the account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notice of termination, even if we have not completed our report. The Redwood Coast Energy Authority will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination. In the event that collection procedures are required, the Redwood Coast Energy Authority agrees to be responsible for all expenses of collection including related attorneys' fees.

Our fee estimate is based on certain assumptions. Certain circumstances may arise during the course of our audit that could significantly affect the targeted completion date or our fee estimate, and additional fees may be necessary as a result. Such circumstances include but are not limited to the following:

- > Changes to the timing of the engagement initiated by the Redwood Coast Energy Authority, which may require the reassignment of our personnel.
- > The Redwood Coast Energy Authority's failure to provide all information requested by us (i) on the date requested, (ii) in the form acceptable to us, (iii) with no mathematical errors, and (iv) in agreement with the appropriate the Redwood Coast Energy Authority records.
- > Significant delays in responding to inquiries made of the Redwood Coast Energy Authority personnel, or significant changes in the Redwood Coast Energy Authority accounting policies or practices, or in the Redwood Coast Energy Authority's accounting personnel, their responsibilities, or their availability.
- > Significant delays or errors in the draft financial statements and necessary schedules prepared by the Redwood Coast Energy Authority's personnel.
- > Implementation of new general ledger software or a new chart of accounts by the Redwood Coast Energy Authority.
- > Significant changes in the Redwood Coast Energy Authority's business operations, including business combinations, the creation of new entities, divisions, or subsidiaries within the Redwood Coast Energy Authority, significant new employment or equity agreements, or significant subsequent events. Certain business transactions or changes in business operations or conditions, financial reporting, and/or auditing standards may require us to utilize the services of internal or external valuation or tax specialists.
- > New financing arrangements or modifications to existing financing arrangements, or significant new federal or state funding.
- > Significant deficiencies or material weaknesses in the design or operating effectiveness of the Redwood Coast Energy Authority's internal control over financial reporting identified during the audit.
- > A significant level of proposed audit adjustments.
- > Issuance of additional accounting or auditing standards subsequent to or effective for the periods covered by this Engagement Letter.
- > Circumstances beyond our control.

For new business transactions or changes in business operations or conditions, financial reporting and/or auditing standards may require us to utilize the services of internal or external valuation or tax specialists. This includes matters such as business combinations, impairment evaluations, and going concern evaluation, among other potential needs for specialists. The time and cost of such services are not included in the fee estimate provided.

Revisions to the scope of our work will be communicated to you and may be set forth in the form of an "Amendment to Existing Engagement Letter." In addition, if we discover compliance issues that require us to perform additional procedures and/or provide assistance with these matters, fees at our standard hourly rates apply.

Year	Financial Statement Audit	Financial Statement Preparation	Single Audit (if necessary)*	Totals
2024	37,000	2,000	11,000	50,000
2025	39,000	2,000	12,000	53,000
2026	41,000	2,000	13,000	56,000

*Single Audit pricing includes costs for one major federal program. Fees will include an additional \$5,000 for each additional major program.

To the extent applicable, Baker Tilly's fees are exclusive of any federal, national, regional, state, provincial or local taxes, including any VAT or other withholdings, imposed on this transaction, the fees, or on Client's use of the Services or possession of the Deliverable (individually or collectively, the Taxes). All applicable Taxes shall be paid by Client without deduction from any fees owed by Client to Baker Tilly. In the event Client fails to pay any Taxes when due, Client shall defend, indemnify, and hold harmless Baker Tilly, its officers, agents, employees and consultants from and against any and all fines, penalties, damages, costs (including, but not limited to, claims, liabilities or losses arising from or related to such failure by Client) and will pay any and all damages, as well as all costs, including, but not limited to, mediation and arbitration fees and expenses as well as attorneys' fees, associated with Client's breach of this section.

We may use temporary contract staff to perform certain tasks on your engagement and will bill for that time at the rate that corresponds to Baker Tilly staff providing a similar level of service. Upon request, we will be happy to provide details on training, supervision and billing arrangements we use in connection with these professionals. Additionally, we may from time to time, and depending on the circumstances, use service providers (e.g., to act as a specialist or audit an element of the financial statements) in serving your account. We may share confidential information about you with these contract staff and service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all contract staff and service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the contract staff or third-party service provider. Furthermore, the firm will remain responsible for the work provided by any such contract staff or third-party service providers.

To the extent the Services require Baker Tilly to receive personal data or personal information from Client, Baker Tilly may process, and engage subcontractors to assist with processing, any personal data or personal information, as those terms are defined in applicable privacy laws. Baker Tilly's processing shall be in accordance with the requirements of the applicable privacy laws relevant to the processing in providing Services hereunder, including Services performed to meet the business purposes of the Client, such as Baker Tilly's tax, advisory, and other consulting services. Applicable privacy laws may include any local, state, federal or international laws, standards, guidelines, policies or regulations governing the collection, use, disclosure, sharing or other processing of personal data or personal information with which Baker Tilly or its Clients must comply. Such privacy laws may include (i) the EU General Data Protection Regulation 2016/679 (GDPR); (ii) the California Consumer Privacy Act of 2018 (CCPA); and/or (iii) other laws regulating marketing communications, requiring security breach notification, imposing minimum security requirements, requiring the secure disposal of records, and other similar requirements applicable to the processing of personal data or personal information. Baker Tilly is acting as a Service Provider/Data Processor, as those terms are defined respectively under the CCPA/GDPR, in relation to Client personal data and personal information. As a Service Provider/Data Processor processing personal data or personal information on behalf of Client, Baker Tilly shall, unless otherwise permitted by applicable privacy law, (a) follow Client instructions; (b) not sell personal data or personal information collected from the Client or share the personal data or personal information for purposes of targeted advertising; (c) process personal data or personal information solely for purposes related to the Client's engagement and not for Baker Tilly's own commercial purposes; and (d) cooperate with and provide reasonable assistance to Client to ensure compliance with applicable privacy laws. Client is responsible for notifying Baker Tilly of any applicable privacy laws the personal data or personal information provided to Baker Tilly is subject to, and Client represents and warrants it has all necessary authority (including any legally required consent from individuals) to transfer such information and authorize Baker Tilly to process such information in connection with the Services described herein. Client further understands Baker Tilly US, LLP and Baker Tilly Advisory Group, LP will co-process Client data as necessary to perform the Services, pursuant to the alternative practice structure in place between the two entities. Baker Tilly Advisory Group, LP maintains custody of client files for both entities. By executing this Engagement Letter, you hereby consent to the transfer to Baker Tilly Advisory Group, LP of all your Client files, workpapers and work product. Baker Tilly Advisory Group, LP is bound by the same confidentiality obligations as Baker Tilly US, LLP. Baker Tilly is responsible for notifying Client if Baker Tilly becomes aware that it can no longer comply with any applicable privacy law and, upon such notice, shall permit Client to take reasonable and appropriate steps to remediate personal data or personal information processing. Client agrees that Baker Tilly has the right to utilize Client data to improve internal processes and procedures and to generate aggregated/de-identified data from the data provided by Client to be used for Baker Tilly business purposes and with the outputs owned by Baker Tilly. For clarity, Baker Tilly will only disclose aggregated/de-identified data in a form that does not identify Client, Client employees, or any other individual or business entity and that is stripped of all persistent identifiers. Client is not responsible for Baker Tilly's use of aggregated/de-identified data.

Baker Tilly has established information security related operational requirements that support the achievement of our information security commitments, relevant information security related laws and regulations, and other information security related system requirements. Such requirements are communicated in Baker Tilly's policies and procedures, system design documentation and contracts with customers. Information security policies have been implemented that define our approach to how systems and data are protected. Client is responsible for providing timely written notification to Baker Tilly of any additions, changes or removals of access for Client personnel to Baker Tilly provided systems or applications. If Client becomes aware of any known or suspected information security or privacy related incidents or breaches related to this agreement, Client should timely notify Baker Tilly via email at dataprotectionofficer@bakertilly.com.

Any additional services that may be requested, and we agree to provide, may be the subject of a separate engagement letter.

We may be required to disclose confidential information to federal, state and international regulatory bodies or a court in criminal or other civil litigation. In the event that we receive a request from a third party (including a subpoena, summons or discovery demand in litigation) calling for the production of information, we will promptly notify the Redwood Coast Energy Authority, unless otherwise prohibited. In the event we are requested by the Redwood Coast Energy Authority or required by government regulation, subpoena or other legal process to produce our engagement working papers or our personnel as witnesses with respect to services rendered to the Redwood Coast Energy Authority, so long as we are not a party to the proceeding in which the information is sought, we may seek reimbursement for our professional time and expenses, as well as the fees and legal expenses, incurred in responding to such a request.

