



Redwood Coast Energy Authority
633 3rd Street, Eureka, CA 95501
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E-mail: info@redwoodenergy.org Web: www.redwoodenergy.org

BOARD OF DIRECTORS MEETING AGENDA

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

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

Any member of the public needing special accommodation to participate in this meeting or access the meeting materials should email 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 Board of Directors has returned to in-person hybrid meetings. When attending Board meetings, please socially distance as much as possible and be courteous to those who choose to wear a mask.

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

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

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

While downloading the Zoom application may provide a better meeting experience, Zoom does 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. REPORTS FROM MEMBER ENTITIES

3. ORAL COMMUNICATIONS

This time is provided for people to address the Board or submit written communications on matters not on the agenda. At the conclusion of all oral communications, the Board may respond to statements. Any request that requires Board action will be set by the Board for a future agenda or referred to staff.

4. CONSENT CALENDAR

All matters on the Consent Calendar are considered to be routine by the Board and are enacted in one motion. There is no separate discussion of any of these items. If discussion is required, that item is removed from the Consent Calendar and considered separately. At the end of the reading of the Consent Calendar, Board members or members of the public can request that an item be removed for separate discussion.

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

5. REMOVED FROM CONSENT CALENDAR ITEMS

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

6. NEW BUSINESS

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

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

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

7. OLD CCE BUSINESS – None.

8. NEW CCE BUSINESS

- 8.1. 2023-2025 Power Portfolio Procurement Options

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

END OF COMMUNITY CHOICE ENERGY (CCE) BUSINESS

9. OLD BUSINESS – None.

10. NEW BUSINESS (continued)

10.1 Salary and Benefit Schedule Update

Approve the following:

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

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

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

Approve:

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

11. STAFF REPORTS

11.1 Executive Director's Report (Information only)

12. FUTURE AGENDA ITEMS

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

13. ADJOURNMENT

NEXT REGULAR MEETING

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

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

Online and phone participation will also be possible via Zoom.

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REDWOOD COAST Energy Authority

STAFF REPORT Agenda Item # 1.1

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

BACKGROUND

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

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

SUMMARY

RCEA Board Directors may attend up to two meetings per year from a remote location 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, Director Frankie Myers has requested remote participation for "just cause" due to official Yurok Tribal Council business. There were no requests for "emergency circumstances" remote director participation.

RECOMMENDED ACTION (if needed)

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



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BOARD OF DIRECTORS DRAFT MEETING MINUTES

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

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

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

REPORTS FROM MEMBER ENTITIES / ORAL COMMUNICATIONS

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

CONSENT CALENDAR

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

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

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

NEW BUSINESS

7.1 Biennial Salary Survey Report

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

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

- Directors suggested querying staff on their priorities (salary, specific benefits, etc.).
- Local agency competition for finite local talent pool and the challenges of competing with other CCA's remote-worker hiring were discussed.
- Staff retention and possible longevity pay, addition of Juneteenth holiday discussed.

Board directors expressed support for moving salaries closer to comparable agency salary midpoints to maintain competitiveness. (Director Myers briefly lost audio and video connection to the meeting from 3:40-3:43 and 3:49-3:54 p.m., prior to the vote.)

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

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

7.2 Blue Lake Rancheria Tribe's Interest in Joining RCEA

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

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

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

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

NEW CCE BUSINESS

9.1 Quarterly Energy Risk Management Report

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

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

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

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

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

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

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

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

9.3 Biomass Technical Advisory Group Update (Information only)

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

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

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

STAFF REPORTS

10.1 Executive Director's Report (Information only)

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

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

Lori Taketa, Clerk of the Board

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Redwood Coast Energy Authority
Disbursements Report
As of March 31, 2023

Type	Date	Num	Name	Memo	Amount
Liability Check	03/03/2023	ACH	EDD	Taxes	-6,091.51
Liability Check	03/03/2023	ACH	Internal Revenue Service	Taxes	-29,602.24
Liability Check	03/03/2023	ACH	Newport Group	Deferred compensation contributions	-18,384.42
Liability Check	03/03/2023	14788	Umpqua Bank	Health Savings Account contribution	-72.07
Check	03/03/2023	14789	Customer	PA Equipment Rebate - Res #DS-R-221118-0725	-260.00
Check	03/03/2023	14790	Customer	PA Equipment Rebate - Res #DS-R-230202-0963	-940.00
Check	03/03/2023	14791	Customer	PA Equipment Rebate - Res #DS-R-230214-0991	-190.00
Check	03/03/2023	14792	Customer	PA Equipment Rebate - Res #DS-R-230215-0993	-80.00
Check	03/03/2023	14793	SacTown Contractor's Corp.	PA install: Changing Tides Family Services	-665.45
Check	03/03/2023	14794	Customer	PA Equipment Rebate - Res #DS-R-230227-1044	-940.00
Check	03/03/2023	14795	Customer	PA Equipment Rebate - Res #DS-R-230201-0961	-940.00
Check	03/03/2023	14796	Customer	PA Equipment Rebate - Res #DS-R-230102-0839	-940.00
Check	03/03/2023	14797	Customer	PA Equipment Rebate - Res #DS-R-230120-0908	-940.00
Check	03/03/2023	14798	Customer	PA Equipment Rebate - Res #DS-R-230202-0964	-680.00
Check	03/03/2023	14799	Customer	PA Equipment Rebate - Res #DS-R-230227-1045	-500.00
Check	03/03/2023	14800	Customer	PA Equipment Rebate - Res #DS-R-230227-1030	-500.00
Check	03/03/2023	14801	Customer	PA Equipment Rebate - Res #DS-R-230202-0967	-500.00
Check	03/03/2023	14802	Customer	PA Equipment Rebate - Res #DS-R-230130-0945	-470.00
Check	03/03/2023	14803	Customer	PA Equipment Rebate - Res #DS-R-230130-0948	-140.00
Check	03/03/2023	14804	Customer	PA Equipment Rebate - Res #DS-R-230202-0966	-940.00
Check	03/03/2023	14805	Customer	PA Equipment Rebate - Res #DS-R-230202-0965	-940.00
Check	03/03/2023	14806	Customer	PA Equipment Rebate - Res #DS-R-230228-1046	-140.00
Check	03/03/2023	14807	Customer	Heat Pump Non-Res Rebate #DS-R-230301-1049	-8,000.00
Check	03/03/2023	14808	Customer	PA Equipment Rebate - Res #DS-R-230202-0968	-500.00
Check	03/03/2023	14809	VISA	February 2023 Statement 01/21/2023 - 02/21/2023	-6,078.52
Check	03/03/2023	14810	Customer	PA Equipment Rebate - Res #DS-R-230301-1048	-290.00
Check	03/03/2023	14811	Customer	PA Equipment Rebate - Res #DS-R-230301-1050	-290.00
Check	03/03/2023	14812	Customer	PA Equipment Rebate - Res #DS-R-230130-0954	-190.00
Bill Pmt -Check	03/03/2023	14813	Arcata Chamber of Commerce	Membership dues 2023	-440.00
Bill Pmt -Check	03/03/2023	14814	Bithell, M.	February 2023 Mileage Reimbursement	-115.28
Bill Pmt -Check	03/03/2023	14815	Braun Blaising & Wynne	Legal Services - Regulatory -January 2023	-4,439.97
Bill Pmt -Check	03/03/2023	14816	Colonial Life	Colonial Life Premiums Feb 2023	-2,206.26
Bill Pmt -Check	03/03/2023	14817	Developed Employment Services, LLC.	Facilities maintenance work-Yard Work	-164.90
Bill Pmt -Check	03/03/2023	14818	Eureka Rubber Stamp	Qty 6 Board meeting nameplates	-84.86
Bill Pmt -Check	03/03/2023	14819	FedEx	Res Kit - service 553	-58.13
Bill Pmt -Check	03/03/2023	14820	Hilson, D.	Mileage reimbursement - February 2023	-57.64
Bill Pmt -Check	03/03/2023	14821	HSU - Sponsored Programs Foundation	MD/HD ZEV subcontracting - Q4 2022	-17,305.64
Bill Pmt -Check	03/03/2023	14822	HSU - Sponsored Programs Foundation	MD/HD ZEV subcontracting - Jan 2023	-13,854.61
Bill Pmt -Check	03/03/2023	14823	Humboldt Bay Coffee Co.	February Office Coffee	-43.25
Bill Pmt -Check	03/03/2023	14824	Kerekes, C.	Mileage reimbursement - February 2023	-17.69
Bill Pmt -Check	03/03/2023	14825	Law Office of David Pepper	January 2023 Legal Services - RuralREN reg support	-6,417.00
Bill Pmt -Check	03/03/2023	14826	Local Worm Guy	Compost pickup - January 2023	-30.00
Bill Pmt -Check	03/03/2023	14827	Mission Uniform & Linen	Feb 2023 Mat Service	-9.15
Bill Pmt -Check	03/03/2023	14828	NYLEX.net, Inc.	Licensing, IT parts and March services	-7,156.23
Bill Pmt -Check	03/03/2023	14829	Petty Cash	Replenish petty cash for 02.01.23-02.28.23 reimbursement	-93.52
Bill Pmt -Check	03/03/2023	14830	PG&E CCA	January 2023 CCE Charges	-22,116.57
Bill Pmt -Check	03/03/2023	14831	Ramone's	Heat Pump and DEI workshop catering	-1,142.73
Bill Pmt -Check	03/03/2023	14832	Recology	February 2023 garbage service	-95.55
Bill Pmt -Check	03/03/2023	14833	Rennie, J	Mileage Reimbursement- February 2023	-114.63
Bill Pmt -Check	03/03/2023	14834	Times Printing Company	Late Notice letter, 4 versions	-283.31
Bill Pmt -Check	03/03/2023	14835	Whitchurch Engineering, Inc	701 5th Street visual inspection services escrow	-1,500.00
Bill Pmt -Check	03/03/2023	14836	Winzler, John	Office Lease - March 2023	-8,372.70
Check	03/03/2023	14837	SacTown Contractor's Corp.	PA install: Bayside Garden Supply	-12,216.97
Paycheck	03/03/2023	ACH	Employees	Payroll	-73,392.12
Bill Pmt -Check	03/10/2023	ACH	Keenan	Anthem Medical Insurance March 2023	-37,833.24
Bill Pmt -Check	03/10/2023	ACH	Sterling Administration	FSA Healthcare and Dependent Care Funding - 50% 2023	-4,950.00
Bill Pmt -Check	03/10/2023	ACH	Viridity Energy Solutions, Inc.	Tierra Buena RA-February 2023	-16,900.00
Liability Check	03/17/2023	ACH	EDD	Taxes	-5,874.41

