SMUD™

NOTICE OF SPECIAL MEETING

TO: Directors Howard Posner, Bill Slaton, Larry Carr, Genevieve Shiroma, Rob Kerth, and Renèe Taylor

This is to notify you that the **Policy Committee** of the Board of Directors will meet on **Tuesday, January 17, 2012, scheduled to begin at 5:00 p.m.** in the **Headquarters Conference Center of the SMUD Headquarters Building** at 6201 S Street, Sacramento, California. No Board action will be taken. The purpose of the meeting will be to review, discuss, and provide the Committee's recommendation on the following items:

COMMENTS FROM THE PUBLIC ARE WELCOMED WHEN THE AGENDA ITEM IS CALLED MEMBERS OF THE PUBLIC MAY ALSO SPEAK ON ITEMS NOT ON THE AGENDA.

DISCUSSION ITEMS

1. Authorize the General Manager to execute a Letter of Intent with a subsidiary of **Citigroup Global Markets, Inc.** to negotiate the sale of **Solano Phases 1 and 2** Wind Projects and authorize the General Manager to negotiate definitive agreements with a subsidiary of **Citigroup Global Markets, Inc.** to bring to the Board in the second quarter of 2012.

2. Accept the monitoring report for **Strategic Direction SD-13, Economic Development.**

3. Authorize the General Manager to execute a five-year performance-based incentive payment to **Golden State Energy, LLC** or other designated **PV System Owner** under **SMUD's SB1 Photovoltaic Incentive Program** with a capacity up to 529 kW CEC-AC photovoltaic installation located at **Depot Park,** including performance-based incentive payments to the PV System Owner with an expected total payment stream of $913,000.00.

4. Authorize the General Manager to execute a five-year performance-based incentive payment to **SolarCity** or other designated **PV System Owner** of two photovoltaic installations located on City of Sacramento facilities described as **Fairbairn Water Treatment Plant** and **Sacramento Water Treatment Plant** under **SMUD's SB1 Photovoltaic Incentive Program** with a capacity up to 1.92 GWh, including performance-based incentive payments to the PV System Owner with an expected total payment stream of $1,950,000.00.

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INFORMATIONAL ITEM

5. Board Work Plan.

Dated: January 13, 2012

lad Nancy Bui-Thompson DL

Nancy Bui-Thompson, President
Board of Directors
Sacramento Municipal Utility District

Note: Accommodations are available for the disabled public. If you need a hearing assistance device or other aid, please contact Debbie Nevius at (916) 732-6147 in advance of this meeting.

Members of the public wishing to inspect public documents related to agenda items may call (916) 732-6147 to arrange for inspection of the documents at the SMUD Headquarters Building, 6201 S Street, Sacramento, California 95817.