We may be required to disclose confidential information with respect to complying with certain professional obligations, such as peer review programs. All participants in such peer review programs are bound by the same confidentiality requirements as Baker Tilly and its employees. Baker Tilly will not be required to notify the Redwood Coast Energy Authority if disclosure of confidential information is necessary for peer review purposes.

We would expect to continue to perform our services under the arrangements discussed above from year to year, unless for some reason you or we find that some change is necessary. We will, of course, be happy to provide the Redwood Coast Energy Authority with any other services you may find necessary or desirable.

Resolution of Disagreements

In the unlikely event that differences concerning services or fees should arise that are not resolved by mutual agreement, both parties agree to attempt in good faith to settle the dispute by mediation administered by the American Arbitration Association (AAA) under its mediation rules for professional accounting and related services disputes before resorting to litigation or any other dispute-resolution procedure. Each party shall bear their own expenses from mediation.

If mediation does not settle the dispute or claim, then the parties agree that the dispute or claim shall be settled by binding arbitration. The arbitration proceeding shall take place in the city in which the Baker Tilly office providing the relevant services is located, unless the parties mutually agree to a different location. The proceeding shall be governed by the provisions of the Federal Arbitration Act (FAA) and will proceed in accordance with the then current Arbitration Rules for Professional Accounting and Related Disputes of the AAA, except that no prehearing discovery shall be permitted unless specifically authorized by the arbitrator. The arbitrator will be selected from Judicate West, AAA, Judicial Arbitration & Mediation Services (JAMS), the Center for Public Resources or any other internationally or nationally recognized organization mutually agreed upon by the parties. Potential arbitrator names will be exchanged within fifteen (15) days of the parties' agreement to settle the dispute or claim by binding arbitration, and arbitration will thereafter proceed expeditiously. Any issue concerning the extent to which any dispute is subject to arbitration, or concerning the applicability, interpretation, or enforceability of any of these procedures, shall be governed by the FAA and resolved by the arbitrators. The arbitration will be conducted before a single arbitrator, experienced in accounting and auditing matters. The arbitrator shall have no authority to award nonmonetary or equitable relief and will not have the right to award punitive damages or statutory awards. Furthermore, in no event shall the arbitrator have power to make an award that would be inconsistent with the Engagement Letter or any amount that could not be made or imposed by a court deciding the matter in the same jurisdiction. The award of the arbitration shall be in writing and shall be accompanied by a well-reasoned opinion. The award issued by the arbitrator may be confirmed in a judgment by any federal or state court of competent jurisdiction. Discovery shall be permitted in arbitration only to the extent, if any, expressly authorized by the arbitrator(s) upon a showing of substantial need. Each party shall be responsible for their own costs associated with the arbitration, except that the costs of the arbitrator shall be equally divided by the parties. Both parties agree and acknowledge that they are each giving up the right to have any dispute heard in a court of law before a judge and a jury, as well as any appeal.

The arbitration proceeding and all information disclosed during the arbitration shall be maintained as confidential, except as may be required for disclosure to professional or regulatory bodies or in a related confidential arbitration. The arbitrator(s) shall apply the limitations period that would be applied by a court deciding the matter in the same jurisdiction, including the contractual limitations set forth in this Engagement Letter, and shall have no power to decide the dispute in any manner not consistent with such limitations period. The arbitrator(s) shall be empowered to interpret the applicable statutes of limitations.

Our services shall be evaluated solely on our substantial conformance with the terms expressly set forth herein, including all applicable professional standards. Any claim of nonconformance must be clearly and convincingly shown.

Limitation on Damages and Indemnification

The liability (including attorney's fees and all other costs) of Baker Tilly and its present or former partners, principals, agents or employees related to any claim for damages relating to the services performed under this Engagement Letter shall not exceed the fees paid to Baker Tilly for the portion of the work to which the claim relates, except to the extent finally determined to have resulted from the willful misconduct or fraudulent behavior of Baker Tilly relating to such services. This limitation of liability is intended to apply to the full extent allowed by law, regardless of the grounds or nature of any claim asserted, including the negligence of either party. Additionally, in no event shall either party be liable for any lost profits, lost business opportunity, lost data, consequential, special, incidental, exemplary or punitive damages, delays or interruptions arising out of or related to this Engagement Letter even if the other party has been advised of the possibility of such damages.

As Baker Tilly is performing the services solely for your benefit, you will indemnify Baker Tilly, its subsidiaries and their present or former partners, principals, employees, officers and agents against all costs, fees, expenses, damages and liabilities (including attorney's fees and all defense costs) associated with any third-party claim, relating to or arising as a result of the services, or this Engagement Letter.

Because of the importance of the information that you provide to Baker Tilly with respect to Baker Tilly's ability to perform the services, you hereby release Baker Tilly and its present and former partners, principals, agents and employees from any liability, damages, fees, expenses and costs, including attorney's fees, relating to the services, that arise from or relate to any information, including representations by management, provided by you, its personnel or agents, that is not complete, accurate or current, whether or not management knew or should have known that such information was not complete, accurate or current.

Each party recognizes and agrees that the warranty disclaimers and liability and remedy limitations in this Engagement Letter are material bargained for bases of this Engagement Letter and that they have been taken into account and reflected in determining the consideration to be given by each party under this Engagement Letter and in the decision by each party to enter into this Engagement Letter.

The terms of this section shall apply regardless of the nature of any claim asserted (including, but not limited to, contract, tort or any form of negligence, whether of you, Baker Tilly or others), but these terms shall not apply to the extent finally determined to be contrary to the applicable law or regulation. These terms shall also continue to apply after any termination of this Engagement Letter.

You accept and acknowledge that any legal proceedings arising from or in conjunction with the services provided under this Engagement Letter must be commenced within twelve (12) months after the performance of the services for which the action is brought, without consideration as to the time of discovery of any claim or any other statutes of limitations or repose.

Other Matters

Neither this Engagement Letter, any claim, nor any rights or licenses granted hereunder may be assigned, delegated or subcontracted by either party without the written consent of the other party. Either party may assign and transfer this Engagement Letter to any successor that acquires all or substantially all of the business or assets of such party by way of merger, consolidation, other business reorganization or the sale of interest or assets, provided that the party notifies the other party in writing of such assignment and the successor agrees in writing to be bound by the terms and conditions of this Engagement Letter.

Our dedication to client service is carried out through our employees who are integral in meeting this objective. In recognition of the importance of our employees, it is hereby agreed that the Redwood Coast Energy Authority will not solicit our employees for employment or enter into an independent contractor arrangement with any individual who is or was an employee of Baker Tilly for a period of twelve (12) months following the date of the conclusion of this engagement. If the Redwood Coast Energy Authority violates this nonsolicitation clause, the Redwood Coast Energy Authority agrees to pay to Baker Tilly a fee equal to the hired person's annual salary at the time of the violation so as to reimburse Baker Tilly for the costs of hiring and training a replacement.

The services performed under this Agreement do not include the provision of legal advice and Baker Tilly makes no representations regarding questions of legal interpretation. Client should consult with its attorneys with respect to any legal matters or items that require legal interpretation under federal, state or other type of law or regulation.

Baker Tilly US, LLP and Baker Tilly Advisory Group, LP and its subsidiary entities provide professional services through an alternative practice structure in accordance with the AICPA Code of Professional Conduct and applicable laws, regulations and professional standards. Baker Tilly US, LLP is a licensed independent CPA firm that provides attest services to clients. Baker Tilly Advisory Group, LP and its subsidiary entities provide tax and business advisory services to their clients. Baker Tilly Advisory Group, LP and its subsidiary entities are not licensed CPA firms.

Baker Tilly Advisory Group, LP and its subsidiaries and Baker Tilly US, LLP, trading as Baker Tilly, are independent members of Baker Tilly International. Baker Tilly International Limited is an English company. Baker Tilly International provides no professional services to clients. Each member firm is a separate and independent legal entity and each describes itself as such. Baker Tilly Advisory Group, LP and Baker Tilly US, LLP are not Baker Tilly International's agents and do not have the authority to bind Baker Tilly International or act on Baker Tilly International's behalf. None of Baker Tilly International, Baker Tilly Advisory Group, LP, Baker Tilly US, LLP, nor any of the other member firms of Baker Tilly International has any liability for each other's acts or omissions. The name Baker Tilly and its associated logo is used under license from Baker Tilly International Limited.

