

**San Joaquin Valley Power Authority
Minutes
Regular Board Meeting
January 28, 2010**

Minutes of the January Regular Meeting of the Board of Directors (Board) of the San Joaquin Valley Power Authority (Authority) held January 28, 2010, at the offices of Kings River Conservation District, Fresno, California.

Authority Board Chairman Ron Manfredi, City of Kerman, called the meeting to order at 2:00 p.m.

ROLL CALL

Chairman Manfredi requested the clerk call the official roll of Authority Board Members.

MEMBERS PRESENT

CITY OF CLOVIS

Alternate Director Robert Ford

CITY OF DINUBA

Alternate Dan Meinert

CITY OF HANFORD

Director Gary Misenhimer

CITY OF KERMAN

Director Ron Manfredi

CITY OF KINGSBURG

Director Don Pauley

KINGS COUNTY

Director Larry Spikes

CITY OF LEMOORE

Director Jeff Briltz

CITY OF PARLIER

Director Lou Martinez

CITY OF REEDLEY

Director Rocky Rogers

CITY OF SANGER

Absent

CITY OF SELMA

Absent

Donna Pepper, Kings River Conservation District (KRCD), took roll and reported there was a quorum of members present. Nine (9) of the eleven (11) Authority Member Agencies were present for a total of 85.60% voting shares under the Joint Powers Agreement (JPA).

OTHERS PRESENT

Paula Farris, Astone Agency

Shannon Koontz-Monis, Pacific Gas & Electric Co.

David Orth, Kings River Conservation District

Donna Pepper, Kings River Conservation District

Randy Shilling, Kings River Conservation District
Steve Stadler, Kings River Conservation District
Brian Trevarrow, 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 COMMENTS

There were no public comments.

REPORT FROM THE DIRECTORS

There were no Director reports.

REPORT FROM THE GENERAL MANAGER

David Orth presented a summary of activities noting the San Joaquin Valley Power Authority (Authority) Board last met on August 27, 2009, at which Pacific Gas & Electric Company (PG&E) and Southern California Edison offered information on Local Government Programs and Public Purpose Programs offered by the investor owned utilities (IOU's). He noted that further discussion of that topic was set for later on the agenda. Mr. Orth also reported an ad hoc committee of directors Manfredi, Ford, Pauley and Spikes met on October 23, 2009 to review status of Authority issues and consider an interim work plan. Orth presented a PowerPoint summarizing these discussions.

Regulatory Update/CCA Bond: Mr. Orth reported on September 22, 2009, Special Counsel Scott Blaising of Braun Blaising McLaughlin, P.C., attended the Community Choice Aggregation (CCA) Bond Proceedings. An agreement was reached between the Authority and the IOU's and is now under consideration by the Administrative Law Judge (ALJ).

Opt Out Resolution: Mr. Orth stated CCA program rule Public Utilities (P.U.) Code Section 366.2 (c)(13)(A-C) includes a process that allows customers to opt-out of CCA provided service in order to remain an IOU bundled service customer. Mr. Orth reported the Authority previously expressed concerns to the California Public Utilities Commission (CPUC) Energy Division regarding PG&E's CCA-dedicated webpage and printed marketing material, which enables potential Authority customers to opt-out of CCA service at anytime prior to its commencement. Mr. Orth reported the Energy Division issued draft Resolution E-4250 on January 21, 2010 in response to those concerns. The draft Resolution clarifies that the IOU's should not solicit or accept opt-out requests until the necessary information for an informed decision is made available to customers through the initiation of the notification period provided by P.U. Code Section 366.2 (c)(13)(A-C). This Resolution also promulgates rules preventing IOU's from (1) refusing to sell electricity to CCAs and (2) offering goods, services, or programs as an inducement for a local government not to participate in a CCA.

Direct Access: Mr. Orth reported on October 11, 2009, Governor Schwarzenegger signed Senate Bill (SB) 695 into law which lifts the general suspension of Direct Access, with the following exceptions: (1) Retail non-residential customers are eligible to participate in Direct Access up to a maximum total annual kWh. (2) The maximum total annual kWh will be established as the maximum total annual

kWh supplied by Electric Supply Providers during any sequential 12-month period between April 1, 2008 and October 11, 2009. (3) The CPUC will adopt and implement reopening schedule of not less

than 3 years and not more than 5 years. Mr. Orth noted SB 695 may provide opportunities for Authority members and key customers.