Redwood Coast Energy Authority
Disbursements Report
As of March 31, 2023

Type	Date	Num	Name	Memo	Amount
Liability Check	03/17/2023	ACH	Internal Revenue Service	Taxes	-29,191.44
Liability Check	03/17/2023	ACH	Newport Group	Deferred compensation contributions	-18,599.98
Bill Pmt -Check	03/17/2023	ACH	CalPine Corporation	Calpine February 2023 Costs	-60,966.72
Bill Pmt -Check	03/17/2023	ACH	Humboldt Sawmill Co.	February 2023 Electricity Charge	-307,562.96
Bill Pmt -Check	03/17/2023	ACH	Leapfrog Energy	February 2023 RA	-9,218.40
Bill Pmt -Check	03/17/2023	ACH	CalCCA	Quarterly Invoice for Rate Case Management Special Assessment	-3,502.62
Bill Pmt -Check	03/17/2023	ACH	Snow Mountain Hydro, LLC	2/1/2023-2/26/23 Electricity	-30,471.81
Liability Check	03/17/2023	14838	Umpqua Bank	Health Savings Account contribution	-72.07
Check	03/17/2023	14839	Customer	Heat Pump Rebate #5700, 2nd payment	-500.00
Check	03/17/2023	14840	Customer	PA Equipment Rebate - Res #DS-R-230303-1056	-500.00
Check	03/17/2023	14841	SacTown Contractor's Corp.	PA install: Humboldt Petroleum #1	-1,810.18
Check	03/17/2023	14842	Customer	PA Equipment Rebate - Res #DS-R-230303-1059	-290.00
Check	03/17/2023	14843	Customer	Heat Pump Rebate #DS-R-230119-0907	-1,100.00
Check	03/17/2023	14844	Customer	Heat Pump Rebate #DS-R-230124-0925	-725.00
Check	03/17/2023	14845	Customer	Heat Pump Rebate #DS-R-230124-0927	-800.00
Check	03/17/2023	14846	Customer	PA Equipment Rebate - Res #DS-R-230308-1096	-290.00
Check	03/17/2023	14847	Customer	PA Equipment Rebate - Res #DS-R-230303-1063	-480.00
Check	03/17/2023	14848	Customer	PA Equipment Rebate - Res #DS-R-230303-1067	-190.00
Check	03/17/2023	14849	Customer	PA Equipment Rebate - Res #DS-R-230303-1069	-500.00
Check	03/17/2023	14850	Customer	PA Equipment Rebate - Res #DS-R-230303-1061	-480.00
Check	03/17/2023	14851	Customer	PA Equipment Rebate - Res #DS-R-230303-1066	-940.00
Check	03/17/2023	14852	Customer	PA Equipment Rebate - Res #DS-R-230303-1064	-140.00
Check	03/17/2023	14853	Customer	PA Equipment Rebate - Res #DS-R-230303-1062	-290.00
Check	03/17/2023	14854	New Generation Illumination	PA install - Design Air Heating & Sheet Metal	-2,523.74
Check	03/17/2023	14855	Customer	PA Equipment Rebate - Res #DS-R-230303-1080	-290.00
Check	03/17/2023	14856	Customer	PA Equipment Rebate - Res #DS-R-230303-1068	-940.00
Check	03/17/2023	14857	NEM Cusomter	NEM Close Out Acct #0440112749	-1.28
Check	03/17/2023	14858	NEM Cusomter	NEM Close Out Acct #3717941062	-0.48
Check	03/17/2023	14859	NEM Cusomter	NEM Close Out Acct #2689384489	-376.30
Check	03/17/2023	14860	NEM Cusomter	NEM Close Out Accts #0047184436 & #3158505254	-210.40
Check	03/17/2023	14861	NEM Cusomter	NEM Close Out Acct #3481789318	-490.59
Check	03/17/2023	14862	NEM Cusomter	NEM Close Out Acct #9108119220	-337.69
Check	03/17/2023	14863	NEM Cusomter	NEM Close Out Acct #8347760253	-96.16
Check	03/17/2023	14864	NEM Cusomter	NEM Close Out Acct #9623016817	-288.21
Check	03/17/2023	14865	NEM Cusomter	NEM Close Out Acct #8609301834	-62.07
Check	03/17/2023	14866	NEM Cusomter	NEM Close Out Acct #4307449550	-0.56
Check	03/17/2023	14867	NEM Cusomter	NEM Close Out Acct #8359356952	-1.34
Bill Pmt -Check	03/17/2023	14868	Access Humboldt	NorCAN Media 101 Training for Nancy S.	-20.00
Bill Pmt -Check	03/17/2023	14869	Aiqueous, LLC	Stage 6 Next 90 & Stage 7 Jan-Dec 2023	-5,250.00
Bill Pmt -Check	03/17/2023	14870	Amazon.com	Monthly billing - February 2023	-3,174.89
Bill Pmt -Check	03/17/2023	14871	Ameritas - Dental	#010-055098-00001 Dental - April 2023	-2,232.04
Bill Pmt -Check	03/17/2023	14872	Ameritas - Vision	010-055098-00002 Vision - April 2023	-462.92
Bill Pmt -Check	03/17/2023	14873	AT&T	RCAM Router charges - ACV: 01/19 - 02/18	-163.00
Bill Pmt -Check	03/17/2023	14874	AT&T	RCAM charges: 03/01 - 03/31/2023 for Account 8003-251-9276	-942.10
Bill Pmt -Check	03/17/2023	14875	AT&T Long Distance	Phone charges 02/25/2023 - 03/24/2023	-165.30
Bill Pmt -Check	03/17/2023	14876	Carter Properties, LLC	917 3rd Street Office Lease - Security Deposit & April prorated rent	-3,650.00
Bill Pmt -Check	03/17/2023	14877	Central Office	Printing services- 35 qty Heat Pump flyers for nonprofit mailing	-25.12
Bill Pmt -Check	03/17/2023	14878	Cissna, A.	CalCCA Semi-Annual Joint Conference-Lodging & Other	-192.20
Bill Pmt -Check	03/17/2023	14879	City of Arcata	February 2023 Excessive Energy Use Tax #6315	-5,059.36
Bill Pmt -Check	03/17/2023	14880	City of Arcata	February 2023 Utility User Tax #6310	-13,904.78
Bill Pmt -Check	03/17/2023	14881	City of Eureka-Water	Water service, 01/23/23- 02/24/23	-224.40
Bill Pmt -Check	03/17/2023	14882	Civicwell	2023 CivicWell Policymakers Conference sponsorship	-2,500.00
Bill Pmt -Check	03/17/2023	14883	Diamond, Nancy	Legal Services	-7,250.00
Bill Pmt -Check	03/17/2023	14884	Donald Dame	Professional Services February 2023	-262.50
Bill Pmt -Check	03/17/2023	14885	Engel, R.	CalCCA Semi-Annual Joint Conference-Other	-41.48
Bill Pmt -Check	03/17/2023	14886	Eureka Rubber Stamp	Board meeting nameplate & 6 holders	-54.72
Bill Pmt -Check	03/17/2023	14887	Frontier Energy, Inc.	PA Program Consulting - February 2023	-1,050.00
Bill Pmt -Check	03/17/2023	14888	Humboldt Bay Coffee Co.	Office Coffee	-25.95

Redwood Coast Energy Authority
Disbursements Report
As of March 31, 2023

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

Redwood Coast Energy Authority
Disbursements Report
As of March 31, 2023

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

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

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

Redwood Coast Energy Authority
Balance Sheet
As of March 31, 2023

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



REDWOOD COAST Energy Authority

STAFF REPORT Agenda Item # 4.4

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

SUMMARY

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

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

REVENUE

Direct Donations

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

State Contracts and Grants

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

Programs

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

Interest

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

Non-Government Contracts

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

Electricity Sales

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

EXPENSE

Wholesale Power Supply

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

Personnel

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

Facilities and Operations

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

Communications and Outreach

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

Professional and Program Services

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

Programs Expenses

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

Incentives and Rebates

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

Non-Operating

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

NET

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

RECOMMENDED ACTIONS

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

ATTACHMENTS

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



REDWOOD COAST **Energy**Authority

STAFF REPORT **Agenda Item # 6.1**

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

SUMMARY

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

RECOMMENDED ACTION

None. Information only.

ATTACHMENTS

CStories slides will be presented at the meeting.

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H. T. HARVEY & ASSOCIATES

Ecological Consultants

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

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

May 25, 2023



Goal and Objectives

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

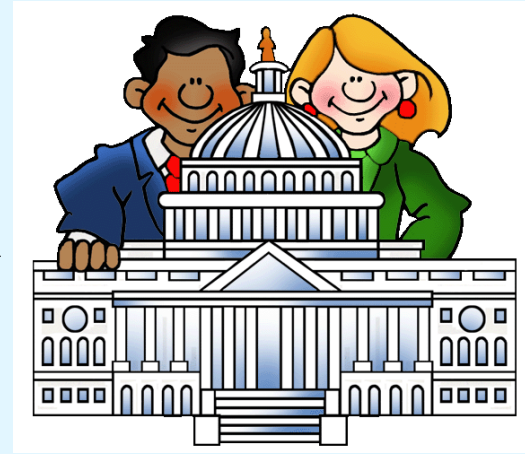
Community Partners:



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




Disseminate relevant information to communities



Facilitate communication of community concerns and priorities



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

 **Check out our Beta website**

This website cstories.integral-corp.com is for organizing workshops and feedback.

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

On this page

- Workshops
- Applications
- Contact

Workshops

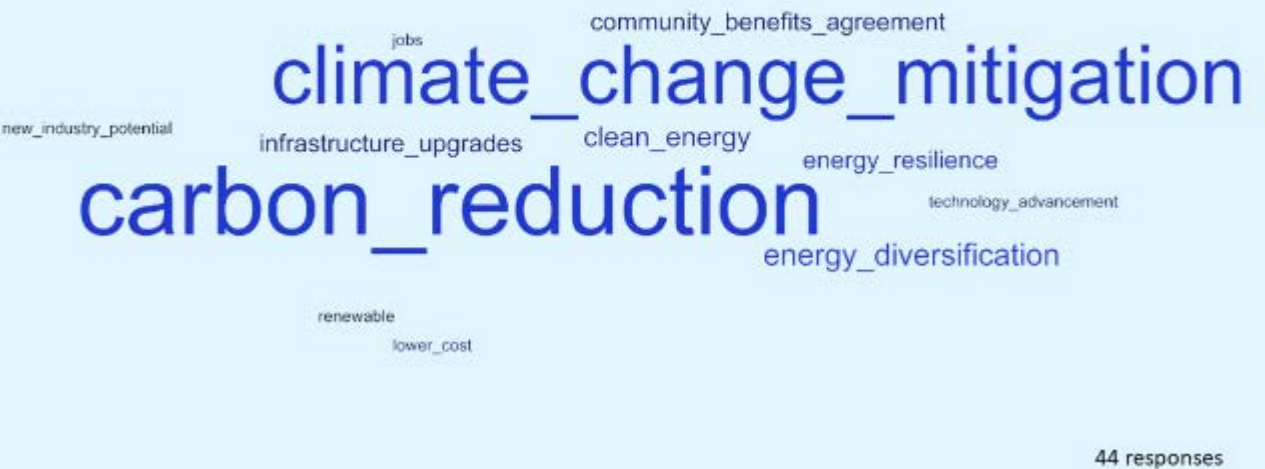
This Phase 1 project is active June 2022 to March 2023. We will conduct a series of workshops in California to solicit feedback for building out a prototype tool.

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

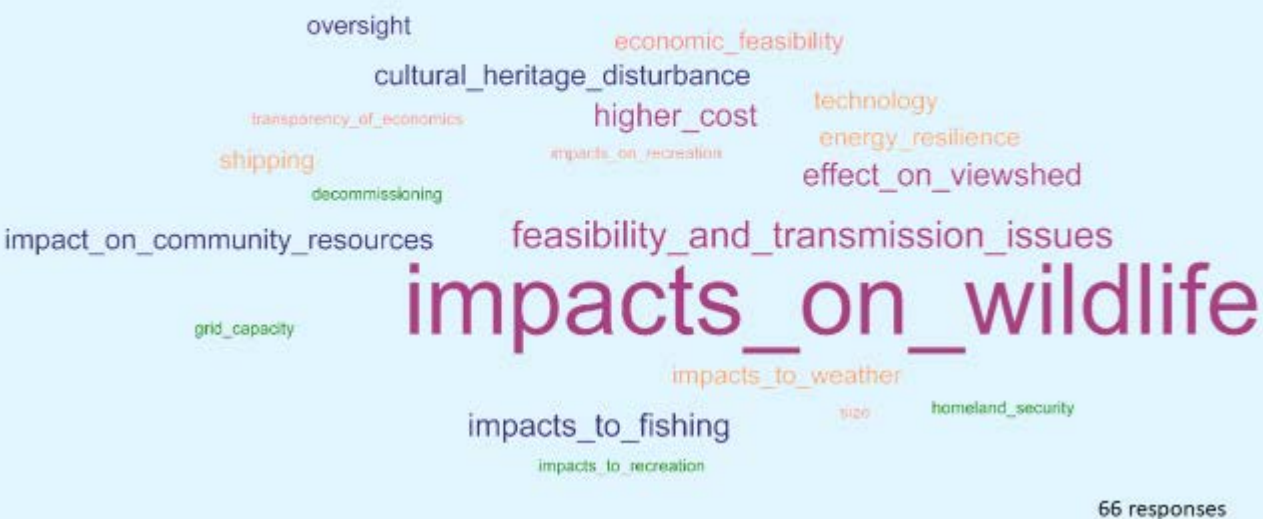
How would you react to the news that an offshore wind energy project is being proposed for your local waters?



