

**San Joaquin Valley Power Authority
Minutes
Regular Board Meeting
April 22, 2010**

Minutes of the Regular Meeting of the Board of Directors (Board) of the San Joaquin Valley Power Authority (Authority) held April 22, 2010 at the offices of Kings River Conservation District, 4886 E. Jensen Avenue, Fresno, California.

Authority Board Chairman Ron Manfredi, City of Kerman, called the meeting to order at 2:30 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 PARLIER

Director Lou Martinez

CITY OF REEDLEY

Alternate Noe Martinez

CITY OF SANGER

Absent

Donna Pepper, Kings River Conservation District (KRCD), took roll and reported there was a quorum of members present. Seven (7) of the nine (9) Authority Member Agencies were present for a total of 82.39% voting shares under the Joint Powers Agreement (JPA).

OTHERS PRESENT

Lisa Bichell, Midrid-Salazar Marketing

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

Hilary Straus, City of Hanford

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

Chairman Manfredi commented on the Energy Watch Program offered by Pacific Gas and Electric Company (PG&E) which provides energy customers a way to save energy through the direct installation of energy efficient measures. Several Authority members who have participated in the Energy Watch Program also commented on their experience with the program.

Director Misenhimer introduced Hilary Straus, Deputy City Manager of Hanford, who was appointed to replace Director Misenhimer as a Director to the Authority Board, and Alternate Director Meinert, City of Dinuba stated he would be retiring April 29, 2010 and Dean Uota, City Engineer, was appointed as his replacement on the Authority Board.

REPORT FROM THE GENERAL MANAGER

David Orth, Kings River Conservation District, acting as the exclusive agent under Section 4.11 of the JPA, presented a summary of activities on the following:

Opt Out Resolution: Mr. Orth stated Community Choice Aggregation (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 service in order to remain an Investor Owned Utilities 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. Mr. Orth further 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). Mr. Orth also reported that on April 8, 2010 the CPUC opposed Resolution E-4250. Specifically, the Resolution directs the utilities to: (1) Modify a CCA tariff rule to ensure that the utilities do not provide an opportunity to customers to opt-out of CCA service before a particular CCA has initiated its own opt-out process and provided information about its rate, terms, and conditions to customers. (2) Prevent utilities from refusing to sell electricity to CCAs simply because they are CCAs. (3) Prevent utilities from offering goods, services, or programs as an inducement for a local government not to participate in a CCA.

Investor Owned Utilities' Activities: Mr. Orth reported PG&E has submitted an application to revise its electric marginal costs, revenue allocation and rate design. Mr. Orth stated that he, along with support and input from special counsel Scott Blaising, Braun & Blaising, P.C., and the Marin Energy Authority filed a request for comment period. The proposed decision from the CPUC has been withdrawn from their April 8, 2010 agenda and will be filed and served for comment.

Energy Efficiency Proceeding: Mr. Orth summarized the CPUC's Rulemaking 09-11-014 Order Instituting Rulemaking to examine the Commission's post-2008 Energy Efficiency Policies, programs, evaluation, measurement, and Verification, and prioritize issues related to the implementation of energy efficiency programs by CCA. Mr. Orth reported the CPUC has been requested to reconsider the process for CCA's regarding access to public goods charges which are presently through the IOU's. Mr. Orth further reported the assigned Administrative Law Judge Darwin E. Farrar held a prehearing conference on March 18, 2010.

Local Government Partnership: Mr. Orth reported he was unaware of the status of the negotiations for local government partnerships with PG&E and asked if any Authority members had been involved in discussions. Mr. Orth requested representatives from PG&E give a briefing at the next meeting.

Petition for Peremptory Writ of Mandate: Mr. Orth reported the Authority Board last met in a Special Meeting on March 16, 2010, at which the Board took action to authorize the Executive Director and Special Counsel to include the San Joaquin Valley Power Authority as a participant in litigation should it be filed regarding Proposition 16. Mr. Orth further reported a civil complaint was jointly filed in Sacramento County Superior Court on March 18, 2010 by the Sacramento Municipal Utility District, San Francisco Local Agency Formation Commission, City and County of San Francisco, City of Moreno Valley, the City of Redding, the California Municipal Utilities Association, the San Joaquin Valley Power Authority, Modesto Irrigation District, and the Merced Irrigation District. The complaint states "The carefully worded text of Proposition 16 profoundly misled the citizens who were induced to sign the petition to qualify it, and will mislead the voters who are asked to adopt it. Proposition 16 is intended and designed by PG&E, the sole sponsor and contributor to the initiative, to use the California Constitution to lock in PG&E's control of electricity service in areas that it now serves so that its customers have no feasible opportunity to choose the lower prices and better service offered by public providers of electricity."

Resource Development: Mr. Orth reported discussions continue regarding options for additional small hydro generation opportunities on the Kings River.

Status of Other CCA Programs: Mr. Orth reported the Marin Energy Authority's (MEA) Implementation Plan was certified on February 2, 2010 and will begin CCA deliveries on May 7, 2010. The MEA has signed a contract with Shell Energy North America as the energy service provider.

Mr. Orth also reported CleanPower SF filed an Implementation Plan with the CPUC on March 3, 2010 and is currently negotiating with a selected energy service provider.

DIRECT ACCESS

Mr. Orth presented a slide presentation and overview explaining 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 kilowatt (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. Mr. Orth further noted that support may be available to Authority members in identifying Preferred

Electric Service Provider, conducting Request For Proposals, account analysis, and other support as necessary. No action was taken.

RENEWABLE ENERGY PROJECT OPPORTUNITIES

Randy Shilling presented an overview of renewable energy opportunities and how Authority members could utilize the San Joaquin Valley Power Authority relationship. Mr. Shilling then outlined previous discussion on solar projects. Mr. Shilling also listed the active solar projects initiated by members and projects currently under negotiations in the cities Lemoore, Sanger, Parlier, and Dinuba. Mr. Shilling reported on possible project financing options and available California Solar Initiative Rebates. Mr. Shilling presented for discussion the possible role of the Authority such as information exchange among members, project request for proposals, pooled financing, and project feasibility analysis. No action was taken.

CONSENT CALENDAR

Chairman Manfredi reported the Financial Statements for the months ending March 31, 2010, and the Minutes of the January 28, 2010 Regular Board Meeting, and the March 16, 2010 Special Board Meeting would be voted on for approval. It was moved by Director Pauley, City of Kingsburg, seconded by Director Martinez, City of Parlier, and approved on a voice vote (voting shares: 82.39% approved, 17.61% absent, 0% opposed) to approve the Consent Calendar, which consisted of Financial Statements for the months ending March 31, 2010, and the Minutes as presented.

NEXT MEETING DATE

The Authority Board discussed the date of July 22, 2010 at 2:30 p.m. for the next regular meeting of the Board at the offices of the Kings River Conservation District.

CLOSED SESSION

There was no closed session held.

ADJOURNMENT

There being no further business, Board Chairman Manfredi adjourned the meeting at 3:40 p.m.

Respectfully submitted,

Secretary

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