San Francisco Petition to Modify: Mr. Orth presented a summary of a Petition to Modify D.05-12-014, filed January 11, 2010 at the CPUC by the City and County of San Francisco. The Petition notes that AB117 assumes and mandates the "full cooperation" of the utilities with CCA programs. In 2005, at the time the CPUC decided many of the key rules for CCA implementation, the utilities gave no reason to question that CCA's would not receive anything other than their full cooperation, and the utilities themselves proposed that they be barred from marketing against CCA programs. The recently filed petition documents some of PG&E's anti-CCA efforts, including its financial support for the "New Two-Thirds Vote Requirement for Local Electricity Providers" ballot measure and recent mailers and websites attacking the San Francisco CCA program.

Mr. Orth further reported the petition makes five requests: (1) a ban on any utility marketing related to a CCA program; (2) a ban on any other utility conduct that is designed to frustrate or impede a CCA program (except for conduct that a utility can conclusively demonstrate is constitutionally protected); (3) prohibiting utilities from soliciting opt-out requests at any time or dictating the opt-out mechanism, except to the extent the utility is invited to do so by a CCA program; (4) explicitly barring utilities from making deceptive, misleading or untruthful statements regarding a CCA program; (5) clarifying that CCA programs can get temporary injunctive relief to prevent improper utility behavior from inflicting irreparable harm on a CCA program.

Resource Development: Mr. Orth reported discussions continue regarding options and alternatives to moving forward with the proposed 80MW solar project, with Cleantech America and additional small hydro generation opportunities on the Kings River.

Marin Energy Authority: Mr. Orth provided an overview of CCA activities of the Marin Energy Authority (MEA) which had announced that Shell Energy was selected from the twelve (12) bids submitted in response to its Request For Proposals (RFP). The RFP solicited for electric power supply providers to serve Marin's retail customers that participate in MEA's Clean Energy (MCE) program. Mr. Orth further reported a draft contract has been negotiated with the Shell Energy provider and the councils of the nine member jurisdictions have considered the contract. Under terms of the Joint Powers Agreement, MEA members have an opportunity to withdraw during the review period, at this time, only the town of Ross has withdrawn which leaves eight (8) remaining entities. The MEA continues to explore start-up funding through financial institutions.

CleanPower SF (SFPUC): Mr. Orth reported CleanPower SF issued a Request For Proposals soliciting electric power supply providers in November 2009 and received five (5) bids in response. Once a provider has been selected there is a public review/protest period followed by commencement of negotiations and a submission of an Implementation Plan to the CPUC.

RESOLUTION 10-01

Chairman Manfredi asked the Board to consider adopting Resolution 10-01 formally accepting the withdrawal of the City of Selma from the Authority and establishing a withdrawal date of March 11, 2010 with respect thereto.

It was moved by Director Misenhimer, City of Hanford, seconded by Director Rogers, City of Reedley, and approved on a voice vote (voting shares: 79.60% approved, 6.00% abstain, 14.40% absent 0% opposed) to approve Resolution 10-01 formally accepting the withdrawal of the City of Selma from the Authority and establishes a withdrawal date with respect thereto.

RESOLUTION 10-02

Chairman Manfredi asked the Board to consider adopting Resolution 10-02 formally accepting the withdrawal of the City of Lemoore from the Authority and establishing a withdrawal date of March 16, 2010 with respect thereto.

It was moved by Director Meinert, City of Dinuba, seconded by Director Martinez, City of Parlier, and approved on a voice vote (voting shares: 79.60% approved, 14.40% absent, 6.00% abstain, 0% opposed) to approve Resolution 10-02 formally accepting the withdrawal of the City of Lemoore from the Authority and establishes a withdrawal date with respect thereto.