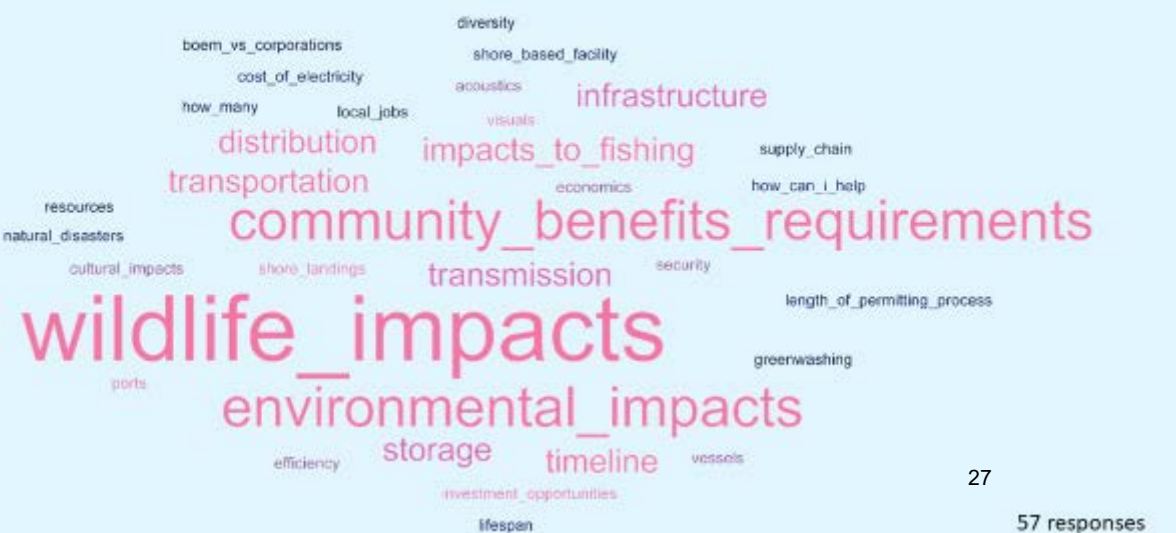
What are the biggest benefits as the result of offshore wind development?

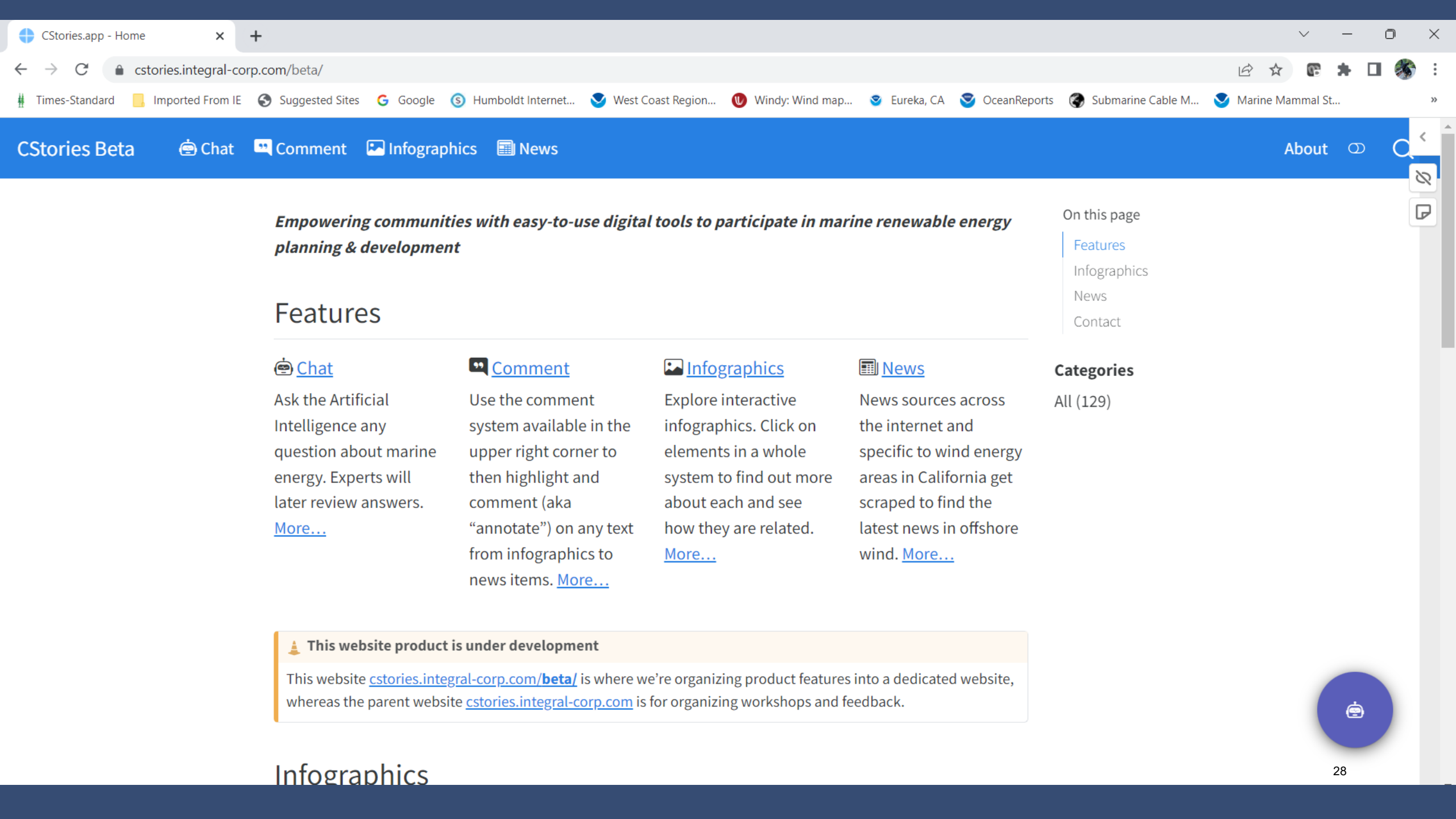


What are your biggest concerns with offshore wind development?



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





Empowering communities with easy-to-use digital tools to participate in marine renewable energy planning & development

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Ask the Artificial Intelligence any question about marine energy. Experts will later review answers. [More...](#)



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All (129)



This website product is under development

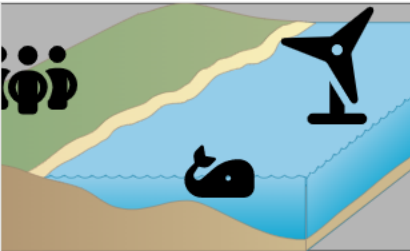
This website [cstories.integral-corp.com/beta/](#) is where we’re organizing product features into a dedicated website, whereas the parent website [cstories.integral-corp.com](#) is for organizing workshops and feedback.

Infographics

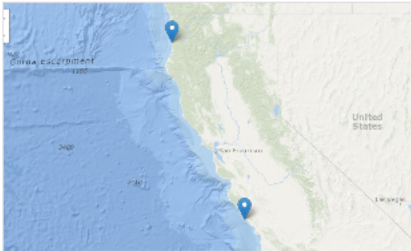


Infographics

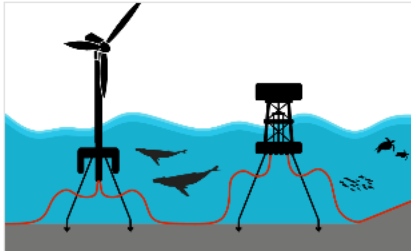
Interactive infographics allow for easy navigation of core concepts and information in a visual manner.



Overview
Overview of community, whales and turbines



Viewshed
How will wind turbines affect your view?



Whale Interactions
How do baleen whales interact with the cables?

Categories

All (3)

Ask a marine energy question

Close

What is the scale of the Morro Bay Wind Energy Area?

"The Morro Bay Wind Energy Area (MBWEA) is approximately 25,000 acres in size."

Send a message...

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humboldt

Title	Source	Date
Two Dead, Thousands Still Without Power Following Tuesday's Earthquake In Humboldt County	KQED	Dec 21, 2022 
Crowley's plans for offshore wind complex at California's Humboldt Bay	Latest - Humboldt Baykeeper	Dec 18, 2022 
Crowley's plans for offshore wind complex at California's Humboldt Bay	Offshore Wind Energy - Humboldt Baykeeper	Dec 18, 2022 
BOEM Names California North Floating and RWE Offshore Wind Holdings as Provisional Winners of Two Offshore Wind Leases Off the Humboldt Coast	Offshore Wind Energy - Humboldt Baykeeper	Dec 8, 2022 
SOLD! BOEM Names California North Floating and RWE Offshore Wind Holdings as Provisional Winners of Two	Biztoc.com	Dec 8, 2022 



30

Key Takeaways



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

Identified Community Needs To Be Addressed:

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

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STAFF REPORT Agenda Item # 8.1

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

BACKGROUND

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

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

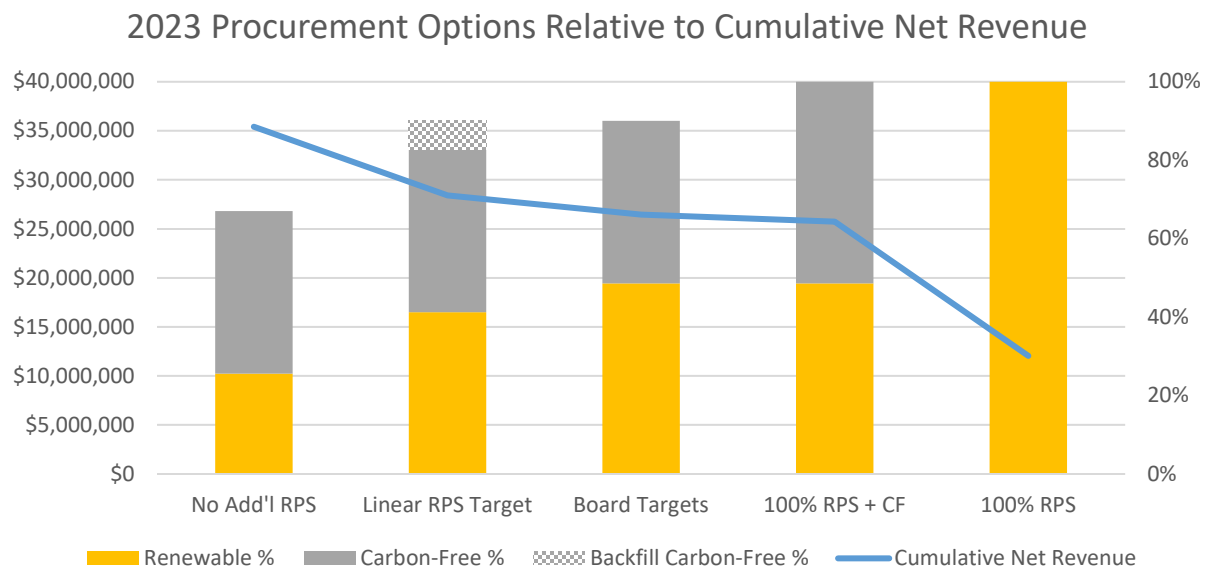
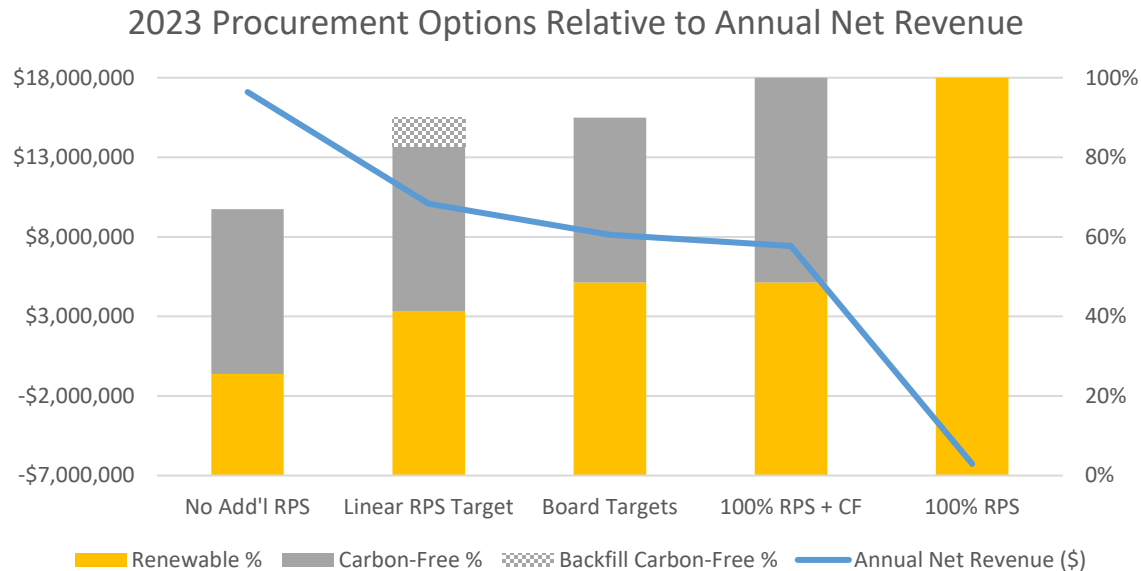
SUMMARY