This Engagement Letter and any applicable online terms and conditions or terms of use ("Online Terms") related to online products or services made available to Redwood Coast Energy Authority by Baker Tilly ("Online Offering") constitute the entire agreement between the Redwood Coast Energy Authority and Baker Tilly regarding the services described in this Engagement Letter and supersedes and incorporates all prior or contemporaneous representations, understandings or agreements, and may not be modified or amended except by an agreement in writing signed between the parties hereto. For clarity and avoidance of doubt, the terms of this Engagement Letter govern Baker Tilly's provision of the services described herein, and the Online Terms govern Redwood Coast Energy Authority's use of the Online Offering. This Engagement Letter's provisions shall not be deemed modified or amended by the conduct of the parties.

Lori Biondini, Director of Business Planning and Finance
Redwood Coast Energy Authority

December 19, 2024

Page 14

The provisions of this Engagement Letter, which expressly or by implication are intended to survive its termination or expiration, will survive and continue to bind both parties, including any successors or assignees. If any provision of this Engagement Letter is declared or found to be illegal, unenforceable or void, then both parties shall be relieved of all obligations arising under such provision, but if the remainder of this Engagement Letter shall not be affected by such declaration or finding and is capable of substantial performance, then each provision not so affected shall be enforced to the extent permitted by law or applicable professional standards.

If because of a change in the Redwood Coast Energy Authority's status or due to any other reason, any provision in this Engagement Letter would be prohibited by, or would impair our independence under laws, regulations or published interpretations by governmental bodies, commissions or other regulatory agencies, such provision shall, to that extent, be of no further force and effect and this agreement shall consist of the remaining portions.

This agreement shall be governed by and construed in accordance with the laws of the state of Illinois, without giving effect to the provisions relating to conflict of laws.

We appreciate the opportunity to be of service to you.

If there are any questions regarding this Engagement Letter, please contact Bethany Ryers, the professional on this engagement who is responsible for the overall supervision and review of the engagement and determining that the engagement has been completed in accordance with professional standards. Bethany Ryers is available at 608 240 2382, or at bethany.ryers@bakertilly.com.

Sincerely,

BAKER TILLY US, LLP



The services and terms as set forth in this Engagement Letter are agreed to by:

Official's Name

Official's Signature

Title

Date



Report on the Firm's System of Quality Control

November 14, 2024

To the Partners of Baker Tilly US, LLP
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Baker Tilly US, LLP (the Firm) applicable to engagements not subject to Public Company Accounting Oversight Board (PCAOB) permanent inspection in effect for the year ended March 31, 2024. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a system review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported on in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The Firm is responsible for designing and complying with a system of quality control to provide the Firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The Firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design and compliance with the Firm's system of quality control based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act; audits of employee benefit plans, audits performed under FDICIA, and examinations of service organizations (SOC 1 and SOC 2 engagements).

As a part of our peer review, we considered reviews by regulatory entities as communicated by the Firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Baker Tilly US, LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended March 31, 2024, has been suitably designed and complied with to provide the Firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Baker Tilly US, LLP has received a peer review rating of *pass*.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Eide Bailly LLP
Minneapolis, Minnesota



REDWOOD COAST Energy Authority

STAFF REPORT Agenda Item # 4.9

AGENDA DATE:	January 23, 2025
TO:	Board of Directors
PREPARED BY:	Mike Avcollie, Senior Manager of Infrastructure Planning Lexie Perez, Contracts and Grants Manager
SUBJECT:	Lease Agreement and MOU for Implementation of North Coast Plug-in Electric Vehicle Charging Network Phase 2 Project

BACKGROUND

In March 2023, RCEA executed a Grant Agreement with the California Energy Commission (CEC) for the North Coast Plug-in Electric Vehicle Charging Network Phase 2 project focused on placing Level 2 electric vehicle service equipment at 10 strategic community hubs in Humboldt County by 2026. Since then, staff have been implementing the project, including contracting for design and engineering work for all 10 sites.

As part of this work RCEA has developed a Memorandum of Understanding and Ground Lease to Install, Operate, and Maintain Electric Vehicle Supply Equipment (EVSE) at Carlson Park between RCEA and the City of Arcata.

SUMMARY

The installation of Electric Vehicle chargers under this grant-funded project has required the installation of new metered electric service from Pacific Gas & Electric (PG&E) to serve the charging stations. This work will occur at sites owned and controlled by non-RCEA entities, referred to as "site hosts." RCEA and one of our site hosts, the City of Arcata, have developed a Memorandum of Understanding and Ground Lease to Install, Operate, and Maintain Electric Vehicle Supply Equipment (EVSE) at Carlson Park that delineates roles and responsibilities of each party in the agreement and will serve as a vehicle for easement language required by PG&E that will allow PG&E to service the new metered electric service equipment over the life of the project. A copy of the Memorandum of Understanding and Ground Lease has been included in the Board Packet documents. Staff is seeking the Board's approval of this document.

ALIGNMENT WITH [RCEA'S STRATEGIC PLAN](#)

By expanding our existing EV charging network and enabling future resiliency work at locations across the county, this project contributes to these Strategic Plan goals:

- 3.2.2 *Promote Advanced Fuels.*
- 3.2.3 *Support Electric Vehicle Adoption.*

- 3.3.1 *Develop Transportation Electrification Infrastructure.*
- 3.3.4 *Promote Vehicle-to-Grid Connection.*

EQUITY IMPACTS

The grant solicitation required that at least 50 percent of project costs be spent on low-income or disadvantaged communities or both. RCEA’s “North Coast Plug-In Electric Vehicle Charging Network Phase 2” project will support switching from gasoline vehicles to EVs, which will reduce criteria air pollutants and greenhouse gas (GHG) emissions in California. Nine out of ten of the RCEA project sites are within the AB 1550 Low-income Communities designated area, and an August 2022 California Energy Commission staff report “Localized Health Impacts Report” lists our project sites as meeting one or more Environmental Justice indicators for age, poverty, or unemployment.

FINANCIAL IMPACT

In exchange for use of the leased premises, RCEA will pay the electricity costs for the EVSE including the incidental EVSE load from up to three parking lot pole lights serviced by the electric meter as incidental EVSE load.

Using current rates and the known schedule for pole light operation, the estimated cost for one year of usage for three pole lights is \$110 (equivalent to just over \$9 per month). This incidental load for these three pole lights will be part of the overall meter serving the EVSE at this site and will not be accounted for separately.

RECOMMENDED ACTION

Approve the Memorandum of Understanding and the Ground Lease to Install, Operate, and Maintain Electric Vehicle Supply Equipment at Carlson Park Between RCEA and the City of Arcata and Authorize the Executive Director to execute all applicable documents.

ATTACHMENTS

- RCEA-Arcata Carlson Park EVSE Lease
- RCEA-Arcata Carlson Park EVSE MOU

**GROUND LEASE
TO INSTALL, OPERATE, AND MAINTAIN
ELECTRIC VEHICLE SUPPLY EQUIPMENT (EVSE)
AT CARLSON PARK**

This Ground Lease to Install, Operate, and Maintain Electric Vehicle Supply Equipment (EVSE) at Carlson Park ("Lease") is made and entered into on _____ ("Effective Date"), by and between the City of Arcata ("CITY" and "Landlord") and the Redwood Coast Energy Authority ("RCEA" and "Tenant") and is based on the following recitals of fact:

RECITALS

- A. The City is the owner of real property known as "Carlson Park," located at 5285 Carlson Park Drive, Arcata, CA 95521, APN 507-141-050, operated as a public park that provides vehicle parking for use by the general public ("Property").
- B. RCEA promotes the adoption of electric vehicles in its region, and actively seeks funds to plan, implement, and manage an electric vehicle public charging infrastructure. To further this goal, RCEA seeks relationships with site hosts in order to expand the network of public electric vehicle charging stations and ensure consistent driver and site host satisfaction.
- C. RCEA received funding through the California Energy Commission (CEC) California Electric Vehicle Infrastructure Project, to fund the installation of electric vehicle supply equipment ("EVSE") in the Northern California region. The Property is a desirable site for public electric vehicle charging infrastructure and the parties seek to collaborate to install and operate two (2) EVSE at this location.
- D. With Arcata's agreement to act as a site host, RCEA intends to install by March 14, 2025, two (2) plug-in vehicle charging stations at parking spots available for use by the general public at the Property.
- E. The Parties enter into this Lease Agreement to define their respective rights and responsibilities by which RCEA is allowed to install, operate, and maintain the EVSE on the Property, and to ensure that the electricity transmission utility supplier, Pacific Gas and Electric Company ("PG&E"), has the right to the access the Property in order to properly operate and maintain its appurtenant electricity infrastructure.

