

**San Joaquin Valley Power Authority**  
**Minutes**  
**Regular Board Meeting**  
**May 31, 2007**

**Minutes** of the Regular Meeting of the Board of Directors (Board) of the San Joaquin Valley Power Authority (Authority) held May 31, 2007.

Authority Board Chair Thomas Haglund (City of Hanford) called the meeting to order at 2:00 PM.

**ROLL CALL**

Board Chair Haglund requested the official roll call of Authority Board Members.

**MEMBERS PRESENT**

CITY OF CLOVIS

Alternate Director Robert Ford

CITY OF CORCORAN

Director Ron Hoggard

CITY OF DINUBA

Alternate Director Dan Meinert

CITY OF FRESNO

Alternate Director Rene Ramirez

CITY OF HANFORD

Director Thomas J. Haglund

CITY OF KERMAN

Director Ron Manfredi

CITY OF KINGSBURG

Director Don Pauley

KINGS COUNTY

Director Larry Spikes

CITY OF LEMOORE

Director John Tyler

CITY OF PARLIER

Director Lou Martinez

CITY OF REEDLEY

Alternate Director Rocky Rogers

CITY OF SANGER

Alternate Director John Mulligan

CITY OF SELMA

Absent

Donna Pepper, Kings River Conservation District (KRCD), reported twelve (12) of the

thirteen (13) Authority Member Agencies were present for a total of 95.10% voting shares under the Joint Powers Agreement.

### **OTHERS PRESENT**

Jeff Adolph, Pacific Gas and Electric  
Marc Benjamin, Fresno Bee  
Scott Blaising, Braun & Blaising, P.C  
Bill Delain, Southern California Edison  
Brian Haddix, Tulare County  
Jane Luckhardt, Downey, Brand, Seymour and Rohwer, LLP  
Cam Maloy, Pacific Gas & Electric  
Patrick Mealoy, Navigant Consulting Inc.  
Anna Miller, Kings River Conservation District  
John Murray, City of Lemoore  
David Orth, Kings River Conservation District  
Donna Pepper, Kings River Conservation District  
Randy Shilling, Kings River Conservation District  
Cristel Tufenkjian, Kings River Conservation District

### **ADDITIONS TO OR DELETIONS FROM THE AGENDA**

There were no additions to or deletions from the agenda.

### **PUBLIC PRESENTATIONS**

There were no public presentations.

### **APPROVAL OF MINUTES**

It was moved by Director Rene Ramirez, City of Fresno, seconded by Director Lou Martinez, City of Parlier, and approved on a voice vote (voting shares: 95.10% approved, 4.90% absent, 0% opposed) to adopt the Minutes of the April 26, 2007 Authority Board Workshop and May 3, 2007 Authority Board Meeting as distributed.

### **REPORT FROM THE DIRECTORS**

Vice Chair Ron Manfredi, City of Kerman, reported he had received notice of a workshop to be held on May 31, 2007 presented by Pacific Gas and Electric Company (PG&E) that included the San Joaquin Valley Power Authority (Authority). Mr. Manfredi stated as Vice Chair he was unaware of any scheduled workshop or meeting and asked for clarification. Mr. David Orth, KRCD, reported he had received a telephone message on May 25, 2007 at 3:45 P.M. from a PG&E representative asking Kings River Conservation District (KRCD) to attend a joint workshop for local government officials to discuss KRCD's Community Choice Aggregation (CCA) program. Mr. Orth stated he returned the phone call and explained to the PG&E representative that is not KRCD's CCA program but the adopted program of the San Joaquin Valley Power Authority; therefore, the proper recognition and invitation should be offered to the Authority. Mr. Orth further stated to the PG&E representative he would present the workshop to the Authority at which time he conferred with the Authority Board Chair. Mr. Orth reported the following Tuesday, May 29<sup>th</sup> he received a copy of the workshop notice and on May 30<sup>th</sup> he received an agenda for the workshop. Mr. Manfredi asked Board Chair, Mr. Haglund, if he had