2023 Procurement Options

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

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

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



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

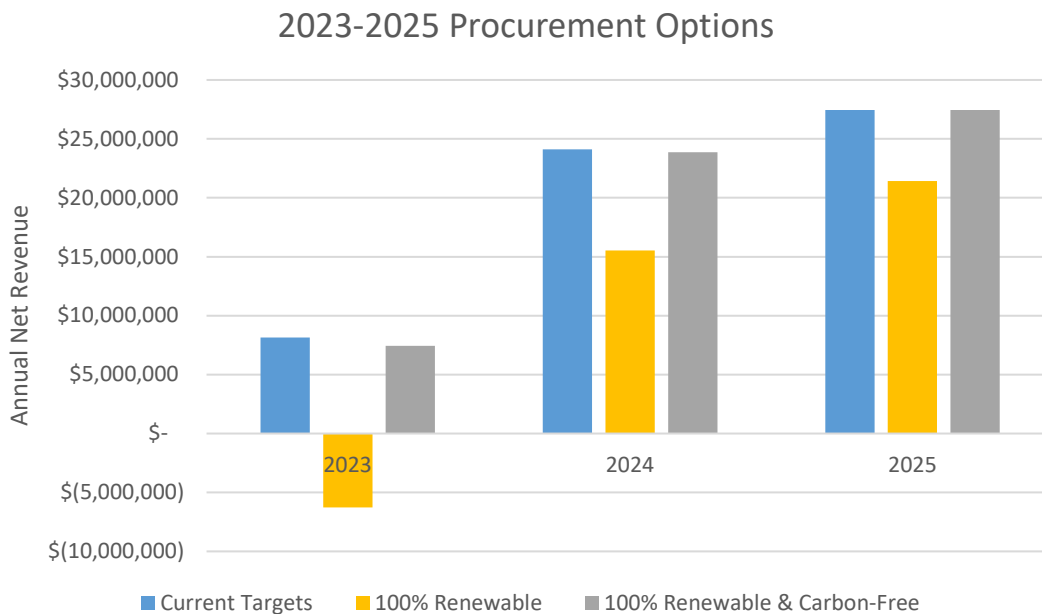
² Compliance with the CA RPS Program is measured across multi-year compliance periods, not annually. The annual linear RPS target is set to have RPS content increase steadily year over year while meeting the minimum total RPS requirement for each multi-year compliance period.

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

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

2024-2025 Procurement

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



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

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

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

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

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

EQUITY IMPACTS

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

FINANCIAL IMPACT

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

STAFF RECOMMENDATION

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



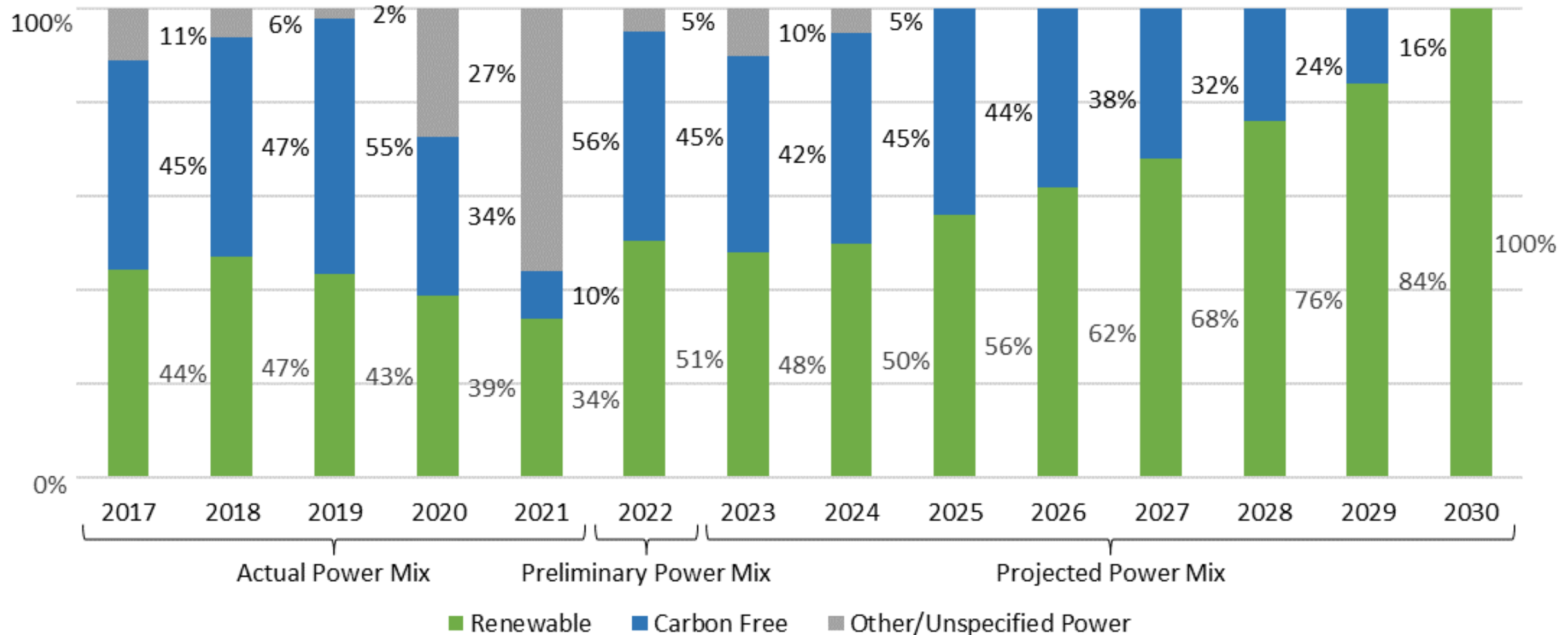
2023-2025 Power Procurement Options

Presentation to RCEA Board of Directors

May 25, 2023



Past Procurement and Projected Board Targets



Need for 2023 Procurement Guidance

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

2023 Procurement Options

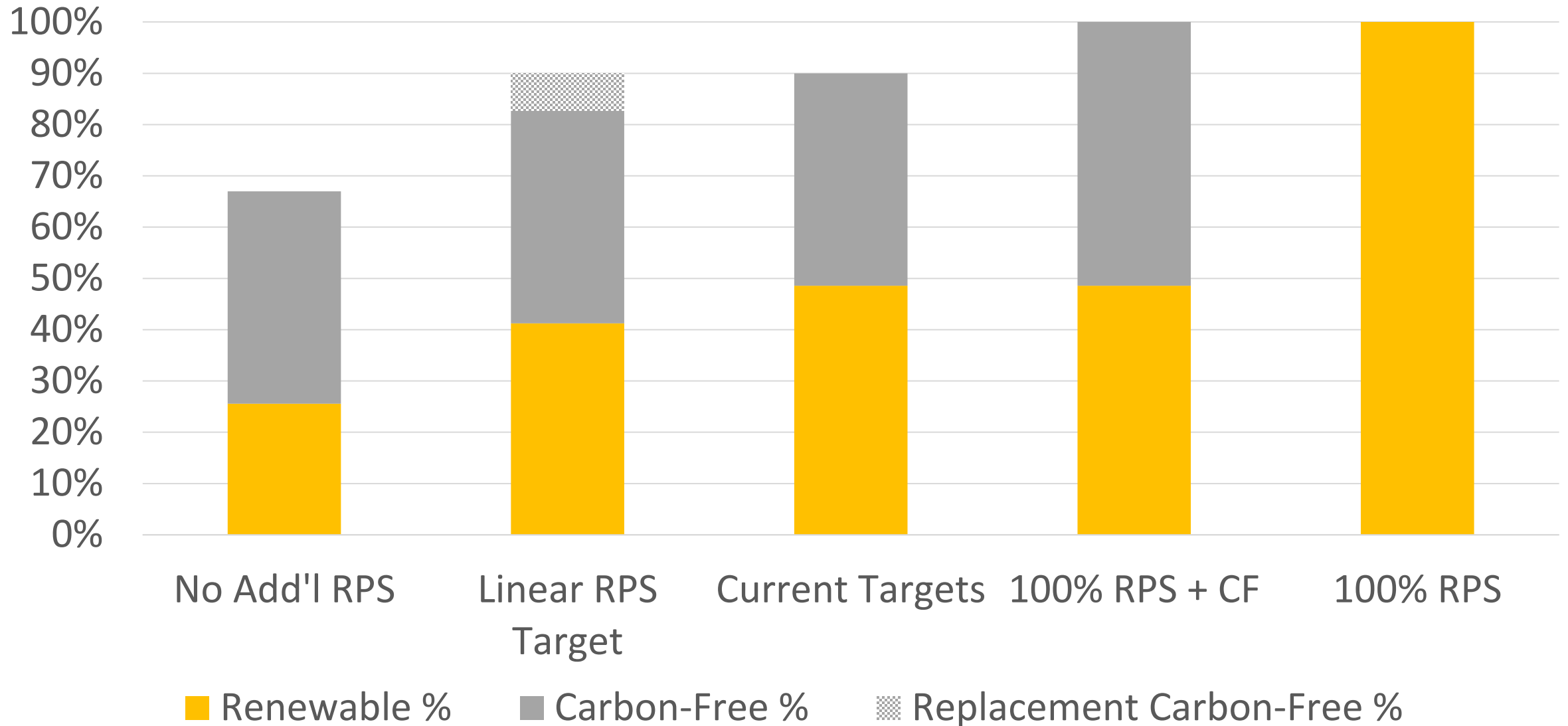
To address
unforeseen
cost increases
in meeting
2023
renewables
target

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

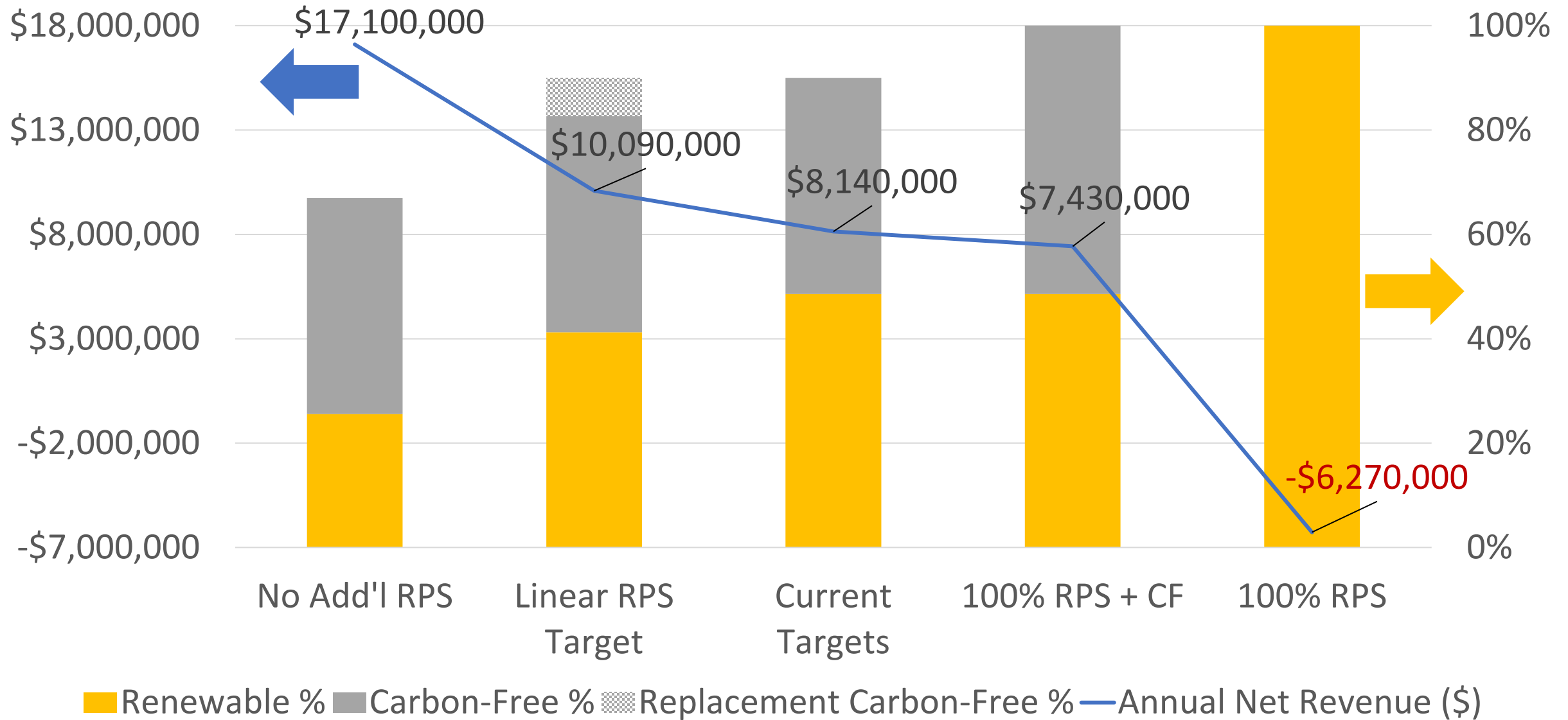
In response to
Board inquiry
about
accelerating
renewables
target