NOW THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties agree as follows:

- 1. **Leased Premises.** CITY as Landlord leases to RCEA as Tenant, and RCEA as Tenant leases from CITY as Landlord, a portion of the Property depicted on the "Site Plans," attached hereto and incorporated herein as Exhibit A, Memorandum of Understanding Attachment A: Site Plans ("Leased Premises").
- 2. **Use of LEASED PREMISES.** The Leased Premises shall be used for purposes of installing, operating and maintaining two (2) electric vehicle charging stations for use by the general public, as more specifically set forth in the Memorandum of Understanding ("MOU") executed by the Parties concurrently with this Lease, and attached hereto as Exhibit A and incorporated herein.

3. **Electric Utilities.**

- a) **Utility Services.** RCEA shall have the right to receive utility services on the Leased Premises, including but not limited to, electrical facilities, appurtenances and associated equipment owned by PG&E. CITY and RCEA agree that by RCEA receiving utility services from PG&E on the Leased Premises, PG&E shall have the right to excavate, construct, reconstruct, replace (with initial or any other size), remove, maintain, inspect, and use said utility facilities on the Leased Premises, together with the right of ingress and egress from said utility facilities across the Property as necessary to access the Leased Premises. Subject to prior notice to the CITY, PG&E may trim or cut down any vegetation within 5' feet underground of PG&E utility facilities, or within 16' overhead of PG&E utility facilities, as shown in Attachment A: Site Plans.
 - b) **Electric Meter for EVSE, Parking Lot Lighting.** The City will install an electric meter to service the EVSE. Upon completion of the installation, the electric meter shall be owned by RCEA as part of the EVSE infrastructure. In addition, the City shall install and own parking lot lighting for the EVSE on the Leased Premises ("EVSE Lighting"). For purposes of this Lease, "EVSE Lighting" is expressly defined to mean up to three (3) parking lot pole lights, which may not exceed 120 watts total, and which are intended to serve the EVSE and no other purpose. The EVSE Lighting will be serviced by the electric meter as incidental EVSE load. The City's use of the electric meter may not be expanded for any purpose without advance written agreement from RCEA.
 - c) **Payments for Electric Service.** RCEA will pay the electricity costs for the EVSE including the incidental EVSE load from EVSE Lighting. If applicable, RCEA shall pay for the following EVSE network costs for EVSE owned by RCEA: a one-time 'Site Activation Fee,' and annual network software fees while the stations are active. In the event RCEA agrees to the City's use of the electric meter for purposes other than the EVSE Lighting, the City shall reimburse RCEA for the additional cost of electricity.
4. **Term.** The term of this Lease shall commence on the Effective Date recited above and shall run concurrently with the MOU. This Lease shall terminate upon termination of the MOU.
 5. **Rent.** The parties recognize and acknowledge the public benefit from installing and operating EVSE, including the EVSE Lighting, at the Property. As long as the Leased Premises are used for this purpose, no rent shall be owed.
 6. **Accessibility Requirements.** The EVSE shall be installed and maintained in compliance with the Americans with Disabilities Act ("ADA").
 7. **Possessory Interest Tax.** Pursuant to California Revenue and Taxation Code section 107.6, this Lease conveys to RCEA a possessory interest that may be subject to property taxes and RCEA may be subject to the payment of such taxes. RCEA shall pay when due any and all taxes, fees and charges that may be levied against RCEA's leasehold interest.

8. Hold Harmless and Indemnification.

RCEA agrees to indemnify, defend and hold harmless the CITY, its Governing Board, its officers, agents, employees, and volunteers from any and all claims and losses, whatsoever, accruing or resulting from any and all subcontractors, laborers, and any other person, firm or corporation furnishing or supplying work services, materials, or supplies in connection with the performance of RCEA's roles and responsibilities as described in Section 2.B of this Agreement, and from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged as a result of the RCEA, its officers, agents employees and volunteers, pertaining to RCEA's performance of this Agreement.

CITY agrees to indemnify, defend and hold harmless RCEA, its Governing Board, its officers, agents, employees, and volunteers from any and all claims and losses, whatsoever, accruing or resulting from the performance of CITY's roles and responsibilities as described in Section 2.A of this Agreement, and from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged as a result of the CITY, its officers, agents, employees and volunteers, pertaining to the City's performance of this Agreement.

9. Insurance. RCEA agree to maintain, at a minimum, the insurance coverage or self-insurance coverage as set out below at all times during the terms of this Lease. Failure to maintain the required insurance shall be grounds for termination of this Lease. Said coverage shall include an endorsement to add CITY, its officers, agents and employees, as additional insureds with respect to liability arising out of or connected with the RCEA-Owned EVSE specified in this Lease. Said coverage shall additionally be endorsed to specify that the RCEA's insurance is primary, and that insurance or self-insurance maintained by RCEA or CITY shall not contribute with it. Upon request, RCEA shall furnish CITY with certificates of insurance and endorsements of all required insurance. Said documentation shall state that coverage shall not be cancelled except after thirty (30) days prior written notice has been given to CITY.

- a) Workers' Compensation and Employers' Liability Insurance: RCEA shall provide Workers' Compensation and Employers' Liability insurance for RCEA's employees and agents as required by the State of California and Employer's Liability Insurance of \$1,000,000 per accident for bodily injury or disease.
- b) Commercial General Liability: RCEA shall maintain commercial general liability insurance with coverage limits no less than \$2,000,000 per occurrence.
- c) Business Auto: RCEA shall maintain business automobile insurance coverage with limits no less than \$2,000,000 per accident.
- d) Professional Liability Insurance: RCEA shall maintain \$1,000,000 minimum professional liability insurance.

10. Assignment. Neither party may assign its obligations under this Lease without the prior written consent of the other.

- 11. Nondiscriminatory Employment.** In connection with the execution of the Lease, RCEA and CITY shall not unlawfully discriminate against, harass, or allow harassment against any employee or applicant for employment because of sex, race, religion, color, national origin, ancestry, disability, sexual orientation, gender, gender identity, gender expression, medical condition, genetic information, marital status, age (over 40), military or veteran status, or denial of family-care leave, medical-care leave, or pregnancy-disability leave. RCEA and CITY shall ensure that the evaluation and treatment of their employees and applicants for employment are free of such discrimination and harassment.
- 12. Entirety of Contract.** This Lease and the concurrent MOU shall constitute the entire agreement between the parties relating to the subject matter of this agreement, and shall supersede any previous agreements, promises, representation, understanding and negotiation, whether oral or written, concerning the same subject matter. Any and all acts which may have already been consummated pursuant to the terms which are embodied in this Lease are hereby ratified.
- 13. Notices.** All notices or other communications required or permitted to be given hereunder shall be in writing and shall be deemed to have been given when delivered if personally delivered, or three (3) business days after mailing if mailed by certified mail, postage prepaid, return receipt requested, and shall be addressed as follows:
- a. City of Arcata
Merritt Perry, City Manager
736 F Street
Arcata, CA 95521
citymgr@cityofarcata.org
 - b. Redwood Coast Energy Authority
Lexie Perez, Grants & Contracts Manager
633 3rd Street
Eureka, CA 95501
lperez@redwoenergy.org
- 14. Relationship of Parties.** It is understood that this Lease is by and between two independent entities and is not intended to, and shall not be construed to, create the relationship of agent, servant, employee, partnership, joint venture, or any other similar association. Each party agrees to furnish at their own expense all tools, equipment, services, labor and materials necessary to complete all roles and responsibilities of this Lease.
- 15. Compliance with Applicable Laws.** The RCEA and the CITY shall comply with any and all applicable federal, state and local laws affecting the activities covered by this Lease.
- 16. Jurisdiction and Venue.** This Lease shall be construed in accordance with the laws of the State of California, and the parties hereto agree that venue shall be in Humboldt County, California.
- 17. Headings.** The headings of this Lease are for purposes of reference only and shall not limit or define the meaning of the provisions of this Lease.