arranged with PG&E for this workshop. Mr. Haglund stated he had no prior discussion or knowledge of the workshop until he received the notice on Tuesday May 29, 2007. Mr. Manfredi spoke to the audience and specifically addressed Ms. Cam Maloy, PG&E, stating he felt an exchange of ideas was a great suggestion but the method of notice was highly irregular and unprofessional when dealing with the public sector. Ms. Cam Maloy apologized for any misunderstanding. Mr. Brian Haddix, County of Tulare, inquired if there was a concern of a possible violation of the Ralph M. Brown Act, Government Code section 54950 if the Board Authority attended the workshop. Mr. Haglund stated that in order to abide by the Ralph M. Brown Act immediate steps had been taken to Notice a Special Meeting by the Authority. Alternate Director Robert Ford, City of Clovis stated that members of his City Council received the workshop notice and approached him with questions before he had knowledge of the notice which made it very awkward for him as a member of the Authority to respond. Director Don Pauley, City of Kingsburg, and Director John Tyler, City of Lemoore, Alternate Director Robert Ford, City of Clovis stated their City Councils had all scheduled and invited KRCD, the Authority, and PG&E to a workshop to discuss the PA1 and the Implementation Plan (IP) prior to the PG&E workshop notice being issued therefore it was unclear why this workshop was necessary. Chair Haglund recognized that many of the city councils had scheduled workshops prior to the notice of the PG&E workshop. Chair Haglund then asked for any other comments and proceeded with the Agenda.

There were no other Directors reports.

## **KINGS RIVER CONSERVATION DISTRICT REPORT**

David Orth, Kings River Conservation District (KRCD), provided a status report on various activities KRCD has been actively engaged in as agent for the Authority. Mr. Orth provided an overview of topics that were further discussed by representatives of Navigant Consulting Inc. (NCI), and Scott Blaising, Braun & Blaising, P.C., which included the following:

Program Agreement 1: Mr. Orth reported that Program Agreement 1 (PA1) was approved by the Authority at the May 3, 2007 Regular Board Meeting. It was presented in final form to the members May 4, 2007 which began the 90 day process for review and response by each of the member agencies. Mr. Orth stated that workshops and action items at City Council meetings are schedule through June 26<sup>th</sup>, 2007 with each of the thirteen member agencies and Tulare County as the potential fourteenth member. Mr. Orth further reported the City of Hanford, City Kerman, and Kings County have all taken action to approve PA1.

Application for Certification (AFC): Mr. Orth reported on the status of completing the AFC for the KRCD Community Power Plant and filing of the AFC with California Energy Commission (CEC) in May 2007. Mr. Orth anticipates receiving data adequacy determination from the CEC approximately two (2) to three (3) months thereafter, with a Permit to Proceed to be issued to the Authority as early as July 2008.

Regulatory Update: Mr. Scott Blaising, Braun & Blaising, P.C reported as an overview, a letter had been received by KRCD from California Public Utilities Commission (CPUC) acknowledging certification of the Implementation Plan (IP) submitted by the Authority and KRCD. Mr. Blaising noted this is the first and only IP submitted to the CPUC in the State of California at this time and should be considered a milestone to the Authority Members.

Service Agreement Negotiations with PG&E and SCE: Mr. Blaising provided a status report of the Service Agreement negotiations with PG&E and SCE. Mr. Blaising reported the investor owned utilities (IOU) have been requested to supply a Specialized Service Agreement (SSA) which is necessary to reflect the proposed phase-in of the IP and any potential costs associated with that phase-in. Mr. Blaising requested the IOU submit the SSA no later than the second week in June 2007.

Letter of Agreement with Citigroup Energy Inc.: Mr. Patrick Mealoy, Navigant Consulting, Inc. (NCI) reported on the status of the development of the term sheet with Citigroup and Citigroup Energy Inc., which has been identified as the entity with which KRCD would negotiate the full requirements electrical supply component of this program. A Letter of Agreement (LOA) had been developed which frames the general intent of the relationship and that LOA has been executed by the KRCD Board of Directors. Mr. Mealoy further stated the draft term sheet is expected to be finalized in the weeks to come.

Data Management Vendor: Mr. Mealoy reported the Data Management Vendor (Vendor) will collect meter data from the IOUs, review the data, apply the Authority's rates and return the data within twenty-four (24) hours to the IOUs for direct billing of CCA customers. The Vendor will also provide daily cash flow updates to the Authority and provide a customer call center. Mr. Mealoy reported the preferred Vendor has been identified as Sempra Energy Solutions, and negotiations on final contract terms are expected to be concluded soon.

