



Redwood Coast Energy Authority
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BOARD OF DIRECTORS MEETING MINUTES

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

**January 23, 2025
Thursday, 3:30 p.m.**

Chair Sarah Schaefer called a meeting of the Board of Directors of the Redwood Coast Energy Authority to order on the above date at 3:34 p.m. Notice of this meeting was posted on January 17, 2025.

PRESENT: Natalie Arroyo, Michael Gerace, Skip Jorgensen, Jason Ramos, Elise Scafani, Chair Sarah Schaefer, Jack Tuttle, Frank Wilson, Sheri Woo. ABSENT: Vice Chair Scott Bauer, Kris Mobley.

STAFF AND OTHERS PRESENT: Business Planning and Finance Director Lori Biondini, Executive Director Elizabeth Burks, Board Clerk Lori Taketa, Deputy Executive Director Eileen Verbeck.

BOARD APPOINTMENTS

2.1 Election of Officers and Community Advisory Committee Liaisons

Chair Schaefer nominated Vice Chair Bauer to serve as Chair, and nominated Director Mobley as Vice Chair, although the Director was absent and had not been asked whether she would like to serve in that capacity. Director Woo volunteered to serve as Vice Chair should Director Mobley be unable to do so. There was no public comment on these items.

M/S: Arroyo, Scafani: Appoint Scott Bauer as RCEA Board Chair and Kris Mobley as Vice Chair, and Sheri Woo as Alternate Vice Chair should Kris Mobley be unable to serve, through January 2026, and authorize the Chair and Vice Chair as signers on RCEA bank accounts.

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

M/S: Tuttle, Ramos: Appoint Sarah Schaefer as Board Liaison, and Natalie Arroyo as alternate liaison, to the Community Advisory Committee to serve through January 2026.

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

Both Chair-Elect Bauer and Vice Chair-Elect Mobley were absent. Chair Pro Tem Schaefer continued facilitating the meeting.

2.2 Board Committee Member Assignment

There was no public comment on this item.

M/S: Scafani, Woo: Appoint Directors Gerace, Jorgensen, Ramos and Wilson, and Chair Bauer to serve on the standing Finance Committee for one-year terms ending on the first regular Board meeting of 2026.

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

REPORTS FROM MEMBER ENTITIES

Director Arroyo will report back on lessons learned from a Coastal Counties Supervisors' Group discussion of the Moss Landing battery facility fire. Director Arroyo would like to arrange a Lake County geothermal project visit and invited other directors to attend.

CONSENT CALENDAR

- 5.1 Approve Minutes of December 17, 2024, Board Special Meeting.**
- 5.2 Approve Disbursements Report.**
- 5.3 Accept Financial Reports.**
- 5.4 Approve 2025 RCEA Board of Directors Meeting Calendar.**
- 5.5 Approve Updated and Unchanged Community Choice Energy Weighted Board Vote Distribution.**
- 5.6 Reappoint Deborah Dukes, Richard Johnson, Luna Latimer and Kit Mann to the Community Advisory Committee for Terms Ending March 31, 2027.**
- 5.7 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.**
- 5.8 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.**
- 5.9 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.**

Director Arroyo requested discussion of item 5.5. No member of the public requested separate consent calendar item discussion.

M/S: Woo, Jorgensen: Approve all Consent Calendar items except item 5.5.

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

REMOVED FROM CONSENT CALENDAR ITEM

Director Arroyo relayed complaints about Tribal Member Directors not being able to vote on Community Choice Energy (CCE) matters. CCE participation is limited under the California Public Utilities Code to cities, counties and cities and counties. RCEA is the first CCE to

include Tribal Governments in its broader joint powers authority (JPA) membership. The directors discussed how all JPA members have an equal vote on actions incurring agency-wide liability, such as entering contracts; how the CCE weighted vote was calculated; how a Tribe member living on Tribal lands is represented in RCEA matters; and how RCEA might advocate at the CPUC on Tribal member CCE representation. Staff and RCEA's General Counsel will report at a future meeting on RCEA's CCE voting system, existing law and possible action. The Board took no action to approve the unchanged, updated weighted vote, as required biennially by RCEA's Amended Joint Powers Agreement. There was no public comment.

Chair Pro Tem Schaefer confirmed that a Community Choice Energy quorum was present.

OLD CCE BUSINESS

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

Executive Director Burks reported on HSC's annual assessment of its biomass use which resulted from community concerns about the company's power purchase agreement with RCEA, and the annual process of evaluating HSC-provided data. An overview of this year's data was shared. The Biomass Technical Advisory Group was asked to examine the material in detail, and their resulting questions and requests for HSC were shared. The Community Advisory Committee discussed the report and the BTAG's comments earlier this month.

The Directors discussed HSC's efforts to reduce its Scotia plant's greenhouse gas emissions and air pollutants, the relative value of performance comparisons with biomass plants using drier fuels, and the need to refer claims of invalid plant operation permits to the Air Quality Management District. The directors expressed a desire to know more about HSC's long-term plans for its Scotia biomass plant and air quality monitoring studies. There were no public comments on this item.

NEW BUSINESS

10.1 Approve Cost-of-Service Rate Setting Analysis Solicitation

Deputy Executive Director Verbeck described RCEA's current electricity rate setting method and its effectiveness during the CCE program's launch period. Over time, market pressures combined with this rate-setting method forced RCEA to scale back its renewable energy portfolio goals. Many CCE programs are adopting a different rate-setting model based on the actual cost to provide electricity to customers. This cost-of-service model improves financial planning, increases independence from PG&E's rate-changing pressures, and protects against legal challenges.

Directors discussed the risk of having higher electricity rates than PG&E, the need to conduct vigorous public education and outreach before adopting this rate setting method, and the importance of knowing how much agency goals cost when doing strategic planning. There were no public comments on this item.

M/S: Jorgensen, Gerace: 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.

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

10.2 Reserve Policy Adoption

Deputy Executive Director Verbeck and Business Planning and Finance Director Biondini described the importance of building secure reserves when setting rates. Due to the COVID pandemic, RCEA has previously not been able to meet its launch period minimum reserve target levels. The proposed Reserve Policy goals are to build a reserve of 180 days of CCE program operating costs held in an unrestricted cash position, and to maintain the target reserve level for 12 months before exploring options to direct net revenue back into the community. This reserve level matches reserve targets of most CCE programs, can significantly lower CCE program operating expenses and provide operations stability in an increasingly volatile energy market.

The directors discussed the current reserve balance, Proposition 26 restrictions on use of funds, whether RCEA can offer customer solar power and battery rebate programs, and the decision to pause RCEA's plans to construct an office building due to budget constraints. There were no public comments on this item.

M/S: Arroyo, Ramos: Adopt Resolution 2025-1, Adopting a Redwood Coast Energy Authority Reserve Policy, and direct staff to draft a Dividend Program Proposal to be presented to the Community Advisory Committee for input.

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

STAFF REPORTS

11.1 Executive Director's Report (Information only)

Executive Director Burks reported on her first weeks on the job, the agency's new website, and encouraged new jurisdiction representatives to participate in RCEA orientation sessions. Staff are tracking the many presidential executive orders and their effect on RCEA program funding, especially the Tribal Energy Resilience and Sovereignty microgrid project. Chair Pro Tem Schaefer presented Deputy Executive Director Eileen Verbeck with a certificate of appreciation for her service as Interim Executive Director. There were no public comments on this item.

Chair Pro Tem Schaefer thanked the Board for the opportunity to serve as Chair and adjourned the meeting at 5:21 p.m.

Lori Taketa
Board Clerk