Board of Directors Meeting Minutes

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

Thursday, June 25 2026
3:30 PM

Attendance

Present

Natalie Arroyo (Alt. Director)	Meredith Matthews (Alt. Director)
Scott Bauer (arrived 3:40 p.m.)	Elise Scafani
Carlos Diaz	Jack Tuttle
Michael Gerace, Chair	Frank Wilson
Skip Jorgensen	

Absent

Jason Ramos	

Staff and Others Present

Name	Title
Ken Beals	Information Technology Technician
Lori Biondini	Business Planning & Finance Director
Douglas Bird	Chapman & Cutler, LLP
Elizabeth Burks	Executive Director
Faith Carlson	Regulatory & Legislative Manager
Nancy Diamond	RCEA Legal Counsel
Michael Fleishman	Public Sector & Infrastructure Investment Banking, Goldman Sachs
Jocelyn Gwynn	Power Resources Senior Manager
Tyler Noble	MG Advisory Group

Lori Taketa	Board Clerk
Eileen Verbeck	Deputy Executive Director

Open Session (Call to Order)

Chair Gerace called a meeting of the Board of Directors of the Redwood Coast Energy Authority to order at the above location and date at 3:36 p.m. Notice of this meeting was posted on June 18, 2026.

4. Staff Reports

4.1. Executive Director's Report

Executive Director Burks participated remotely from the California Climate and Energy Collaborative Forum, where the Northern Regional Energy Network was recognized for its decarbonization efforts. To date, NREN has prevented the release of more than 138,000 pounds of carbon into the atmosphere. Board members Arroyo, Bauer and Scafani volunteered to provide feedback to the California Public Utilities Commission on how to measure success in regional energy efficiency and market development programs. Executive Director Burks outlined the past month's community outreach efforts.

5. Consent Calendar

5.1. Adopt Minutes of May 28, 2026, RCEA Board of Directors Meeting.

5.2. Approve Disbursement Report for April 2026, and Financial Reports for This Fiscal Year Through April 2026.

5.3. Receive Regulatory and Legislative Policy Platform Engagement Report.

5.4. Receive Proposed Amendments to the Redwood Coast Energy Authority Conflict of Interest Code Due to Changed Board Membership and Agency Reorganization.

5.5. Approve the Updated Compensation Policy, Employee Performance Review Policy, and Anti-Harassment Policy and Transfer Authority for Future Updates and Approval of the Employee Performance Review Policy and Anti-Harassment Policy to the Executive Director.

5.6. Approve the General Counsel, Director of Engagement and Regional Climate Planning and Accounting Manager Job Descriptions.

Staff requested item 5.4 be removed from the Consent Calendar. There were no other requests for consent calendar item removal.

M/S: Diaz, Jorgensen: Approve all Consent Calendar items except item 5.4.

The motion passed with a unanimous voice vote. Ayes: Arroyo, Bauer, Diaz, Gerace, Jorgensen, Matthews, Scafani, Tuttle, F. Wilson. Noes: None. Absent: Ramos. Abstain: None.

6. Items Removed from Consent Calendar

Staff reported that clerical errors in the amended draft Conflict of Interest Code would be corrected and brought back for Board consideration in the July Consent Calendar.

Community Choice Energy (CCE) Business

7. Old CCE Business

7.1. Energy Risk Management Semi-Annual Report

Power Resources Director Engel and Business Planning and Finance Director Biondini gave a financial report highlighting challenges in the coming fiscal year. Financial modeling projects a $15.5 million revenue shortfall if no changes are made to current operations. Major factors contributing to the shortfall include PG&E's large electricity generation rate reduction, which RCEA's rate was kept below to remain competitive, and the large Power Charge Indifference Adjustment (PCIA) increase which PG&E collects. Staff updated the Board on regulatory and legislative efforts to address the PCIA's negative impact on customer electricity bills.

Proposed measures to address the shortfall include prepayment of power purchase agreements, which could yield savings of up to $4.7 million annually, elimination of COLA salary increases for two years and freezing selected staff vacancies, and realization of reserve investment income and tax credits for the Redwood Coast Airport Microgrid. To meet the Board's previously suggested target of 160 days of operating expenses as a cash reserve, however, a rate increase is needed to maintain operations. Staff proposed a 12.5% increase limited to the electricity generation portion of electricity bills to provide financial stability through 2027 to meet this reserve target.

The group discussed the feasibility of lower rate increases, delayed implementation and a smaller cash reserve that would still allow RCEA to avoid energy trading transaction fees and additional CPUC regulatory requirements. Staff reminded the Board that RCEA reserves were depleted once during COVID. At that time, RCEA was able to remain in operation thanks to a loan from Blue Lake Rancheria and a short-term energy product transaction with a sister CCA.

The board expressed a preference for maintaining at least 130 days of operating costs as a reserve through a rate increase lower than 10%, and concerns about customer reaction to any rate increase. The group agreed on the importance of clear communication about the value of RCEA's services to customers, including the importance of maintaining renewable energy portfolio standards and local control.

M/S: Arroyo, Scafani: Accept Energy Risk Management Semi-Annual Report.