- 18. Severability.** If a portion, term, condition or provision of this Lease is determined by a court to be illegal or in conflict with a law of the State of California, or is otherwise rendered unenforceable or ineffectual, the validity of the remaining portions, terms, conditions and provisions is not affected.
- 19. Waiver.** The waiver of any breach of any provision hereunder by any party hereto shall not be deemed to be a waiver of any preceding or subsequent breach hereunder.
- 20. Effective Date.** This Lease becomes effective when executed by authorized representatives of both parties; the effective date shall commence on the date of the last party's signing.
- 21. Term, Termination, and Amendments of the Lease.**
This Lease shall remain in effect as long as any EVSE remains at the LOCATION. In addition, either party may terminate this Lease at any time upon 90 days' written notice to other party. If RCEA initiates early termination, then within 90 days after giving notice of termination to the CITY, RCEA will either remove all RCEA-Owned EVSE or leave them in place and transfer ownership and maintenance responsibility to the CITY, in RCEA's sole discretion. If the CITY initiates termination, then within 90 days after such notice to terminate, RCEA will transfer ownership and maintenance responsibility for the RCEA-Owned EVSE to the CITY. In either case, ownership of the electric meter shall transfer to the City upon termination of this Lease.
- The parties may amend this Lease upon mutual agreement, but no addition to, or alteration of, the terms of this Lease shall be valid unless made in writing and signed by the parties hereto.
- 22. Disputes.** If either party has reason to believe that the terms of the Lease are not being fulfilled, such party may provide written notification to the other stating the basis for the concern and providing a reasonable time to respond or remedy the situation. RCEA and the CITY will make reasonable efforts to resolve the issues to all parties' satisfaction. Both parties agree to negotiate all disputes between them in good faith for a period of 60 days from the date of notice prior to invoking any procedures of this Agreement or exercising their rights under law. Prior to court action, the parties agree to pursue mediation as a means to settle any dispute.
- 23. Authority to Execute.** Each person executing this Lease represents and warrants that he or she is duly authorized and has the legal authority to execute and deliver this Lease. Each party represents and warrants to the other that the execution and delivery of this Lease and the performance of such party's obligations hereunder have been duly authorized.

(Signatures on following page)

IN WITNESS WHEREOF, the parties have executed this Lease effective on the Effective Date set forth above.

CITY OF ARCATA, LANDLORD

By: _____
Name: _____
Title: _____

Date: _____

REDWOOD COAST ENERGY AUTHORITY, TENANT

By: _____
Name: _____
Title: _____

Date: _____

DRAFT

**MEMORANDUM OF UNDERSTANDING
BETWEEN THE CITY OF ARCATA AND
THE REDWOOD COAST ENERGY AUTHORITY**

This *Memorandum of Understanding Between the City of Arcata and the Redwood Coast Energy Authority* is made and entered into on _____, by and between the Redwood Coast Energy Authority (“RCEA”) and the City of Arcata (“CITY”) as a participating “site host” and is based on the following recitals of fact:

RECITALS

- A. The parties have entered into a Ground Lease to Install, Operate, and Maintain Electric Vehicle Supply Equipment (“EVSE”) at Carlson Park (“Lease”), effective concurrently with this Memorandum of Understanding (“MOU”).
- B. RCEA received funding through the California Energy Commission (CEC) California Electric Vehicle Infrastructure Project, to fund the installation of EVSE in the Northern California region. Before March 14, 2025, RCEA will install two plug-in vehicle charging stations at parking spots at Carlson Park, Carlson Park Drive, Arcata, CA 95521 available for use by the general public. These two EVSE will be owned by RCEA.

NOW THEREFORE, based on the mutual covenants and conditions recited herein and made a material part hereof, the parties instate the Memorandum of Understanding as follows:

1. Purpose

The purpose of this Memorandum of Understanding is to set forth the terms and conditions between the CITY and the RCEA for a partnership to provide plug-in electric vehicle charging to the general public at the Carlson Park parking lot (“LOCATION”), consistent with RCEA’s authority under the Lease. This MOU is intended to cover two EVSE as depicted on the “Site Plans”, attached hereto as Attachment A and incorporated herein, owned by RCEA (“RCEA-Owned EVSE”).

2. Roles and Responsibilities

Through this MOU, each party agrees to the following roles and responsibilities:

A. Equipment Installation.

- i. New EVSE. RCEA and CITY shall coordinate installation of the two EVSE at the Location, as shown on the Attachment A: Site Plans. Installed equipment shall meet the specifications set forth in Attachment B: EVSE Equipment Description.
- ii. Electrical Connection. All work will be performed by appropriately State of California licensed and insured contractors. EVSE shall remain connected to the main electrical service panel at each location. The CITY shall provide RCEA with access during normal business hours to the electrical panel dedicated to the EVSE.

B. Usage.

- i. Charging Spaces. CITY shall designate four parking spaces at the Location, as shown on the Attachment A: Site Plans, to be reserved for EVSE users and made available

for use by the general public 24 hours a day, 7 days a week. CITY will be responsible for ensuring that these spaces are well-lit and safe for public use, and that EVSE equipment is protected from vehicular damage by the presence of a curb, wheel stop, or bollards.

- ii. EVSE Space Policy. CITY shall establish an EVSE space policy (“Space Policy”) governing the design, signage, marking, and use by the general public of all EV charging spaces. The Space Policy shall be consistent with State and Federal laws and regulations applicable to the public use of EV charging stations, including but not limited to California Vehicle Code 22511, California Building Code, 2019 edition, Chapters 2, 11 and Section 11B-812.9, and the Americans with Disabilities Act (ADA). The Space Policy shall be updated periodically by CITY to incorporate any amendments or additions to State and Federal laws and regulations and shall be kept current with all State and Federal laws applicable to EV charging station signage, marking, and use. CITY shall enforce the Space Policy at all times.
- iii. Signage. CITY shall maintain and update associated signage and pavement marking for charging stations as necessary in compliance with the Space Policy.

C. Operation.

- i. Network Fees. If applicable, RCEA shall pay for the following EVSE network costs for EVSE owned by RCEA: a one-time ‘Site Activation Fee,’ and annual network software fees while the stations are active. The network service provider will be ChargePoint.

D. Maintenance.

- i. Code Compliance. At no cost to RCEA, the CITY shall maintain the LOCATION to ensure access and safety in compliance with all State and Federal laws and regulations applicable to the public use of EV charging stations.
- ii. Onsite Support. The CITY shall provide onsite support for reasonable requests made by RCEA, such as resetting circuit breakers. The CITY contact for onsite support is:
Contact Name: Mike Rice,
Title: Parks, Facilities & Natural Resources Supervisor
Phone Number: (707) 599-2521
Email: mrice@cityofarcata.org
- iii. Warranted Repairs. RCEA shall bear financial responsibility for any warranted EVSE hardware repairs for the RCEA-Owned EVSE.
- iv. Chance Occurrence Repairs. RCEA shall bear responsibility for preventative maintenance and for repairs to the RCEA-Owned EVSE made necessary by chance occurrences, including but not limited to vandalism, natural disasters, and electrical failures.

E. Pricing.

- i. Pricing, Revenue Sharing. RCEA shall establish and manage pricing and collect payment from users of all EVSE. RCEA shall be entitled to retain all revenue received from the EVSE. In exchange for RCEA’s payment of electricity use of no more than

three (3) parking lot lights as specified in the Lease, the City forgoes any right or claim it may have to share in such revenue.

- ii. Connected Drivers. The CITY may provide RCEA with vehicle identification information for any CITY-owned electric vehicle, and provided the vehicle is supported by the selected EVSE network provider, RCEA will add said vehicle to a list of vehicles that will not be charged for use of the EVSE (“Connected Drivers”).

F. EVSE Upgrades, End of EVSE Life.

The parties may agree to upgrade or replace any EVSE at the end of its respective life or upon loss of essential services necessary to operate and maintain any station. If such upgrade or replacement is mutually desired, the parties agree to negotiate in good faith the terms of their respective financial and administrative responsibilities applicable to such EVSE upgrades or replacement.

IN WITNESS WHEREOF the parties hereto have executed this MOU on the day and year last written below by their duly authorized representatives.

Redwood Coast Energy Authority

By: _____
Name, Title

Date: _____

CITY

By: _____
Name, Title

Date: _____

ATTACHMENT A: SITE PLANS

DRAFT

ATTACHMENT B: EVSE EQUIPMENT DESCRIPTION

RCEA will own two (2) CHARGEPOINT CP6000 dual-head bollard-mounted SAE J1772 standard compliant, Level 2, 240 V EVSE (Serial Numbers: _____ and _____). This equipment will be able to service four vehicles at a time.

DRAFT

This page
intentionally
left blank.



