



## **BOARD FINANCE COMMITTEE** **DRAFT MEETING MINUTES**

**Monday, May 12, 2025**  
**11 a.m.**

Notice of this meeting was posted on May 8, 2025. Executive Director Elizabeth Burks called a regular meeting of the RCEA Board Finance Committee to order on the above date at 11 a.m. COMMITTEE MEMBERS PRESENT: Chair Michael Gerace, Skip Jorgensen, Jason Ramos, Frank Wilson. ABSENT: Scott Bauer. STAFF PRESENT: Executive Director Elizabeth Burks; Business Planning and Finance Director Lori Biondini; Deputy Executive Director Eileen Verbeck; Board Clerk Lori Taketa.

### **ORAL AND WRITTEN COMMUNICATIONS**

No written public comments were submitted. No member of the public was present.

### **APPROVAL OF MINUTES**

Confirming there were no public comments, Executive Director Burks closed the public comment period.

**M/S: Jorgensen, Wilson: Approve minutes of February 6, 2025, Board Finance Committee meeting.**

**The motion passed with the following vote. Ayes: Gerace, Jorgensen, Wilson. Noes: None. Absent: Bauer. Abstention: Ramos.**

### **NEW BUSINESS – Fiscal Year 2025-26 Draft Budget Discussion**

Executive Director Burks described priorities shaping next fiscal year's draft budget:

1. Increasing internal operations effectiveness as roughly half of RCEA's staff have joined the agency over the last three years. Adopting appropriate organizational tools can increase efficiency. Meeting reserve fund goals will reduce operation costs.
2. Prioritizing exceptional delivery of projects to which RCEA has already committed.
3. Strategically planning for RCEA's future work by reaching out to and hearing from more people in the community to assess needs and budgeting carefully for future initiatives.

Director of Business Planning and Finance Director Biondini presented the proposed budget. The \$5 million projected revenue is lower than this fiscal year's \$13.8 million revenue. Projected revenues for the 26-27 and 27-28 fiscal years are negative. Staff propose putting all 25-26 projected revenue toward the agency Reserve Policy goal.

Staff drafted the proposed 25-26 budget maintaining the current 0.5% PG&E rate discount and reinstating RCEA's renewable energy targets in 2026. The proposed budget reflects Northern Rural Energy Network revenues and pass-through funds for partner agency program implementation, and an increase in the communications and outreach budget to prepare for RCEA's potential shift to cost of service rate setting. This significant change requires communication with much broader segments of the community. The budget also includes unfreezing four staff positions, a 6% staff cost of living salary increase, and an office building consultant feasibility study. External funding (non-RCEA electricity sales revenue) will cover \$2.2 million in personnel costs, over \$577,000 in operations costs, \$6.4 million in professional and program services costs, and \$1.5 million in incentives and rebates.

The directors expressed concern that RCEA would lose customers if rates are higher than PG&E's, a desire to outdo PG&E's incentives and rebates programs, and concern over how high electricity bills are affecting low-income community members. The members requested advocacy for and a presentation on regional grid development. The group discussed how:

- unpaid customer accounts, many of which belonged to cannabis customers, doubled in the last year
- RCEA customers can talk directly to Board members, access that is very difficult for PG&E customers
- fully-funded reserves and long-term power purchase agreements such as with the Sandrini solar and battery storage project in Kern County help stabilize rates
- new renewable energy project development costs have increased drastically
- the Board has the option to accept the Diablo Canyon carbon-free attribute allocation once for the remaining five years of scheduled operation.

The committee members supported the staff's proposed fiscal year 2025-26 budget.

## **FUTURE MEETING DATES**

Deputy Executive Director Verbeck asked that the committee members be prepared to schedule a second draft budget meeting in June, should the full Board request it at the May 22 meeting.

Executive Director Burks adjourned the meeting at 12:36 p.m.

Lori Taketa  
Clerk of the Board