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

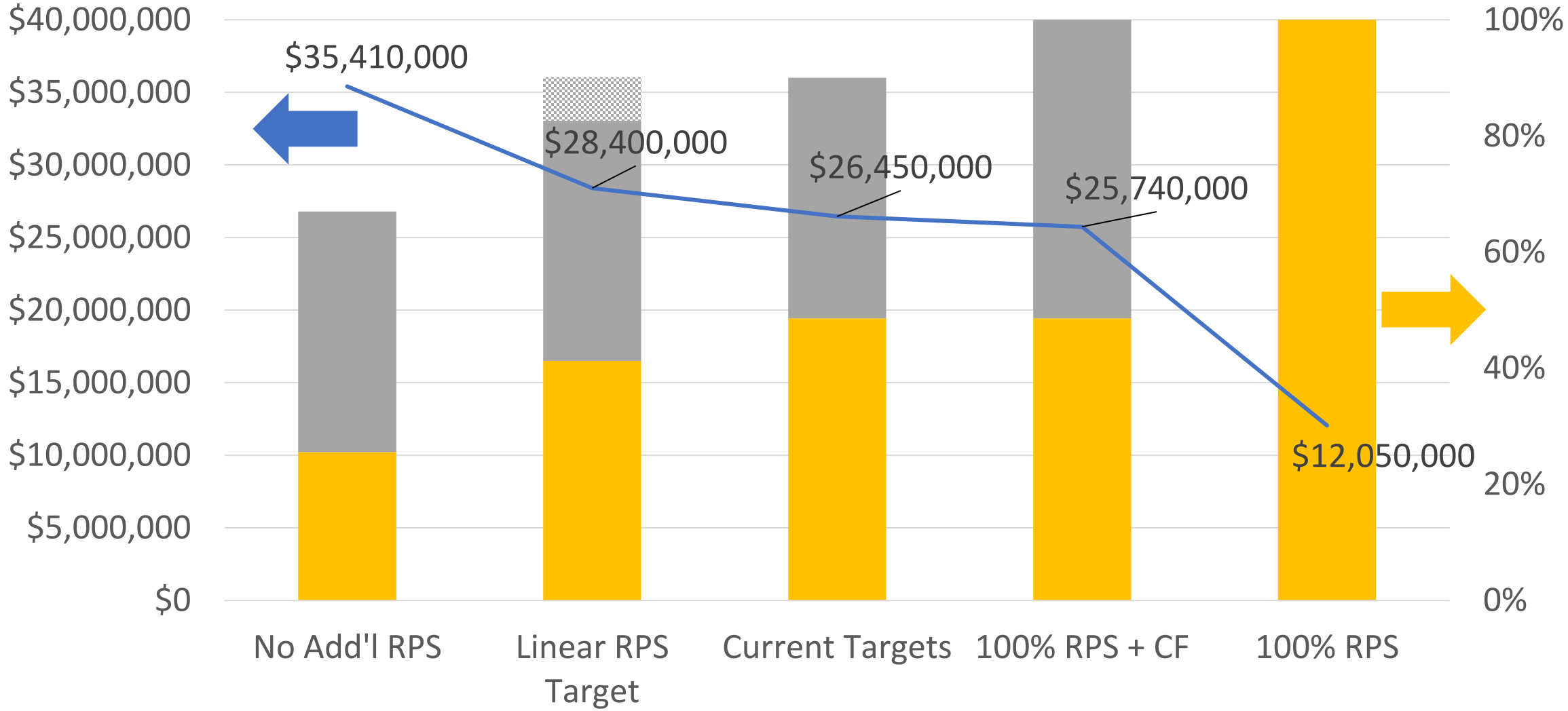
2023 Procurement Options Relative to Annual Net Revenue



2023 Procurement Options Relative to Annual Net Revenue

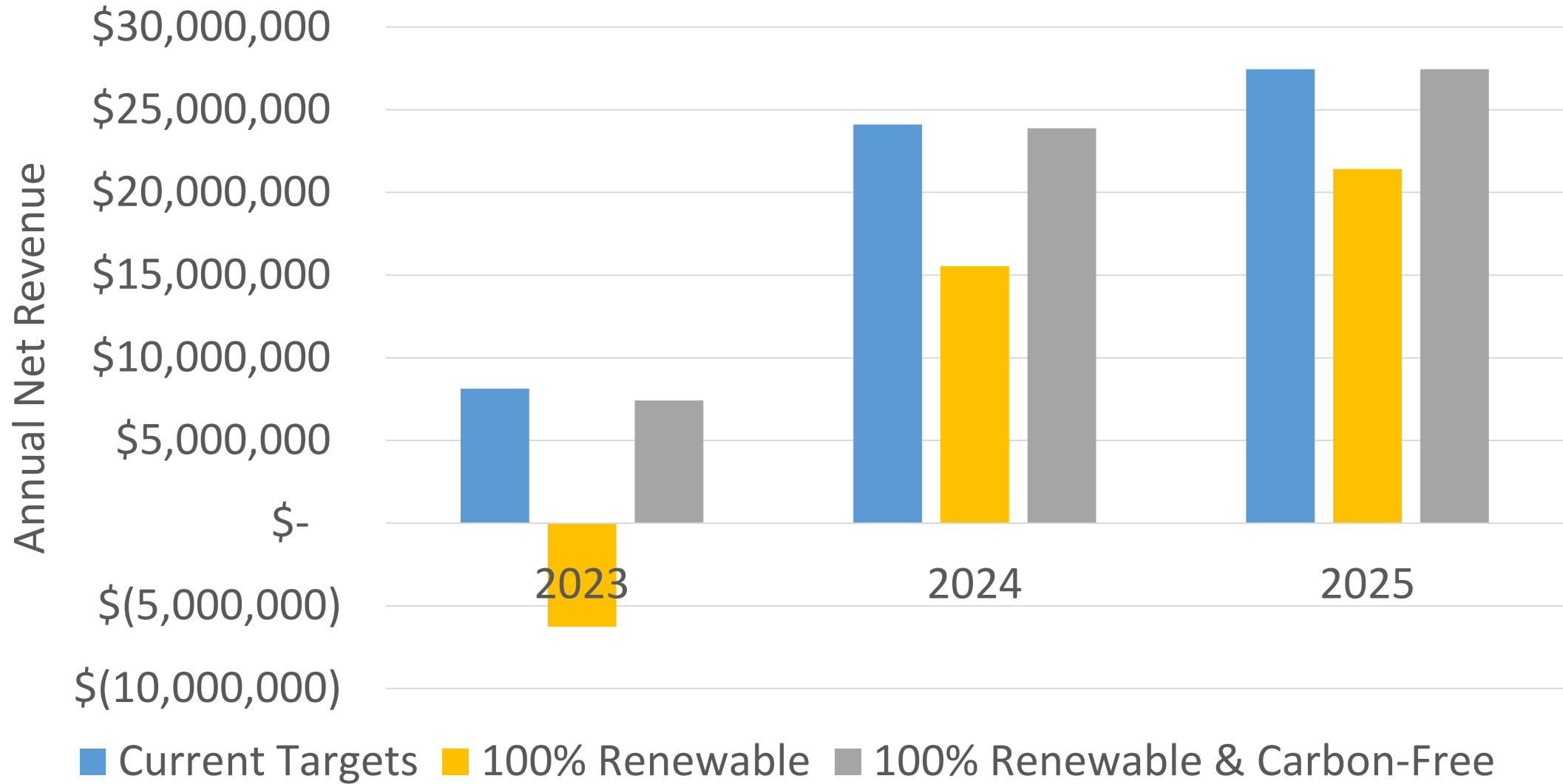


2023 Procurement Options Relative to Cumulative Net Revenue



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

2023-2025 Procurement Options



Cost Recovery of 2023-2025 Options

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

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



STAFF REPORT
Agenda Item # 10.1

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

SUMMARY

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

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

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

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

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

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

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

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

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

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

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

FINANCIAL IMPACT

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

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

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

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

STAFF RECOMMENDATION

Approve the following:

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

ATTACHMENTS:

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

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

		Apr-23	
Title	Organization	Midpoint of range	RCEA Salary
Assistant/Associate/Coordinator			
Administrative Support	North Coast Air Quality Mang District	31,567.00	
Administrative Assistant	City of Eureka	38,386.00	
Student/Grad Student Assistant	CalPoly Schatz Energy Research Center	40,300.00	
Accounting Tech I	Humboldt Bay Municipal Water District	46,021.71	
Administrative Secretary	County of Humboldt	50,876.80	
Customer Services Representative I/II	City of Ukiah Electric Utility	50,953.80	
Customer Service Representative	Sonoma Clean Power	55,650.00	
Administrative Assistant	CalPoly Schatz Energy Research Center	55,920.80	
Administrative Assistant	Pioneer Community Energy	62,547.50	
AVERAGE		\$ 48,024.85	\$ 43,442.00
Current RCEA Midpoint (Asst/Assoc/Coord step 5), effective 7/1/2021			11%
Specialist/Senior Specialist			
Electric Utility Program Coordinator	City of Ukiah Electric Utility	62,082.36	
Executive Assistant & Board Secretary	Humboldt Bay Municipal Water District	63,399.24	
Clerk Of The Board/Burn Permit Coordinator	North Coast Air Quality Mang District	63,473.00	
IT Technician I/II	County of Humboldt	65,124.80	
Research Assistant/Engineering Technician	CalPoly Schatz Energy Research Center	69,087.20	
Accounting & HR Specialist/Customer Service	Humboldt Bay Municipal Water District	69,917.59	
Clerk III	Trinity County PUD	71,292.00	
Program Analyst/Board Clerk	Valley Clean Energy	79,931.50	
Executive Assistant/Board Clerk	Pioneer Community Energy	91,294.50	
Executive Assistant/Board Clerk	Sonoma Clean Power	95,400.00	
AVERAGE		\$ 73,100.22	\$ 68,266.00
Current RCEA Midpoint (Specialist step 8), effective 7/1/2021			7%

		Apr-23	
Title	Organization	Midpoint of range	RCEA Salary
Technician/Senior Technician			
Inspector I-III	North Coast Air Quality Mang District	63,473.06	
Project Manager	City of Eureka	77,164.00	
Program & Regulatory Analyst/Senior Analyst	Humboldt Bay Municipal Water District	79,566.49	
IT Systems Supervisor	County of Humboldt	82,534.40	
Research Engineer	CalPoly Schatz Energy Research Center	86,286.00	
Senior Estimator	Trinity County PUD	92,913.50	
Information Technology Manager	City of Eureka	93,729.00	
Electrical Engineering Technician I-III	City of Ukiah Electric Utility	101,077.47	
Program Specialist I	Pioneer Community Energy	112,873.50	
AVERAGE		\$ 87,735.27	\$ 80,678.00
Current RCEA Midpoint (Technician step 8), effective 7/1/21			9%
Manager/Senior Manager			
Admin			
Compliance and Enforcement Manager	North Coast Air Quality Mang District	84,058.50	
Billing & Customer Service Manager	City of Ukiah Electric Utility	86,390.04	
Construction Projects Manager	County of Humboldt	88,067.20	
Deputy Assistant Finance Director/Special Proj Mang/Prinipal	City of Eureka	89,176.00	
Senior Research Engineer	CalPoly Schatz Energy Research Center	104,946.00	
Program Manager	Sonoma Clean Power	116,600.00	
Power Resource Manager/Leg Reg Mang	Pioneer Community Energy	140,415.50	
AVERAGE		\$ 101,379.03	\$ 93,090.00
Current RCEA Midpoint (Manager step 8), effective 7/1/21			9%