The motion passed with a unanimous voice vote. Ayes: Arroyo, Bauer, Diaz, Jorgensen, Matthews, Scafani, Tuttle, F. Wilson. Noes: None. Absent: Ramos. Abstain: None. Non-Voting: Gerace.

End of CCE Business | Resume RCEA Board Business

10. New Business

10.1. Power Purchase Agreement Prepayment and Bond Financing

Power Resources Director Engel presented a power purchase agreement prepayment and bond financing proposal in partnership with Desert Community Energy. The joint prepayment mechanism could achieve a minimum of 8% and maximum of 14% annual savings on long-term power contracts through municipal bond leverage. CCA prepayments have consistently delivered double-digit savings to CCAs since 2021. There were no public comments on this agenda item.

M/S: Scafani, Arroyo: Authorize the following steps to establish pre-payment bond financing:

Authorize the Executive Director to take the necessary steps to finalize and execute Limited Assignment Agreements (LAAs) among RCEA, J. Aron & Company (a subsidiary of Goldman Sachs), and four sellers identified in existing Power Purchase Agreements (EDP Renewables, Humboldt Sawmill Company, Radial Power and Renewable Properties);

Adopt Resolution No. 2026-8 authorizing the execution and delivery of a Clean Energy Purchase Contract and certain other documents in connection with the issuance of California Community Choice Financing Authority Clean Energy Project Revenue Bonds; and certain other actions required to ensure the reduction in the cost of renewable energy therewith; and

Authorize the Executive Director to take any further steps necessary to fully execute the pre-pay transaction.

The motion passed with a unanimous voice vote. Ayes: Arroyo, Bauer, Diaz, Gerace, Jorgensen, Matthews, Scafani, Tuttle, F. Wilson. Noes: None. Absent: Ramos. Abstain: None.

10.2. RCEA Annual Budget

Staff presented the proposed annual budget focusing on maintaining a 100% renewable energy portfolio and financial viability, with the previously proposed rate increase to address the budget deficit and maintain a 160-day cash reserve. The proposed budget's cost-saving measures include freezing positions, reducing external consultant costs, and slightly reducing transportation program funding, while adding a general counsel position. Investment income and tax credits were included as income for the first time. There were no public comments on this agenda item.

M/S: Arroyo, Jorgensen: Adopt the recommended RCEA Fiscal Year 2026-2027 annual budget and direct staff to present the Board with a revised FY 26-27 budget for approval in July with a rate increase of no higher than 10% that maintains a minimum of 130 days of operating budget as a reserve.

The motion passed with a unanimous voice vote. Ayes: Arroyo, Bauer, Diaz, Gerace, Jorgensen, Matthews, Scafani, Tuttle, F. Wilson. Noes: None. Absent: Ramos. Abstain: None.

10.3. 2026 California Public Utility Commission Integrated Resource Plan Portfolio Options

Power Resources Senior Manager Gwynn reported on the 2026 California Public Utility Commission Integrated Resource Plan (IRP). RCEA must submit an IRP in August to meet compliance and planning requirements and meet greenhouse gas emissions and load forecasting benchmarks for the next 20 years. The board was asked for feedback on portfolio options for incorporation into the final submission. The IRP which RCEA submits is not binding but helps the California Independent Systems Operator plan for transmission development.

The board discussed two portfolio options: a policy portfolio and an economic portfolio. The policy portfolio included enhanced geothermal and offshore wind resources, while the economic portfolio focused on more cost-effective options.

The following community members submitted comments opposing the inclusion of biomass in RCEA's power procurement portfolio after Humboldt Sawmill Company's power purchase agreement ends in 2031:

Paula Rhude, Eureka resident
Sue Hilton, Arcata resident
Patty Harvey and Corinne Frugoni of the Humboldt Chapters of HCA-CA and PNHP
Caroline Isaacs, RCEA REpower+ customer
Sue Lee Mossman, Trinidad resident
Martha Walden, Dan Chandler and Nancy Ihara, 350 Humboldt Steering Committee
Jerry Martien, Elk River resident
Lynda McDevitt
Walter Paniak, Arcata resident
Diane Korsower, Arcata resident
Carol Mone, Trinidad resident

Chair Gerace closed the public comment period and noted that the Yurok Tribe opposes offshore wind development in its sovereign and ancestral waters. The board discussed concerns about the biomass facility's future and potential impacts on local health. Staff will proceed with modeling based on the board's feedback and prepare a draft IRP report for Board approval in July. Staff will submit a finalized plan to the CPUC in early August.

M/S: Arroyo, Scafani: Direct staff to advance the policy portfolio as presented for RCEA's 2026 Integrated Resource Plan submission to the California Public Utilities Commission.

The motion passed with the following voice vote. Ayes: Arroyo, Bauer, Diaz, Jorgensen, Matthews, Scafani, Tuttle, F. Wilson. Noes: Gerace. Absent: Ramos. Abstain: None.

11. Future Agenda Items

Director Arroyo requested a staff report on the Geysers geothermal field and local development possibilities with new geothermal technology.

Chair Gerace adjourned the meeting at 6:36 p.m.

Lori Taketa
Clerk of the Board