RESOLUTION 10-03

Chairman Manfredi asked the Board to consider adopting Resolution 10-03 formally opposing the proposed California Constitutional Amendment Ballot Initiative entitled “New Two-Thirds Vote Requirement For Local Public Electricity Providers”.

It was moved by Director Pauley, City of Kingsburg, seconded by Director Ford, City of Clovis, and approved on a voice vote (voting shares: 85.60% approved, 14.40% absent, 0% opposed) to approve Resolution 10-03 formally opposing the proposed California Constitutional Amendment Ballot Initiative entitled “New Two-Thirds Vote Requirement For Local Public Electricity Providers”.

APPOINTMENT TO THE SAN JOAQUIN VALLEY CLEAN ENERGY ORGANIZATION

Chairman Manfredi requested the Board to consider appointing a representative to the San Joaquin Clean Energy Organization (SJVCEO) to replace Director Jeff Britz, City of Lemoore. The City of Lemoore will formally withdraw from the Authority in March 2010, and it is appropriate to appoint another member to serve on the Board of Directors for the SJVCEO.

After some discussion, it was moved by Director Meinert, City of Dinuba, seconded by Director Martinez, City of Parlier, and approved on a voice vote (voting shares: 85.60% approved, *14.40% absent, 0% opposed) to appoint Director Pauley, City of Kingsburg, as the representative to the San Joaquin Valley Clean Energy Organization, with Cristel Tufenkjian, Kings River Conservation District to remain as the Alternate Director. (*Director Rogers, City of Reedley departed before the vote)

PRESENTATION OF PUBLIC GOODS PROGRAM

Chairman Manfredi presented an overview of recent meetings and correspondence with the representatives of PG&E regarding opportunities to develop programs and projects for the Authority member’s communities. Manfredi directed the Board to a copy of a letter sent to PG&E, from Chairman Manfredi, on November 17, 2009 regarding the PG&E’s Public Goods Energy programs discussed in a meeting between the Authority’s ad hoc committee and PG&E. The letter expresses the interest of the Authority members to have a voice in what and how Public Goods programs are implemented within their communities. Manfredi reported receiving a response letter from Gary D. Hanson, Manager of PG&E, dated December 30, 2009 noting that the expansion of the Energy Watch Program within Fresno County had been delayed until February or March 2010. Mr. Hanson also stated in his letter, with regards to Kings County, PG&E will consider new opportunities for Local Government Partnerships in 2010 given available funding and resources.

PUBLIC OFFICIALS LIABILITY INSURANCE

Chairman Manfredi requested the Board consider the Authority’s Public Officials Liability Insurance policy which expires January 29, 2010. The expiration date was January 25th, but the insurer extended it four days without charge to allow time for the Board to consider renewal. This coverage protects the members of the Authority Board against claims for money damages arising out of errors or omissions in their capacity as San Joaquin Valley Power Authority Board members. Potential plaintiffs could be rate payers, creditors, or others.

After some discussion, it was moved by Director Pauley, City of Kingsburg, seconded by Director Martinez, City of Parlier, and approved on a voice vote (voting shares: 71.10% approved, 21.90% absent, 0% opposed) to renew the policy for 1 year with a Premium of \$3,025 to be paid equally by the 9 remaining Authority members at \$336 each.

CONSENT CALENDAR

Chairman Manfredi reported the Financial Statements for the months ending December 31, 2009, and the Minutes of the August 27, 2009 Regular Board Meeting would be voted on for approval. It was moved by Alternate Director Meinert, City of Dinuba, seconded by Director Pauley, City of Kingsburg, and approved on a voice vote (voting shares: 78.10% approved, 21.90% absent, 0% opposed) to approve the Consent Calendar, which consisted of Financial Statements for the months ending December 31, 2009, and the Minutes of the August 27, 2009 Regular Board Meeting.

NEXT MEETING DATE

The Authority Board discussed the date of April 22, 2010 at 2:00 p.m. for the next regular meeting of the Board at the offices of the Kings River Conservation District.

ADJOURNMENT

There being no further business, Board Chairman Manfredi adjourned the meeting at 3:12 p.m.

Respectfully submitted,

Secretary

/
/
/