

**ACTION MINUTES OF REGULAR MEETING
BOARD OF PUBLIC UTILITIES COMMISSIONERS
CITY OF TULARE**

October 26, 2016

A special meeting of the Board of Public Utilities Commissioners, City of Tulare, was held on Wednesday, October 26, 2016, at 3:00 p.m., in the Tulare Public Library & Council Chambers.

BOARD MEMBERS PRESENT: Philip Smith, Edward Henry, Jim Pennington,

BOARD MEMBERS ABSENT: Lee Brehm, Dick Johnson

STAFF PRESENT: Paul Melikian, Dave Hale, Joe Carlini, Darlene Thompson, Trisha Whitfield, Josh Rogers, Benjamin Siegel, Shonna Oneal

I. CALL TO ORDER SPECIAL SESSION:

President Pro Tem Smith called the special session to order at 3:00 p.m.

II. PLEDGE OF ALLEGIANCE:

Board Member Pennington led the Pledge of Allegiance.

III. CITIZEN'S REQUEST OR COMMENTS: *This is the time for citizens to comment on items within the jurisdiction of the Board. The Board cannot legally discuss or take official action on citizen comments that are introduced tonight. Each speaker will be allowed **three minutes**, with a maximum time of 10 minutes per item, unless otherwise extended by the Board.*

There were no citizen comments presented.

IV. GENERAL BUSINESS:

(1) Approve a twenty (20) year Power Purchase Agreement with Fuel Cell Energy of Danbury, Connecticut, and one of two gas purchase agreement alternatives 1) a fixed rate of \$4.00 per MMBtu or 2) a variable monthly index price, with Direct Energy of Houston, Texas for three (3) years, subject only to minor conforming or clarifying changes acceptable to the City Attorney; and authorize the City Manager to execute the approved agreements. Public Works Director Joe Carlini provided a report for the Board's review and consideration and introduced Chris Ott and Patrick McLafferty of Hydros Agritech, Inc. Mr. Ott addressed the Board regarding the urgency to expedite this matter and apologized to the Board for the need to hold a Special Meeting. Ben Tobey of Fuel Cell Energy addressed the Board regarding the short timeframe in providing the documents for review and the motivation for approving the proposed Power Purchase Agreement (PPA) prior to the end of Fuel Cell Energy's fiscal year. Patrick McLafferty of Hyrdos Agritech, Inc. provided a PowerPoint

Presentation highlighting the project description, the proposed PPA, estimated savings, and the options for purchasing natural gas. Ann Trowbridge, Special Counsel for the City of Tulare, addressed the Board regarding her review and analysis of the proposed PPA and also provided comments regarding the proposed Gas Purchase Agreements options with a third party. City Attorney Dave Hale advised the Board of his concern regarding potential bankruptcy issues related to the fixed 3-year Gas Purchase Agreement and deferred to Special Council regarding the index price Gas Purchase Agreement. Interim City Manager Paul Melikian addressed the Board regarding his experience with Power Purchase Agreements.

President Pro Tem Smith briefly exited the Council Chambers at 3:53 p.m. and a brief recess was taken because of a lack of a quorum. President Pro Tem Smith returned to the Council Chambers at 3:54 p.m. and the meeting resumed.

Following discussion it was moved by Board Member Henry, seconded by Board Member Pennington and carried 2-1 (President Brehm and Board Member Johnson absent, President Pro Tem Smith voting no) to approve the 20 Year PPA with Fuel Cell Energy. Deputy City Clerk/Budgets Coordinator Shonna Oneal sought clarification regarding the motion. Following a brief discussion it was moved by Board Member Henry, seconded by Board Member Pennington and carried 3-0 (President Brehm and Board Member Johnson absent) to approve the 20 Year PPA with Fuel Cell Energy subject only to minor conforming or clarifying changes acceptable to the City Attorney and to authorize the City Manager to execute the approved agreements.

V. ADJOURN SPECIAL MEETING:

President Pro Tem Smith adjourned the regular meeting at 4:12 p.m.

President of the Board of Public Utilities
Commissioners of the City of Tulare

ATTEST:

Secretary of the Board of
Public Utilities Commissioners