		Apr-23	
Title	Organization	Midpoint of range	RCEA Salary
Director			
Superintendent	Humboldt Bay Municipal Water District	117,203.63	
Administrative Services Manager	Trinity County PUD	117,949.50	
Finance Director	City of Eureka	119,675.00	
Principal Engineer/Operations Director	CalPoly Schatz Energy Research Center	130,542.00	
Assistant Utility Director	City of Ukiah Electric Utility	157,091.52	
Director of Customer Care and Marketing	Valley Clean Energy	165,375.50	
Electric Superintendant	Trinity County PUD	172,456.50	
Director (Finance and Public Affairs & Mktg Prgms)	Pioneer Community Energy	188,271.00	
Director of Finance & Internal Operations	Valley Clean Energy	192,937.50	
Director of Regulatory Affairs/Director of Prog.	Sonoma Clean Power	195,358.00	
AVERAGE		\$ 155,686.02	\$ 124,120.00
Current RCEA Midpoint (Director step 5), effective 7/1/21			25%
Executive Director			
Air Pollution Control Officer	North Coast Air Quality Mang District	125,000.00	
General Manager	Humboldt Bay Municipal Water District	167,142.00	
Electric Utility Director	City of Ukiah Electric Utility	188,550.00	
Interim General Manager	Valley Clean Energy	220,500.50	
General Manager	Trinity County Public Utility District	241,144.00	
Executive Director	Pioneer Community Energy	276,659.00	
Chief Executive Officer	Sonoma Clean Power	344,196.84	
AVERAGE		\$ 223,313.19	\$ 161,356.00
Current RCEA Midpoint (Executive Director step 5), effective 7/1/21			38%
Average Midpoint excluding Executive Director			12.14%
Social Security Cola 2022 and 2023			14.6%
CPI - US West Region Jan 2021 - Dec 2022			13.50%

ATTACHMENT B**Selected Employee Benefits at Labor Market Agencies:**

	Retirement		Paid Time Off Days/Year						
Agency	PERS agency?	Deferred comp plan offered?	Vacation	Holidays (including floating)	Sick leave	Management/Admin	Longevity pay?	Employer paid life Insurance?	Juneteenth
RCEA	No	457(b) with up to 7% employer match	10 to 25	14	12	no	no	no	no
City of Eureka	Yes	457(b), \$10 per month	12 to 22	15	12	6 to 9 days/yr	1% of salary @5 yrs; 2% @10; 3% @15	yes, \$5K for employee ad \$1K for each dependent	Yes
Sonoma Clean Power	No	457/401, with 10% employer match	Combined PTO, 20 to 35	12	see PTO	see PTO	no	yes, \$300K policy paid by SCP	Yes
City of Ukiah Electric Dept	Yes	457, without employer match	13 to 26	14	12	10 days/yr	\$1000@7 yrs; \$2500@12; \$3500@20 (mgmt only)	yes, \$10K policy paid by City	no
NCUAQMD	Yes	457, without employer match	12 to 30	14	12	no	no	yes, \$50K paid by agency	Yes
Trinity County PUD	Yes	?	14 to 29	14	13	5 to 15 days/yr	no	yes, policy equal to twice the employee's salary	?
HBMWD	Yes	yes, with \$50 to \$100/mo. employer match	10 to 25	15	12	2 to 4 days/yr	2.5% @5 years; 5% @10, 7.5% @ 20	\$50K policy paid by HBMWD	Yes
CalPoly Schatz Energy Research Center	No	403(b) with 10% employer contribution	10 to 24	15	12	no	no	no	No
County of Humboldt	Yes	457(b), no employer match	10 to 30	15	12	10 days/yr	5% @10 years; 10% @ 20 years	\$10K policy paid by County	Yes
Pioneer Community Energy	No	401(a) with \$22,500 employer contribution optional 457(b)	10 to 25	11 (plus 1 week off 12/24 to 1/1)	12	10 days/yr	no	?	No
Valley Clean Energy	No	457(b) & 401(a), with employer contribution between 7% and 10% of salary	20 days PTO, with 1 add'l day/yr thru year 10	10	see PTO	see PTO	no	yes, \$25K policy paid by agency	No

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

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

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

ATTACHMENT C

RCEA SALARY AND BENEFIT PROPOSALS PRESENTED TO THE BOARD FINANCE SUBCOMMITTEE

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

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

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

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

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

ATTACHMENT C

RCEA SALARY AND BENEFIT PROPOSALS PRESENTED TO THE BOARD FINANCE SUBCOMMITTEE

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

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

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

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

	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10
Assistant/Coordinator/Associate										
Hourly	18.87	19.36	19.85	20.36	20.89	21.41	21.94	22.49	23.05	23.63
Monthly	3,271.50	3,355.39	3,441.42	3,529.66	3,620.17	3,710.67	3,803.44	3,898.52	3,995.99	4,095.89
Annual	39,258.01	40,264.62	41,297.05	42,355.95	43,442.00	44,528.05	45,641.25	46,782.28	47,951.84	49,150.64

Specialist										
Hourly	27.49	28.19	28.92	29.66	30.42	31.20	32.00	32.82	33.64	34.48
Monthly	4,764.92	4,887.10	5,012.41	5,140.93	5,272.75	5,407.95	5,546.61	5,688.83	5,831.05	5,976.83
Annual	57,179.03	58,645.16	60,148.88	61,691.16	63,272.98	64,895.37	66,559.35	68,266.00	69,972.65	71,721.97
Senior Specialist										
Hourly	31.61	32.42	33.26	34.11	34.98	35.88	36.78	37.70	38.64	39.60
Monthly	5,479.66	5,620.16	5,764.27	5,912.07	6,063.66	6,219.14	6,374.62	6,533.98	6,697.33	6,864.77
Annual	65,755.88	67,441.93	69,171.21	70,944.83	72,763.93	74,629.67	76,495.41	78,407.80	80,367.99	82,377.19

Technician										
Hourly	32.49	33.32	34.18	35.05	35.95	36.87	37.82	38.79	39.76	40.75
Monthly	5,631.27	5,775.66	5,923.75	6,075.64	6,231.43	6,391.21	6,555.09	6,723.17	6,891.25	7,063.53
Annual	67,575.21	69,307.91	71,085.04	72,907.73	74,777.16	76,694.52	78,661.05	80,678.00	82,694.95	84,762.32
Senior Technician										
Hourly	37.36	38.32	39.30	40.31	41.34	42.40	43.46	44.55	45.66	46.81
Monthly	6,475.96	6,642.01	6,812.32	6,986.99	7,166.14	7,349.89	7,533.64	7,721.98	7,915.03	8,112.91
Annual	77,711.50	79,704.10	81,747.79	83,843.89	85,993.73	88,198.70	90,403.67	92,663.76	94,980.36	97,354.86

Manager										
Hourly	37.49	38.45	39.43	40.44	41.48	42.55	43.64	44.75	45.87	47.02
Monthly	6,497.62	6,664.22	6,835.10	7,010.36	7,190.11	7,374.47	7,563.56	7,757.50	7,951.44	8,150.22
Annual	77,971.40	79,970.67	82,021.20	84,124.31	86,281.34	88,493.68	90,762.75	93,090.00	95,417.25	97,802.68
Senior Manager										
Hourly	43.11	44.21	45.35	46.51	47.70	48.93	50.15	51.40	52.69	54.01
Monthly	7,472.26	7,663.86	7,860.36	8,061.91	8,268.63	8,480.64	8,692.66	8,909.98	9,132.73	9,361.04
Annual	89,667.11	91,966.27	94,324.38	96,742.95	99,223.54	101,767.73	104,311.93	106,919.72	109,592.72	112,332.54

Director										
Hourly	53.93	55.31	56.73	58.18	59.67	61.16	62.69	64.26	65.87	67.51
Monthly	9,347.15	9,586.82	9,832.63	10,084.75	10,343.33	10,601.92	10,866.96	11,138.64	11,417.10	11,702.53
Annual	112,165.74	115,041.79	117,991.58	121,017.00	124,120.00	127,223.00	130,403.58	133,663.66	137,005.26	140,430.39

Executive Director										
Hourly	70.10	71.90	73.74	75.64	77.58	79.51	81.50	83.54	85.63	87.77
Monthly	12,151.29	12,462.86	12,782.42	13,110.18	13,446.33	13,782.49	14,127.05	14,480.23	14,842.24	15,213.29
Annual	145,815.46	149,554.32	153,389.05	157,322.10	161,356.00	165,389.90	169,524.65	173,762.76	178,106.83	182,559.50

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

	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10
Assistant/Coordinator/Associate										
Hourly	21.52	22.07	22.63	23.21	23.81	24.40	25.01	25.64	26.28	26.94
Monthly	3,729.51	3,758.03	3,854.39	3,953.22	4,054.59	4,155.95	4,259.85	4,366.35	4,475.51	4,587.39
Annual	44,754.13	45,901.67	47,078.64	48,285.78	49,523.88	50,761.98	52,031.03	53,331.80	54,665.10	56,031.72

Specialist										
Hourly	31.34	32.14	32.97	33.81	34.68	35.57	36.48	37.42	38.35	39.31
Monthly	5,432.01	5,571.29	5,714.14	5,860.66	6,010.93	6,165.06	6,323.14	6,485.27	6,647.40	6,813.59
Annual	65,184.09	66,855.48	68,569.72	70,327.92	72,131.20	73,980.72	75,877.66	77,823.24	79,768.82	81,763.04

Senior Specialist										
Hourly	36.04	36.96	37.91	38.88	39.88	40.90	41.93	42.97	44.05	45.15
Monthly	6,246.81	6,406.98	6,571.26	6,739.76	6,912.57	7,089.82	7,267.06	7,448.74	7,634.96	7,825.83
Annual	74,961.71	76,883.80	78,855.18	80,877.11	82,950.88	85,077.83	87,204.77	89,384.89	91,619.51	93,910.00

Technician										
Hourly	37.04	37.99	38.96	39.96	40.98	42.03	43.11	44.22	45.32	46.46
Monthly	6,419.65	6,584.25	6,753.08	6,926.23	7,103.83	7,285.98	7,472.80	7,664.41	7,856.02	8,052.42
Annual	77,035.74	79,011.02	81,036.94	83,114.81	85,245.96	87,431.76	89,673.60	91,972.92	94,272.24	96,629.05

Senior Technician										
Hourly	42.59	43.68	44.80	45.95	47.13	48.34	49.55	50.79	52.06	53.36
Monthly	7,382.59	7,571.89	7,766.04	7,965.17	8,169.40	8,378.88	8,588.35	8,803.06	9,023.13	9,248.71
Annual	88,591.11	90,862.67	93,192.49	95,582.04	98,032.86	100,546.52	103,060.18	105,636.69	108,277.61	110,984.55

Manager										
Hourly	42.73	43.83	44.95	46.11	47.29	48.50	49.74	51.02	52.30	53.60
Monthly	7,407.28	7,597.21	7,792.01	7,991.81	8,196.73	8,406.90	8,622.46	8,843.55	9,064.64	9,291.25
Annual	88,887.40	91,166.56	93,504.17	95,901.71	98,360.73	100,882.80	103,469.54	106,122.60	108,775.67	111,495.06

Senior Manager										
Hourly	49.14	50.40	51.70	53.02	54.38	55.78	57.17	58.60	60.07	61.57
Monthly	8,518.38	8,736.80	8,960.82	9,190.58	9,426.24	9,667.93	9,909.63	10,157.37	10,411.31	10,671.59
Annual	102,220.51	104,841.55	107,529.79	110,286.96	113,114.84	116,015.22	118,915.60	121,888.49	124,935.70	128,059.09

Director										
Hourly	61.48	63.05	64.67	66.33	68.03	69.73	71.47	73.26	75.09	76.97
Monthly	10,655.75	10,928.97	11,209.20	11,496.62	11,791.40	12,086.19	12,388.34	12,698.05	13,015.50	13,340.89
Annual	127,868.94	131,147.64	134,510.40	137,959.38	141,496.80	145,034.22	148,660.08	152,376.58	156,185.99	160,090.64