Request For Proposals (RFP) for Renewable Energy Supply: Mr. Orth reported the CCA Program will be required to at least meet the State's renewable portfolio standards (RPS) of twenty (20) percent of energy consumed by 2010. Mr. Orth reported that KRCD had issued an RFP for up to 400 MW of eligible renewable resources that could be brought on-line between 2008-2010, and May 24, 2007 was the deadline for receiving proposals. Mr. Mealoy reported there have been over 400 MW proposed in the service areas of the Authority members and an additional 1000 MW proposed outside the service area. Mr. Mealoy further reported the response to the RFP confirms the interest in the CCA program and in providing an opportunity for local economical development in the Valley.

Financial: Mr. Orth presented a SJVPA Statement of Revenues and Expenditures for the period January 1, 2007 through May 31, 2007.

### **LETTER OF SUPPORT FOR THE SAN JOAQUIN VALLEY CLEAN ENERGY ORGANIZATION (SJVCEO)**

Board Chair Haglund requested discussion from Board members regarding authorizing the Board Chairman to execute a Letter of Support for the San Joaquin Valley Clean Energy Organization. This organization is intended to help the Valley address its economic, environmental, and growth challenges through increased use and reliance on clean energy (that is, energy efficiency and renewable energy sources). The SJVCEO will build upon existing efforts and serve as a trusted resource on clean energy for San Joaquin Valley businesses, consumers, non-profits, and local governments.

Upon further discussion, it was moved by Director Don Pauley, City of Kingsburg, seconded by Alternate Director Rocky Rogers, City of Reedley, and approved on a voice vote (voting shares: 95.10% approved, 4.90% absent, 0% opposed) to authorize Chair Tom Haglund, City of Hanford to execute a Letter of Support for the San Joaquin Valley Clean Energy

Organization.

Chair Haglund further requested a member of the Authority to serve as a voting member of the SJVCEO. Director John Tyler, City of Lemoore volunteered to represent the SJVPA as the voting member in the SJVCEO.

Upon further discussion, it was moved by Director Larry Spikes, Kings County, seconded by Vice Chair Ron Manfredi, City of Kerman, and approved on a voice vote (voting shares: 95.10% approved, 4.90% absent, 0% opposed) approving Director John Tyler, City of Lemoore as an Authority representative for the San Joaquin Valley Clean Energy Organization.

**CONSIDERATION OF THE TERMS AND CONDITIONS FOR THE INCLUSION OF TULARE COUNTY AS AN AUTHORITY MEMBER PURSUANT TO RESOLUTION 07-03**

Mr. Scott Blaising reported on the analyses described in Resolution 07-03 regarding conditions in Paragraphs 2.b. and 2.c. of Resolution 07-03 for the inclusion of Tulare County as an Authority member pursuant to Section 3.1 of the JPA. Mr. Blaising further reported each of the four (4) conditions has been satisfied. Mr. Blaising stated on April 10, 2007, the Tulare Board adopted Resolution 2007-0195 by which the Tulare Board requested that Tulare County be considered for membership in the Authority, and implements a CCA program. Navigant Consulting Inc. (NCI) and CPUC staff had consulted and concluded on May 23, 2007 that there is no impact and addition of Tulare County will not adversely affect or delay the Authority's initiation of its CCA program along the timeline described in the Implementation Plan. NCI and Citigroup have consulted and performed necessary analysis to conclude there is no adverse affect on the initial projected rates under the Authority's CCA program.

It was moved by Director Don Pauley, City of Kingsburg, seconded by Vice Chair Ron Manfredi, City of Kerman, and approved on a voice vote (voting shares: 95.10% approved, 4.90% absent, 0% opposed) the Terms and Conditions for the inclusion of Tulare County as an Authority Member pursuant to Resolution 07-03 have been satisfied therefore including Tulare County as the fourteenth member of the San Joaquin Valley Power Authority.

**NEXT MEETING DATE**

The Authority Board established the fourth (4<sup>th</sup>) Thursday of every month at 2:00 P.M as the standard meeting date and time. The next meeting to be is June 28, 2007 at 2:00 P.M.

**CLOSED SESSION**

Pursuant to Government Code Section 54956.9 (b), the Authority Board adjourned to Closed Session to confer with Legal Counsel on threatened or anticipated litigation, related to proceedings before the California Public Utilities Commission related to the Authority's Community Choice Aggregation Implementation Plan.

**RECONVENE TO OPEN SESSION**

The Board reconvened into Open Session at 3:43 P.M.

**ADJOURNMENT:**

There being no further business, Board Chair Haglund adjourned the meeting at 3:45 P.M.

Respectfully submitted,

Secretary

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