

MINUTES OF THE MAY 17, 2007
REGULAR MEETING OF THE
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

A regular meeting of the Board of Directors was held on May 17, 2007, at the offices of the Imperial Irrigation District, 81-600 Avenue 58, La Quinta, and California.

The meeting was called to order at 10:42 a.m. by President David Wright.

The following Board members (M) and alternates (A) were present and acting in their capacity as representative for their utility: Mark Ward, Anaheim (A); Joseph Hsu, Azusa, (M); James D. Earhart, Banning (M); Frederic C. Fletcher, Burbank (A); Jeannette Olko, Colton (M); Daniel W. Waters, Glendale (M); Mario Escalera, Imperial (M); Enrique Martinez, Los Angeles, (A); Phyllis E. Currie, Pasadena (M); David Wright, Riverside (M).

Staff present were: Executive Director Bill D. Carnahan; SCPPA staff members Phyllis Brown, Steven L. Homer, Richard M. Helgeson, Craig A. Koehler, and Geri L. Mitchell; and Joan Ilagan and Jocelyn Mariano, SCPPA Accounting.

Attorneys and consultants present included: Stephen Cole, Fulbright & Jaworski; Oscar E. Escobar, Niesar Curls Bartling & Whyte.

1. Notice/Agenda Opportunity for the Public to Address the Board

President Wright afforded the public an opportunity to address the Board.

2. Approval of Minutes

Ms. Currie moved to approve the minutes of the meeting held April 19, 2007. The motion was seconded by Mr. Hsu, and unanimously approved.

3. Executive Director's Report

Mr. Carnahan referenced his written report and discussed the highlights and issues relating to AB 1368 and SB 32.

Mr. Carnahan presented Resolution No. 2007-14, authorizing a legal services agreement with Robert Ferdon on behalf of the members. Mr. Martinez moved that Resolution No. 2007-14 be approved. The motion was seconded by Mr. Fletcher and unanimously approved.

Mr. Carnahan presented Resolution No. 2007-15, authorizing consulting agreements with certain former Magnolia Power Project consultants for assistance with member generation projects. Mr. Ward moved that Resolution No. 2007-15 be approved. The motion was seconded by Ms. Currie and unanimously approved.

4. Finance and Accounting Manager's Report

Mr. Koehler reported on the May 7, 2007, meeting of the Finance Committee, and presented the investment reports for the month and quarter ended March 31, 2007, and the unaudited financial statements for the quarter ended March 31, 2007, to be received and filed.

Mr. Koehler presented Resolution No. 2007-16, authorizing a Third Supplemental Indenture of Trust, a Standby Bond Purchase Agreement and an Official Statement, all relating to the refunding of certain Magnolia Power Project bonds. Mr. Ward moved that Resolution No. 2007-16 be approved. The motion was seconded by Ms. Currie and approved by Project Roll Call Vote, with Cerritos and Vernon absent, and Azusa, Banning, and Riverside present but not voting.

Mr. Koehler present Resolution No. 2007-17, authorizing a Supplemental Indenture of Trust for the Natural Gas Acquisition Project. Ms. Currie moved that Resolution No. 2007-17 be approved. The motion was seconded by Ms. Olko and approved by Project Roll Call Vote, with Cerritos and Vernon absent, and Azusa, Banning, and Riverside present but not voting.

Mr. Koehler present Resolution No. 2007-18, authorizing the issuance of bonds for the upgrade of the Southern Transmission System, and related documents. Mr. Martinez moved that Resolution No. 2007-18 be approved. The motion was seconded by Ms. Currie and approved by Project Roll Call Vote, with Cerritos and Vernon absent, and Azusa, Banning, Colton, and Imperial present but not voting.

Mr. Koehler presented Resolution No. 2007-19, approving the SCPA Administrative and General Budget for fiscal year 2007/2008. Mr. Hsu moved that Resolution No. 2007-19 be approved. The motion was seconded by Mr. Ward and unanimously approved.

Mr. Koehler presented Resolution No. 2007-20, approving the Legislative Advocacy Expense Budget (General) for fiscal year 2007/2008. Ms. Currie moved that Resolution No. 2007-20 be approved. The motion was seconded by Mr. Ward and unanimously approved.

Mr. Koehler presented Resolution No. 2007-21, approving the Government Affairs Expense Budget (Sacramento) for fiscal year 2007/2008. Ms. Currie moved that Resolution No. 2007-21 be approved, with corrections to Exhibit A as discussed. The motion was seconded by Mr. Earhart and unanimously approved.

Mr. Koehler presented Resolution No. 2007-22, approving the Restructuring Account Expense Budget for fiscal year 2007/2008. Mr. Waters moved that Resolution No. 2007-22 be approved, with corrections to Exhibit A. The motion was seconded by Mr. Earhart and unanimously approved.

5. Energy Systems Manager's Report

Mr. Carnahan referenced the written report, and discussed efforts relating to renewables, energy efficiency, and the Lake Elsinore Pumped Storage Project. It was agreed to form an ad hoc committee to discuss solar rebates and programs.

6. Government Affairs Manager's Report

Ms. Brown presented her written report, and discussed legislative activities in Sacramento and Washington, D.C.

7. Project Administrator's Report

Mr. Homer referenced the written reports, and updated the Board on issues at Palo Verde and San Juan.

Mr. Homer presented the budgets for fiscal year 2007/08 for Magnolia Power Project, Mead-Adelanto Transmission Project, Mead-Phoenix Transmission Project, Barnett Natural Gas Reserves Project, Pinedale Natural Gas Reserve Project, Ormat Geothermal Project, Palo Verde Power Project, San Juan Unit 3 Project, and Southern Transmission System Project, with Resolutions 2007-23 through 2007-31, respectively.

Mr. Earhart moved that resolutions 2007-23 through 2007-31 be approved by Project Roll Call Votes, with a yes vote by any member, signifying a vote of yes with respect to all projects in which that member participates; and with respect to projects in which that member does not participate, signifying that they are present but not voting; and with respect to Los Angeles, that they are present but abstaining.

The motion was seconded by Mr. Waters and approved by Roll Call Vote, with Cerritos and Vernon absent, and all other members voting yes.

8. Adjournment

There being no further business, the meeting was adjourned at 12:22 p.m.

Respectfully submitted,

Mario Ignacio
Assistant Secretary