Executive Director										
Hourly	79.92	81.97	84.07	86.22	88.44	90.65	92.91	95.24	97.62	100.06
Monthly	13,852.47	14,207.66	14,571.96	14,945.60	15,328.82	15,712.04	16,104.84	16,507.46	16,920.15	17,343.15
Annual	166,229.63	170,491.93	174,863.51	179,347.19	183,945.84	188,544.49	193,258.10	198,089.55	203,041.79	208,117.83

RCEA Salary and Benefit Schedule Update

RCEA Board of Directors

Finance Subcommittee Meeting - May 15, 2023

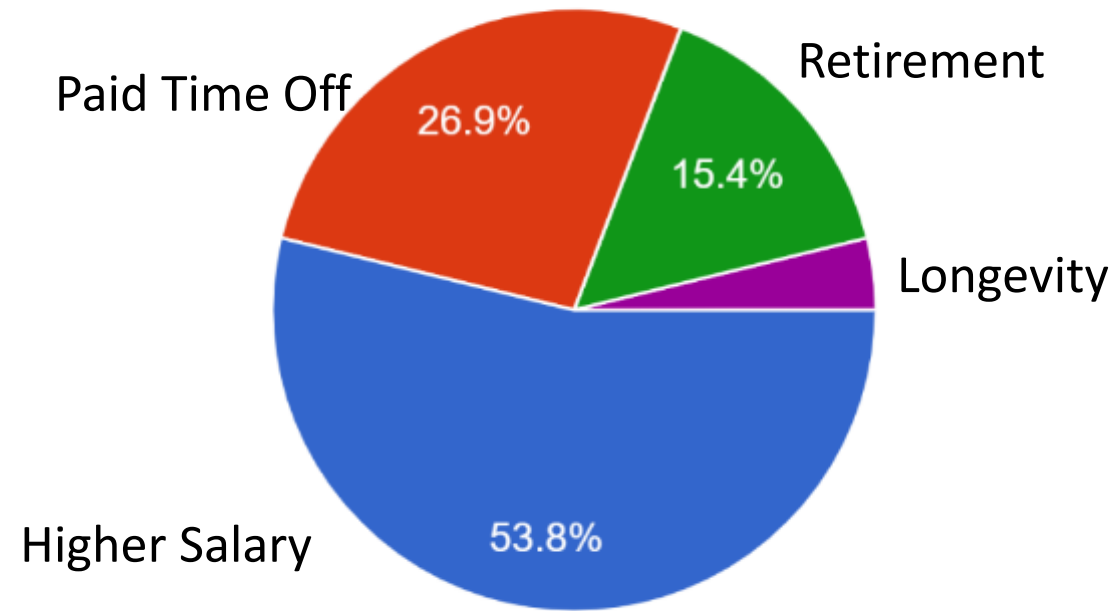
RCEA job classification	Current RCEA pay scale midpoint	2023 Salary survey benchmark positions average midpoint	RCEA percent below benchmarks
Assistant/Associate/Coordinator	\$43,442	\$48,025	11%
Specialist/Senior Specialist	\$68,266	\$73,100	7%
Technician/Senior Technician	\$80,678	\$87,735	9%
Manager/Senior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

(excluding Executive Director position)

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

Employee Survey

26 responses



Salary Adjustment Proposals Presented to the Board Finance Subcommittee

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

Retirement Proposals Presented to the Board Finance Subcommittee

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

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

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

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

Longevity Proposals Presented to the Board Finance Subcommittee

Longevity		
	5 years 2.5%, 10 years 5%, 20 years 7.5%	Flat Rate - 5 years \$1,000, 10 years \$2,500, 15 years \$3,500
	HBMWD's longevity model	RCEA recognizes that using a % of salary benefits higher paid employees more. We recommend a flat rate to provide the same benefit to all employees.
Estimated Annual Cost	\$68,196	\$28,000

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

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

Board Finance Subcommittee

Recommendations:

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

Salary and Benefit Schedule Update

- The Board Finance Subcommittee recommendations are included in the draft FY 23-24 budget.
- The draft FY 23-24 budget estimates a net revenue of \$9.59 million.



STAFF REPORT
Agenda Item # 10.2

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

SUMMARY

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

BUDGET ASSUMPTIONS

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

REVENUES

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

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

- **Non-Government Agencies \$400,000:** Revenue in this category includes this year's share of funding from Pacific Gas & Electric Company's Local Government Partnership Program for energy efficiency programs.
- **Electricity Sales \$98,822,720:** This line item includes electricity sales revenue, excess power generated through RCEA's power purchase agreements that is sold in the energy market, and the value of the energy produced by the Redwood Airport Microgrid. This estimate assumes \$3,545,832 (4% of projected electricity sales) to be uncollectable due to customer non-payment. This line item has a degree of uncertainty and hopefully represents a conservative forecast.

EXPENSES

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

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

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

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

but they will also assist in freeing the finance manager's time to be spent on more complex tasks.

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

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

SUMMARY OF RESERVES

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

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

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

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

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

STAFF RECOMMENDATION

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

Approve:

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

ATTACHMENTS

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

Redwood Coast Energy Authority Fiscal Year 2023-2024 Budget

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

Redwood Coast Energy Authority Fiscal Year 2023-2024 Budget

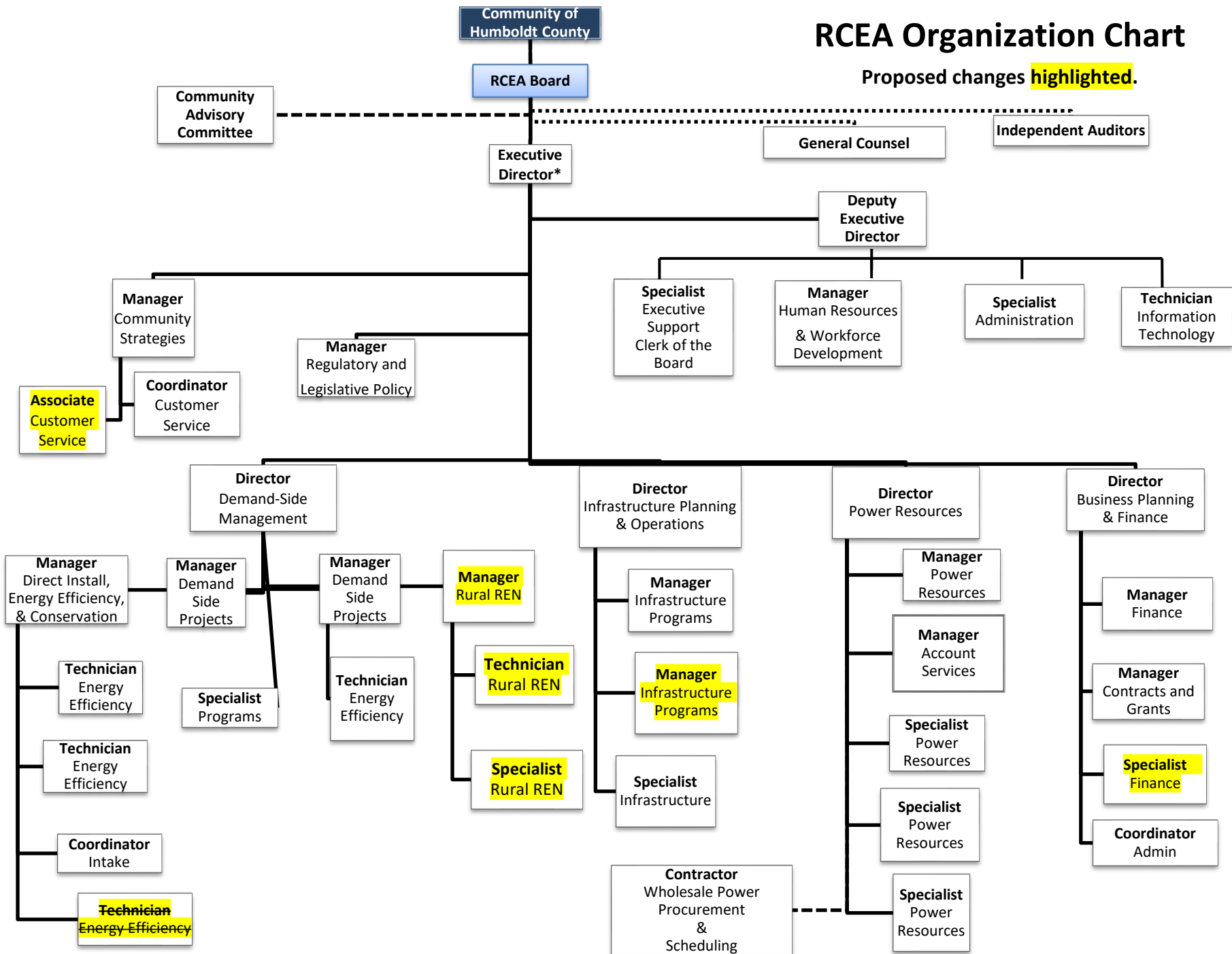
Account	DEMAND-SIDE MANAGEMENT (DSM)				
	RuralREN - Admin	Rural REN - Implementation	PG&E Local Government Partnership Program	RCEA- Administered CPUC Efficiency Program	CCE Customer Programs and Services
Income					
State Contracts	851,465	9,129,235		130,000	
EVSE Network Sales					
Non-government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

Redwood Coast Energy Authority Fiscal Year 2023-2024 Budget

Account	STRATEGIC PLANNING	GENERAL & ADMINISTRATIVE	PROPOSED FISCAL YEAR 2023-2024 BUDGET
Income			
State Contracts			10,641,170
EVSE Network Sales			35,000
Non-government Contracts			400,000
PPA Revenues			13,722,756
Electricity Sales			88,645,796
Uncollectable Accounts			(3,545,832)
Total	-	-	109,898,890
Expense			
WHOLESALE POWER SUPPLY			
Sub-total	-	-	80,348,642
PERSONNEL EXPENSES			
Recruitment Expenses		3,500	3,500
Screening/Testing Services		2,000	2,000
Safety		3,000	3,000
Staff Training, Development & Meetings		30,500	89,550
Full-time Salaries and Benefits	176,056	1,209,463	4,913,443
Part-Time Term Salaries and Benefits	61,880		414,720
Sub-total	237,936	1,248,463	5,426,213
FACILITIES AND OPERATIONS			
Office Supplies and Expenses		15,000	15,500
Furniture & Equipment		6,000	6,000
Information Technology		153,419	371,840
Office Lease		128,064	128,064
Utilities		32,403	32,403
Alarm Service		2,740	2,740
Janitorial		14,000	14,000
Facility Repairs & Maintenance		12,000	18,750
EV Station Repairs & Maintenance			13,505
Insurance P&L		84,188	84,188
Dues & Memberships	3,000	12,000	95,884
Mileage reimb for empl & volunt	100	100	8,305
Capital Improvements: EV Station Equip			451,610
New Building Development		500,000	500,000
Professional Services-Admin		20,000	20,000
Sub-total	3,100	979,915	1,762,790
COMMUNICATIONS AND OUTREACH			
Sub-total	20,000	41,750	622,590
PROFESSIONAL & PROGRAM SRVS			
Regulatory			205,000
Contracts - Program Related Ser	200,000		8,080,900
Accounting		191,000	191,000
Legal		40,000	195,000
Wholesale Services - TEA			766,853
Procurement Credit - TEA			635,821
Data Management - Calpine			887,187
Sub-total	200,000	231,000	10,961,761
PROGRAM EXPENSES			
PG&E CCA Billing Franchise Fees			270,014
EV Site Host Pmts			20,000
Sub-total	-	-	290,014
INCENTIVES & REBATES			
Efficiency Measures			440,000
EV & EVSE			90,000
E-Bike			61,500
Sub-total	-	-	591,500
NON OPERATING COSTS			
Sub-total	-	3,500	304,500
Total Expense	461,036	2,504,628	100,308,010
Net Income - Reserve Fund Contribution	(461,036)	(2,504,628)	9,590,880

RCEA Organization Chart

Proposed changes **highlighted**.