STAFF REPORT
Agenda Item # 6.1

AGENDA DATE:	January 23, 2025
TO:	Board of Directors
PREPARED BY:	Richard Engel, Director of Power Resources Joseph Sloan, (former) Power Resources Specialist
SUBJECT:	Annual Report on Humboldt Sawmill Company Biomass Procurement

BACKGROUND

When authorizing extension of RCEA's power purchase agreement (PPA) for biomass energy with Humboldt Sawmill Company (HSC) in April 2021, RCEA's Board directed staff to "periodically review the contract...assessing current alternate biomass uses and other environmental considerations." To create a framework for the requested periodic review, staff negotiated a memorandum of understanding (MOU) between RCEA and HSC, which the RCEA Board adopted in September 2021. One provision of the MOU is as follows:

Annually on or around May 1 and continuing until the termination of the PPA, representatives of the Parties will meet to review the terms of the PPA and to discuss the continued viability of biomass power production by the HSC facility relative to other potential or actual uses of the biomass feedstock by HSC or other entities.

The MOU also calls for HSC to provide data on plant performance on request; types, quantities, and sources of biomass feedstock; and plant emissions. HSC have generally been responsive to specific data requested by RCEA staff under the MOU. Data provided this year in response to a request from RCEA staff included:

- Monthly amounts of biomass feedstock, broken down by geographic origin (inside or outside Humboldt County) and supplier (sourced internally from Humboldt Redwood Company or Mendocino Redwood Company or externally)
- Monthly use of biomass and auxiliary diesel fuel, electric output to RCEA and for onsite use, and thermal energy recovered for industrial use
- Annual total emissions of greenhouse gases (biogenic and non-biogenic) and a number of criteria pollutants

Due to past feedback from RCEA's Community Advisory Committee (CAC), Biomass Technical Advisory Group (BTAG), and Board of Directors, HSC has provided more detailed reporting than in previous years. The additional reporting has increased transparency per the intent of the

MOU. In response to requests last year from BTAG for more detailed and time-specific data on air emissions, this year HSC provided:

- Notices of violation from North Coast Unified Air Quality Management District (NCUAQMD) and HSC responses
- Boiler test data (opacity, emissions, oxygen)
- An AB2588 Toxic Guidance Test Report prepared for HSC by a consultant
- Source test reports on particulate, oxygen, NOx and CO emissions for the plant's three boilers
- Plant throughputs as reported to North Coast Unified Air Quality Management District

As a reminder, the MOU's purpose is not to terminate or otherwise override the terms of the PPA. As the MOU states: "This MOU does not and is not intended to supersede, replace, or subordinate any provisions, representations, covenants, rights, or obligations in the PPA." While the MOU does not allow for early termination of the biomass PPA, it could help form a pathway for alternative use of the biomass plant's feedstock material once the current PPA's term expires.

The third of the annual meetings between RCEA and HSC staff per the MOU took place at HSC's Scotia headquarters on July 18, 2024. RCEA staff reviewed the materials provided by HSC and shared them with BTAG members, then convened a meeting of the BTAG in August 2024 to review and comment on the materials. The materials are available for review on the Energy Sources page of RCEA's website at <https://redwoodenergy.org/about/energy-sources/> under the Local Biomass Energy subheading.

SUMMARY

2024 HSC Data Review by BTAG

BTAG members raised a number of important questions and comments about the scope and content of HSC's reporting:

- Members asked for clarification on what counts as "mill waste" – if this is derived only from marketable logs or also from slash piles
- One member commented that the air emissions data provided by HSC is very granular and it would be helpful to see this data aggregated in order to better see patterns such as how emissions change seasonally or diurnally
- Members wanted to better understand what decisions the RCEA Board is trying to make based on the information HSC provides under this MOU
- One member noted that the three key concerns that have been heard from the community regarding the HSC plant are about criteria pollutants from the plant, greenhouse gas emissions, and what role the plant's operation may play in the health of Humboldt Redwood Company's forestlands. If the feedstock is almost entirely mill waste, the member stated that the link to forest health is minimal. With regard to the criteria pollutants, the member was interested to hear more from the community immediately surrounding the plant and what concerns they might have

- One member stated that particulates from the plant are having harmful health impacts far from the plant, so air quality monitoring near the plant is not telling the whole story.

Staff asked the BTAG members what important information they considered to be missing from HSC's reporting. The members noted:

- For the years 2021-2023, PM 2.5 and PM 10 particulate data were missing. Dean Kerstetter from HSC said he would follow up on providing these data if available. Staff will request that this data be included in the 2025 reporting.
- One member noted to North Coast Unified Air Quality Management District staff that the moisture content of the feedstock that was used for testing plant emissions was drier than the plant's feedstock on average so might result in lower emissions not representative of normal plant operation. They requested that the testing be re-done with feedstock having more typical moisture content. RCEA staff is unaware if the tests have been re-done.

For next year's reporting cycle, BTAG meeting participants asked if HSC can disclose how much of the material used in the plant is sourced from thinning operations vs. clearcuts to better understand how much the plant's operation can be seen as contributing to forest health.

2024 HSC Data Review by CAC

Staff presented HSC's reporting materials to the CAC at their January 14, 2025, meeting. CAC members made the following comments:

- One CAC member expressed interest in seeing any analysis of the data released by HSC performed by any of the participants in BTAG
- Members commented on points that were made in the staff report to the CAC but not included in the oral presentation, namely 1) the importance of the HSC contract in RCEA's portfolio for providing key power products including resource adequacy required under State regulations, and 2) the progress HSC has made on exploring alternative biomass feedstock uses. Both of these topics are addressed below.
- One CAC member noted that other uses of biomass, such as those proposed by Humboldt State University engineering students in 2020, offer greater greenhouse gas emissions reduction benefits than the hydrogen production being pursued by HSC.
- A CAC member asked what RCEA's longer term plan is for biomass procurement and suggested that a more specific threshold is needed to determine when the HSC plant is in violation of the PPA's terms allowing contract termination in case of regulatory non-compliance.
- A member asked how the plant's greenhouse gas emissions compare with those of other emitting plants, such as natural gas plants and other biomass plants. Staff noted how biogenic and non-biogenic emissions are treated differently by regulators, and that total emissions from HSC are relatively high. This appears to be due mainly to greater moisture content in local feedstocks.

HSC's Role in RCEA's Power Portfolio

The financial value of the HSC contract has changed markedly since 2017, when RCEA first contracted with HSC at a price somewhat above market value in the interest of having an operational local renewable resource in our portfolio at the time of launching our community choice energy (CCE) program. Since then, RCEA has successfully negotiated a lower contract price in exchange for a longer contract term. This, combined with the increasing prices of resource adequacy and green energy attributes, and continuing volatility in energy prices, has made the contract yet more attractive relative to the market.

In terms of compliance, RCEA's experience during the first seven years of the CCE program has been that new renewable energy and complementary energy storage projects have seen numerous delays and cancellations. This has put our procurement compliance at risk and highlights the value of having some pre-existing resources such as HSC and the Snow Mountain hydro project in our portfolio while we strive to get those new projects built.

The California Public Utilities Commission has introduced the Slice of Day resource adequacy framework in 2024, which becomes binding on power providers in 2025. This framework requires power providers to demonstrate sufficient generating capacity in each hour of the year. Baseload resources such as biomass are of great value in achieving slice of day compliance, filling gaps during times of day and seasons when clean but intermittent resources such as wind and solar are not sufficient to meet State reliability mandates.

HSC's Progress on Pursuing Alternative Uses of Biomass Feedstock

One purpose of the MOU is to explore with HSC possible alternative uses of the biomass feedstock. At the annual RCEA-HSC meeting and at the BTAG meeting, HSC staff gave updates on their plans for developing new facilities at their existing Ukiah operation. Currently they are considering a first phase smaller biomass cogeneration plant, and as a potential second phase a hydrogen production plant that would use thermal energy from the cogeneration plant to convert biomass feedstock into marketable hydrogen. HSC has applied to PG&E's Bioenergy Market Adjusting Tariff (BioMAT) program which would offer premium pricing for energy from the cogeneration plant. BioMAT contracts are only available to small plants (maximum 5 megawatts nameplate and 3 MW to grid). At this time, HSC does not consider a Humboldt hydrogen facility as commercially feasible, due to limited local market for hydrogen relative to the minimum plant scale that HSC deems commercially viable.

RCEA presents the data from HSC and the summary of the BTAG review to the CAC for transparency and discussion. Staff will summarize CAC discussion of the HSC reporting for presentation to the RCEA Board later this month.

