

**M-S-R PUBLIC POWER AGENCY  
MEMORANDUM**

**Date:** February 13, 2014  
**To:** M-S-R PPA Technical Committee  
**From:** Martin R. Hopper, General Manager  
**Subject:** Friday, February 21, 2014, M-S-R PPA Technical Committee Special Meeting

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Please find enclosed the agenda for the Friday, February 21, 2014, M-S-R PPA Technical Committee Special Meeting to be held in Sacramento, CA. Please post as required for Brown Act compliance.

Distribution:

Alan Hockenson – KBT  
Dave Arthur – KBT  
Rin Helzerman – NCI  
Steve Gross – General Counsel  
Toxie Burriss - MID  
Roger van Hoy - MID  
Greg Salyer - MID  
David Olivares – MID  
James McFall – MID  
MID Treasurer – MID  
Ed Oborn – MID  
Regina Cox – MID  
Joy Warren - MID  
Cindy Worley – MID  
Steve Hance – SVP  
Ann Hatcher – SVP  
Joyce Kinnear – SVP  
Jan Pepper – SVP  
Elizabeth Hadley – Redding  
Steve Handy – Redding  
Daniel Beans – Redding  
Barry Tippin – Redding

## **M-S-R Public Power Agency**

### **SPECIAL MEETING OF THE TECHNICAL COMMITTEE**

Friday, February 21, 2014, 10:00 AM

KBT, LLC  
915 L Street, Suite 1270  
Sacramento, CA 95814

### **AGENDA**

Any member of the public who desires to address the Committee on any item considered by the Committee at this meeting before or during the Committee's consideration of that item shall so advise the Chair and shall thereupon be given an opportunity to do so.

1. Call to Order
2. Roll Call
3. *Approval of Minutes of January 30, 2014* (attached)
4. *Discussion and Possible Action Regarding Southwest Transmission Project Review* (attached, Martin Hopper)
5. Public Comment
6. *Confirm date and time of next meeting*
7. Adjourn

ALTERNATE FORMATS OF THIS AGENDA WILL BE MADE AVAILABLE UPON REQUEST TO QUALIFIED INDIVIDUALS WITH DISABILITIES.

DRAFT MINUTES OF THE  
M-S-R PUBLIC POWER AGENCY  
TECHNICAL COMMITTEE  
JANUARY 30, 2014

The M-S-R Public Power Agency (M-S-R PPA) Technical Committee held a special meeting on January 30, 2014 at KBT LLC offices in Sacramento, California. A list of the attendees is provided as Attachment 1. Mr. Hopper chaired the meeting.

Roll Call/Call to Order

The following M-S-R Members were represented: Modesto Irrigation District – James McFall, City of Santa Clara – Joyce Kinnear, City of Redding – Steven Handy. The meeting was called to order at 10:30 a.m.

Presentation by DATC

Will Hazelip and Elizabeth Paynter of DATC made a presentation regarding their proposal to acquire M-S-R PPA's interests in the Southwest Transmission Project. The committee members indicated they will continue to take this proposal under advisement.

Closed Session Conference with Legal Counsel

Pursuant to Government Code Section 54956.9(d)(1), the M-S-R PPA Technical Committee retired to closed session at 11:05 a.m. to Conference with Legal Counsel - 5 Existing Cases (10<sup>th</sup> US Circuit Court of Appeals 11-9557 et al., EL-11-44 - BPA, OS-14-E-BPA, EF13-7-000 et al, and BP-14-E-BPA)

Announcement from Closed Session

Upon returning to open session at 12:15 p.m., Mr. Hopper reported that no reportable actions had been taken in the closed session.

Approval of Minutes

Upon a motion by Mr. McFall, seconded by Ms. Kinnear, the minutes of the meetings held on January 9, 2014 and January 15, 2014 were unanimously approved.

#### Annual San Juan 10-Year Forecast

Mr. Hopper provided a review draft of the 2014 San Juan Project 10-Year Cost Forecast. He noted the forecast has been prepared using status quo assumptions and will need to be extensively revised upon the successful conclusion of the San Juan Project restructuring negotiations. Upon a motion by Ms. Kinnear, seconded by Mr. Handy, the committee unanimously recommended the M-S-R PPA Commission adopt the proposed 2014 San Juan Project 10-Year Cost Forecast.

#### Southwest Transmission Review

The Committee then reviewed the three proposals received in response to the Agency's Request for Proposals on Southwest Transmission Review. The Committee evaluated the proposals based on merit and responsiveness to the workscope out-lined in the proposal and determined to interview two candidates at a special meeting to be held February 21, 2014.

#### Public Comment

Mr. Hopper solicited comment from the Public and received none.

#### Next Meeting

There being no further business, the next meeting date will be a special meeting at 10:00 a.m. on February 21, 2014 to be held at the KBT LLC offices in Sacramento, CA. The meeting was adjourned at 1:22 p.m.

Respectfully submitted,

Martin R. Hopper  
General Manager

ATTENDANCE LIST  
M-S-R PUBLIC POWER AGENCY  
TECHNICAL COMMITTEE  
MEETING

January 30, 2014  
10:30 AM

<u>NAME</u>	<u>STATUS</u>	<u>ORGANIZATION</u>
Dan Beans	Guest	Redding (telephonic)
Steve Gross	Guest	General Counsel (telephonic)
Elizabeth Hadley	Guest	Redding (telephonic)
Steven Handy	Member	Redding
Martin Hopper	Chair	General Manager
Joyce Kinnear	Member	Santa Clara
James McFall	Member	Modesto
Martin Cabarello	Guest	Modesto
Pete Scanlon	Guest	Special Counsel (telephonic)

DRAFT

## **M-S-R Public Power Agency Staff Report**

**Date:** February 13, 2014  
**From:** Martin R. Hopper, General Manager  
**To:** M-S-R PPA Technical Committee  
**Subject:** Southwest Transmission Project Review

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The scope of work for consultants responding to the Request For Proposals (RFP) issued December 9, 2013 is to develop recommendations on the best means to extract value from the Southwest Transmission Project (SWTP) for the benefit of M-S-R PPA, its Members and their ratepayers and to options including, but not be limited to, possible include combinations of the following:

1. Retain the SWTP asset through the termination or disposition of M-S-R PPA's interests in the San Juan Project,
2. A sale of the Southwest Transmission Project assets,
3. Becoming a Participating Transmission Organization (PTO) with the CAISO, or
4. A long-term layoff of the SWTP with retention of underlying ownerships.

Based on a merit-based review including determinations of which candidates:

1. Best met the requirements of the scope of work,
2. Had the most thorough background in reviewing transmission projects, and
3. Had the staffing to provide the required analysis skills;

the Committee recommended interviewing two candidates in depth on February 21, 2014.

Ninety-minute interviews will be conducted at 10:30 AM and 1:30 PM. The interviews will include a presentation by the consultant of its proposal and team followed by a question and answer/discussion period.

The goal of the Technical Committee will be to develop a consensus recommendation to the Commission for consideration at its March 19, 2014 meeting.