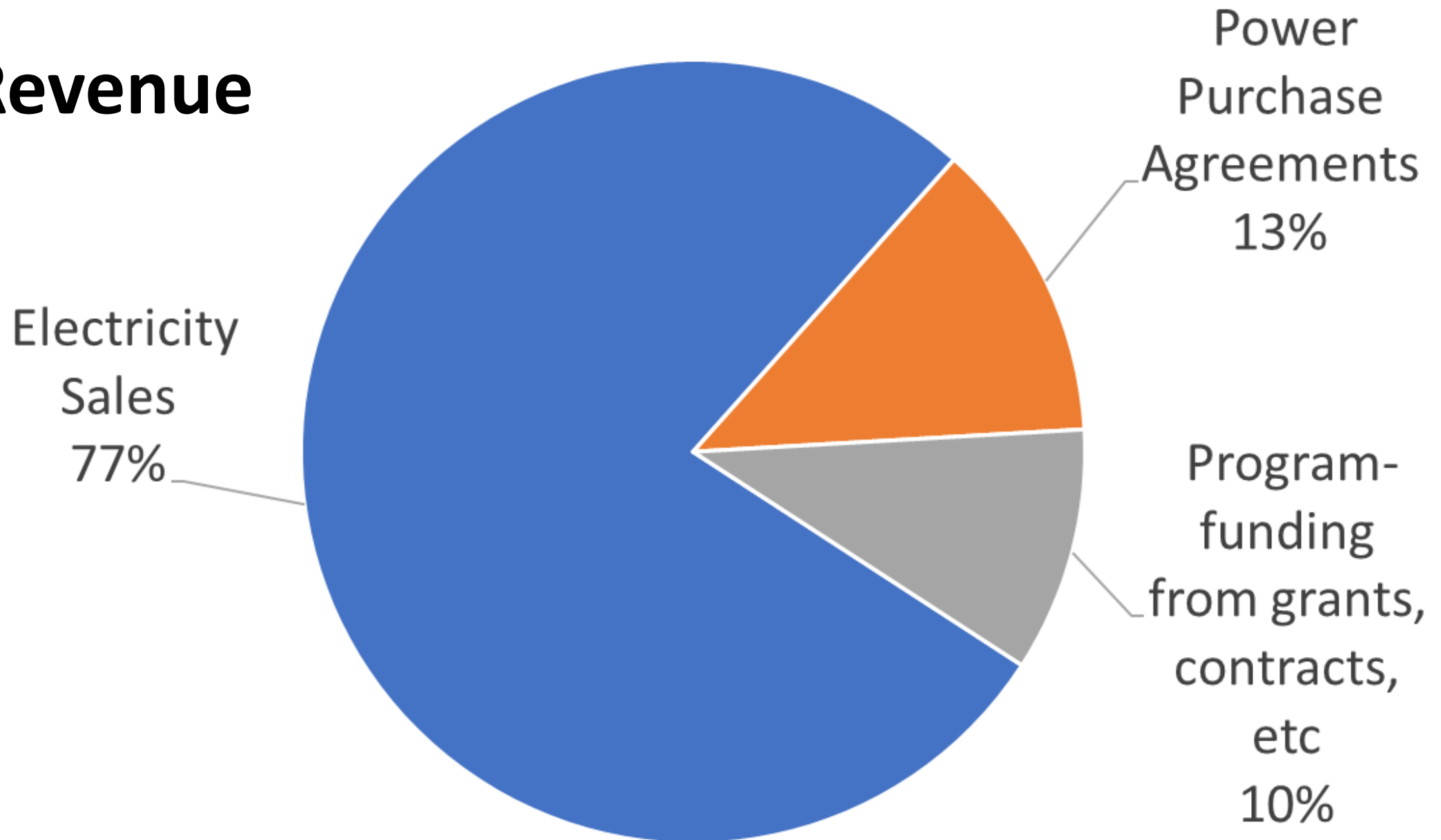
*Executive Director may approve the hiring of part-time, intern and limited-term positions if they fit within the Board adopted total personnel budget.

Fiscal Year 2023-24 Preliminary Draft Budget Overview

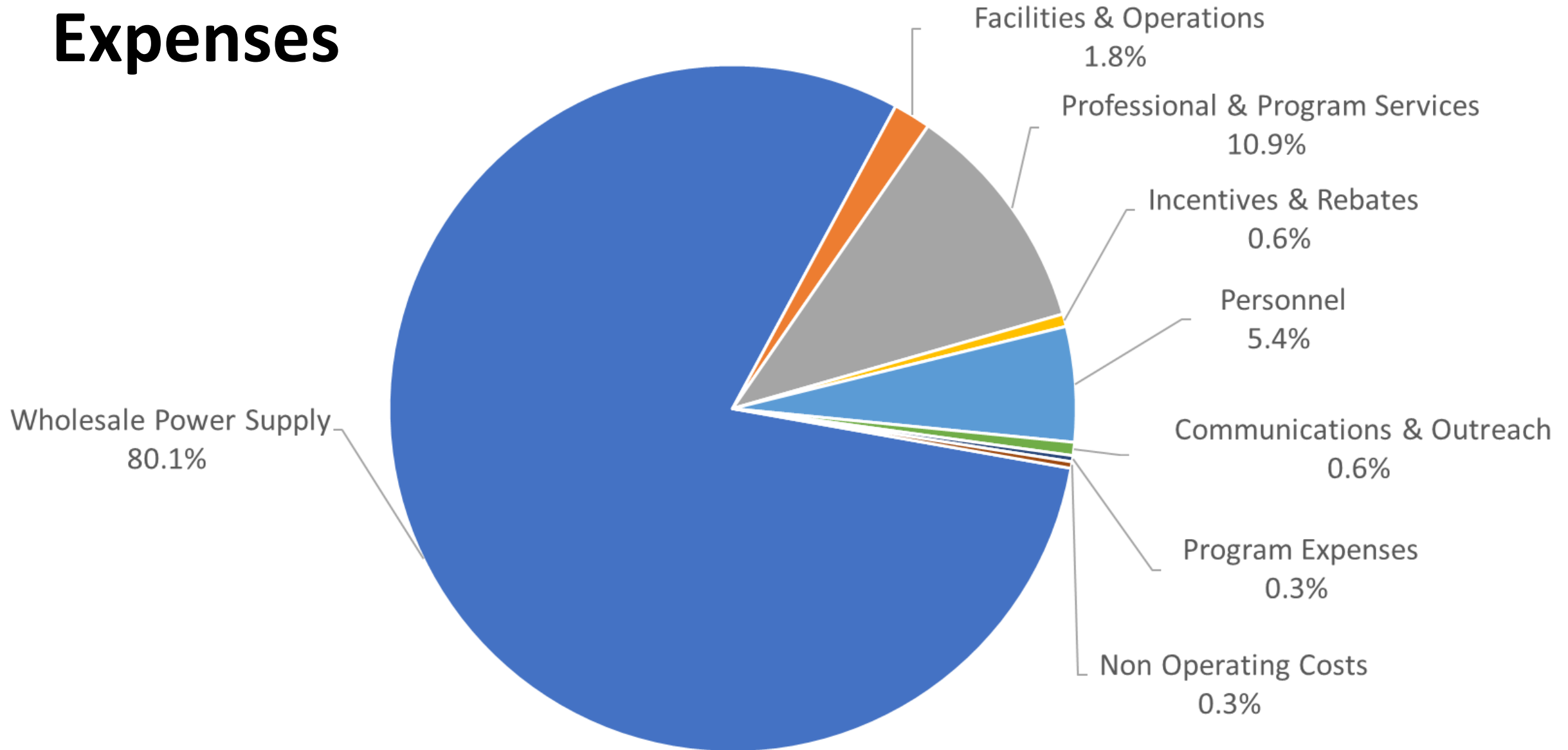
Assumptions: **Energy Sales & Supply**

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

Revenue



Expenses



Rural REN Implications FY 2023-2024

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

Changes/Highlights: **Personnel**

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

Changes/Highlights: **Other**

- \$500,000 budgeted for building development.
- \$200,000 budgeted for local electric grid assessment and analysis.
- Maintains 0.5% retail rate discount. As of January 2023, RCEA has provided \$6.2M in cumulative rate payer savings.

Revenue

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

Expenses

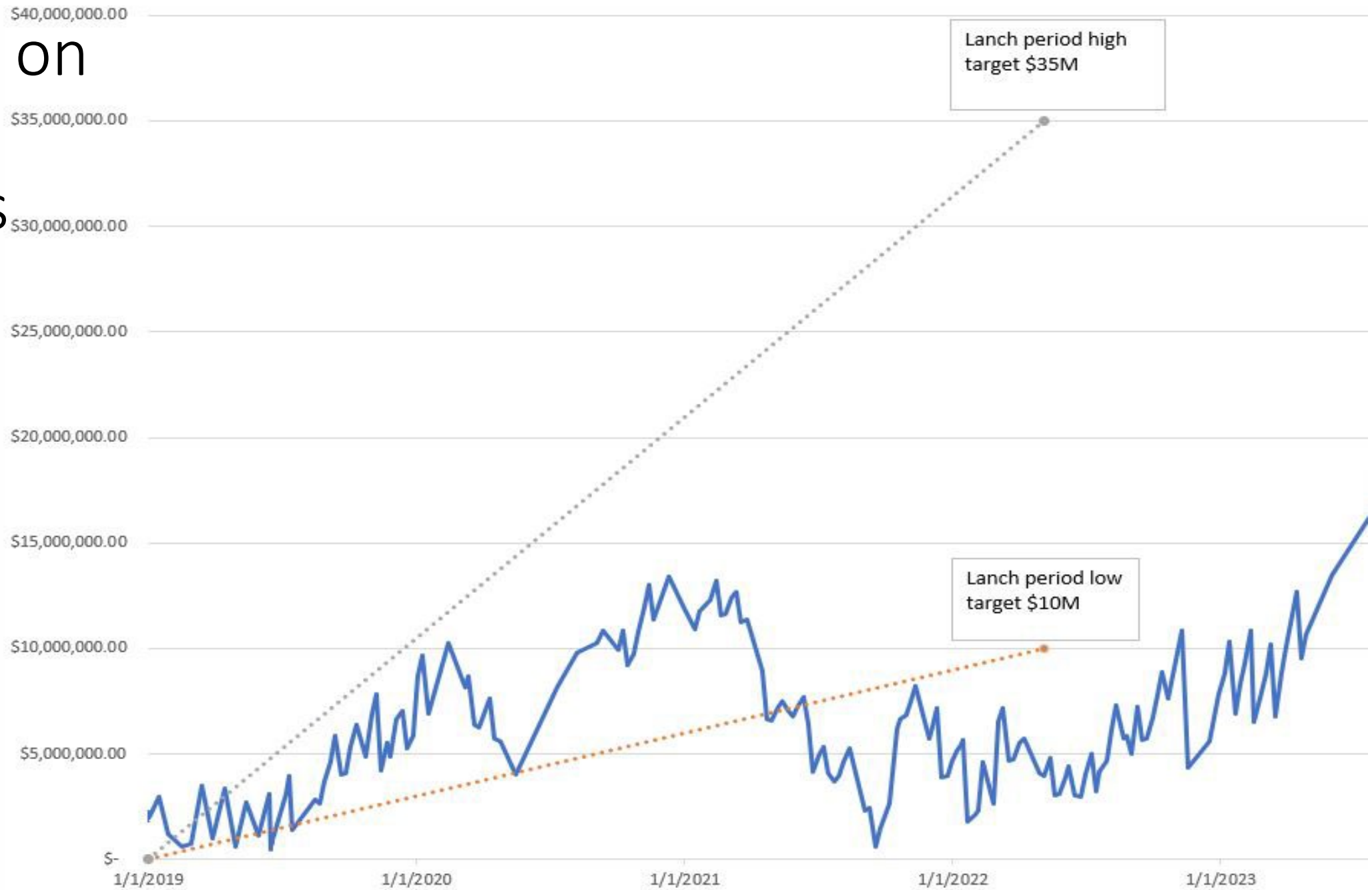
	Current Budget	FY23-24 Draft	
Wholesale Power Supply	\$54.4M	\$80.3M	Market price increases, Sandrini delay
Personnel	\$4.1M	\$5.4M	Proposed compensation updates & new positions, standard merit increases
Facilities and Operations	\$977K	\$1.8M	EV charging station network expansion, \$500K for RCEA office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

Preliminary Bottom-line

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

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

Progress on Building Reserves



Next Steps

- *Finance Committee reviews, provides recommendation (done)*
- *Board provides input/direction on draft at May meeting (today)*
- Staff will refine and finalize proposed budget
- **Optional second Finance Subcommittee meeting for additional review/input if needed**
- Final proposed budget presented to Board June 22



REDWOOD COAST **Energy**Authority

STAFF REPORT Agenda Item # 11.1

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

SUMMARY

Executive Director Matthew Marshall will provide updates on:

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

RECOMMENDED ACTION

None. (Information only.)

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