ALIGNMENT WITH [RCEA'S STRATEGIC PLAN](#)

RCEA's consultations with HSC in implementing the terms of the MOU are in keeping with the following strategies in the RePower Humboldt plan:

- 4.1.11.3 Investigate the Impacts of Biomass Emissions
- 4.1.11.6 Plan for a Long-Term Transition Away from Direct Combustion of Forest Derived Biomass and Toward Lower-Impact Uses of this Material

Review of HSC's reporting by BTAG is in keeping with the RePower Humboldt plan's direction:
4.1.11.4 Establish a Biomass Technical Advisory Committee

EQUITY IMPACTS

Not applicable.

FINANCIAL IMPACT

None – information only.

STAFF RECOMMENDATION

Information item only. Summary of the CAC discussion will be presented to the Board.

ATTACHMENTS

Humboldt Sawmill Company Memorandum of Understanding

**MEMORANDUM OF UNDERSTANDING BETWEEN
REDWOOD COAST ENERGY AUTHORITY AND
HUMBOLDT SAWMILL COMPANY REGARDING
ALTERNATIVE USES OF MATERIALS USED FOR
BIOMASS POWER GENERATION**

THIS is a MEMORANDUM OF UNDERSTANDING ("MOU") setting forth the understanding between Redwood Coast Energy Authority ("RCEA") and Humboldt Sawmill Company ("HSC"), regarding the periodic assessment of alternate biomass feedstock uses and other environmental considerations during the term of an existing power purchase agreement between RCEA and HSC.

Background

1. RCEA and HSC (the "Parties") have been parties to power purchase agreements since 2017, under which HSC sells renewable biomass power to supply RCEA's community choice aggregation program for Humboldt County electricity users. The current power purchase agreement is dated April 27, 2017, and was amended on March 1, 2019, May 1, 2021, and June 1, 2021 ("PPA").
2. Renewable biomass power provides a needed and financially viable local means of disposing of residual material produced by Humboldt County's forest products industry.
3. Members of the RCEA Community Advisory Committee (CAC) and members of the public have asked that RCEA consider the environmental and public health impacts of local generation of biomass power and explore alternative, lower impact uses of the feedstock material currently used by the plant.
4. The RCEA Board of Directors (the Board) at its April 22, 2021 meeting approved an amendment to its PPA with HSC, extending its term until May 31, 2031. In approving that extension of the PPA term, the RCEA Board directed staff to "periodically review the contract with Humboldt Sawmill Company, assessing current alternate biomass uses and other environmental considerations."
5. RCEA staff discussed with the CAC at their May 11, 2021 meeting the creation of a memorandum of understanding (MOU) between RCEA and HSC to implement the RCEA Board's direction to staff mentioned above. CAC members proposed that such an MOU should include a commitment from HSC to share feedstock supply and plant operation data helpful in assessing alternative biomass uses, and that the assessment consider both financial and non-financial benefits of such alternative uses, including avoided carbon emissions.

Mutual Understandings

1. Annually on or around May 1 and continuing until the termination of the PPA, representatives of the Parties will meet to review the terms of the PPA and to discuss the continued viability of biomass power production by the HSC facility relative to other

potential or actual uses of the biomass feedstock by HSC or other entities. Such uses to be considered might include but not be limited to those recently analyzed on RCEA's behalf by a consultant and by a team of Humboldt State University engineering students¹:

- a. Soil amendments, including compost, mulch, and biochar;
 - b. Energy products, including gasification, torrefied wood, and wood pellets;
 - c. Chemical products, including ethanol, nanocellulose, and bioplastics; and
 - d. Other products, including construction materials, pulp for tissue manufacture, and wastewater treatment media
2. HSC will make available to RCEA upon request current or recent data on the types, quantities, and quality of feedstock material used by the plant, to the extent such data is tracked by HSC; the facility's heat rate expressed in million British Thermal Units of biomass fuel consumed per megawatt-hour of electric power generated; and the associated plant emissions reported to regulatory authorities, to the extent disclosure of such data does not directly place HSC at a competitive disadvantage in its forest products or power sales business activities, or cause HSC to violate confidentiality agreements it may have with its various business partners. Data should be made available showing monthly quantities, and disaggregated to show how material is sourced from within or outside Humboldt County, and whether it is sourced internally from the Humboldt Redwood Company and Mendocino Redwood Company family of companies, or externally from other suppliers.
 3. RCEA and HSC will observe the confidentiality provisions (section 10.6) in the PPA with regard to any data deemed confidential by either party that is exchanged in fulfillment of this MOU.
 4. HSC has engaged a consultant to analyze alternative uses of the biomass residuals produced by the company. This consultant is examining pathways to commercialization for alternative technologies and determining their financial viability. HSC will make the results of the consultant study available to RCEA when it is completed.
 5. This MOU does not and is not intended to supersede, replace, or subordinate any provisions, representations, covenants, rights, or obligations in the PPA.

¹ See https://redwoodenergy.org/wp-content/uploads/2020/07/Biomass-Humboldt-RCEA-1_19-FINAL-1.pdf and <https://redwoodenergy.org/power-resources/> (expand "Read more about Biomass" section and scroll to "Humboldt State University Capstone Class on Alternative Biomass Uses").

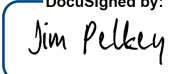
Signatories to the Memorandum of Understanding

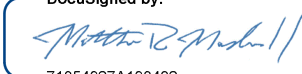
Humboldt Sawmill Company

Redwood Coast Energy Authority

Name: Jim Pelkey

Name: Matthew Marshall

Signature:  0F0FEB424317402...

Signature:  71854927A198432...

Date: 9/30/2021

Date: 10/1/2021



REDWOOD COAST Energy Authority

STAFF REPORT Agenda Item # 9.1

AGENDA DATE:	January 23, 2025
TO:	Board of Directors
PREPARED BY:	Eileen Verbeck, Deputy Executive Director
SUBJECT:	Cost of Service Analysis

Background

Since launching the community choice aggregation (CCA) program in 2017, RCEA has used an Investor-Owned Utility (IOU) discount rate approach to setting rates. This method had practical advantages as the rates were easy for customers to understand as the program launched. Currently RCEA offers a 0.5% discount from Pacific Gas and Electric Company (PG&E) on retail generation rates. This method of setting rates has resulted in RCEA experiencing significant cashflow challenges through the years, and most recently in FY 2024-25 a temporary pause in RCEA's renewable procurement standards to balance the budget. During the May and June 2024 budget presentations to the Board, staff proposed conducting a cost-of-service analysis to determine the feasibility of switching RCEA's rate setting to a cost of service-based model.

In 2010, California voters approved Proposition 26 under which "any levy, charge, or exaction of any kind imposed by a local government" constitutes a tax subject under certain conditions to approval via a vote by the affected community/ies. In 2023 a California court heard the case *Boyd v. Central Coast Community Energy (3CE)*. In this case a citizen challenged that the electricity rates set by the community choice aggregator 3CE were invalid based on the argument that electricity rates when collected by a local government agency are a tax and therefore require voter approval. The Court decision agreed that 3CE's electricity rates are a tax and subject to Proposition 26, but were exempt from voter approval because they were based on reasonable costs to offer the service. This decision is prompting many CCAs to evaluate changing their rate setting models to a cost-of-service model.

Summary

In the last six months, staff conducted research into the pros and cons of changing our rate making model to cost of service and learning more regarding the implications of the Boyd Decision. This research included reaching out to other CCAs that have implemented cost of service rates and consulting with general counsel. Of the CCAs surveyed some of the benefits they cited include:

1. Reduces frequency of rate changes,
2. Stabilizes forecasted revenue and provides better financial planning,
3. Allows for providing customized rates that better reflect the service territory, and
4. Cost of service rates are helpful to receive a credit rating.

The CCAs that have implemented cost of service rates generally have not experienced a significant increase in customer opt-outs, even when CCA rates have at times exceeded the corresponding IOU rates.

Based on this review, staff is recommending that the Board of Directors authorize staff to issue a solicitation for cost-of-service analysis and rate design consulting. The scope of work will include:

1. Data collection and review,
2. Revenue requirement analysis,
3. Cost allocation methodology,
4. Development of a rate design and financial forecast model,
5. Rate recommendations.

The solicitation for cost-of-service analysis and rate design consulting will be developed in partnership with RCEA's administrative department and in consultation with RCEA's general counsel. The solicitation is expected to be released within the next month and the results of the solicitation will be brought back to the RCEA Board for contract approval.

FINANCIAL IMPACT

Staff will include the cost of this analysis in the mid-year budget review.

STAFF RECOMMENDATION

Authorize staff to prepare and release a solicitation for cost-of-service analysis and rate design consulting, following review and approval by RCEA administrative staff and legal counsel.

ATTACHMENTS

None.



