



SOUTH FEATHER WATER & POWER AGENCY

TO: Board of Directors

FROM: Michael Glaze, General Manager

DATE: July 19, 2006

RE: General Information (regarding matters not scheduled on the agenda)
7/25/06 Board of Directors Meeting

Environmental & Safety Manager Recruitment

Scott Alcantara came on board July 5 as the Agency's new Environmental and Safety Manager. I've asked him to attend the Board meeting so you and he can meet each other, and to come prepared to summarize his efforts to date and to give you an idea of what he perceives his initial priorities as being.

Power Marketing

Jeff Meith and I met with PG&E representatives immediately after your special meeting on July 11 to discuss preliminary concepts about what a future power-purchase agreement might look like between our two organizations. The Agency's current agreement with PG&E runs through the middle of 2010, so (as we have done throughout or relicensing process) we are getting an early start on exploring whether we should continue wholesaling our power to PG&E.

At the end of the four-hour meeting, the consensus opinion was that there are a sufficient number of mutual benefits that would likely be attendant in a future power-purchase agreement to warrant continuing negotiations. It was agreed that over the next month or two PG&E will develop a pricing proposal for our consideration. Once that is available for review, it will be easier to assess PG&E's commitment to a competitive and mutually profitable power-marketing partnership after 2010.

Special Districts Candidate Filing Period

The last day for special districts candidates to file Declarations of Candidacy and their Statement of Qualifications with the Butte County Elections Department (25 County Center Dr.) is August 11.

Annual Facilities Tour

Based on the reaction of the guests I visited with during our recent facilities tour, my impression is that it went well. However, I would appreciate your input about ways we might make it better in the future.