STAFF REPORT
Agenda Item 9.2

AGENDA DATE:	January 23, 2025
TO:	Board of Directors
PREPARED BY:	Eileen Verbeck, Deputy Executive Director Lori Biondini, Business Planning and Finance Director
SUBJECT:	Reserve Policy

Background

The Board adopted guidelines for RCEA's CCE program in September 2016 and revised them in May 2018. In those guidelines, RCEA's cash reserves target was set at \$35M by the end of year five of program operation (i.e. May 2022) under projected market conditions and a minimum of \$10M under adverse market conditions. These targets were set with consideration of the other launch goals, including providing customer rate savings and customer-serving energy efficiency programs, and procuring local and renewable energy. The 2021 and 2022 adverse market conditions greatly affected RCEA's ability to meet these goals.

RCEA has not formally adopted a policy that defines the process to meet and then manage the cash reserves target. RCEA has instead referenced the CCE program launch-period strategy and targets as the guiding document, which does not specify RCEA's goals beyond the 5-year launch period. Staff recommends setting a cash reserves target of a number of days liquidity (cash on hand) that will cover forecasted CCE operating expenses and allow for shifting financial conditions over time. Operating expenses include power supply expenses and are reduced by any discrete Board-approved capital-spending allocation or externally funded customer programs.

RCEA's rates have historically mirrored PG&E's rates with a Board approved discount. Separate from this item, staff is proposing to conduct a cost-of-service analysis to determine RCEA's future rates. It is important to have the Board adopt a reserve policy to help inform future cost of service rate analysis.

Summary

A reserve policy is established to provide a suitable cash balance to be held to meet target levels of annual operating expenses. The policy is intended to meet the following objectives:

- Maintain long-term RCEA financial independence and rate stability,
- Meet RCEA strategic objectives,
- Secure favorable commercial terms with vendors and power providers,
- Support RCEA's pursuit of, and maintenance upon receiving, a credit rating,
- Provide a source of funds for unanticipated expenditures, and
- Make cash available for other operational needs as approved by the Board

Staff reviewed reserve policies of 13 CCAs and found that they ranged from minimum targets of 90 days cash on hand to maximum target of 500 days cash on hand (see table below). Of the 13 reserve policies reviewed nine (9) have a target of approximately 180 days cash on hand. Fitch Ratings, a provider of credit ratings, cited two (2) CCAs that successfully received favorable credit ratings as having 180 days cash on hand. Based on this research, staff is recommending the RCEA’s cash reserves target be an amount that covers 180 days total operating expenses (180 days cash on hand)

Agency*	Days Cash on Hand		
	Minimum	Target	Maximum
3CE		182	
AVA	91	182	273
Clean Energy Alliance	91	146	
Clean Power Alliance	109	182	219
Clean Power San Francisco		90	
Desert Community Energy		180	270
Marin Clean Energy		240	
Orange County Power Authority	109	180	273
Peninsula Clean Energy		180	
Pioneer Community Energy		160	
San Diego Community Power		180	
Silicon Valley Clean Energy	120	350	500
Valley Clean Energy	120	180	

* Not all CCA's set minimum or maximum reserve limits.

Staff is recommending the following in the reserve policy:

1. Define reserves as RCEA’s unrestricted cash position,
2. Set reserves targets based on forecasted annual CCE operating expenses
3. Set minimum reserves target of 120 days cash on hand,
4. Set maximum reserves target of 180 days cash on hand.

RCEA is on track to meet the maximum reserves target in mid-2025. Once the target is reach and maintained over a 12-month period, staff would like to explore, with Board direction, options for directing positive CCE net-revenue back into the community, such as a dividend program (bill credits to customers) and/or infrastructure investments. Staff would like to engage the Community Advisory Committee in exploring these ideas, and in particular drafting a dividend program that would be brought back to the Board of Directors for consideration in the future.

FINANCIAL IMPACTS

Based on the adopted 2024-2025 fiscal year budget, 120 days of operating expenses is approximately \$23.7M and 180 days of operating expenses is \$35.6M. The target goal of 180 days cash on hand is in line with the CCE program launch-period strategy.

RECOMMENDED ACTIONS

Adopt Resolution 2025-1, adopting a Redwood Coast Energy Authority Reserve Policy, and direct staff to draft a Dividend Program Proposal.

ATTACHMENTS

Resolution 2025-1 – Adopting an RCEA Reserve Policy

RESOLUTION NO. 2025-1

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE REDWOOD COAST ENERGY AUTHORITY
ADOPTING AN RCEA RESERVE POLICY**

WHEREAS, RCEA is committed to implementing and maintaining a robust set of policies that align with local government best practices to support RCEA’s effectiveness and establish a solid organizational foundation for RCEA’s programs and projects; and

WHEREAS, the RCEA Board of Directors wishes to establish processes to ensure that RCEA’s finances are managed transparently, efficiently, and with responsible stewardship; and

WHEREAS, adoption of a Reserve Policy allows RCEA to maintain long-term financial independence and rate stability; meet strategic objectives; secure favorable commercial terms with vendors and power providers; support RCEA’s pursuit of, and maintenance upon receiving, a credit rating; provide a source of funds for unanticipated expenditures; and make cash available for other needs as approved by the RCEA Board of Directors.

NOW THEREFORE, BE IT RESOLVED that the Board of Directors of the Redwood Coast Energy Authority hereby adopts the following Reserve Policy as set forth in Appendix A attached.

Adopted this ____ day of _____, 2025

ATTEST:

Chair of the RCEA Board of Directors

Lori Taketa, Clerk of the Board

Date: _____

Date: _____

CLERK'S CERTIFICATE

I hereby certify that the foregoing is a true and correct copy of Resolution No. 2025-1 passed and adopted at a regular meeting of the Redwood Coast Energy Authority, County of Humboldt, State of California, held on the ____ day of _____, 2025, by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

Clerk of the Board, Redwood Coast Energy Authority

Appendix A

Redwood Coast Energy Authority Reserve Policy

REDWOOD COAST ENERGY AUTHORITY RESERVE POLICY

1.0 PURPOSE

RCEA's reserve policy (this "Policy") is established to provide a suitable cash balance to be held to meet target levels of annual operating expenses. This Policy will be maintained as described in the Policy Guidelines to provide for the following objectives:

- Maintain long-term RCEA financial independence and rate stability,
- Meet RCEA strategic objectives,
- Secure favorable commercial terms with vendors and power providers,
- Support RCEA's pursuit of, and maintenance upon receiving, a credit rating,
- Provide a source of funds for unanticipated expenditures, and
- Make cash available for other operational needs as approved by the Board of Directors (the "Board").

The Reserve Policy outlines the appropriate target levels (minimum and maximum) of reserves. Reserves are defined as RCEA's unrestricted cash position. Unrestricted cash is equal to total cash assets less cash held in accounts that are restricted from use due to collateral or by legal contract.

2.0 GUIDELINES

RCEA shall maintain a minimum reserve target equal to 120 days of total operating expenses (including power supply expenses and are reduced for any discrete Board-approved capital-spending allocations or externally funded customer programs), with a goal of increasing the reserve to a maximum target of 180 days total operating expenses.

Funding reserves will come from an excess of Community Choice Energy program revenues over expenditures. The contribution to reserves is determined through RCEA's budgeting and rate setting processes and events impacting revenues and expenditures that occur during the year.

If reserves are projected to be below the minimum target over a 12-month period, RCEA will implement plans, such as increasing rates or reducing expenses, to return the reserves to the maximum target within two fiscal years. Such plans will be provided in subsequent budget and rate discussions with the Board of Directors.

If reserve funds exceed the maximum target over a 12-month period, RCEA will consider reducing rates, issuing dividends, paying down debt, capital improvements and enhancing program expenditures. The use of these funds will be designated by the Board of Directors during the annual budget process.

3.0 SPENDING AUTHORITY

Authority to spend from the reserves must align with Board approved budgets and must be approved by the Board.

4.0 REVIEW OF POLICY

RCEA staff will review the Reserve Policy annually to ensure it meets the needs of the agency.

5.0 REPORTING

Reserve levels will be monitored during the fiscal year and reported in RCEA's annual financial statements.



REDWOOD COAST
EnergyAuthority

STAFF REPORT
Agenda Item # 10.1

AGENDA DATE:	January 23, 2025
TO:	Board of Directors
FROM:	Beth Burks, Executive Director
SUBJECT:	Interim Executive Director's Report

SUMMARY

Executive Director Beth Burks will provide updates on topics as needed.

RECOMMENDED ACTION

None. (Information only.)

ATTACHMENT

None.

This page
intentionally
left blank.